



MONTHLY REPORT

Sustainable Corporate Bond 2XL

September 2023

Steady, As She Goes

In September, the primary market started out strong with many new issuances, but the sentiment gradually turned more hesitant as international interest rate concerns reappeared. The fund yielded +0.52% during the month (+9.50% YTD) due to generally flat prices apart for Cabonline where the ongoing restructuring continues to weigh on the bond price.

On 20 September, Cabonline announced the key building blocks in the proposed restructuring. The proposal, which has already received support from a majority of the bondholders, gives holders the option to contribute a smaller amount of additional capital in exchange for a more senior ranking of their existing bonds. The bondholders will also assume full ownership of the company in conjunction with the restructuring and US private equity firm HIG (the current owner), will be taken out. Overall, we view the restructuring as positive and are currently assessing our alternatives for maximising the return on this investment (3.2% of the portfolio).

On the real estate side, the circus surrounding Heimstaden Bostad (5.3% of the portfolio) continues, and we're probably only in the first act. Alecta and Folksam, the two largest institutional shareholders with a combined AUM in excess of SEK 1500bn, are currently debating terms (including amendments to the shareholders' agreement) with the other owners in exchange for injecting additional equity. But with SEK 75bn already invested, they have no real option but to continue to support the company going forward. Reading the tabloids, it is easy to forget that Heimstaden Bostad actually generates SEK 10bn of net operating income this year and recently raised an additional SEK 8bn in new bank financing to manage upcoming bond maturities. After all, the company is merely *fighting to defend its BBB investment grade rating* while smaller peers are *fighting for survival*. As such, we remain positive on the investment and expect an update on the equity raise, with no expected impact on the bond terms, prior to year-end.

While many arrows point towards higher credit losses in the next 12-18 months due to the deteriorating macro picture, we are more concerned about the market liquidity situation which only part has been addressed following the market failure in the beginning of the pandemic. With four months' notice for redemptions however, the risk primarily relates to increased volatility and negative mark-to-market changes rather than cash losses.

Emil & Jakob



Nordic Credit Partners

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Cumulative performance (%)

1 Month	YTD	1 Year	3 Years	Since inception	NAV
0.52	9.50	6.45	14.36	14.84	114.84

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	-0.39	1.59	0.52				9.50
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:

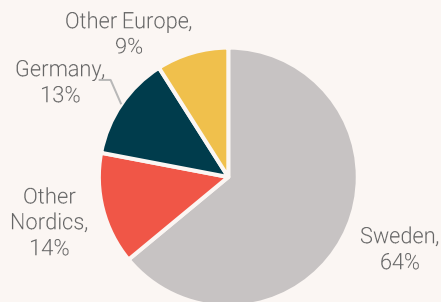


Portfolio and performance ratios

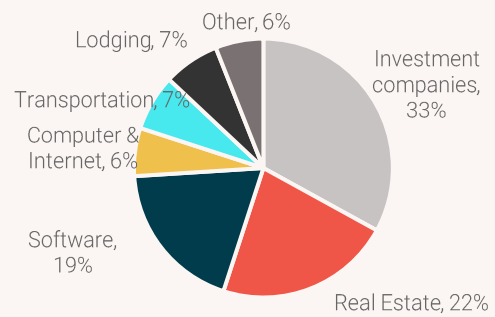
Ratio	
Yield to maturity (unlevered)	21.4%
Yield to worst (unlevered)	21.4%
Average coupon	10.1%
Credit duration	2.00 years
Duration	0.31 years
Modified duration	0.26%
Weighted average bond price	92.2
Leverage as % of gross portfolio	19%

Ratio	
Investments during the month	1
Divestments during the month	1
Positive months since inception	79%
Annualised return since inception	4.47%
Standard deviation p.a. since inception	4.05%
Sharpe ratio since inception	0.86
Sortino ratio since inception	0.46
Risk level	3 out of 7
Average credit rating	Non-rated

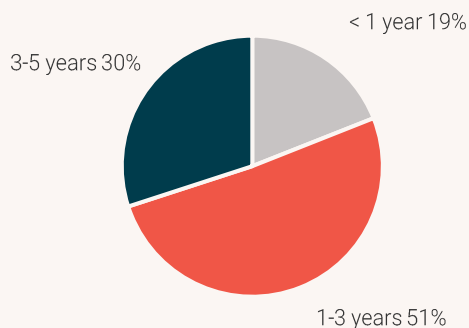
Breakdown by geography (issuer)



