

**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 High Yield Allocation is an actively managed fixed income fund that primarily invests in high yield corporate bonds predominantly from issuers in the Nordic region. High-yield bonds are securities issued by companies with a lower credit rating. The average maturity of the fund's holdings is 3-5 years, but may at times deviate from this range. Investments in foreign currency are always hedged.

### The fund is suitable for those who:

- want a higher return than traditional fixed income funds and who are willing to take on a slightly higher risk
- want an actively managed fund where a thorough company analysis creates long-term returns
- want a well-diversified fund of corporate bonds

### Fund manager comment

Lannebo High Yield Allocation increased by 0.6 per cent in January. The Nordic credit markets picked-up during the month after falling at the end of 2018. Bond prices increased across the entire asset class, and credit spreads - the difference between the risk-free interest rate and the interest rate on corporate bonds - decreased on both investment grade and high yield. However, Nordic primary credit markets were cautious.

Swedish long-term interest rates fell slightly in January. The Swedish 5-year government bond yield fell by 4 basis points to -0.07 per cent. However, the 3-month Stibor increased from -0.13 to -0.07 per cent. The fund has a low interest rate risk, which means that a change in the long-term interest rate has no major impact on the fund.

At the end of 2018, the Riksbank, with Stefan Ingves at the helm, raised the Swedish repo rate for the first time in seven years by 0.25 basis points to -0.25 per cent. According to the Riksbank, the economy is strong, and conditions are good for inflation to reach near the target rate going forward. The need for a very expansionary monetary policy has declined somewhat and the repo rate forecast indicates that the next increase is likely to take place during the second half of 2019. With a repo rate of -0.25 per cent, monetary policy is still expansionary and thus continues to support the economy. Both the Federal Reserve and the ECB drew back in their rhetoric on monetary policy, where in the US it is now less likely that there will be more interest rate hikes. The market has even discounted an interest rate cut.

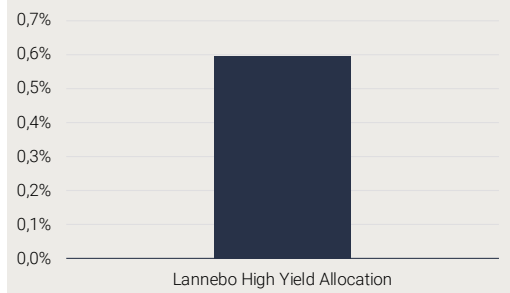
The ECB has yet to increase rates, and in light of declining growth and continued low inflation, it is likely that they will refrain from raising the interest rate in 2019.

Credit duration, the average maturity of all the holdings in the fund, was unchanged at 2.5 years. The interest rate duration, measured as the average interest period, decreased slightly to 0.4 years. The strategy for the fund is to maintain a balanced interest rate duration as protection against rising interest rates. The fund hedges all foreign currency exposure to Swedish krona.

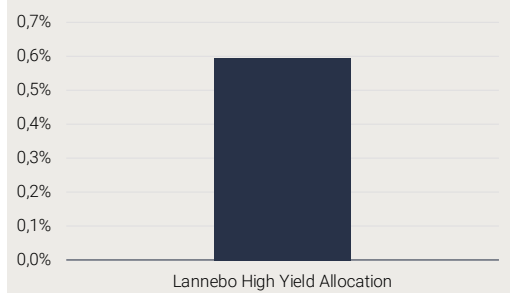
The primary credit market continued its Christmas holiday in January with only a few new issues; the fund did not participate in any of these issues during the month. Opus redeemed its bonds prematurely and as such the holding was no longer included in the portfolio.

The largest issues at the end of the month were: Cibus Nordic Real Estate, Containerships, Ocean Yield, Ropohold and Color Group.

