



MONTHLY REPORT

Sustainable Corporate Bond 2XL

October 2023

Resistance throughout a subdued month

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 0.24% during the month (+9.76% YTD) explained by a slight price pressure on the overall portfolio and coupon payments as a counterweight.

Novedo (8.2% of the portfolio), an investment company which is planning for an IPO, released credit accretive news (post IPO net leverage is expected to be <2x EBITDA) and an overall solid Q3 report with continued revenue growth, acquired and organic, and profitability in line with expectations. Despite this, bond price was negative impacted by a few sellers which probably looked to reduce their 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 some selling pressure as some of the short-term needs to reduce their holding. We are comfortable with the underlying business, leadership and shareholders of the company and continue closely monitor the business. The price pressure in Novedo negative impacted the NAV by 25 bps.

Marginalen Bank (0.8% of the portfolio), a niche bank in consumer and business lending in Sweden, 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 thereafter, i.e. quarterly, meaning that the next call date is on 30 January 2024. The price adjustments for the outstanding notes were initially negative but have stabilised around the 70-level. The company subsequently announced it has mandated advisers to issue additional capital in order to redeem the outstanding T2-bonds as soon as possible. Behind the scenes, we understand the company has started to re-arrange its assets and we would not be surprised if the company in the near future divest assets and call outstanding bonds. It is a small holding for the fund and the impact on the NAV was limited to <20 bps.

The handful of quarterly reports which have been released so far is pleasant reading with still resilient demand, cost control and focus on the cash flow. We are looking forward to analysing the remainder of the reports and to meet with the management teams 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
0.24	9.76	9.81	13.96	15.12	115.12

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	0.24			9.76
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:

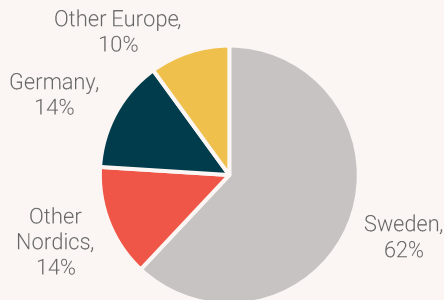


Portfolio and performance ratios

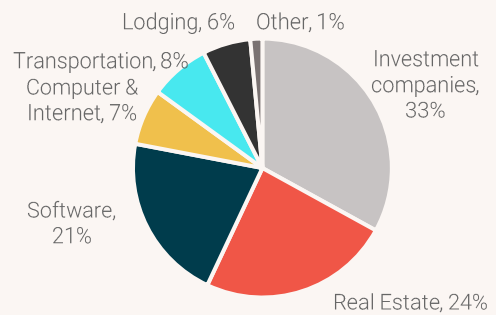
Ratio	
Yield to maturity (unlevered)	22.4%
Yield to worst (unlevered)	22.4%
Average coupon	10.2%
Credit duration	2.10 years
Duration	0.32 years
Modified duration	0.27%
Weighted average bond price	92.0
Leverage as % of gross portfolio	25%

Ratio	
Investments during the month	1
Divestments during the month	1
Positive months since inception	79%
Annualised return since inception	4.4%
Standard deviation p.a. since inception	4.00%
Sharpe ratio since inception	0.84
Sortino ratio since inception	0.47
Risk level	3 out of 7
Average credit rating	Non-rated

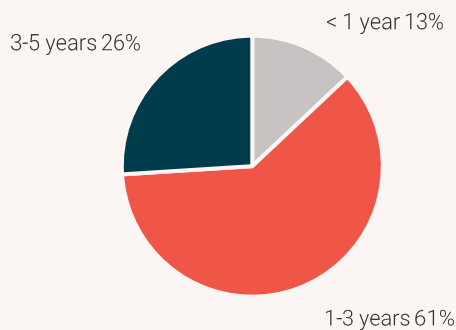
Breakdown by geography (issuer)



