

# Lannebo Corporate Bond

Swedish-registered fixed income fund

Monthly report

August 2019

**Risk information:** Past returns are no guarantee of future returns. The money invested in the fund August 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 Corporate Bond is an actively managed long-term fixed income fund that mainly invests in Swedish but also other Nordic corporate bonds. The credit duration of the fund is normally 3-5 years. Lannebo Corporate Bond may invest more than 35 per cent of the fund's assets in bonds and other debt instruments issued or guaranteed by a Nordic state or municipality.

## The fund is suitable for those who:

- want a higher return than traditional fixed income funds but at a lower risk than equity funds
- want exposure to corporate bonds with low to medium risk
- want an actively managed fund where a thorough company analysis creates long-term returns

## Fund manager comment

Lannebo Corporate Bond increased by 0.3 per cent in August and has increased 3.0 per cent so far this year. Activity in the primary and secondary markets for Nordic bonds was low due to summer holidays at the beginning of the month but began to slowly ramp up during the latter half of August.

Swedish long-term interest rates continued to decline in August. The Swedish 5-year government bond yield decreased from -0.61 per cent to -0.72 per cent and has thus fallen by 0.7 per cent during the year. The 3-month Stibor, however, increased somewhat from -0.07 to 0 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.

Despite good economic growth, the US market anticipates the Fed will reduce rates significantly in the coming year. President Trump has stepped up his verbal assault on the Fed for, what in his view, is tight monetary policy. It remains to be seen whether the Fed gives in to the pressure.

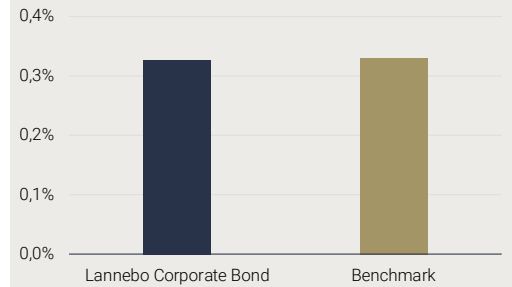
During the month, no major structural changes were made in the fund. Credit duration, the average maturity of all the holdings in the fund, decreased marginally to 2.9 years. The interest rate duration, measured as the average interest period, was 0.5 years. The share of corporate bonds consists mainly 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.

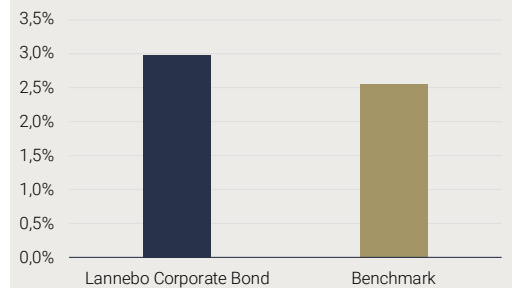
The primary credit market got off to a slow start during the month and the fund participated in Swedish SBAB's new issue. The bank issued so-called A1 bonds, which are subordinated bonds, to strengthen its balance sheet and capital ratios. Earnings reports for the first half of 2019 were also released where most companies reported as expected from a credit perspective.

The largest issuers at the end of the month were Castellum, Color Group, DNB Bank, SEB and Storebrand Livförsikring.

## Monthly performance



## Performance year-to-date



Performance (%)	Lannebo Corporate Bond	Benchmark
August 2019	0.3	0.3
Year 2019	3.0	2.5
3 years	7.3	3.6
5 years	10.9	9.3
Since launch (09/10/12)	20.3	19.6
Average annual return 24 months	1.5	1.3

## Monthly performance (%)

Jan	Feb	Mar	Apr	May	Jun
0.4	0.5	0.4	0.5	0.1	0.4
Jul	Aug	Sep	Oct	Nov	Dec
0.3	0.3				

Annual performance (%)	Lannebo Corporate Bond	Benchmark
2018	-0.3	0.0
2017	3.4	1.3
2016	3.7	3.0
2015	1.0	0.4
2014	1.7	6.2
2013	5.4	2.8

