



MONTHLY REPORT

# Sustainable Return

April 2023

## MARKET & PORTFOLIO COMMENTARY

In April, the Nordic corporate bond market experienced high levels of activity, with numerous new issuances vying for investor attention and a stable secondary market performance. Despite balanced fund flows, the market has been cautious towards new and smaller issuances following the increased risk premia across all sectors. As we move along in the spring period, with the summer months on the horizon, funds are expected to be net buyers in order to reduce currently elevated cash positions. It is worth noting that the equity markets have shown stability overall for the companies which have released their quarterly reports, with investors mainly focused on outlook guidance. In May, the majority of our holdings are set to report their Q1 numbers and FY guidance, providing valuable insights into their near-term performance.

The fund yielded 0.59% during the month (3.36% YTD) and the cash price of the portfolio increased moderate to ~92% of par value which corresponds to a YTM of 13.4%. The return for the month is mainly derived from coupon payments, which continues to increase along with higher references rates, and in general a stable, somewhat positive price sentiment. Our holding Heimstaden Bostad continued to rebound during the month.

In contrast to March, the primary market in April saw increased activity, with several interesting benchmark transactions, such as NP3 returning to the market as the first high-yield real estate issuer in a long time. The oversubscribed book of SEK 500m was priced at Stibor 3m + 5.50%. Despite a flooded pipeline, NP3 as well as a couple of additional opportunities were evaluated but ultimately turned down due to them being priced too low (a common trait in the primary market) or not meeting our sustainability criteria. We remain agnostic in deploying our capital, focusing on achieving the best risk-adjusted return.

Emil & Jakob



Nordic Credit Partners

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.

### Cumulative performance (%)

1 Month	YTD	1 Year	3 Years	Since inception	NAV A	NAV B	NAV C
0.59%	3.36%	0.20%	N/A	10.11%	100.58	102.09	102.08

### Monthly performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.27	1.56	-0.09	0.59									3.36
2022	0.77	-0.47	0.69	0.28	-0.51	-1.27	0.41	0.76	-1.06	-1.96	0.03	-0.32	-2.67
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

### Key fund facts

<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

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

Signatory of:



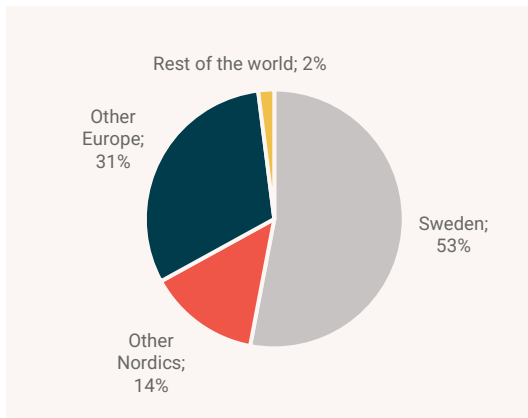
## Portfolio and performance ratios

Ratio	
Yield to maturity	13.4%
Yield to worst	12.6%
Average coupon	9.5%
Credit duration	1.82 years
Duration	0.38 years
Modified duration	0.34%
Weighted average bond price	93.8
Average credit rating	Non-rated

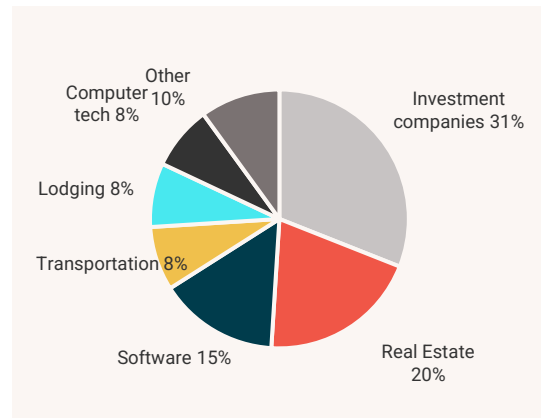
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Ratio	
Investments during the month	-
Divestments during the month	-
Positive months since inception	75%
Annualised return since inception	3.46%
Standard deviation p.a. since inception	2.49%
Sharpe ratio since inception	1.39
Risk level	3 out of 7

