



MONTHLY REPORT

Sustainable Corporate Bond 2XL

February 2024

Convincing February

During February, the Nordic credit market maintained its positive momentum from the past six months. Limited primary market activity underpinned strong development in the secondary market which largely is a seasonal pattern with the majority of issuers releasing year-end figures at the end of February. The fund yielded +1.04% during the month (+4.53% YTD) driven by (i) continuous high coupons thanks to the high underlying base rates; and (ii) a generally positive market momentum; partly offset by (iii) a price decline in the Sunborn Bond following the requested three-month extension.

By the end of this month, all portfolio companies have reported their fourth quarter and hence we have received full year figures for the fiscal year 2023. In general, the reports did not reveal anything surprising. The general theme was that (i) the underlying demand is still OK; (ii) the profitability is healthy thanks to more or less flexible cost bases or pricing power. Where we have seen softer reports and signs of a weakening demand, the companies have instead worked hard to defend their margins and to boost the cash generation (by inter alia normalisation of the working capital). The overall market reaction has been positive even if some real estate developers continue to be muted around their coming maturities (we have over time transitioned away from pure real estate developers). However, they still work as a decent indicator of the sentiment.

During February, Sunborn Finance, a Finnish family-controlled spa hotel, requested a three months' extension on its outstanding bond in order to manage its upcoming maturity originally scheduled for February 2024. The EUR 50m bond is secured by assets with an estimated fair value of EUR 58m (Dec 2023). Hence, we expect full value to be returned to bondholders at maturity but remain focused on the company and maintain an ongoing dialogue with the main owner and CEO.

Even if we still see interesting opportunities in the secondary market, we note that the market has had a strong start of the year, and spreads are tightening fast. The window to act opportunistically is not yet closed but has narrowed fundamentally refocuses investor back at fundamental value which indeed is a sign of health.

Emil & Jakob



Nordic Credit Partners

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Cumulative performance (%)

1 Month	YTD	1 Year	3 Years	Since inception	NAV
1.04	4.53	13.67	18.37	22.19	122.19

Monthly performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	3.46	1.04											4.53
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:



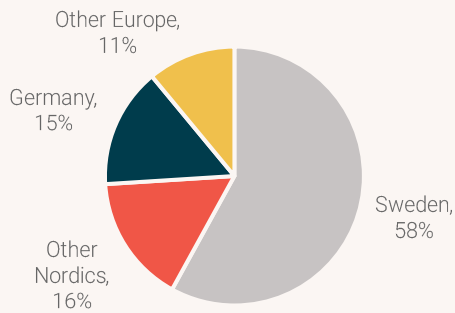
Portfolio and performance ratios

Ratio	
Yield to maturity (unlevered)	12.1% ¹
Yield to worst (unlevered)	12.1% ¹
Average coupon	10.0%
Credit duration	2.2 years
Duration	0.4 years
Modified duration	0.29%
Weighted average bond price	91.8
Leverage as % of gross portfolio	24%

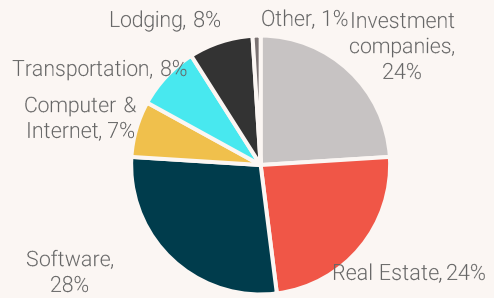
¹ Excluding a high-impact near-term maturity issuer

Ratio	
Investments during the month	-
Divestments during the month	2
Positive months since inception	81%
Annualised return since inception	5.8%
Standard deviation p.a. since inception	4.1%
Sharpe ratio since inception	1.1
Sortino ratio since inception	0.6
Average credit rating	Non-rated

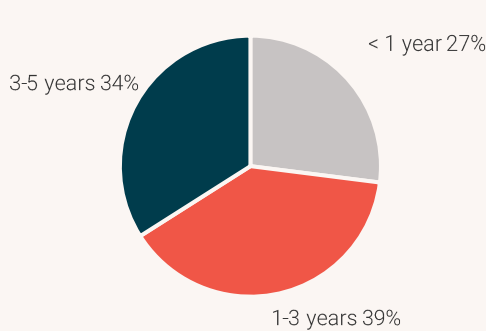
Breakdown by geography (issuer)



