

## PROFILE

Nordic Credit Opportunities Sustainable Return invests in Nordic corporate bonds from issuers with an integrated sustainability strategy. The fund maintains a portfolio of c.25 holdings and has a return target of 6-9% p.a. Each investment undergoes thorough commercial, financial and ESG due diligence and is subject to final approval by NCP's Investment Committee.

## SUSTAINABILITY

NCP integrates sustainability into the investment thesis to benefit our investors and contribute to the development of sustainability in society at large. We focus on companies that has a thorough understanding of the exposure to its specific ESG risks and opportunities, thus futureproofing the portfolio and investing in long-term frontrunners.

Signatory of:



## INVESTMENT TEAM

**Jakob Eliasson**

Founder & Chief Investment Officer

**Cecilia Bevik-Cronqvist**

Portfolio manager

Head of Sustainable Investing

## CONTACT

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**Nordic Credit Opportunities SICAV-RAIF**

(Umbrella fund)

28-38 Place de la Gare

L-1616 Luxembourg

Grand Duchy of Luxembourg



Nordic Credit Partners

# Sustainable Return

## MARKET & PORTFOLIO COMMENTARY

April turned out to be the month when the Riksbank (Sweden's central bank) raised the policy rate above 0% for the first time since 2014, forecasting 2-3 additional rate hikes this year. The move was largely priced in already following the release of the 6.1% inflation rate in March (highest since 1991). The direct impact on the portfolio is limited given ~75% of the holdings are floating rate notes. However, the direct impact on underlying issuers varies depending on sector and we are currently updating our analysis from September on the real estate sector for the latest macro data. The significant bottle necks in the production chain and weakened discretionary consumer demand following higher housing costs also hampers growth prospects in the near term.

The fund yielded +0.28% during the month (+1.27% YTD). The performance was again driven by positive impact from the Cabonline refinancing and continued recovery in the Sunborn bond. The fund has, thanks to its long-term investor base and tailored redemption policy, not suffered any outflows YTD. Instead, coupons have been reinvested at attractive prices. Consequently, the fund outperforms compared to its Morningstar category of some 30 funds (on average down -2.1% YTD) of which only one generated positive YTD return. The primary market has re-opened for issuers ready to accept 100-200bps wider pricing than last autumn. We have reviewed a few new cases but still see better value in the secondary market.

After four years as portfolio manager and partner, Christoffer has decided to leave NCP to pursue an opportunity in another field. Christoffer has been of great value in developing NCP to where we are today. We thank him for his hard work and dedication and wish him all the best in his future endeavours. The recruitment process for a replacement has been initiated.

*Cecilia and Jakob*

## CUMULATIVE PERFORMANCE (%)

1 month	YTD	1 year	3 years	Since inception	NAV A	NAV B
0.27	1.27	6.34	NA	11.91	100.56	104.97

## MONTHLY PERFORMANCE (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.77	-0.47	0.69	0.28									1.27
2021	0.84	0.44	0.72	0.98	0.47	1.00	0.98	1.06	0.37	0.26	0.41	0.37	8.17
2020							0.33	-0.02	0.11	0.06	1.55	0.13	2.16

## THE FUND

<b>Fund name</b>	Nordic Credit Opportunities SICAV-RAIF Sustainable Return		
<b>Target instruments</b>	Nordic corporate bonds	<b>AIFM</b>	Fuchs Asset Management
<b>Target return</b>	6-9% p.a. net of fees	<b>Depository</b>	Société Générale Luxembourg
<b>Inception date</b>	25 June 2020	<b>Auditor</b>	PWC Luxembourg

Historical returns are no guarantee of future returns. Capital invested in the fund may both increase or decrease in value and there is no guarantee that you will be repaid your invested capital. Complete prospectus and fund statutes are available at [www.ncpgroup.se](http://www.ncpgroup.se). The information in this document is proprietary to Nordic Credit Partners AB and is intended only as general information. It should not be construed as investment advice or recommendation. The information may prove to be inaccurate, incomplete or out of date. Nordic Credit Partners AB is not responsible for the damage, whether direct or indirect result of any defects or errors in the information.

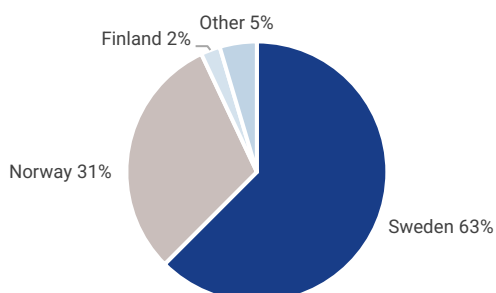
## KEY RATIOS

Ratio	
Yield to maturity	10.7%
Yield to worst	10.7%
Average coupon	8.0%
Credit duration	2.25 years
Duration	0.64 years
Modified duration	0.60%
Standard deviation p.a. (since inception)	1.56%
Average credit rating	Non-rated

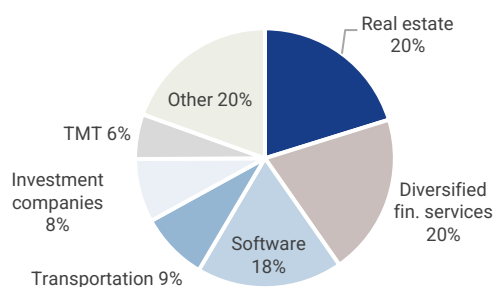
## TOP HOLDINGS

Issuer	%
Heimstaden AB	5.5%
Impala Group Plc	5.0%
SIBS AB	4.9%
Azerion Holdings BV	4.7%
Omnione S.A.	4.7%

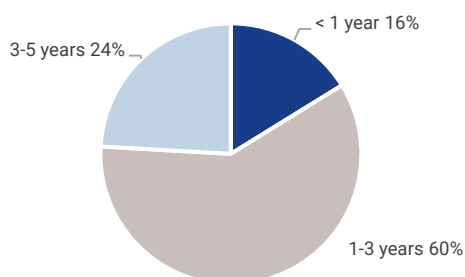
## BREAKDOWN BY GEOGRAPHY



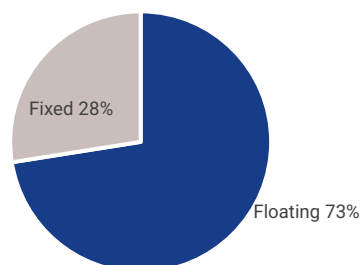
## BREAKDOWN BY SECTOR



## BREAKDOWN BY MATURITY



## BREAKDOWN BY COUPON



## SHARE CLASS INFORMATION

Share class	Class A	Class B	Class C
ISIN	LU2173402418	LU2173402509	LU2173402681
Target client	Inst. & Well-informed	Inst. & Well-informed	Inst. & Well-informed
Currency	EUR	EUR	EUR
Income	Distributing	Distributing	Distributing
Distr. frequency	Annually	Annually	Annually
Min investment	EUR 20,000,000	EUR 500,000	EUR 500,000
Subscriptions	Monthly	Monthly	Monthly
Redemptions / redemption fee	Annually / 3.0%	Annually / 3.0%	Monthly / 7.0%
Management fee	0.50% p.a.	0.55% p.a.	0.55% p.a.
Performance fee	20% over Hurdle	20% over Hurdle	20% over Hurdle
Hurdle	3M Stibor+3%	3M Stibor	3M Stibor

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