### Monthly performance



### Performance year-to-date



Performance (%)	Lannebo High Yield Allocation
January 2019	0.6
Year 2019	0.6
3 years	14.0
Since launch (01/30/2015)	15.0
Average annual return 24 months	2.9

Monthly performance (%)					
Jan	Feb	Mar	Apr	May	Jun
0.6					
Jul	Aug	Sep	Oct	Nov	Dec

Annual performance (%)	Lannebo High Yield Allocation
2018	1.0
2017	5.1
2016	5.6
2015	2.0*

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

\* Refers to the period 01/30/2015-12/31/2015

# Lannebo High Yield Allocation

Swedish-registered fixed income fund

Monthly report  
January 2019

## 10 largest holdings

Holding	% of the fund
Cibus Nordic Real Estate	4.5
Containerships	4.1
Ocean Yield	3.7
Ropohold	3.5
Color Group	3.4
Teekay LNG	3.1
Fjord1	3.0
DSV Miljø Group A/S	2.9
Pioneer Public Properties	2.9
Jyske Bank	2.8
Total 10 largest issuers	34.1
Cash	9.4
Total number of issuers	40

## Major changes during the month

Buy	Sell
Teekay LNG	Opus (redemption)

## Financial ratios

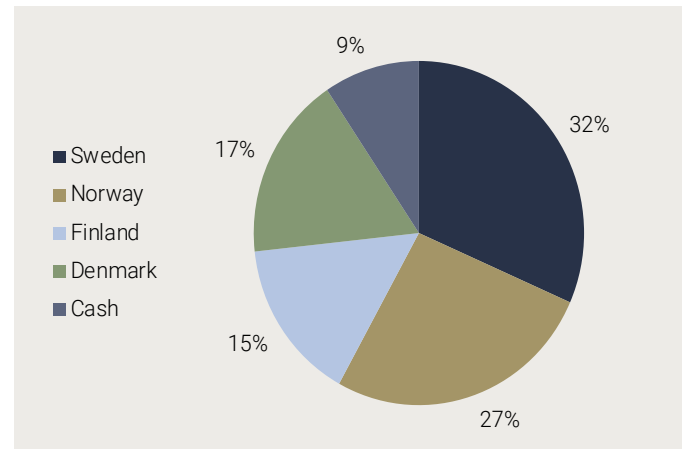
Lannebo High Yield Allocation	
Total risk (%)	1.0
Interest-rate duration (years)	0.4
Credit duration (years)	2.5
Portfolio turnover ratio (12/31/2018)	0.3
Weighted average credit scoring (based on internal assessments)	BB-

Maturity profile	% of the fund
< 1 year	10
1-3 years	52
3-5 years	38
> 5 years	-

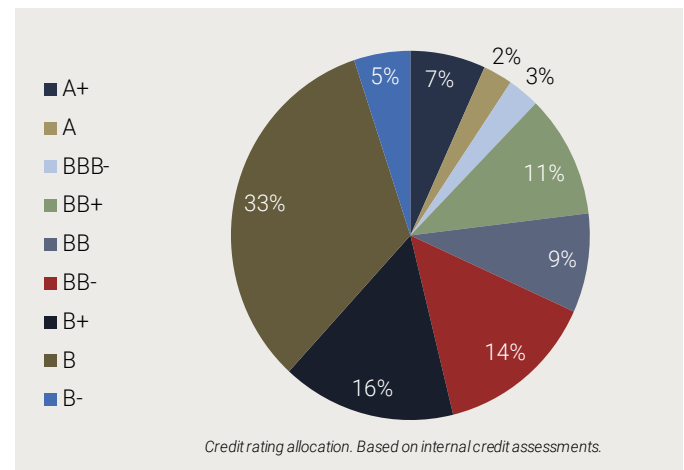
## Fund facts

Fund manager	Karin Haraldsson & Katarina Ponsbach Carlsson
Launch date	01/30/2015
NAV per unit (SEK)	115.03
Fund size (SEKm)	748
Management fee	0.9%
Bankgiro	584-9369
ISIN	SE0006421855
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300XRFONRDKE3IM10

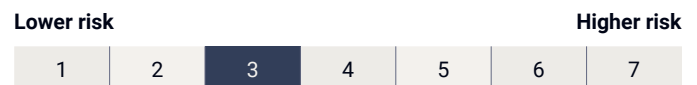
## Country allocation



## Credit scoring allocation



## Risk and reward profile



## Explanations

### Total risk

Given as the standard deviation of variations in the total return of the fund.

All financial ratios are calculated according to guidelines of the Swedish Investment Fund Association.

### Credit duration

Weighted average maturity.

### Interest-rate duration

Weighted average life.