

Lannebo High Yield Allocation

Swedish-registered fixed income fund

Monthly report

March 2019

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. 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 0.3 per cent in March and has increased 1.5 per cent so far this year. The Nordic credit markets continued to build on the positive gains from February where there was a sound risk appetite. The market activity was good in both the primary and secondary markets.

Swedish long-term interest rates decreased in March. The Swedish 5-year government bond yield decreased from -0.04 per cent to -0.24 per cent. The 3-month Stibor on the other hand increased from -0.07 per cent to +0.1 per cent during the month, the highest level since 2015. The fund has a low interest rate duration, which means that a change in the long-term interest rate has no major impact on the fund.

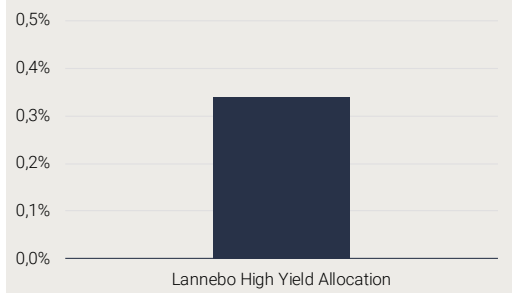
The Riksbank, in their February meeting, left the repo rate unchanged at -0.25 per cent and the bank continued to signal a lowering of the policy rate in the second half of 2019.

Credit duration, the average maturity of all the holdings in the fund, was unchanged at 2.2 years. The interest rate duration, measured as the average interest period, was 0.3 years. The share of corporate bonds consists mainly of FRN-loans, which are bonds with a variable interest rate. The continued strategy of the fund is to maintain a low interest rate risk to protect the fund against rising interest rates. The fund hedges all foreign currency exposure to Swedish krona.

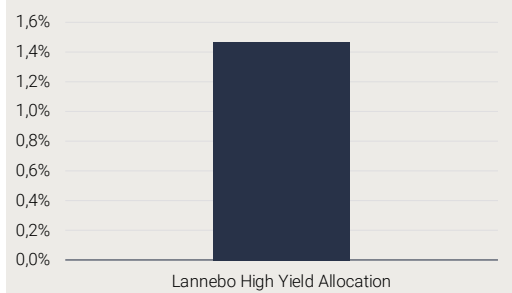
The positive performance on the new issues market continued and the fund participated in a new issue by Norwegian Hexagon Composites, which issued a bond with a four-year maturity. Three of the fund's holdings - Containerships, Ropo and Caverion - announced they would redeem their loans early.

The largest issues at the end of the month were: Cibus Nordic Real Estate, Hexagon Composites, Containerchips, Ocean Yield and SEB.

Monthly performance



Performance year-to-date



Performance (%)	Lannebo High Yield Allocation
March 2019	0.3
Year 2019	1.5
3 years	15.3
Since launch (01/30/2015)	16.0
Average annual return 24 months	2.7

Monthly performance (%)					
Jan	Feb	Mar	Apr	May	Jun
0.6	0.5	0.3			
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 performance in the table above is based on closing prices.

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

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10 largest holdings

Holding	% of the fund
Cibus Nordic Real Estate	3.9
Hexagon Composites	3.8
Containerships	3.6
Ocean Yield	3.2
SEB	3.2
Color Group	2.9
Ropohold	2.9
Slättö Fastpartner Spånga	2.8
Teekay LNG Partners L.P	2.7
Landshypotek Bank	2.6
Total 10 largest issuers	31.6
Cash	17.2
Total number of issuers	41

Major changes during the month

Buy	Sell
Hexagon Composites	-

Financial ratios

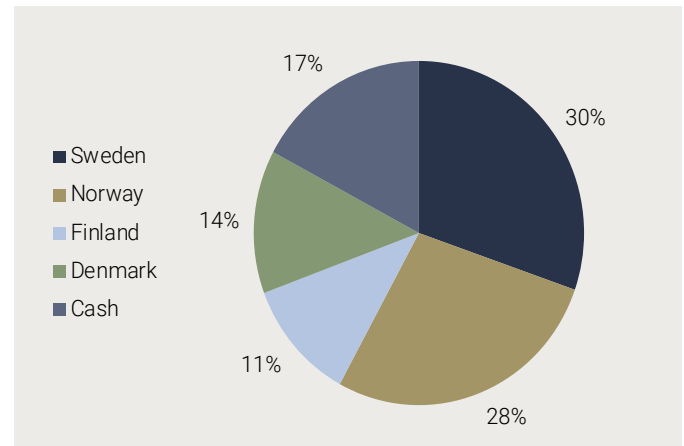
Lannebo High Yield Allocation	
Total risk (%)	0.9
Interest-rate duration (years)	0.3
Credit duration (years)	2.2
Portfolio turnover ratio (12/31/2018)	0.3
Weighted average credit scoring (based on internal assessments)	BB

Maturity profile	% of the fund
< 1 year	19
1-3 years	46
3-5 years	35
> 5 years	-

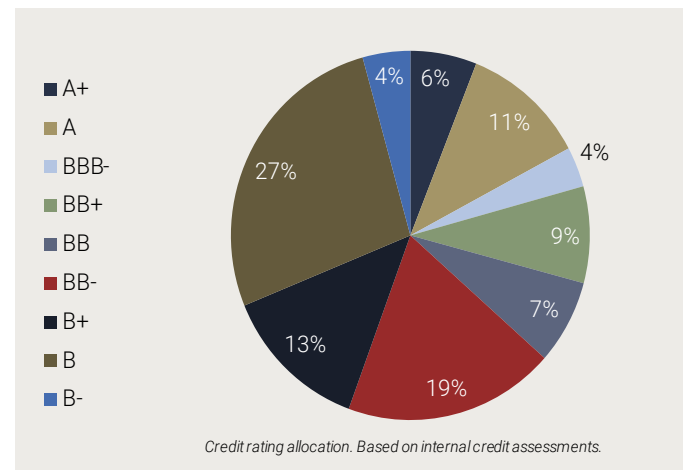
Fund facts

Fund manager	Karin Haraldsson & Katarina Ponsbach Carlsson
Launch date	01/30/2015
NAV per unit (SEK)	116.03
Fund size (SEKm)	890
Management fee	0.9%
Bankgiro	584-9369
ISIN	SE0006421855
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300XRFONRDKE3IM10

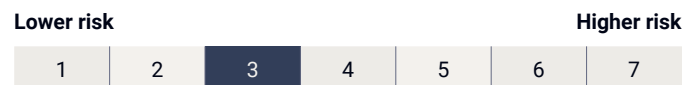
Country allocation



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.