

## INVESTMENT TEAM

**Jakob Eliasson**  
Managing Partner &  
CIO

**Christoffer  
Malmström**  
Partner & Portfolio  
Manager

**Cecilia Bevik-  
Cronqvist**  
Head of Sustainable  
Investments



## PROFILE

NCO Sustainable Return invests in Nordic corporate bonds with a target return of 7-10% p.a. The fund maintains a portfolio of c.25 holdings. Each investment undergoes thorough commercial, financial and ESG due diligence, is continuously monitored and 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 its specific ESG risks and opportunities, thus futureproofing the portfolio and investing in long-term frontrunners.

## CONTACT

**Nordic Credit Partners AB**  
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SE-114 35 Stockholm  
Sweden  
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**Nordic Credit Opportunities SICAV-RAIF**  
(Umbrella fund)  
28-38 Place de la Gare  
L-1616 Luxembourg.  
Grand Duchy of Luxembourg

# Sustainable Return

## MARKET & PORTFOLIO COMMENTARY

August was, as usual, another quiet month with new issuances only starting to come to market during the last days of the month. Bond investors have collected coupons and received unusually large bond repayments during the summer, and they now are cash rich and eager to put money to work. New issuances have received a lot of interest and priced tightly while appetite in the secondary market also remains strong. All of the above are seasonal patterns and come as no news to us. On the contrary, this is usually a good time of the year to reposition the portfolio through disposing of holdings with unattractively low yield or elevated risk, getting the portfolio ready for a few active months ahead.

As a result of the annual distribution that took place in August (6.8%), the NAV dropped to 102.6, but adjusting for that the NAV would be 109.4 as the fund yielded 1.5% during the month (7.0% YTD). The yield was positively impacted by continued strong momentum in Cabonline (which is now pricing at c. 92/93 area vs our purchase price at 75) and a general price improvement due to the positive market sentiment described above. Consequently, we look to dispose holdings which we deem no longer present attractive risk-adjusted return and, in due course, replace them with new opportunities in the primary and secondary market.

We continue to see (not seldomly newly awakened) interest from issuers and banks in our disciplined sustainability work, reassuring us it is among the most sophisticated in the market. Cecilia spends significant time educating market players in our approach to the taxonomy and SFDR. We are encouraged by the response we see for our sustainability work among investors and issuers and continue to invest time and energy to remain a market leader in this field.

*Cecilia, Chris and Jakob*

## CUMULATIVE PERFORMANCE (%)

1 month	YTD	1 year	3 years	Since inception
1,47	7,00	9,08%	NA	9,41

## MONTHLY PERFORMANCE (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2021	0,84	0,44	0,72	0,97	0,47	1,00	0,98	1,47					
2020						-0,06	0,39	-0,02	0,11	0,06	1,54	0,14	2,16

## THE FUND

<b>Fund name</b>	Nordic Credit Opportunities S.A., SICAV-RAIF - Sustainable Return		
<b>Target instruments</b>	Nordic corporate bonds	<b>AIFM</b>	Fuchs Asset Management S.A.
<b>Target return</b>	7-10% p.a. net of fees	<b>Depository</b>	Société Générale Luxembourg
<b>Inception date</b>	25 June 2020	<b>Auditor</b>	PWC Luxembourg

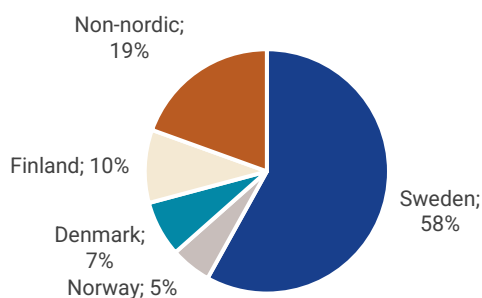
## KEY RATIOS

Ratio	
Yield to maturity (gross)	10,1%
Yield to worst (gross)	10,0%
Average coupon	8,6%
Duration	0,6 years
Modified duration	0,5 years
Average credit maturity	2,3 years

