

Technology

Swedbank Robur Technology

Semi-Annual Report 2020

Manager: Kristofer Barrett
Fund company: Swedbank Robur Fonder AB
Type of fund: Equity funds
Launch date: 5/09/1983

Share classes open to trading: A
Benchmark index: MSCI World IT Sector Capped Net
Base currency: SEK

Risk indicator



The fund's 5 largest holdings	Market value, tSEK	% of fund
Nvidia	3,011,772	5.1
PayPal	2,887,377	4.9
Alphabet A	2,852,194	4.8
Adobe Systems	2,797,644	4.7
Microsoft	2,796,730	4.7

Investment policy

Technology is an actively managed equity fund that mainly invests in companies in the IT sector. This sector includes companies producing software, computer and communications equipment, semiconductors and IT services, for example. The fund is able to invest globally but as the sector is dominated by American companies, the majority of the fund's assets are normally invested in the USA. The fund has a long-term investment horizon and companies considered to have an attractive valuation in relation to our view of the company's future earnings potential are selected. The fund complies with the fund company's policy for responsible investments, further information can be found in the fund's information brochure.

Fund performance

During the first half of 2020, the fund increased by 18.8%. The benchmark index rose by 10.4% during the same period.

The fund performed better than its benchmark index, thanks to the choice of companies that benefited in various ways from the closures and restrictions that followed in the wake of Covid-19. The best contributing companies were among internet companies, payment systems and software solutions, i.e. subsectors that deliver services to work from home, digital payments, e-trade and digital services. The worst subsectors were semiconductors and wireless communications.

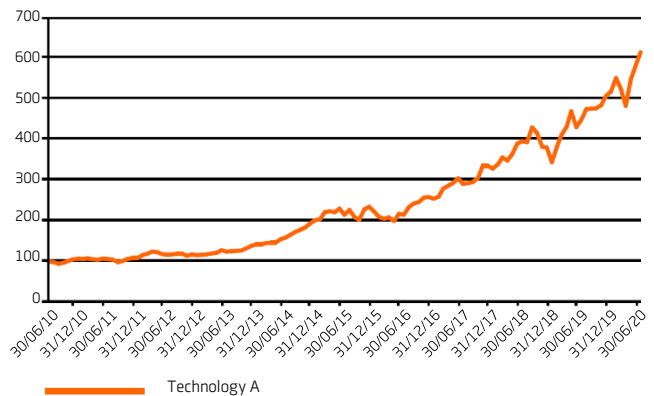
The fund's best contributing holdings were Amazon, followed by Paypal, NVidia, VMWare, the Trade Desk and ServiceNOW. Other positive contributors were Tencent, Wix.com, Liveperson, Adobe and Adyen. The single best performing shares for the six months were Wix.com and Twilio, both of which rose by over 90%.

On the positive side, the fund did not own shares in the German company Wirecard, which was alleged to have falsified parts of its accounts. The fund also managed to avoid many slightly older companies that are disadvantaged in the technology shift towards cloud services and, during the period, by not being able to be present with their customers.

On the negative side, it can be noted that the fund was marginally disadvantaged against the benchmark index by a lower share of holdings in Intel, Apple and one of the sector winners Shopify. The worst performing individual companies were DXC and ON Semiconductor as well as Blackberry, which was sold in favour of more interesting long-term holdings.

When the fund changed managers during the period, several changes were made to the portfolio in order to further position the fund in profitable, sustainable and innovative companies with the future in mind.

Price trends



Market performance

The first half of 2020 was characterized by large price fluctuations for technology shares. The year started very well but was followed by large price declines in the first quarter in the wake of Covid-19 becoming a global pandemic. The share price increases that followed were partly due to the fact that digitalisation technologies benefited from the resulting situation and, on the other hand, by the stimulus packages launched by world governments and central banks to counter the wider economic effects of the pandemic.

In the technology sector, the importance of cloud-based digital activities increased, among other things, for the delivery of software and systems, as well as better networks and communication systems for, for example, videoconferencing. Digital entertainment was a winner during the period, when people spent more time in digital channels. On the other hand, demand for traditional IT services and IT -consultancy activities was negatively affected to some extent, while demand for smartphones remained largely unchanged.

In addition, the trade war between the US and China continued to occupy the market interest. This was especially true of the US effort to prevent Chinese Huawei from using US-developed technology in its products, which has an impact on technology value chains globally.

