

## 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 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. The fund applies 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 its specific ESG risks and opportunities, thus futureproofing the portfolio and investing in long-term frontrunners.

Signatory of:



## INVESTMENT TEAM

**Jakob Eliasson**

Founder & Chief Investment Officer

**Christoffer Malmström**

Portfolio Manager

**Cecilia Bevik-Cronqvist**

Head of Sustainable Investing

## CONTACT

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(Umbrella fund)

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Nordic Credit Partners

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# Sustainable Corporate Bond 2XL

## MARKET & PORTFOLIO COMMENTARY

In early September, the fall season of new issuances kicked off with high demand from cash rich investors who had accumulated coupons and repayments during the quiet summer months. This is a seasonal recurring theme and usually presents an opportunity for us to optimise the portfolio and this year was no exception. We took the opportunity to dispose holdings with low risk-adjusted return or increased credit risk, reducing leverage somewhat. During the second half of the month, the boom in new issuances together with more mixed market signals resulted in a better balance between buyers and sellers, allowing us to evaluate new investments again at more attractive yields. We expect this market sentiment to remain in the short term.

The fund yielded 0.3% during the month (6.0% YTD) with the portfolio remaining largely unchanged in line with our strategy. However, the long-awaited change of custody bank and prime broker resulted in us making some adjustments to the portfolio to further improve leverage headroom and create additional dry powder for investments in the coming months. We reduced our holding in e.g. VNV Global where the yield has fallen by 130 bps since our initial investment, allowing us to put these funds at work with better yields elsewhere.

The uncertainty surrounding the Shenzhen-based real estate group Evergrande had an insignificant impact on the Nordic bond market but served as a good reminder that local real estate issuers constitute the largest sector also in our market. We have during the last few months conducted an in-depth review of each real estate related holding in the portfolio, analysing its interest sensitivity to leverage levels and interest rate coverage in light of the current elevated interest rate uncertainty. We conclude that the main risks relate to liquidity and access to bank financing/capital markets and look to manage the portfolio accordingly in the next few months.

Cecilia, Chris and Jakob

## CUMULATIVE PERFORMANCE (%)

1 month	YTD	1 year	3 years	Since inception
0.30	5.98	7.52	NA	7.97

## MONTHLY PERFORMANCE (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2021	0.59	0.73	0.85	0.89	0.58	0.27	0.33	1.30	0.30				5.98
2020								0.17	0.25	0.59	0.24	0.61	1.88

## THE FUND

<b>Fund name</b>	Nordic Credit Partners SICAV-RAIF Sustainable Corporate Bond 2XL		
<b>Target instruments</b>	Nordic corporate bonds	<b>AIFM</b>	Carné Global Fund Managers
<b>Target return</b>	6-9% p.a. net of fees	<b>Depository</b>	BNP Paribas Securities Services
<b>Inception date</b>	5 August 2020	<b>Auditor</b>	PWC Luxembourg

Historical returns are no guarantee of future returns. Capital invested in the fund may both increase or decrease in value and there is no guarantee that you will be repaid your invested capital. Complete prospectus and fund statutes are available at [www.ncpgroup.se](http://www.ncpgroup.se). The information in this document is proprietary to Nordic Credit Partners AB and is intended only as general information. It should not be construed as investment advice or recommendation. The information may prove to be inaccurate, incomplete or out of date. Nordic Credit Partners AB is not responsible for the damage, whether direct or indirect result of any defects or errors in the information.

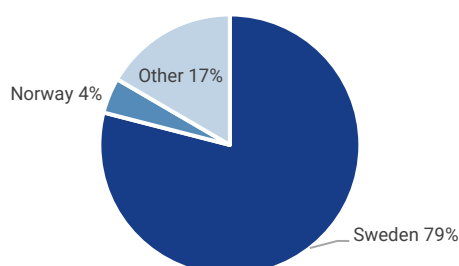
## KEY RATIOS

Ratio	
Yield to maturity	6.4%
Yield to worst	6.2%
Average coupon	7.1%
Credit duration	2.63 years
Duration	0.27 years
Modified duration	0.26%
Standard deviation p.a. (since inception)	1.11%
Average credit rating	Non-rated

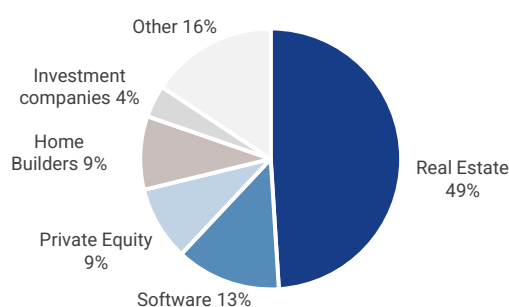
## TOP HOLDINGS

Issuer	%
Heimstaden AB	5.4%
Marginalen Bank AB	4.8%
Dooba Finance AB	4.7%
Artificial Solutions	4.6%
Momox Holdings GmbH	4.5%

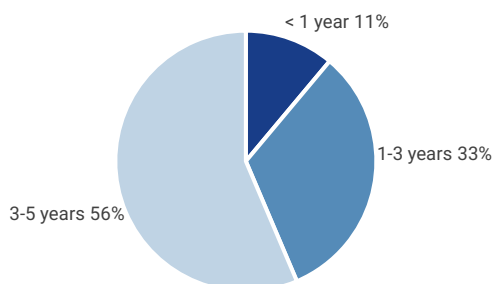
## BREAKDOWN BY GEOGRAPHY



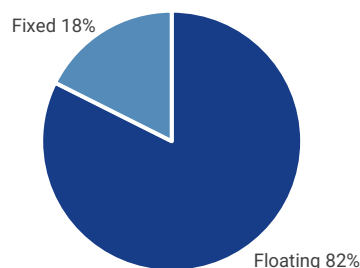
## BREAKDOWN BY SECTOR



## BREAKDOWN BY MATURITY



## BREAKDOWN BY COUPON



## SHARE CLASS INFORMATION

	Inst. (SEK)	Partner (SEK)	Inst. (EUR)	Partner (EUR)	Inst. (SEK)	Partner (SEK)	Inst. (EUR)	Partner (EUR)
ISIN	LU2180877792	LU2180877875	LU2257617014	LU2257617105	LU2180877446	LU2180877529	LU2257616636	LU2257616719
Target client	Inst. & Well-inf.	Inst. & Well-inf.	Inst. & Well-inf.	Inst. & Well-inf.	Inst. & Well-inf.	Inst. & Well-inf.	Inst. & Well-inf.	Inst. & Well-inf.
Currency	SEK	SEK	EUR	EUR	SEK	SEK	EUR	EUR
Income	Accumulating	Accumulating	Accumulating	Accumulating	Distributing	Distributing	Distributing	Distributing
Frequency	-	-	-	-	Quarterly	Quarterly	Quarterly	Quarterly
Min investment	SEK 1.5m	SEK 50m	EUR 125 000	EUR 5m	SEK 1.5m	SEK 50m	EUR 125 000	EUR 5m
Subscriptions	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Redemptions	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Management fee	0.90% p.a.	0.60% p.a.	0.90% p.a.	0.60% p.a.	0.90% p.a.	0.60% p.a.	0.90% p.a.	0.60% p.a.
Performance fee	20% over Hurdle	20% over Hurdle	20% over Hurdle	20% over Hurdle	20% over Hurdle	20% over Hurdle	20% over Hurdle	20% over Hurdle
Hurdle	3M Stibor+2%	3M Stibor+2%	3M Stibor+2%	3M Stibor+2%	3M Stibor+2%	3M Stibor+2%	3M Stibor+2%	3M Stibor+2%

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