

# Lannebo Sverige Plus

Swedish-registered equity fund

Monthly report  
December 2018

**Risk information:** Past returns are no guarantee of future returns. The money invested in the fund may increase or decrease in value and it is not certain that you will get back all the capital you have invested. The key investor information document and prospectus can be found at [www.lannebo.se](http://www.lannebo.se). Please note that Lannebo Fonder does not produce investment recommendations or other information recommending or suggesting an investment strategy. Information in this monthly report should not be seen as anything other than a statement of the fund's trading activities and holdings.

## The fund's investment policy

Lannebo Sverige Plus is an actively managed equity fund that primarily invests in shares on the Swedish stock market. The fund is similar to a traditional equity fund, but with more flexible investment rules. The "Plus" label reflects the fund's ability to invest more than 100 per cent of the fund's assets. For example, the fund can invest 130 per cent in shares that the fund managers are positive about and balance this by reducing its equity exposure by 30 per cent through the sale of shares that the fund does not own, i.e. short selling.

## The fund is suitable for those who:

- want a Swedish equity fund with greater opportunities
- want an actively managed fund with investments based on a clear understanding of each individual

## Fund manager comment

December was marked by a reduced risk appetite on the world's equity markets. Increased political uncertainty together with a number of profit warnings pressured shares negatively. Both the US central bank and the Swedish Riksbank raised their key policy rate by 25 basis points to 2.25-2.50 and -0.25 respectively. It was the first increase by the Riksbank since 2011. During December, a general slowdown in demand in and from China continued. Car sales fell sharply according to data released in November. It now looks as if 2018 will be the first year in two decades of falling car sales in China. The price of pulp also continued to fall in the country, albeit from historically high levels. For Nordic companies, the effects of trade tariffs and general cost inflation continue to materialize, which is expected to put pressure on profitability as volume growth slows down.

Lannebo Sverige Plus decreased by 7.3 per cent in December, while the benchmark index, SIXPRX, decreased by 6.0 per cent. The World Index, MSCI AC World, decreased by 7.2 per cent, and in the US the S&P 500 decreased by 9.0 per cent. The Euro STOXX 50 decreased by 5.2 per cent.

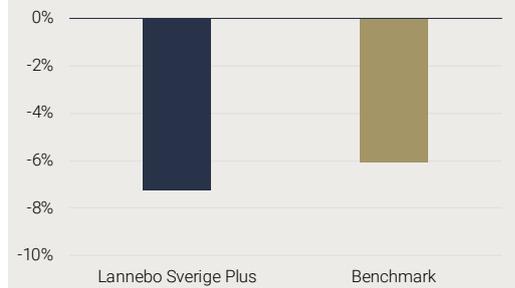
Nokia, Ericsson and Telia were holdings that developed better than the stock market as a whole with share price changes of 4, 3 and 0 per cent respectively. The share prices in Ericsson and Nokia have developed positively due to concerns of possible security issues with products from the Chinese competitor Huawei. An increasing number of countries are highlighting the problem of deploying mobile telephony networks with products linked to Chinese interests. Both Ericsson and Nokia have recently secured a number of agree-

ments related to a swap- or upcoming new installations of 4G and 5G equipment; price pressure is also expected to lessen from Huawei and ZTE's aggressive pricing policies for future procurement processes. During December, Telia agreed to sell its assets in Uzbekistan and Kazakhstan. The company also participated, and won, parts of the procurement regarding new frequency bands. Telia paid SEK 1.4 billion for its share, which enables a good position in 5G services.

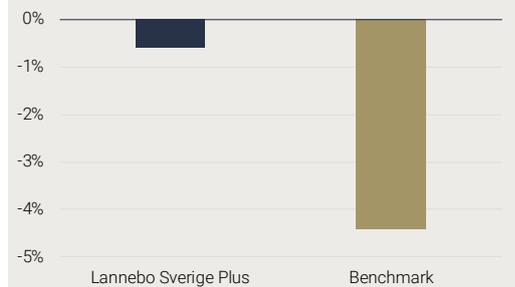
H&M, Veoneer and Autoliv developed weaker than the market as a whole and fell by 25, 24 and 18 per cent respectively. H&M reported Q4 sales figures that were in line with market expectations. Sales including VAT increased in local currencies by six per cent. British clothing company ASOS issued a profit warning, where the month of November was troubling with big sales at competitors. Veoneer and Autoliv, with explicit exposure to global car production and sales, are still under pressure. Chinese production weakened, while trade tariffs and a new European test cycle are affecting decisions in the automobile market. The share price declines are substantial and imply a very weak development of Autoliv's profits and Veoneer's order intake and future profits.

In December, the fund bought shares in H&M, Epiroc and Volvo, while the holdings in Telia, Investor and Nokia were reduced.