Other

The fund may use derivative instruments including OTC derivatives in its investment policy. The fund used derivatives to a limited extent during the period. The fund may use techniques and instruments but has not made use of the possibility. On 1 March 2020, Kristofer Barrett took over as co-manager. On 11 May 2020, Johan Söderström left the fund's management. According to Swedbank Robur's internal rules, the lending of securities is not permitted. There have been no conflicts of interest in connection with the fund's investments.

Share classes

The fund has 22 share classes, of which only class A, is currently open for trade. Share class A pays no dividends and is traded in SEK. Other share classes are not currently open for trade. The various share classes differ with regard to fees, dividends, threshold for subscription charges, currency for subscription and redemption plus specific terms and conditions for distribution. The units in a share class have equal rights to the assets in the fund. More information on the fund's unit classes can be found in the information brochure.

Key investor information	30/06/20	31/12/19	31/12/18	31/12/17	31/12/16	31/12/15	31/12/14	31/12/13	31/12/12	31/12/11
Fund assets, tSEK	59,089,756	48,695,493	31,465,958	29,339,328	21,252,641	18,730,706	14,943,280	10,150,424	8,436,529	6,354,948
Share value class A, SEK	492.77	418.75	278.50	265.59	206.05	179.39	162.60	114.81	93.71	88.98
Number of class A outstanding units, thousands	119,914	116,287	112,985	110,470	103,142	104,415	91,899	88,414	90,025	71,419
Dividend class A, SEK per share	-	-	-	-	-	-	-	-	1.08	1.13
Fund return closing price (incl div) class A, %	18.8	50.4	4.9	28.9	14.9	10.3	41.6	22.5	6.5	1.9
Benchmark index (incl div) class A, %	10.3	51.3	5.3	24.3	20.1	13.4	40.0	29.6	5.2	2.5

Holdings and positions in financial instruments as per 30 June 2020

Transferable securities on a regulated or equivalent market outside the EEA	93.7	
	Number / Nom	Market value, tSEK
Industrials		
Enphase Energy (US)	920,759	409,206
		409,206
Information technology		
Adobe Systems (US)	700,000	2,797,644
Adyen (NL)	40,000	538,320
Akamai Technologies (US)	100,000	98,925
Ansys (US)	150,000	397,995
Apple (US)	775,000	2,631,948
Arista Networks (US)	150,000	294,769
ASML (NL)	250,000	849,235
Aspeed Technology (TW)	350,000	137,302
Autodesk (US)	200,253	434,903
Cadence Design Systems (US)	856,600	760,267
Ciena (US)	1,450,000	727,820
Citrix Systems (US)	250,000	342,896
CrowdStrike Holdings (US)	200,000	184,780
Descartes Systems Group (CA)	500,000	243,737
E Ink (TW)	5,000,000	64,222
Elite Material (TW)	2,000,000	100,920
Ememory Technology (TW)	1,000,000	153,911
Envestnet (US)	500,000	334,063
GB Group (GB)	1,401,723	104,480
Global Payments (US)	600,000	926,855
Intel (US)	4,500,000	2,506,275
j2 Global (US)	369,900	233,604
KeySight Technologies (US)	450,000	421,125
Kla Corporation (US)	400,000	727,186
Largan Precision (TW)	200,000	258,469
LivePerson (US)	1,000,000	378,323
Lumentum Holdings (US)	500,000	376,575
Marvell Technology (US)	2,200,000	711,915
Mastercard (US)	1,000,000	2,733,661
MediaTek (TW)	750,000	137,381
Microsoft (US)	1,500,000	2,796,730
MongoDB (US)	200,000	417,237
Novatek Microelectronics (TW)	2,000,000	144,262
Nvidia (US)	850,000	3,011,772
PayPal (US)	1,800,000	2,887,377
RealPage (US)	600,000	359,174
Realtek Semiconductor (TW)	1,500,000	141,889
Salesforce.com (US)	1,300,000	2,240,097
Samsung Electronics (KR)	2,500,000	1,023,268
Servicenow (US)	625,000	2,315,692
Soitec (FR)	262,119	270,604
SolarEdge Technologies (IL)	400,000	511,361
Synopsys (US)	500,000	893,437
Taiwan Semiconductor (TW)	12,500,000	1,237,770
Teradyne (US)	500,000	393,520
Trade Desk (US)	180,000	693,048
Twilio (US)	225,000	452,149
Verint Systems (US)	775,000	320,440
VMware (US)	1,700,000	2,398,339
Wix.com (IL)	250,000	586,340
	43,704,010	74.0

