



MONTHLY REPORT

Sustainable Return

October 2023

Stability underpinned by record-high coupons

In October, much like the month before, the Nordic HY market remained a bit subdued due to the movements in international interest rates and volatility in the stock market(s), with only a few new issuances. The fund yielded -0.12% during the month (+4.41% YTD) explained by a slight price pressure on the overall portfolio, a price decline in Marginalen Bank and coupon payments as a counterweight.

Novedo (5.9% of the portfolio), an investment company which is currently planning for its IPO, released credit accretive news: post IPO net leverage is expected to be <2x EBITDA and the Q3 report included continued revenue growth - acquired and organic - and profitability in line with expectations. Despite this, the bond price declined, as a few holders looked to reduce their concentration risk and overall exposure to the company's main shareholder, a frequent bond issuer in the Swedish market. In preparation for the IPO, the maturity of the bond has been extended by one year which also resulted in selling pressure from some short-term focused holders. We are fundamentally comfortable with the underlying business, leadership and shareholders and maintain an active dialogue with the company. The cash price declined by some 230bps during the month which negatively impacted the NAV by approx. 20 bps.

Marginalen Bank (1.7% of the portfolio), a Swedish niche bank in consumer and business lending, announced that it is not redeeming its SEK 300m T2 bond at the first call date on 30 October 2023. The bond can be redeemed on every interest payment date, i.e. quarterly, thereafter, which means the next call date is on 30 January 2024. The price declined and stabilised around the 70-level. The company subsequently announced it has mandated advisers to issue additional capital to redeem the outstanding T2-bonds as soon as possible. (The company also has AT1 debt outstanding.) Behind the scenes, we understand the company has started to re-arrange its assets and may look to divest assets and call outstanding bonds. It is a small holding for the fund and the impact on the NAV was limited to approx. 10 bps.

The handful of quarterly reports which have been released so far is encouraging reading with resilient demand, cost control and a continued focus on cash flow. We will analyse the remainder of the reports and meet with the management teams to discuss the Q3 reports in the coming weeks.

Emil & Jakob



Nordic Credit Partners

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Cumulative performance (%)

1 Month	YTD	1 Year	3 Years	Since inception	NAV A	NAV B	NAV C
-0.12	4.41	2.07	12.81	13.34	100.89	100.74	100.57

Monthly performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.27	1.56	-0.09	0.58	0.68	-0.37	0.04	1.48	-0.47	-0.12			4.41
2022	0.77	-0.47	0.69	0.28	-0.51	-1.27	0.41	0.76	-0.18	-1.95	0.03	-0.32	-1.79
2021	0.84	0.44	0.72	0.98	0.47	1.00	0.98	1.06	0.39	0.26	0.41	0.37	8.19

Key fund facts

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



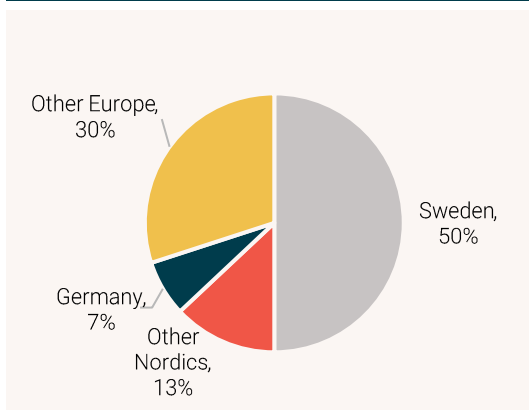
Portfolio and performance ratios

Ratio	
Yield to maturity	18.8%
Yield to worst	18.8%
Average coupon	10.3%
Credit duration	1.74 years
Duration	0.30 years
Modified duration	0.26%
Weighted average bond price	93.4
Average credit rating	Non-rated

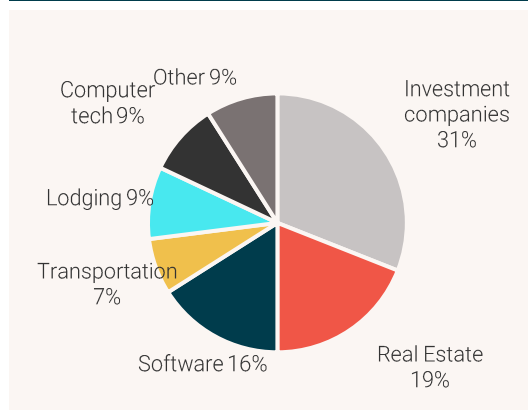
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Ratio	
Investments during the month	1
Divestments during the month	-
Positive months since inception	73%
Annualised return since inception	4.04%
Standard deviation p.a. since inception	2.53%
Sharpe ratio since inception	1.18
Sortino ratio since inception	0.77
Risk level	3 out of 7

