



MONTHLY REPORT

Sustainable Corporate Bond 2XL

January 2024

New year – and we're off with a bang

During January, the Nordic credit market continued its positive trend from December last year triggered by lower long-term rates and increased risk sentiment. The fund yielded +3.46% during the month driven by (i) continued high coupons thanks to the high underlying base rates; and (ii) cash price increases in the real estate segment in particular and the portfolio in general.

The declining long-term rates during the last eight weeks of 2023 impacted primarily longer dated fixed rate bonds and the risk premia in equities. Secondly, the Nordic credit market was impacted in January through improved outlook for Swedish real estate companies and lower risk premia as a bolt-on effect from the equity markets. Many real estate companies (also smaller, high yield names) took advantage of the strong market sentiment locking in longer rates or refinancing outstanding bonds at attractive – or, at least, manageable – levels. Many bonds outside of the real estate sector have also traded up 1-2 ppts in cash price thanks to the increased risk sentiment.

The cash price of the real estate portfolio (23% of the total portfolio) increased on average 6 ppts during the month which contributed ~200 bps to the monthly return. It consists primarily of residential real estate companies backed by institutional shareholders. Although company specific news were limited (none of them have yet reported Q4 numbers) the market saw lower long-term rates as positive both for improved funding costs and supportive for current book values of assets. It's too early to call off all risks in this sector but the systemic risk (if there ever was any?) is certainly diminishing.

Our other main sector exposures, primarily investment companies and software, also saw a positive sentiment with most holdings trading up. The investment companies (29% of the portfolio) which have been trading below par for more than a year, gained momentum and are trading closer to par. We saw a similar pattern in the software companies where the cash price increase in MGI alone (7.4% of the portfolio) contributed ~30 bps to the monthly return.

Is the positive sentiment here to stay? Impossible to say but with a portfolio of sound, cash generative investments with a controlled risk level we are certainly not dependent of it.

Emil & Jakob



Nordic Credit Partners

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Cumulative performance (%)

1 Month	YTD	1 Year	3 Years	Since inception	NAV
3.46	3.46	13.64	18.01	20.93	120.93

Monthly performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	3.46												3.46
2023	1.46	1.01	-0.07	0.80	3.51	0.73	-0.39	1.59	0.52	0.24	0.15	1.39	11.45
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

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:



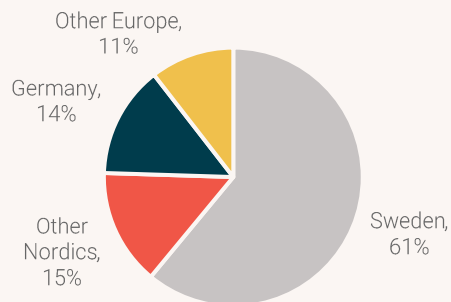
Portfolio and performance ratios

Ratio	
Yield to maturity (unlevered)	13.2% ¹
Yield to worst (unlevered)	13.2% ¹
Average coupon	9.7%
Credit duration	2.2 years
Duration	0.4 years
Modified duration	0.35%
Weighted average bond price	90.9
Leverage as % of gross portfolio	23%

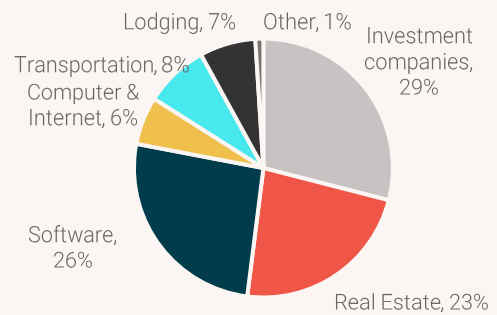
¹ Excluding a high-impact near-term maturity issuer

Ratio	
Investments during the month	-
Divestments during the month	-
Positive months since inception	81%
Annualised return since inception	5.6%
Standard deviation p.a. since inception	4.2%
Sharpe ratio since inception	1.0
Sortino ratio since inception	0.6
Risk level	3 out of 7
Average credit rating	Non-rated

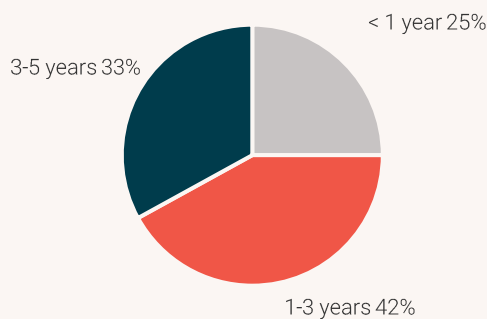
Breakdown by geography (issuer)