Breakdown by sector



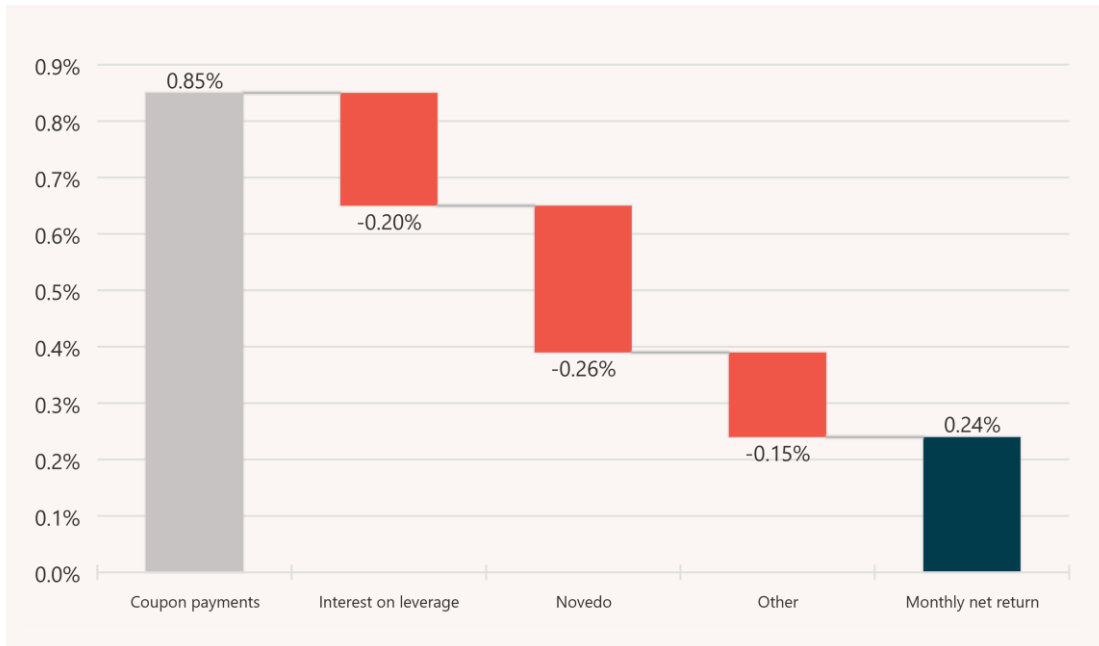
Breakdown by maturity



Breakdown by coupon



Monthly return breakdown

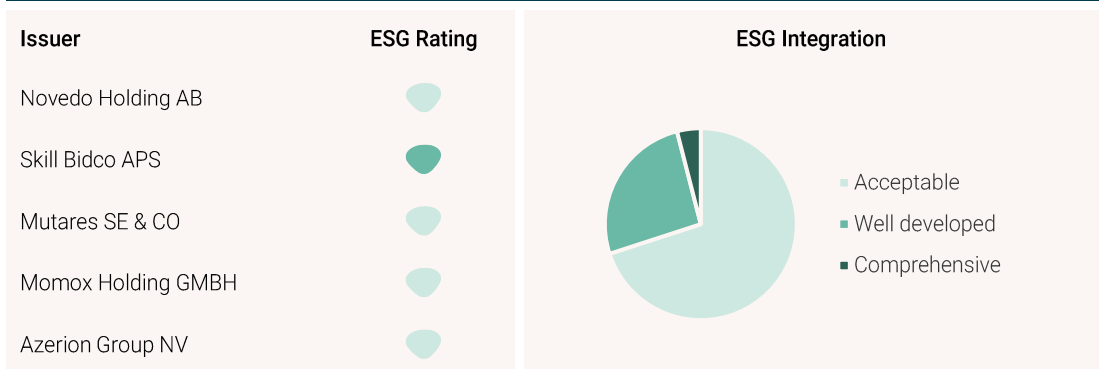


Other includes net effects, unrealised profit and losses, fees and rounding differences.

Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Novedo Holding AB	SE0017070980	Sweden	Nov 2024	Stibor+6.50%	8.2%
Skill Bidco APS	N00012847831	Denmark	Mar 2028	Euribor+6.75%	7.5%
Mutares SE & CO	N00012530965	Germany	Mar 2027	Euribor+8.50%	6.9%
Momox Holding GMBH	N00010886369	Germany	Oct 2025	Euribor+6.25%	6.6%
Azerion Group NV	N00013017657	Netherlands	Oct 2026	Euribor+6.75%	6.6%

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	0.24			9.76
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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