

INVESTMENT TEAM

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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 Partners

Sustainable Return

MARKET & PORTFOLIO COMMENTARY

February will sadly go down in history as the month when a Sovereign on the European Continent invaded another for the first time since WWII. The invasion is first a foremost a humanitarian catastrophe, but the market reaction was also understandably violent. The major market concern in the first weeks of February was Fed's expectedly hawkish approach to increasing interest rates but focus gradually shifted towards Ukraine. Consequently, all Nordic equity and debt indices fell during the month, notably Nasdaq OMX Nordic 120 Index was down -4.4% (-12.7% YTD).

The fund yielded -0.47% during the month (+0,30% YTD). The performance was driven by a reduction in cash prices by 1-2% across the portfolio due to a supply/demand imbalance on the back of redemptions in daily traded bond funds. As such, the price decline is not a reflection of increasing credit risk; our portfolio remains Nordic-centric and is not directly impacted by the situation in Ukraine. However, we understand several large Nordic bond funds suffered redemptions of 10-20% (and some smaller funds up to 50%) of AUM during the month with limited takers in the market. As our redemption policy is aligned with the liquidity of the underlying market, we have - unlike our peers - not been forced to realise any losses at these reduced levels. Instead, we have taken advantage of e.g. stressed sellers and mispricing between bonds in different currencies issued by the same issuer.

The primary market is currently closed for new issuances, and we solely focus on the secondary market. We currently see many attractive investment opportunities but remain very selective to preserve leverage headroom and liquidity for additional opportunities in the coming months.

Finally, we regret to inform you that our industry adviser Professor Marian Radetzki passed away recently. Marian, 85, was both an important investor in our early funds and a trusted adviser since NCP's inception. He will be greatly missed by the entire NCP family

Cecilia, Chris, Jakob

CUMULATIVE PERFORMANCE (%) SHARE CLASS B

NAV	1 month	YTD	1 year	3 years	Since inception
103,96	-0,47	0,30	7,13	NA	10,87

MONTHLY PERFORMANCE (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2022	0,77	-0,47											
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

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.

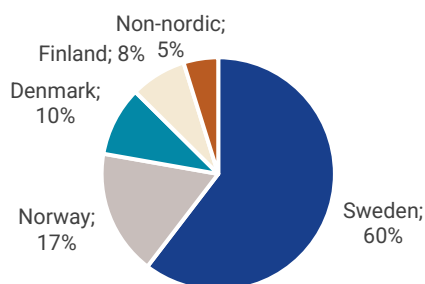
KEY RATIOS

Ratio	
Yield to maturity (gross)	10,1%
Yield to worst (gross)	10,5%
Average coupon	8,0%
Duration	0,7 years
Modified duration	0,7 years
Average credit maturity	2,3 years

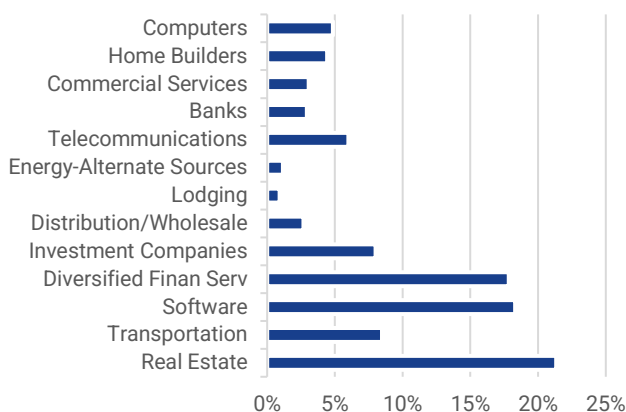
TOP HOLDINGS

Issuer	%
HEIMSTADEN AB	6,1%
MULTITUDE SE	5,1%
SIBS AB	5,0%
IMPALA GROUP PLC	5,0%
AZERION HOLDINGS BV	4,9%
OMNIONE S.A.	4,8%
DOOBA FINANCE AB	4,7%
MEDIA AND GAMES INVEST	4,7%
ESMAEILZADEH HOLDING AB	4,5%
CABONLINE GROUP HOLD	4,4%

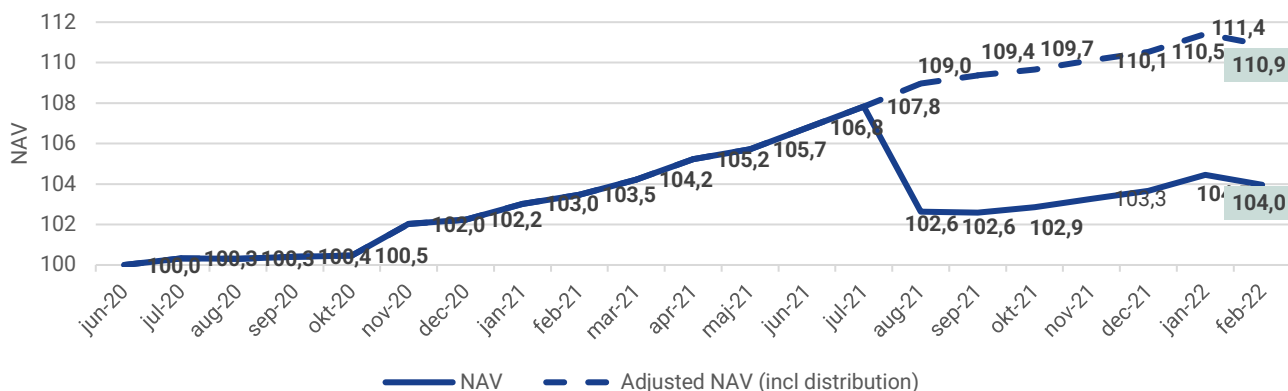
BREAKDOWN BY GEOGRAPHY



BREAKDOWN BY SECTOR



NAV SHARE CLASS B



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%)

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