



MONTHLY REPORT

Sustainable Corporate Bond 2XL

March 2023

MARKET & PORTFOLIO COMMENTARY

March was a turbulent month for the capital markets, and the Nordic high-yield market was no exception. The turbulence was stemming primarily from the financial sector – banks in general following the Silicon Valley Bank collapse and AT1's (Coco bonds) in particular following the UBS-Credit Suisse merger. The weekend hustling to combine the two Swiss banking giants served as an unpleasant *Déjà vu* for those of us who were active when Lehman Brothers fell. In addition, long term interest rate volatility continued during March which reversed gains from earlier in the year for the investors (many, it seems) who had taken a bet on stabilising and reduced long-term rates. In our view, it puts the finger on the rates risk which in the last few years have been almost forgotten and should not be mixed with credit risk.

The fund yielded -0.07% during the month (2.42% YTD) and the current cash price of the portfolio is unchanged at ~91% of par value which corresponds to a levered YTM of a whopping 18%. The unchanged cash price is explained by (i) the refinancing of two outstanding bond above par which was replaced by new holdings priced at par; (ii) a meaningful decline in our Heimstaden Bostad holdings following renewed real estate and rates uncertainty; and (iii) a general modest decline. Increasing coupon payments in conjunction with a continued and expected significant rebound in Momox Holding AG worked as mitigants for the bespoke negative sentiment that affected the market.

The primary market slowed down during the month, with larger spreads remaining. The word on the street is though that the pipeline still is flooded, and we expect to see many interesting primary issuances in the coming quarter leading up to the summer quietness. In addition, we continue to receive inbounds for more bespoke financing solutions which may serve as an alternative to the public bond market with better transaction certainty but at a significant higher price for the issuer. Meanwhile, we continue to agnostically deploy our capital where we achieve the best risk-adjusted return. The benefits of the fund's redemption policy have become even more evident during this volatile period and - no doubt - continues to serve our investors well.

Emil & Jakob



Nordic Credit Partners

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Cumulative performance (%)

1 Month	YTD	1 Year	3 Years	Since inception	NAV
-0.07%	2.42%	-3.25%	N/A	7.41%	107.41

Monthly performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.46	1.01	-0.07										2.42
2022	0.80	-0.86	0.60	1.17	-0.73	-2.42	1.09	0.91	-2.80	-2.83	-0.74	0.79	-5.03
2021	0.59	0.73	0.85	0.89	0.58	0.27	0.33	1.30	0.39	0.12	1.57	0.49	8.39

Key fund facts

Fund name	Nordic Credit Partners SICAV-RAIF Sustainable Corporate Bond 2XL		
Target instruments	Nordic corporate bonds	AIFM	Carne Global Fund Managers
Target return	6-9% p.a. net of fees	Depository	BNP Paribas Securities Services
Inception date	5 August 2020	Auditor	PWC Luxembourg

PROFILE

NCP Sustainable Corporate Bond 2XL invests in Nordic corporate bonds from issuers with an integrated sustainability strategy. The fund maintains a portfolio of c.25 holdings and has a target return of 6-9% p.a. Each investment undergoes thorough commercial, financial and sustainability due diligence and is approved by NCP's Investment Committee. The fund applies up to 2x leverage to enhance the risk-adjusted return.

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 and impact on its specific sustainability factors and risks, thus futureproofing the portfolio and investing in long-term frontrunners.

