



MONTHLY REPORT

Sustainable Corporate Bond 2XL

June 2023

Record-breaking H1 return despite real estate concerns

June, with a continued positive momentum from this spring, concluded the strongest half year since the fund's inception. The fund yielded 0.73% during the month (7.64% YTD) driven by (i) the refinancing of Storskogen; (ii) a general strengthening of our investment company portfolio; and (iii) a continued rebound in Momox. The Storskogen (listed with EUR 1.4bn mkt cap) investment – a theme which was initiated only in Q1 of this year – has generated an attractive return of 30%+ IRR following the refinancing which took place in June. We have never lost money on an investment company and the Storskogen investment further strengthens our conviction on the sector. On the other hand, the real estate market continues to sway as discussed in our May report and most of our holdings in the sector traded softer during the month. Investors remain sceptical towards the sector but few actually do in-depth analysis to separate the wheat from the chaff.

If any, the positive news concerning the real estate sector are that refinancing needs are being addressed and new equity invested. During the month, real estate company and property developer Alm Equity announced the disposal of most of its shares in Klöver with its project portfolio of ~24,000 homes. The EUR 100m proceeds from the divestment will be applied towards amortising debt and further strengthening liquidity. Real estate fund Areim announced it has increased its ownership in property developer Magnolia Bostad from 50% to 100%. Areim, with an estimated investment capacity of EUR 2.2bn through its latest fund, could help supporting Magnolia during these rocky times. Finally, real estate company Genova (listed with EUR 200m mkt cap) sold low-levered, non-core assets resulting in a well-needed EUR 35m liquidity boost. We hold bonds in the above-mentioned companies but expect modest price movements despite these positive news due to the overall negative sector sentiment.

Finally, we note that pretty much everyone suddenly has come out as a macro expert with views on rates, FX and monetary policy in general. In Sweden, the ever-depreciating SEK has sparked a renewed debate about joining the Euro with some people seeming almost insulted by the record-weak currency. But as a small currency in an interest-sensitive, real estate troubled economy, the weakness of the SEK actually seems pretty inevitable, doesn't it? In any event, we take neither FX nor rates risk and continue to do what we say we do: focusing on credit, financial and liquidity risk to deliver stable alpha return over time, regardless of market sentiment.

Emil & Jakob



Nordic Credit Partners

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Cumulative performance (%)

1 Month	YTD	1 Year	3 Years	Since inception	NAV
0.73	7.64	3.76	N/A	12.89	112.89

Monthly performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.46	1.01	-0.07	0.80	3.51	0.73							7.64
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	3m Stibor + 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:

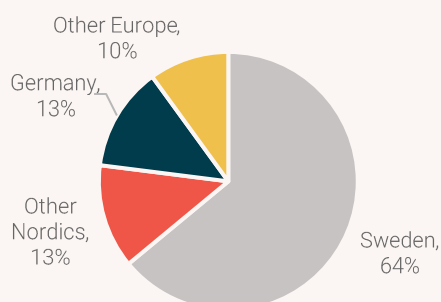


Portfolio and performance ratios

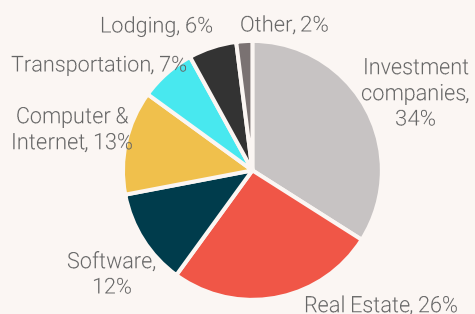
Ratio	
Yield to maturity (unlevered)	17.1%
Yield to worst (unlevered)	17.1%
Average coupon	9.6%
Credit duration	2.02 years
Duration	0.35 years
Modified duration	0.30%
Weighted average bond price	92.7
Leverage as % of gross portfolio	11%

Ratio	
Investments during the month	1
Divestments during the month	2
Positive months since inception	80%
Annualised return since inception	4.2%
Standard deviation p.a. since inception	4.2%
Sharpe ratio since inception	0.84
Risk level	3 out of 7
Average credit rating	Non-rated

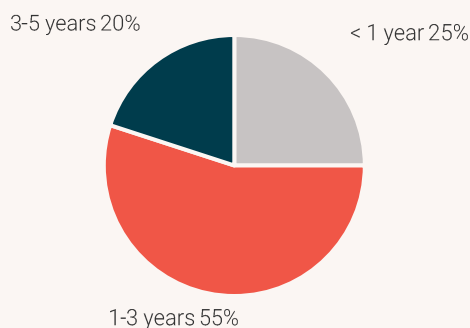
Breakdown by geography (issuer)