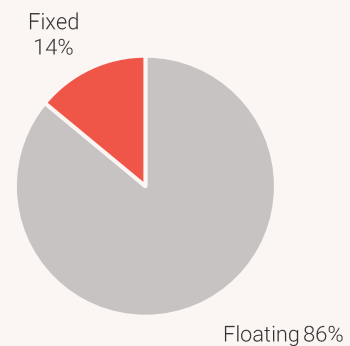
Breakdown by sector



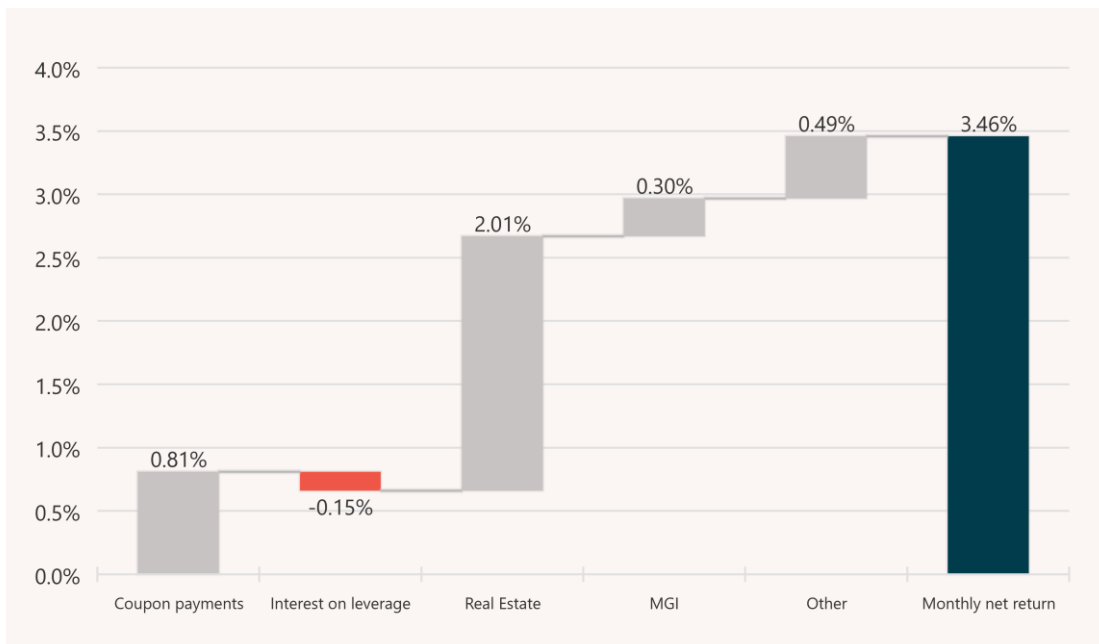
Breakdown by maturity



Breakdown by coupon



Monthly return breakdown

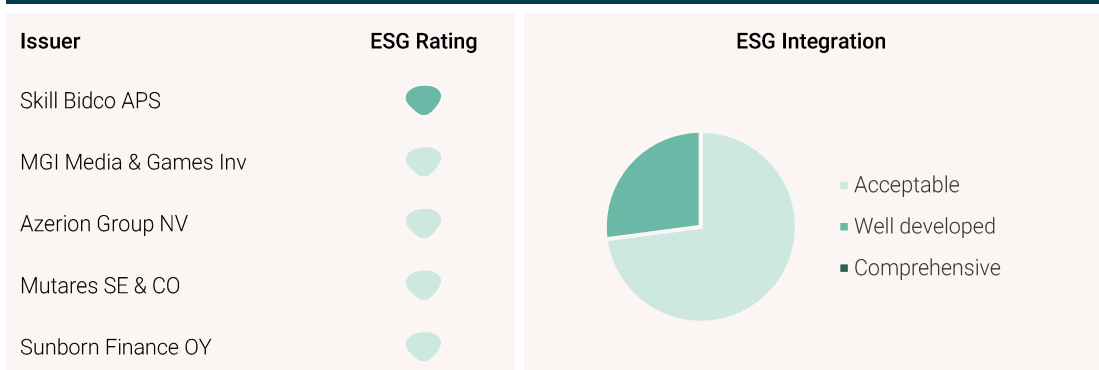


Other includes net effects, unrealised profit and losses, fees and rounding differences.

Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Skill Bidco APS	N00012847831	Denmark	Mar 2028	Euribor+6.75%	7.6%
MGI Media & Games Inv	SE0019892241	Sweden	Mar 2027	Euribor+7.25%	7.2%
Azerion Group NV	N00013017657	Netherlands	Oct 2026	Euribor+6.75%	7.2%
Mutares SE & CO	N00012530965	Germany	Mar 2027	Euribor+8.50%	7.2%
Sunborn Finance OY	FI4000292750	Finland	Feb 2024	Euribor+4.85%	6.9%

Breakdown by internal sustainability rating



Monthly performance since inception (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	3.46												3.46
2023	1.46	1.01	-0.07	0.80	3.51	0.73	-0.39	1.59	0.52	0.24	0.15	1.39	11.45
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 1.25m	SEK 50m	EUR 100 000	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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