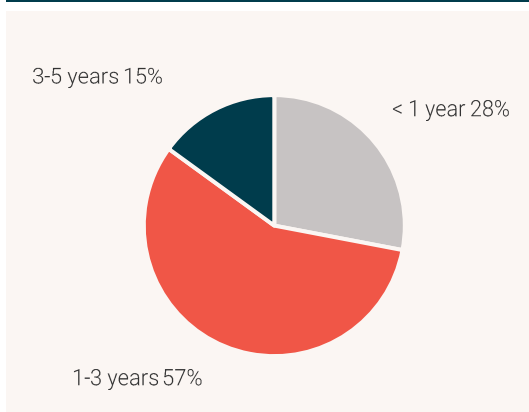
Breakdown by geography (issuer)



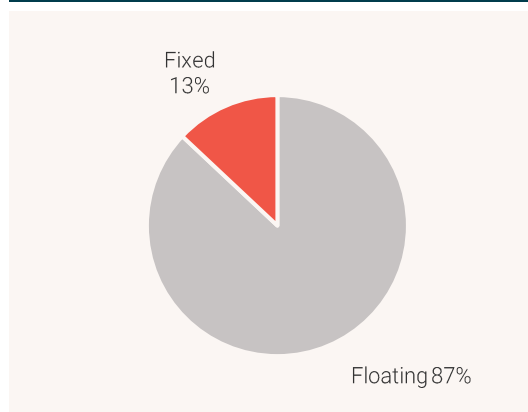
Breakdown by sector



Breakdown by maturity



Breakdown by coupon

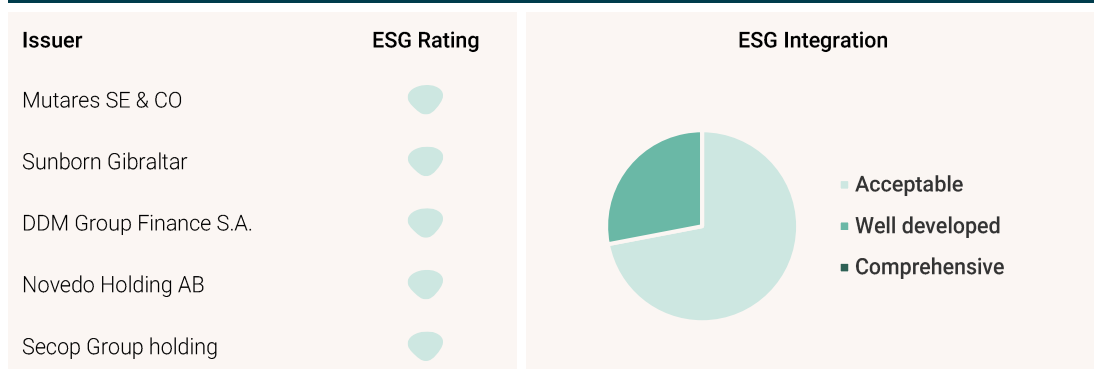


Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Mutares SE & CO	N00012530965	Germany ¹	Mar 2027	Euribor+8.50%	6.1%
Novedo Holding AB	SE0017070980	Sweden	Nov 2024	Stibor+6.50%	5.9%
Aonic AB	SE0020975449	Sweden	Oct 2027	Stibor+8.50%	5.8%
Sunborn Gibraltar	SE0010296632	Gibraltar ¹	Mar 2024	Euribor+5.00%	5.0%
DDM Group Finance S.A.	LU2570106943	Luxembourg ¹	Dec 2024	10.0% PIK ²	5.0%

¹Issuers with significant operations in Europe but with a Nordic listing or ISIN. ²With a convertible feature.

Breakdown by internal sustainability rating



Monthly performance since inception (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.27	1.56	-0.09	0.58	0.68	-0.37	0.04	1.48	-0.47	-0.12			4.41
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2021	0.84	0.44	0.72	0.98	0.47	1.00	0.98	1.06	0.39	0.26	0.41	0.37	8.19
2020							0.33	-0.02	0.11	0.06	1.55	0.13	2.16

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

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