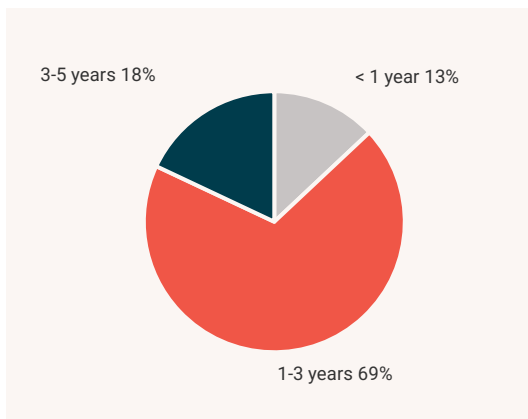
## Breakdown by geography (issuer)



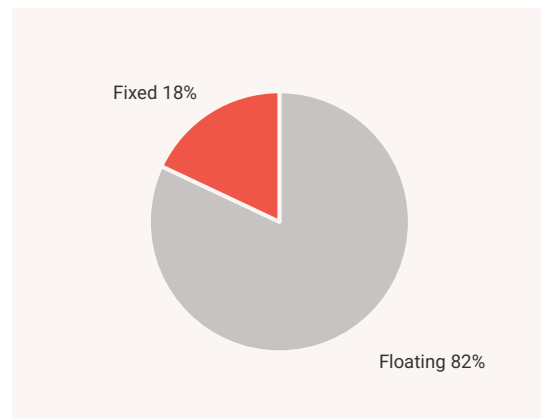
## Breakdown by sector



## Breakdown by maturity



## Breakdown by coupon

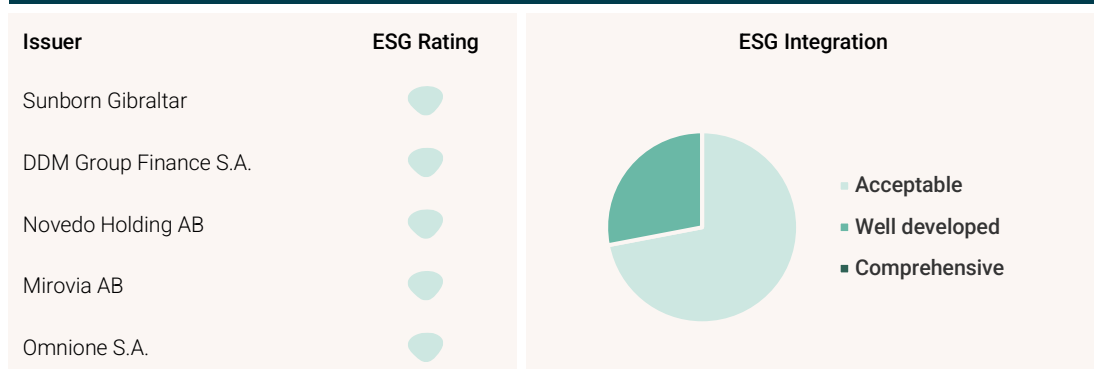


## Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Sunborn Gibraltar	SE0010296632	Gibraltar <sup>1</sup>	05/03/2024	Euribor+5.00%	5.0%
DDM Group Finance S.A.	LU2570106943	Luxembourg <sup>1</sup>	30/12/2024	10.0% (PIK)	5.0%
Novedo Holding AB	SE0017070980	Sweden	26/11/2024	Stibor+6.50%	5.0%
Mirovia AB	SE0015938378	Sweden	07/07/2024	Stibor+8.25%	4.6%
Omnione S.A.	LU2339104064	Luxembourg <sup>1</sup>	31/12/2023	8.00%	4.4%

<sup>1</sup>Issuers with significant operations in Europe but with a Nordic listing or ISIN.

## Breakdown by internal sustainability rating



## Monthly performance since inception (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2023</b>	1.27	1.56	-0.09	0.59									<b>3.36</b>
<b>2022</b>	0.77	-0.47	0.69	0.28	-0.51	-1.27	0.41	0.76	-1.06	-1.96	0.03	-0.32	<b>-2.67</b>
<b>2021</b>	0.84	0.44	0.72	0.98	0.47	1.00	0.98	1.06	0.37	0.26	0.41	0.37	<b>8.17</b>
<b>2020</b>							0.33	-0.02	0.11	0.06	1.55	0.13	<b>2.16</b>



## 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	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

### INVESTMENT TEAM

**Jakob Eliasson** 

Founder & Chief Investment Officer

**Emil Ahlin** 

Assistant Portfolio Manager, ESG lead

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