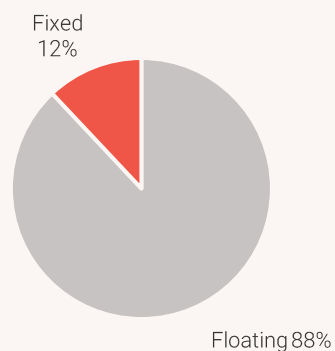
Breakdown by sector



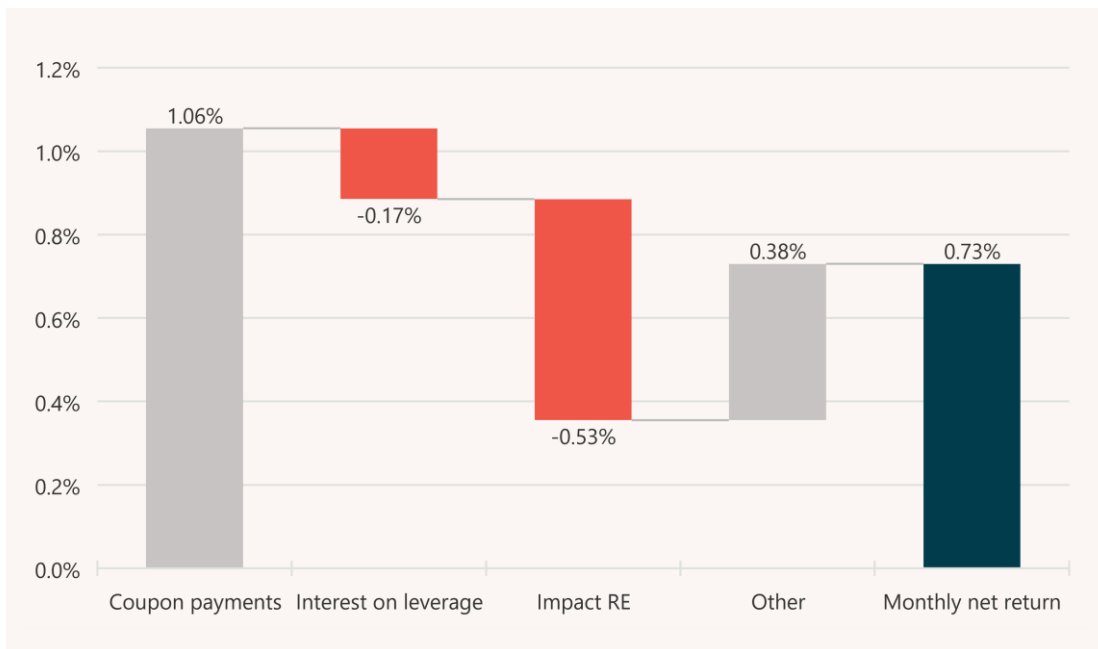
Breakdown by maturity



Breakdown by coupon



Monthly return breakdown

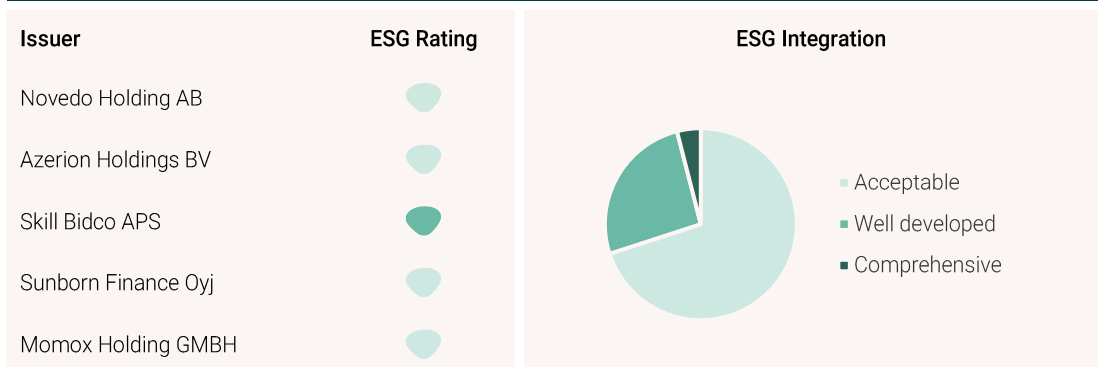


Other includes unrealised profit and losses, accrued fees and rounding differences.

Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Novedo Holding AB	SE0017070980	Sweden	Nov 2024	Stibor+6.50%	7.5%
Azerion Holdings BV	SE0015837794	Netherlands	Apr 2024	7.25%	6.8%
Skill Bidco APS	NO0012847831	Denmark	Mar 2028	Euribor+6.75%	6.8%
Sunborn Finance Oyj	FI4000292750	Finland	Feb 2024	Euribor+4.85%	6.3%
Momox Holding GMBH	NO0010886369	Germany	Jul 2025	Euribor+6.25%	6.3%

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	0.80	3.51	0.73							7.64
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% if hurdle reached	15% if hurdle reached	15% if hurdle reached	15% if hurdle reached
Hurdle	3mS+5% p.a.	3mS+5% p.a.	3mS+5% p.a.	3mS+5% p.a.

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