

INVESTMENT TEAM

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Managing Partner &
CIO

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Manager

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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

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Nordic Credit Opportunities SICAV-RAIF
(Umbrella fund)
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L-1616 Luxembourg.
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Sustainable Return

MARKET & PORTFOLIO COMMENTARY

December finished off the year surprisingly quiet with a stabilisation of the market following the November volatility. Much remains unclear about the Omicron Covid variant but the market seems relatively calm compared to previous infection peaks and we see no significant consequential movements in flows or prices. New issuances are still met with healthy caution and some bonds issued earlier in the fall now trade below par due to the rebalancing in investor appetite.

The fund yielded 0.4% during the month (+8.1% FY 2021). The performance was driven by one of our core holdings, Azerion, being acquired by a SPAC listed on Euronext Amsterdam valuing the company at an enterprise value in excess of EUR 1,300m (22x EBITDA) compared to current leverage of 3.5x EBITDA. Post the transaction, the existing shareholders will own 66% of the shares in the company. The transaction is expected to close in the beginning of February and the bond traded up on the news. On the back of increasing spread of the Omicron Covid variant, Cabonline, another of our larger holdings, traded down a couple of percentage points. The company (and the bond) has however rebounded strongly since the early stages of the pandemic, and we see this as a natural pause on the path to full recovery.

As expected, we remained active during the end of the year making two new investments vocational education and employment training company YA Holding and cloud hosting provider Calligo.

Cecilia, Chris and Jakob

CUMULATIVE PERFORMANCE (%)

1 month	YTD	1 year	3 years	Since inception
0,38	8,10	8,10	NA	10,52

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	1,05	0,37	0,27	0,41	0,38	8,10
2020						-0,06	0,39	-0,02	0,11	0,06	1,54	0,14	2,16

THE FUND

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

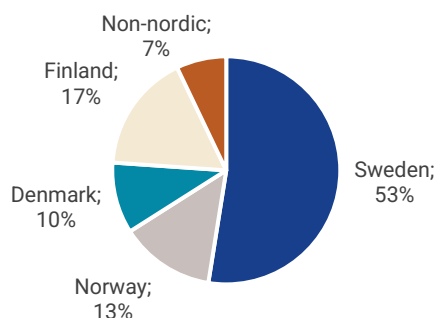
KEY RATIOS

Ratio	
Yield to maturity (gross)	10,1%
Yield to worst (gross)	10,1%
Average coupon	8,3%
Duration	0,5 years
Modified duration	0,5 years
Average credit maturity	2,4 years

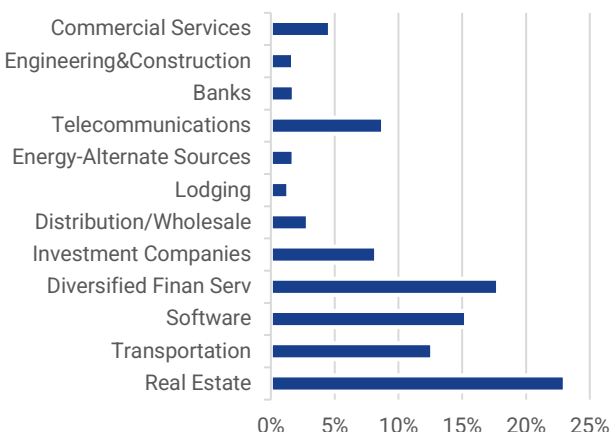
TOP HOLDINGS

Issuer	%
OMNIONE S.A.	7,1%
SIBS AB	5,9%
AZERION HOLDINGS BV	5,9%
LITHIUM MIDCO II LTD	5,6%
NEPTUNIA INVEST AB	5,3%
DOOBA FINANCE AB	5,1%
SGL TRANSGROUP INTL	4,9%
CALLIGO UK LTD	4,8%
IMPALA GROUP PLC	4,7%
YA HOLDING AB	4,6%

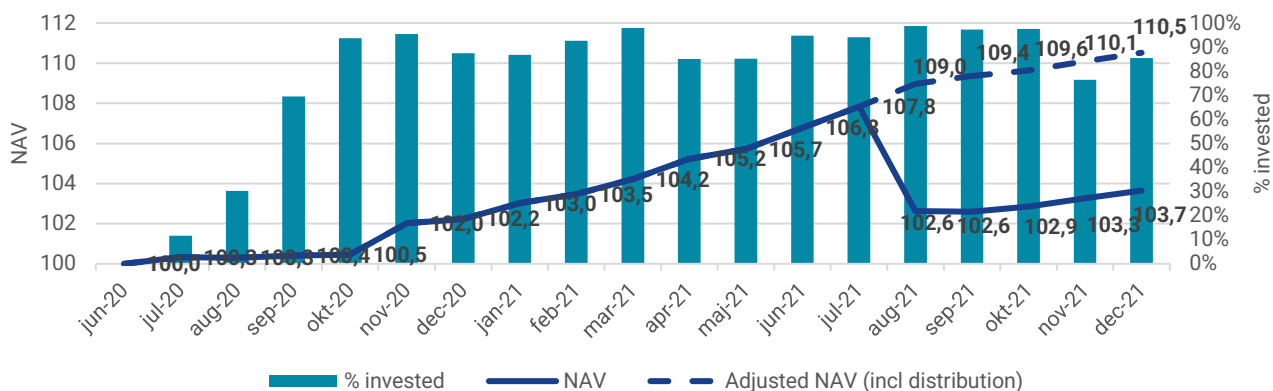
BREAKDOWN BY GEOGRAPHY



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 st December 2021	31 st December 2021	31 st 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. 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.