## Monthly performance



## Performance year-to-date



| Performance (%)                 | Lannebo Sverige Plus | Benchmark |
|---------------------------------|----------------------|-----------|
| December 2018                   | -7.3                 | -6.0      |
| Year 2018                       | -0.6                 | -4.4      |
| 3 years                         | 22.9                 | 14.7      |
| 5 years                         | 72.6                 | 46.9      |
| 10 years                        | 360.4                | 268.8     |
| Since launch (12/11/2008)       | 360.4                | 262.5     |
| Average annual return 24 months | 4.4                  | 2.3       |

## Monthly performance (%)

| Jan | Feb | Mar  | Apr  | May  | Jun  |
|-----|-----|------|------|------|------|
| 0.8 | 1.2 | -0.9 | 5.2  | -1.1 | -0.4 |
| Jul | Aug | Sep  | Oct  | Nov  | Dec  |
| 4.9 | 1.7 | 1.6  | -6.3 | 0.7  | -7.3 |

| Annual performance (%) | Lannebo Sverige Plus | Benchmark |
|------------------------|----------------------|-----------|
| 2017                   | 8.8                  | 9.5       |
| 2016                   | 13.3                 | 9.6       |
| 2015                   | 13.4                 | 10.5      |
| 2014                   | 23.4                 | 15.9      |
| 2013                   | 28.2                 | 28.0      |

The annual performance of the fund is calculated from the NAV per unit in the final accounts.

**LANNEBO**

## 10 largest holdings

| Holding                   | % of the fund |
|---------------------------|---------------|
| H&M B                     | 7.5           |
| Swedbank A                | 5.3           |
| Ericsson B                | 5.2           |
| Tele2 B                   | 5.1           |
| Volvo B                   | 5.1           |
| Nordea                    | 5.0           |
| Electrolux B              | 4.8           |
| AstraZeneca               | 4.7           |
| ABB                       | 4.6           |
| Investor B                | 4.5           |
| Total 10 largest holdings | 51.8          |
| Cash                      | 3.8           |
| Total number of holdings  | 31            |

## Major changes during the month

| Buy    | Sell     |
|--------|----------|
| H&M    | Telia    |
| Epiroc | Investor |
| Volvo  | Nokia    |

## Financial ratios

|                                       | Lannebo Sverige Plus | Benchmark |
|---------------------------------------|----------------------|-----------|
| Sharpe ratio                          | 0.5                  | 0.3       |
| Total risk (%)                        | 12.0                 | 11.1      |
| Tracking error                        | 3.8                  |           |
| Information ratio                     | 0.5                  |           |
| Alpha                                 | 0.2                  |           |
| Beta                                  | 1.0                  |           |
| Active share (%)                      | 57                   |           |
| Gross equity exposure (%)             | 100                  |           |
| Net equity exposure (%)               | 96                   |           |
| Portfolio turnover ratio (12/31/2018) | 1.9                  |           |

## Explanations

### Benchmark

SIX Portfolio Return Index. The unit price of the fund is set before the price of the index is calculated. This can sometimes result in a misleading comparison between the two.

### Sharpe ratio

A measure of the fund's return taking into account the total risk the fund has had during the period. Calculated as the ratio between the fund's return minus the risk-free rate of return and the fund's total risk (standard deviation). The information is based on monthly data and relates to the latest 24 months.

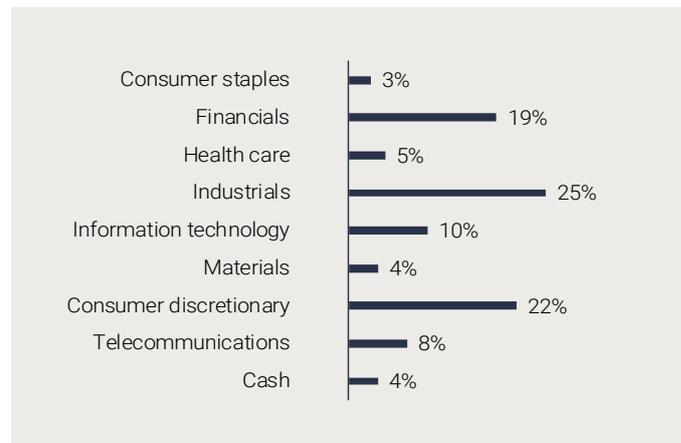
### Total risk

Given as the standard deviation of variations in the total return of the fund or index. The information is based on monthly data and relates to the latest 24 months.

### Tracking error

A measure that describes how closely the performance of the fund tracks the performance of the benchmark index. Calculated as the standard deviation of the difference between the return on the fund and a benchmark index. The information is based on monthly data and relates to the latest 24 months.

## Sector allocation



## Risk and reward profile



## Fund facts

|                           |                                 |
|---------------------------|---------------------------------|
| Fund manager              | Martin Wallin & Robin Nestor    |
| Launch date               | 12/11/2008                      |
| NAV per unit (SEK)        | 44.88                           |
| Fund size (SEKm)          | 5,983                           |
| Management fee            | 1.0% + 20% of any excess return |
| Return threshold          | SIX Portfolio Return Index      |
| Bankgiro                  | 346-3585                        |
| ISIN                      | SE0002686584                    |
| Trading frequency         | Daily                           |
| Minimum investment amount | SEK 100                         |
| PPM number                | 490,292                         |
| Supervisory authority     | Finansinspektionen              |
| LEI                       | 549300W8FUNESQQE9448            |

### Information ratio

A measure of risk-adjusted return. This is measured as the active return divided by the portfolio's active risk. The information is based on monthly data and relates to the latest 24 months.

### Alpha

Describes the effect of the portfolio manager's decisions on the return of the fund. A positive alpha value is the risk-adjusted excess return relative to the return of the benchmark. The information is based on monthly data and relates to the latest 24 months.

### Beta

Describes the sensitivity of the fund's value to changes in the market's value. The beta value reports how much the fund's value changes in percentage terms when the market's value changes by one percentage point. The information is based on monthly data and relates to the latest 24 months.

### Active share

A measure of the proportion of the portfolio that differ from the benchmark.