	Number / Nom	Market value, tSEK	% of fund
Communication services			
Alphabet A (US)	220,000	2,852,194	4.8
Electronic Arts (US)	250,000	306,658	0.5
Naver (KR)	200,000	413,958	0.7
Netflix (US)	100,000	422,896	0.7
Nexon (JP)	2,500,000	527,291	0.9
Pinterest (US)	3,250,000	654,013	1.1
Take-Two Interactive (US)	300,000	390,946	0.7
Tencent (CN)	2,250,000	1,349,500	2.3
		6,917,457	11.7
Consumption, infrequently bought commodities			
Alibaba Group (CN)	400,000	806,300	1.4
Amazon.com (US)	110,000	2,782,848	4.7
Etsy (US)	750,000	731,696	1.2
		4,320,845	7.3

Other financial instruments	Exposure, tSEK	% of fund	Market value, tSEK	% of fund
OTC Derivative instruments				
CON Microsoft PFS EQ 220413	2,423,833	4.1	36,786	0.1
	2,423,833	4.1	36,786	0.1
Total financial instruments with positive market value			55,388,304	93.7
Total financial instruments with positive market value			0	0.0
Total financial instruments			55,388,304	93.7
Net other assets and liabilities			3,701,452	6.3
Fund assets			59,089,756	100.0

Fund fact sheet

Risk and performance measures	30/06/20
Standard deviation fund, %	22.0
Standard deviation benchmark index, %	21.7
Active share, %	63.8
Tracking error, %	3.2
Average annual yield 2 years, %	
*Share class A	24.7
Average annual yield 5 years, %	
*Share class A	23.4
External comparison	30/06/20
Morningstar fund type	Industry fund, new technology
Morningstar fund ratings	4 of 5
Expenses	30/06/20
Management fee as % of average fund assets*	
-Share class A	1.25
Transaction costs, tSEK*	30,765
Transaction costs as a % of traded securities*	0.03
Annual charges, %	
-Share class A	1.26
Management costs in SEK, Savings amount SEK 10 000*	
-Share class A	145
Management costs in SEK, Savings amount SEK 100/month*	
-Share class A	8.94
Turnover	30/06/20
Turnover rate, times/year	0.9

Derivative instrument	30/06/20
Highest derivative gross exposure, %	17.0
Lowest derivative gross exposure, %	3.7
Average derivative gross exposure, %	9.1
Purchase and sale of financial instruments	30/06/20
Turnover through affiliated securities institutions, %	2.1
Turnover through funds managed by Swedbank Robur Fonder AB, %	0.5

Rounding differences can occur
See explanations in the glossary at swedbank.se/fonder
* Based on previous 12 months.

Counterparties to OTC Derivative Instruments

Citigroup

Corporate and group exposure

Company/Group	% of fund
Microsoft Corporation	8.8

Statement of financial position

Assets, tSEK	30/06/20	31/12/19
Negotiable securities	55,351,518	46,006,089
OTC derivative instruments with positive market value	36,786	142,555
Other OTC derivatives with positive market value	0	11,636
Total financial instruments with positive market value	55,388,304	46,160,279
Cash assets and other liquid assets	2,982,474	2,521,094
Prepaid expenses and accrued income	344	2,371
Other assets	745,823	25,955
Total assets	59,116,945	48,709,699
Liabilities, tSEK	30/06/20	31/12/19
OTC derivative instruments with negative market value	0	927
Total financial instruments with negative market value	0	927
Accrued costs and prepaid income	10,598	13,279
Other liabilities	16,591	0
Total liabilities	27,189	14,206
Fund assets	59,089,756	48,695,493
Items included in the balance sheet tSEK	30/06/20	31/12/19
Collateral received for OTC -derivative instruments	18,137	126,684
Change of fund assets, tSEK	30/06/20	
Fund holdings at the beginning of the year	48,695,493	
Unit issue	8,676,723	
Unit redemption	-6,630,130	
Profit for the year according to the profit/loss statement	8,347,669	
Fund assets at year-end	59,089,756	

Additional information for securities financing transactions and total return swaps

According to EU 2015/2365 Art. 13:
In addition to total return swaps, the fund has had no other transactions for the financing of securities.
For all total return swaps, settlement and clearing with a bilateral counterparty takes place. Securities are stored in separated accounts. The collateral received for total return swaps is obtained only in cash and cash equivalents in the EUR currency. Collateral received is not reused.