Signatory of:

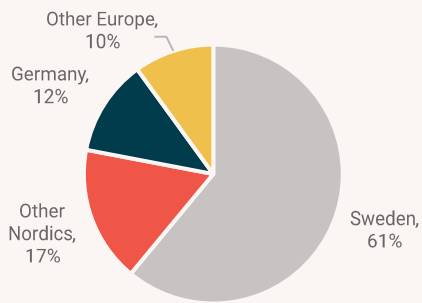


Portfolio and performance ratios

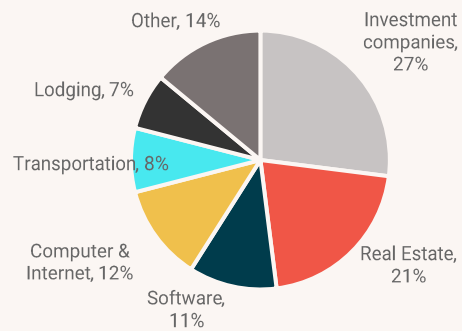
Ratio	
Yield to maturity (unlevered)	15.5%
Yield to worst (unlevered)	15.5%
Average coupon	8.9%
Credit duration	2.15 years
Duration	0.38 years
Modified duration	0.33%
Weighted average bond price	91.0
Leverage as % of gross portfolio	16%
Average credit rating	Non-rated

Ratio	
Investments during the month	1
Divestments during the month	2
Positive months since inception	78%
Annualised return since inception	2.72%
Standard deviation p.a. since inception	3.85%
Sharpe ratio since inception	0.71
Risk level	3 out of 7

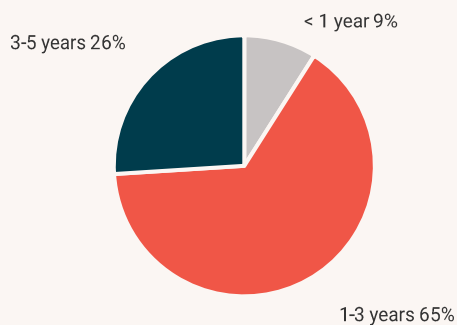
Breakdown by geography (issuer)