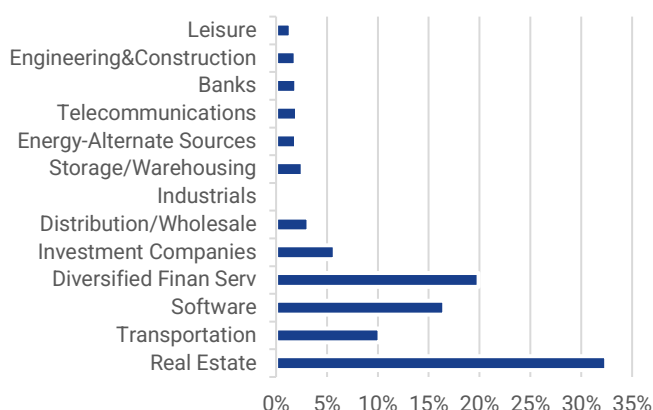
## TOP HOLDINGS

Issuer	%
SIBS AB	6,6%
AZERION HOLDINGS BV	6,5%
NEPTUNIA INVEST AB	5,8%
DOOBA FINANCE AB	5,7%
SGL TRANSGROUP INTL	5,4%
OMNIONE S.A.	5,2%
CABONLINE GROUP HOLD	4,8%
BABYLON HOLDINGS LTD	4,7%
OPR FINANCE OY	4,4%
RE IV LTD	3,9%

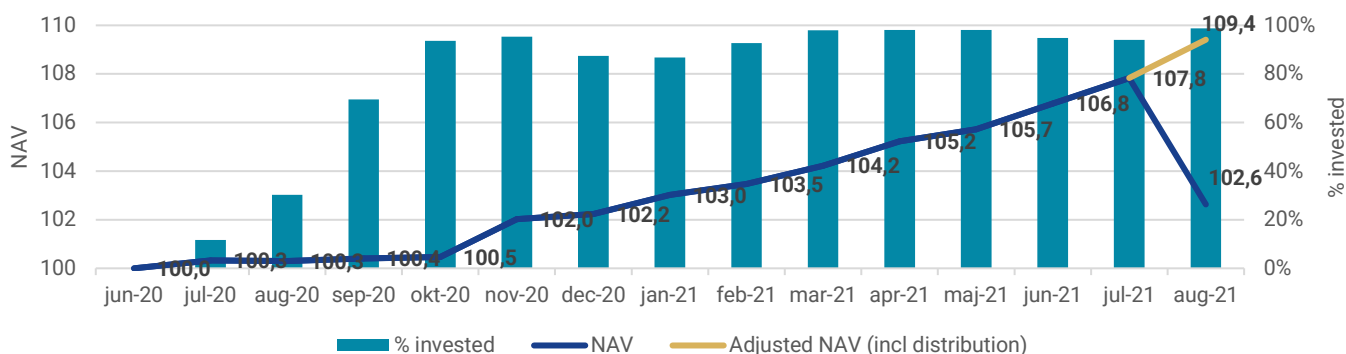
## BREAKDOWN BY GEOGRAPHY



## BREAKDOWN BY SECTOR



## NAV AND % INVESTED PORTFOLIO



## SHARE CLASS INFORMATION

	Class A	Class B	Class C
ISIN	To be launched	LU2173402509	LU2173402681
Currency	EUR	EUR	EUR
Income	Distribution	Distribution	Distribution
Frequency	Yearly	Yearly	Yearly
Minimum	EUR 20,000,000	EUR 500,000	EUR 500,000
Last day of subscription	31 <sup>st</sup> December 2021	31 <sup>st</sup> December 2021	31 <sup>st</sup> December 2021
Redemption / Redemption fee	Annually / 3%	Annually / 3%	Monthly / 7%
Fixed fee	0,5% p.a.	0,55% p.a.	0,55% p.a.
Perf fee	20% p.a.	20% p.a.	20% p.a.
Hurdle	max (Euribor 3m; 3.0%)	max (Euribor 3m; 0.0%)	max (Euribor 3m; 0.0%)

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.