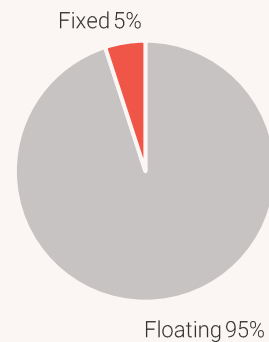
Breakdown by sector



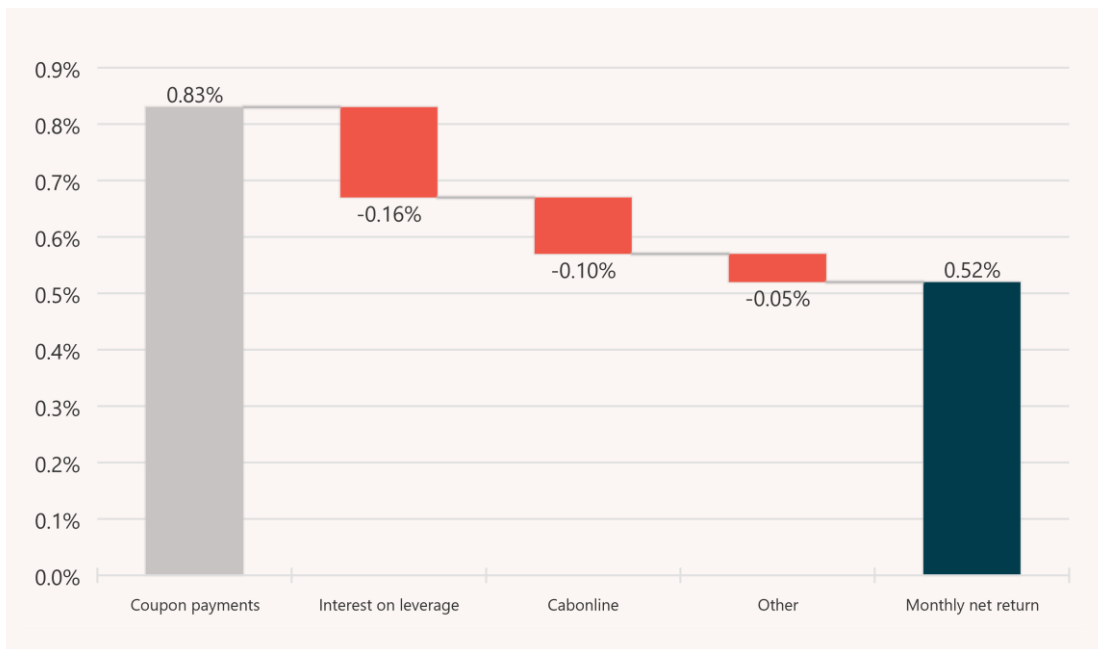
Breakdown by maturity



Breakdown by coupon



Monthly return breakdown

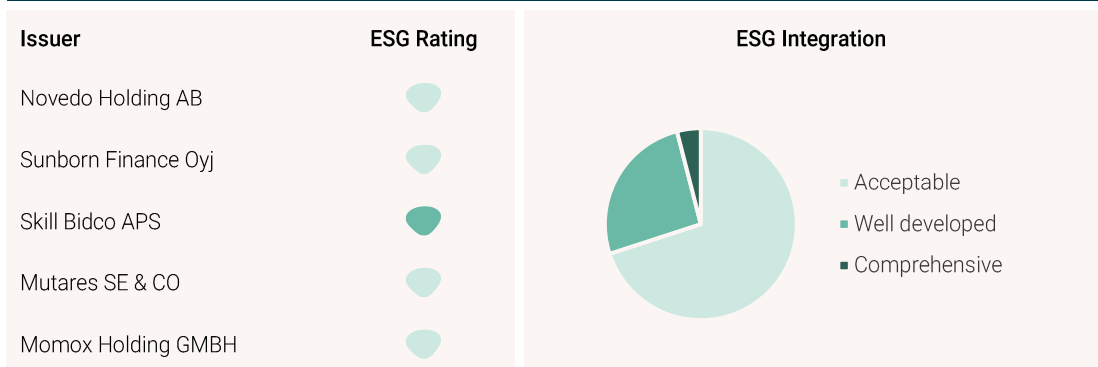


Other includes net effects, unrealised profit and losses, fees and rounding differences.

Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Novedo Holding AB	SE0017070980	Sweden	Nov 2024	Stibor+6.50%	8.7%
Sunborn Finance Oyj	FI4000292750	Finland	Feb 2024	Euribor+4.85%	7.1%
Skill Bidco APS	NO0012847831	Denmark	Mar 2028	Euribor+6.75%	6.8%
Mutares SE & CO	NO0012530965	Germany	Mar 2027	Euribor+8.50%	6.7%
Momox Holding GMBH	NO0010886369	Germany	Oct 2025	Euribor+6.25%	6.0%

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	-0.39	1.59	0.52				9.50
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.

INVESTMENT TEAM

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