Volume of assets	Amount, tSEK	% of fund
Total return swaps	2,423,833	4.1
Maturity profile		
Amount, tSEK		
Total return swaps		
< 1 day	-	-
1 - 7 days	-	-
7 days - 1 month	-	-
1 - 3 months	-	-
3 months - 1 year	-	-
> 1 year	2,423,833	-
Indefinite duration	-	-
10 main counterparties and the country of establishment of the counterparty		
Gross volume, tSEK		
Total return swaps		
Citigroup, England	2,423,833	-
10 largest issuers of collateral		
Amount, tSEK		
European Central Bank		
	-18,137	-
Maturity profile of the collateral		
Amount, tSEK		
Total return swaps		
< 1 day	-18,137	-
1 - 7 days	-	-
7 days - 1 month	-	-
1 - 3 months	-	-
3 months - 1 year	-	-
> 1 year	-	-
Indefinite duration	-	-
Storage of received collateral		
Amount, tSEK		
Citigroup		
	-18,137	-

All received collateral relating to total return swaps is held in a client omnibus account, which is held separately from Citigroup assets.

Information on performance and charges	Amount, tSEK	% of total returns
Total return swaps		
Net return Fund	771,819	97.6
Fee to The Fund Management Company	-	0.0
Third party fee	19,067	2.4

Description of benchmark index

The fund's benchmark index provides a relevant reference in relation to the fund's investment policy, type of assets, markets and, where relevant, industries. The benchmark index return includes dividends taking into account the tax effects (net dividend).

Risk assessment method

The fund company measures the total exposure of the fund using the commitment approach on a daily basis. The commitment approach calculates the fund's global exposure from using derivatives. This calculation involves converting derivative positions into a comparable position in the underlying assets of the derivative. A delta calculation is also done for options and similar. When calculating total exposure, the fund company considers netting and hedging.

Portfolio risks

Equity funds normally have higher potential for long-term value growth. But any investment in an equity fund also has a high risk, as share prices may fluctuate significantly in equity markets. Material risks in the fund that are not fully reflected in the risk/return indicator are:

- **Concentration risk.** The fund is a high risk fund by virtue of its concentration of equity investments in the IT sector. Moreover, the focus on IT means that the fund will invest significantly in a single region (USA), thereby limiting geographical risk diversification.
- **Currency risk.** The fund invests in securities in other currency than Swedish krona and is thus subject to exchange rate movement.
- **As the fund invests in derivatives to some extent, the fund risk profile is affected to a certain extent.**

Withholding tax

There is some uncertainty in different countries about how much tax Swedish funds should pay on dividends on foreign shares. Swedbank Robur monitors developments in each individual country and reports and pays taxes according to the prevailing view at any given time. The assessment in different countries may change and Swedbank Robur will adjust the accounting and payment according to current practice. Swedbank Robur's view is that in most cases the fund is entitled to a reduction under agreement, internal local law or EU law.

Accounting principles

This half-yearly report has been prepared as regulated by the Swedish Investment Funds Act (2004:46), the Swedish Financial Supervisory Authority's regulations FFFS 2013:9, ESMA's guidelines, and takes into account the guidelines for accounting for key performance indicators regarding mutual funds and special funds issued by the Swedish Investment Fund Association.

Valuation principles

The fund's financial instruments including liabilities and derivatives are valued at market value corresponding to the trade price on the balance sheet date (30 June 2020). If the closing day is not a trading day, the valuation from the last trading day prior to the closing day is used. If the valuation cannot be obtained, or is misleading as so deemed by the fund company, valuation may be made according to generally accepted valuation principles.

The Board of Directors and CEO of Swedbank Robur Fonder AB hereby issue a half-yearly report for Technology for 2020.

Stockholm, 17 August 2020

Liza Jonson,
CEO

Joachim Spetz,
Chair

Marianne Flink

Evert Carlsson

Monica Åsmyr

Lennart Jacobsen