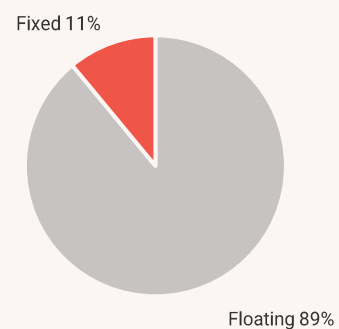
Portfolio breakdown by sector



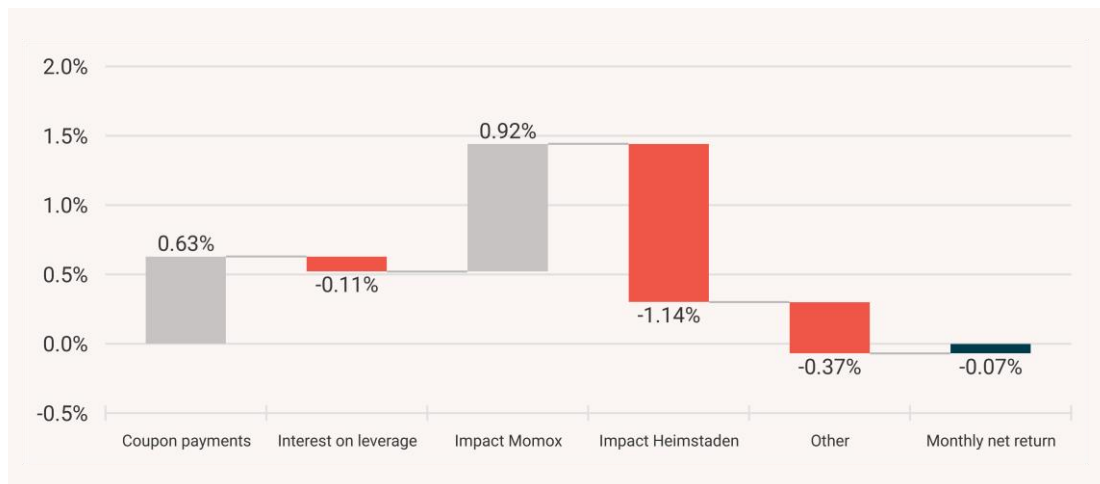
Portfolio breakdown by maturity



Portfolio breakdown by coupon type



Monthly return breakdown

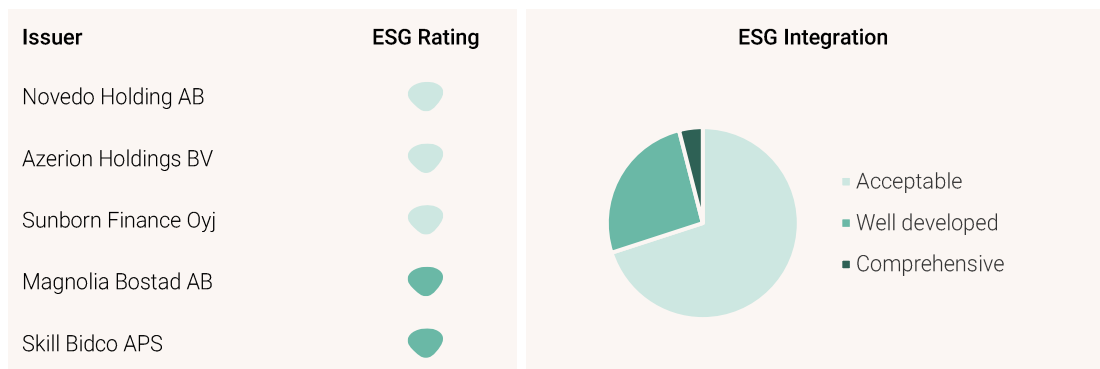


Other includes unrealised profit and losses, accrued fees and rounding differences.

Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Novedo Holding AB	SE0017070980	Sweden	Nov 2024	Stibor+6.50%	6.8%
Azerion Holdings BV	SE0015837794	Netherlands	Apr 2024	7.25%	6.6%
Sunborn Finance Oyj	FI4000292750	Finland	Feb 2024	Euribor+4.85%	5.7%
Magnolia Bostad AB	SE0014956454	Sweden	Apr 2024	Stibor+7.50%	5.6%
Skill Bidco APS	NO0012847831	Denmark	Mar 2028	Euribor+6.75%	4.9%

Breakdown by internal sustainability rating



Monthly performance since inception (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.46	1.01	-0.07										2.42
2022	0.80	-0.86	0.60	1.17	-0.73	-2.42	1.09	0.91	-2.80	-2.83	-0.74	0.79	-5.03
2021	0.59	0.73	0.85	0.89	0.58	0.27	0.33	1.30	0.39	0.12	1.57	0.49	8.39
2020								0.17	0.25	0.59	0.24	0.61	1.88

Share class information

Share class	Institutional (SEK)	Partner (SEK)	Institutional (EUR)	Partner (EUR)
ISIN	Acc: LU2180877446 Distr: LU2180877792	Acc: LU2180877529 Distr: LU2180877875	Acc: LU2257616636 Distr: LU2257617014	Acc: LU2257616719 Distr: LU2257617105
Target client	Inst. Well-informed	Inst. Well-informed	Inst. Well-informed	Inst. Well-informed
Currency	SEK	SEK	EUR	EUR
Distributing	Electable	Electable	Electable	Electable
Distr. frequency	Annual	Annual	Annual	Annual
Min investment	SEK 1.5m	SEK 50m	EUR 125 000	EUR 5m
Subscriptions	Monthly	Monthly	Monthly	Monthly
Redemptions	Monthly	Monthly	Monthly	Monthly
Notice period	4 months' notice	4 months' notice	4 months' notice	4 months' notice
Management fee	0.95% p.a.	0.70% p.a.	0.95% p.a.	0.70% p.a.
Performance fee	15% over Hurdle	15% over Hurdle	15% over Hurdle	15% over Hurdle
Hurdle	5% p.a.	5% p.a.	5% p.a.	5% p.a.

INVESTMENT TEAM

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