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

# Lannebo Corporate Bond

Swedish-registered fixed income fund

Monthly report

August 2019

## 10 largest holdings

Holding	% of the fund
Castellum	7.5
Color Group	4.3
DNB Bank	4.2
SEB	3.4
Storebrand Livsforsikring	3.3
Nordea Bank	3.1
Klöver	3.0
Jyske Bank	3.0
Velliv	2.9
Cibus Nordic Real Estate	2.8
<b>Total 10 largest issuers</b>	<b>37.5</b>
Cash	8.8
<b>Total number of issuers</b>	<b>41</b>

## Major changes during the month

Buy	Sell
SBAB Bank	-
Logistri	

## Financial ratios

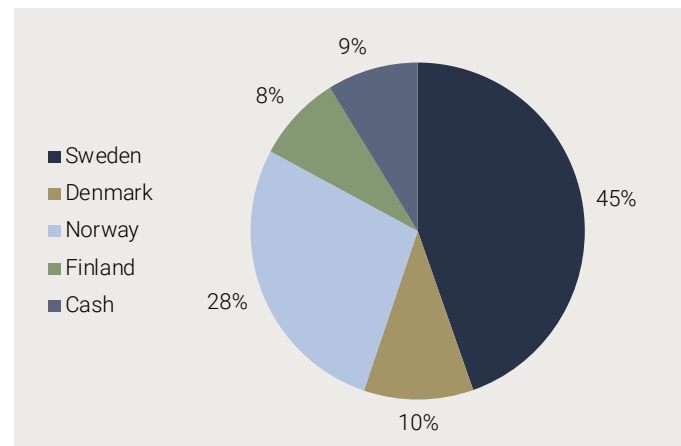
	Lannebo Corporate Bond	Benchmark
Total risk (%)	0.9	0.8
Interest-rate duration (years)	0.5	
Credit duration (years)	2.9	
Portfolio turnover ratio (06/30/19)	0.5	
Weighted average credit scoring (based on internal assessments)	BBB-	

Maturity profile	% of the fund
< 1 year	20
1-3 years	52
3-5 years	22
> 5 years	5

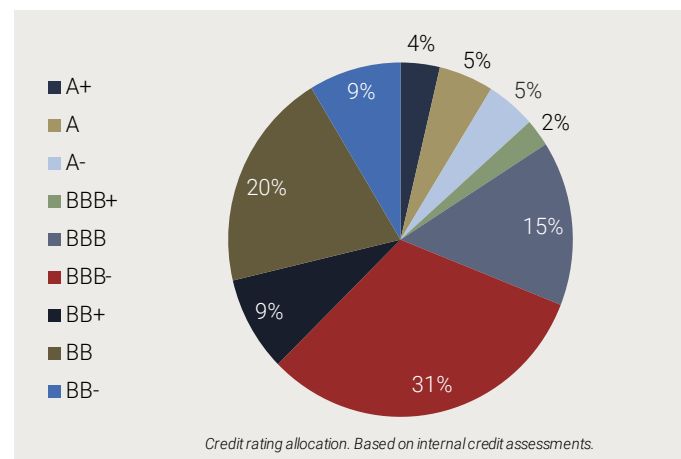
## Fund facts

Fund manager	Karin Haraldsson & Katarina Ponsbach Carlsson
Launch date	09/10/12
NAV per unit (SEK)	120.26
Fund size (SEKm)	1,946
Management fee	0.9%
Bankgiro	303-5318
ISIN	SE0004750396
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	5493006FC1DHI1YJE467

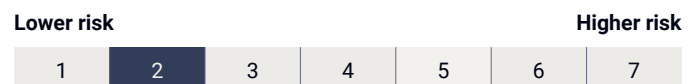
## Country allocation



## Credit scoring allocation



## Risk and reward profile



## Explanations

### Benchmark

Nasdaq OMX Credit SEK Total Return Index.

### Total risk

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

### Credit duration

Weighted average maturity.

### Interest-rate duration

Weighted average life.

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