

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

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Nordic Credit Partners

Sustainable Corporate Bond 2XL

MARKET & PORTFOLIO COMMENTARY

January turned out to be the most volatile month for many asset classes since the beginning of the pandemic with VIX peaking at 32 and the Nordic equity index OMX Nordic All-Share being down -12.2% during the month. On the corporate bond side, the market remained surprisingly balanced over the period although we could sense increasing nervousness during the last week. The daily traded funds seem to be positioning themselves for sizable redemptions, providing us with ample opportunities to top up existing holdings at attractive levels.

The fund yielded 0.8% during the month (+0.8% YTD). The performance was driven by an overall high portfolio running yield paired with a smaller rebound in Cabonline following signs of relaxed Covid-19 restrictions in the Nordic countries. The rebound was effectively a reversal of the December decline (and as expected). Several other large holdings traded down slightly which resulted in a neutral mix in price movements during the month. In the first half of the month, we invested in a primary issuance from the investment company Esmaeilzadeh Holding with assets of SEK 4.4bn (both listed and privately held). We also invested in a primary issuance from the Nordic listed, tech-focused investment company VNV Global. Although there are good reasons to be sceptical about tech valuations currently, the gross LTV following the bond issuance is as low as 13% which puts the bond in a comfortable position, almost regardless of valuation fluctuations.

Following the two new investments mentioned above, we turned more to the secondary market to top up existing holdings as we saw better value there. A few primary issuances in the second half of the month came surprisingly tight given the overall market volatility and we currently prefer to keep liquidity available to be able to become increasingly active should the equity market turmoil spill over into our territory. We remain ready to strike.

Cecilia, Chris and Jakob

CUMULATIVE PERFORMANCE (%)

1 month	YTD	1 year	3 years	Since inception	NAV
0.80	0.80	8.62	NA	11.32	111.32

MONTHLY PERFORMANCE (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.80												0.80
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

THE FUND

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

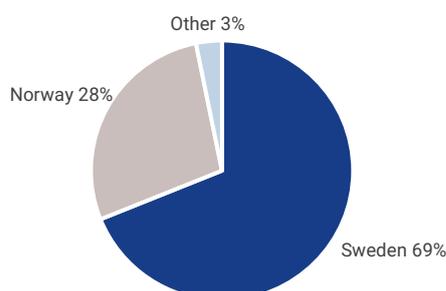
KEY RATIOS

Ratio	
Yield to maturity	8.1%
Yield to worst	8.0%
Average coupon	6.7%
Credit duration	2.52 years
Duration	0.33 years
Modified duration	0.31%
Standard deviation p.a. (since inception)	1.34%
Average credit rating	Non-rated

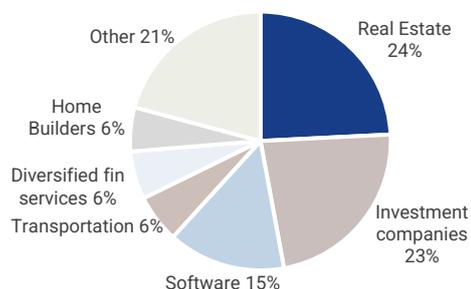
TOP HOLDINGS

Issuer	%
Heimstaden AB	5.8%
Media and Games Invest	5.6%
Aurelius Equity Opportunities AB	5.3%
Mutares SE & Co	5.2%
Azerion Holdings BV	5.2%

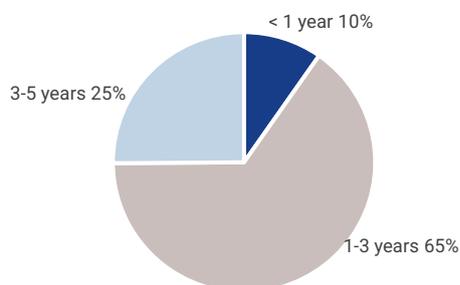
BREAKDOWN BY GEOGRAPHY



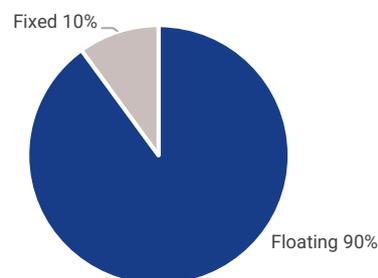
BREAKDOWN BY SECTOR



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.							
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							
Redemptions	Quarterly							
Management fee	0.90% p.a.	0.60% p.a.						
Performance fee	20% over Hurdle							
Hurdle	3M Stibor+2%							

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