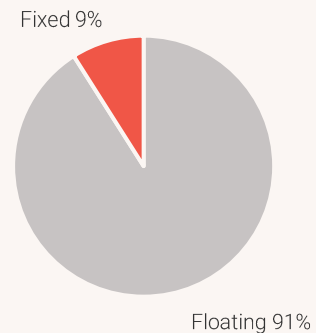
Breakdown by sector



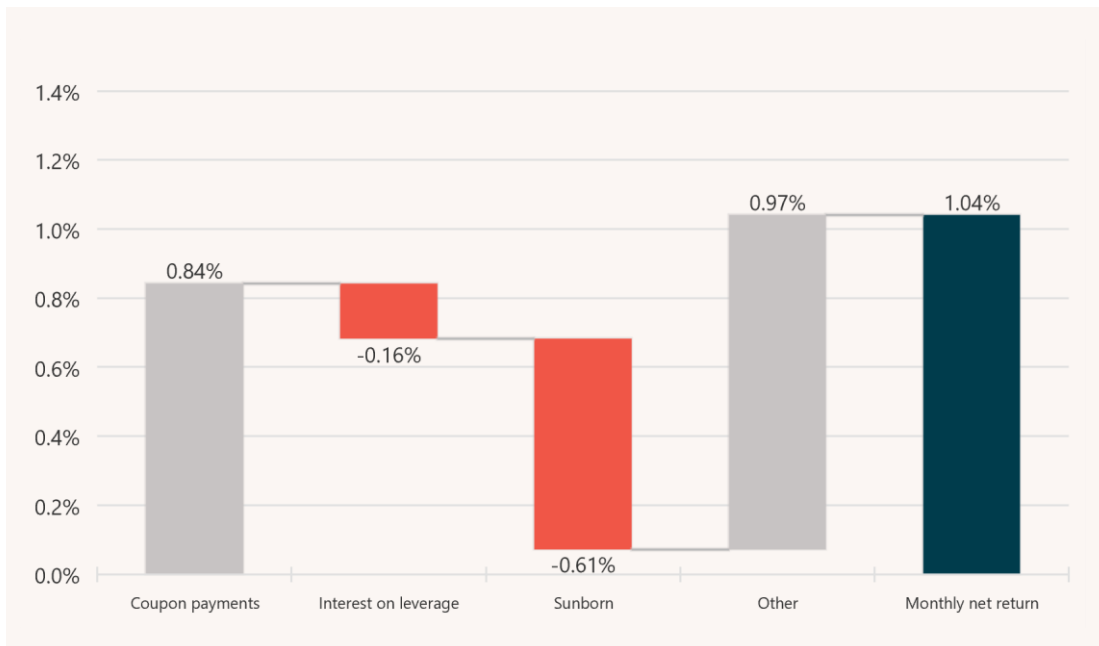
Breakdown by maturity



Breakdown by coupon



Monthly return breakdown

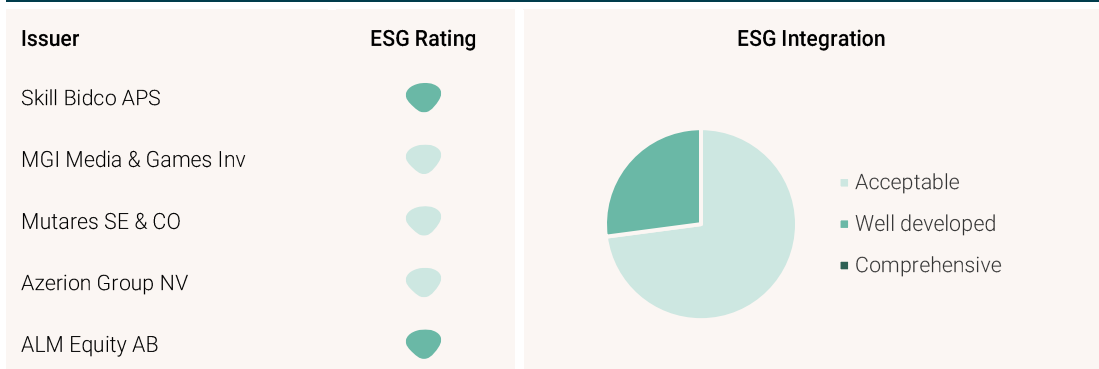


Other includes net effects, unrealised profit and losses, fees and rounding differences.

Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Skill Bidco APS	N00012847831	Denmark	Mar 2028	Euribor+6.75%	8.3%
MGI Media & Games Inv	SE0019892241	Sweden	Mar 2027	Euribor+7.25%	7.9%
Mutares SE & CO	N00012530965	Germany	Mar 2027	Euribor+8.50%	7.8%
Azerion Group NV	N00013017657	Netherlands	Oct 2026	Euribor+6.75%	7.8%
ALM Equity AB	SE0016074595	Sweden	Jun 2026	Stibor+6.50%	7.5%

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	1.04											4.53
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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