

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 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 0.5 per cent in July and has increased 3.3 per cent so far this year. The good activity in both the primary and secondary Nordic credit markets continued a couple of weeks into July; but then the lull of summer settled on the market in the latter half of the month.

Swedish long-term interest rates continued to decrease in July. The Swedish 5-year government bond yield decreased from -0.51 per cent to -0.61 per cent. The 3-month Stibor decreased somewhat during July from -0.03 to -0.07 per cent. 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 most recent fall in interest rates is generally due to weak European economic indicators, while inflation remains at low levels. There is also a risk that the ongoing trade conflicts will intensify, which is negative for the economic outlook.

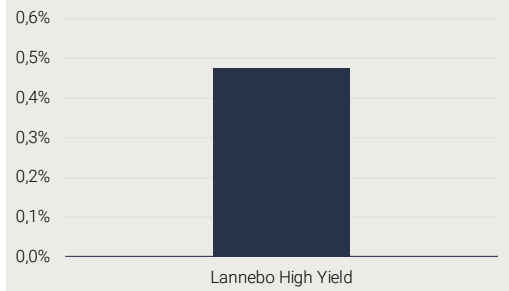
As expected, the Riksbank in their July meeting left the repo rate at -0.25 per cent and the forecast remains unchanged; the indication is that it will be raised at the end of the year or early next year. Swedish economic activity continued to be relatively high and inflation is near the 2 per cent target. The Fed lowered its key rate by 25 basis points to a range of 2.00 to 2.25 per cent at their July meeting. It was the first rate cut since the financial crisis of 2008/09. However, the Fed emphasized that the rate cut should not be seen as a start to a long cycle of interest rate cuts, but rather as an insurance cut should it turn out that a cyclical weakening is at the door.

Credit duration, the average maturity of all the holdings in the fund, increased somewhat to 2.5 years. The interest rate duration, measured as the average interest period, was 0.5 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.

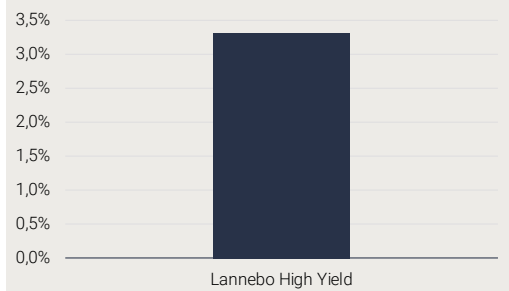
The first of the earnings reports for the first six-months of 2019 were released during the month and results, from a credit perspective, were as expected; however, the majority of the fund's holdings release earnings at the end of August. New issues in the Nordic High Yield market continued the first week of July and the fund participated in the Swedish Dilasso Timber and Ellos Gruppen (FNG) new issues. Dilasso Timber is a merger between Siljan Group and Bergkvist-Insjön - two of Sweden's largest sawmills. The company issued bonds with a four-year maturity. Swedish Ellos Group, which includes, among others, the interior design company Jotex and Ellos that sell fashion and interior decorations online, issued bonds with a five-year maturity. Ellos Group was previously owned by Nordic Capital but the company was sold during the month to Belgian FNG; Nordic Capital remains an owner through the purchase of shares.

The largest issuers at the end of the month were SEB, Cibus Nordic Real Estate, Hexagon Composites, Jyske Bank and Ocean Yield.

Monthly performance



Performance year-to-date



Performance (%)	Lannebo High Yield
July 2019	0.5
Year 2019	3.3
3 years	13.4
Since launch (01/30/15)	18.1
Average annual return 24 months	2.7

Monthly performance (%)					
Jan	Feb	Mar	Apr	May	Jun
0.6	0.5	0.3	0.7	0.3	0.3
Jul	Aug	Sep	Oct	Nov	Dec
0.5					

Annual performance (%)	Lannebo High Yield
2018	1.0
2017	5.1
2016	5.6
2015	2.0 ¹

The performance in the table above is based on closing prices.

¹ Refers to the period 01/30/15-12/31/15

10 largest holdings

Holding	% of the fund
SEB	3.8
Cibus Nordic Real Estate	3.5
Hexagon Composites	3.4
Jyske Bank	3.3
Ocean Yield	3.3
B2Holding AS	3.1
Teekay LNG Partners L.P	3.0
Color Group	2.6
Ship Finance International Limited	2.5
Slättö Fastpartner Spånga	2.4
Total 10 largest issuers	31.0
Cash	13.7
Total number of issuers	42

Major changes during the month

Buy	Sell
Ship Finance	-
Sergel	

Financial ratios

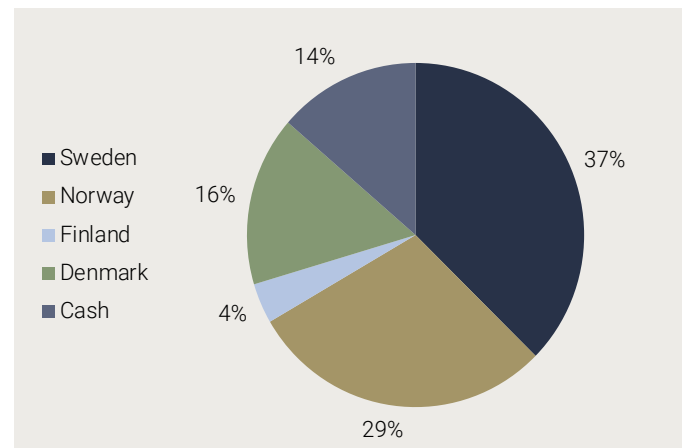
	Lannebo High Yield
Total risk (%)	0.9
Interest-rate duration (years)	0.3
Credit duration (years)	2.5
Portfolio turnover ratio (06/30/19)	0.3
Weighted average credit scoring (based on internal assessments)	BB

Maturity profile	% of the fund
< 1 year	25
1-3 years	32
3-5 years	41
> 5 years	2

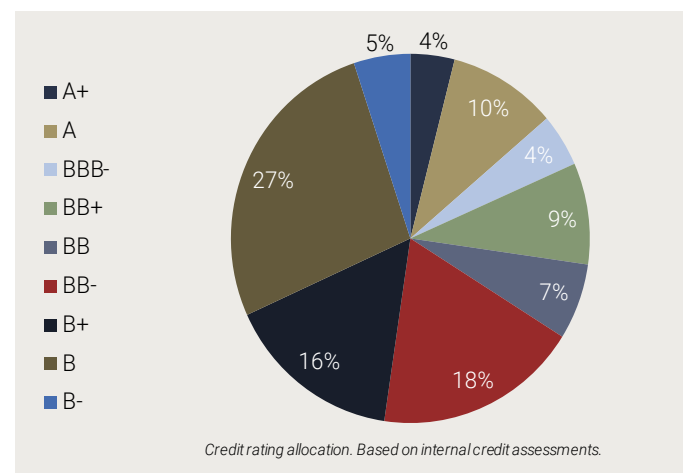
Fund facts

Fund manager	Karin Haraldsson & Katarina Ponsbach Carlsson
Launch date	01/30/15
NAV per unit (SEK)	118.14
Fund size (SEKm)	1,024
Management fee	0.9%
Bankgiro	584-9369
ISIN	SE0006421855
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300XRFONRDKE3IM10

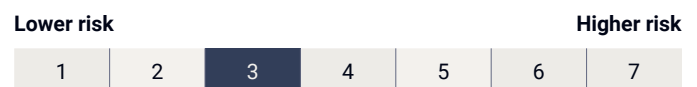
Country allocation



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.