



MONTHLY REPORT

Sustainable Return

September 2023

MAINLY TAILWIND, SOME TURBULENCE BUT NO NEED TO PANIC

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 -0.47% during the month (+4.53% YTD) explained by (i) flat to slightly negative prices; (ii) Cabonline where the ongoing restructuring continues to weigh on the bond price; and (iii) the disposal of YA holding.

In late September, Cabonline announced the key building blocks in its 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 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 (2.8% of the portfolio). We note that the bond price has traded up on this news after month end.

Following an unexpectedly weak summer, Yrkesakademin (YA Holding) which has faced operational issues in the last couple of quarters, suffered from weakening liquidity. The company's main shareholder, Helsinki-based private equity firm CapMan, declined to inject additional capital and proposed transferring the company to the bondholders. Given the poor performance and outlook, we have gradually reduced our holding during the Spring (at, what we now conclude, favourable prices) and now took the opportunity to divest the remainder. Additionally, the outlook stemming from the Swedish government's budget allocation appears unfavourable. We view the risk as too high in relation to the limited upside and decides to redirect our assets into other opportunities.

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 partly has been addressed following the market failure in the beginning of the pandemic. With yearly redemptions however, the risk primarily relates to increased volatility and negative mark-to-market changes rather than cash losses. Although we do not wish for increased volatility, those periods have historically proven to offer attractive investment opportunities for our funds.

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
-0.47	4.53	2.20	13.01	13.47	101.02	100.86	100.72

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				4.53
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:



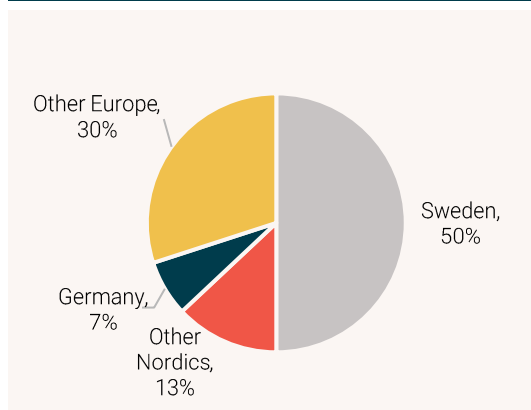
Portfolio and performance ratios

Ratio	
Yield to maturity	16.8%
Yield to worst	16.8%
Average coupon	10.1%
Credit duration	1.69 years
Duration	0.26 years
Modified duration	0.22%
Weighted average bond price	93.2
Average credit rating	Non-rated

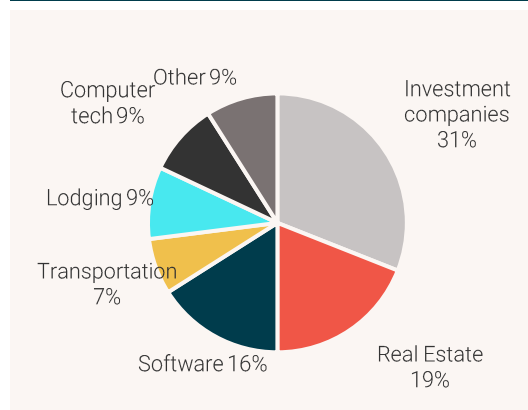
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Ratio	
Investments during the month	-
Divestments during the month	1
Positive months since inception	75%
Annualised return since inception	3.9%
Standard deviation p.a. since inception	2.53%
Sharpe ratio since inception	1.27
Sortino ratio since inception	0.80
Risk level	3 out of 7

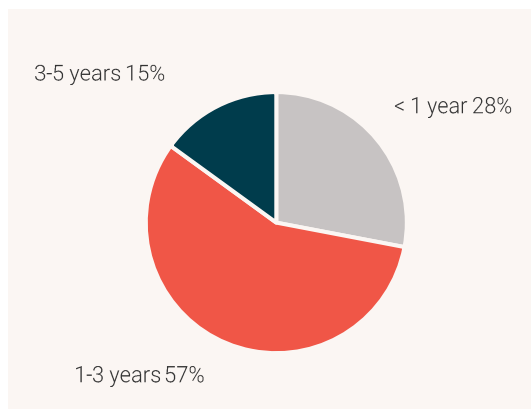
Breakdown by geography (issuer)



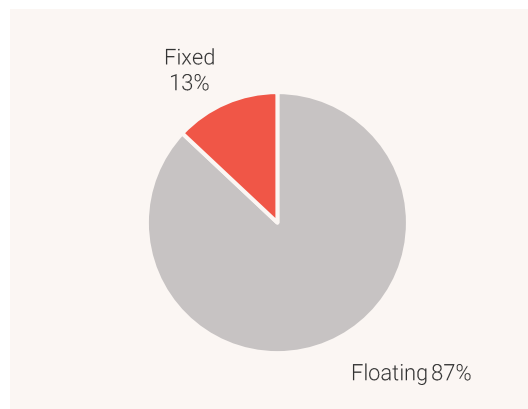
Breakdown by sector



Breakdown by maturity



Breakdown by coupon

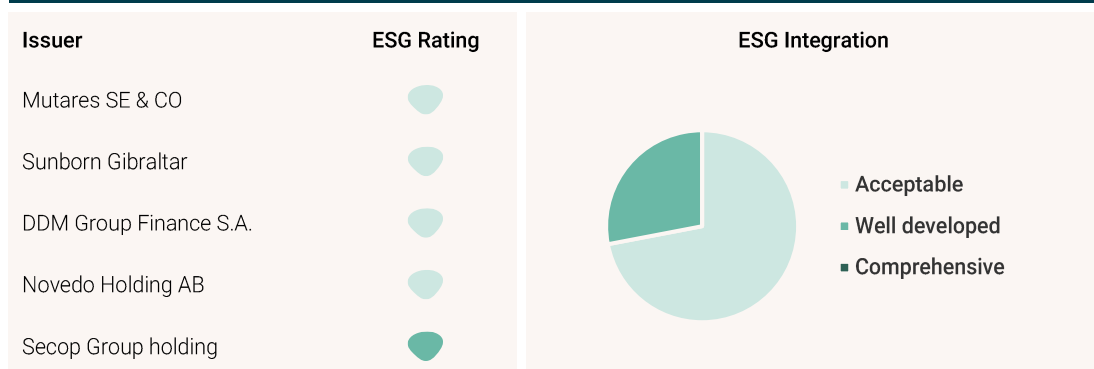


Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Mutares SE & CO	N00012530965	Germany ¹	Mar 2027	Euribor+8.50%	6.6%
Sunborn Gibraltar	SE0010296632	Gibraltar ¹	Mar 2024	Euribor+5.00%	5.5%
DDM Group Finance S.A.	LU2570106943	Luxembourg ¹	Dec 2024	10.0% PIK ²	5.4%
Novedo Holding AB	SE0017070980	Sweden	Nov 2024	Stibor+6.50%	5.2%
Secop Group Holding	N00012923194	Germany	Dec 2026	Euribor+8.40%	5.2%

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				4.53
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
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

Jakob Eliasson 

Founder & Chief Investment Officer

Emil Ahlin 

Assistant Portfolio Manager, ESG lead

INVESTOR RELATIONS

Karl-Fredrik Hansson 

karl-fredrik.hansson@ncpgroup.se

+46 73 435 33 10

CONTACT

Nordic Credit Partners AB

(Investment advisor)

www.ncpgroup.se

Nordic Credit Opportunities S.A. SICAV-RAIF

(Umbrella fund)

49, boulevard Prince Henri

L-1724 Luxembourg

Grand Duchy of Luxembourg

