

Sustainable Corporate Bond 2XL

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

Nordic Credit Partners AB

(Investment advisor)

Cecil Coworking, Norrlandsgatan 10

SE-111 43 Stockholm

Sweden

www.ncpgroup.se

Nordic Credit Partners SICAV-RAIF

(Umbrella fund)

Centre Etoile 11

13 Boulevard de la Foire

L-1528 Luxembourg

Grand Duchy of Luxembourg



Nordic Credit Partners

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 -0.86% during the month (-0.07% 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, improving unlevered yield by 1-2% without increasing credit risk.

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 and Jakob

CUMULATIVE PERFORMANCE (%)

1 month	YTD	1 year	3 years	Since inception	NAV
-0.86	-0.07	6.91	NA	10.36	110.36

MONTHLY PERFORMANCE (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.80	-0.86											-0.07
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.

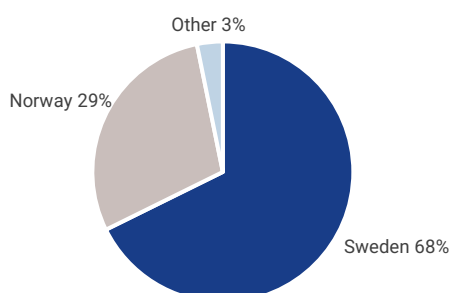
KEY RATIOS

Ratio	
Yield to maturity	8.8%
Yield to worst	8.8%
Average coupon	6.7%
Credit duration	2.51 years
Duration	0.45 years
Modified duration	0.42%
Standard deviation p.a. (since inception)	1.74%
Average credit rating	Non-rated

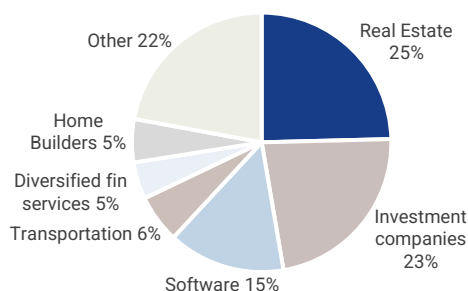
TOP HOLDINGS

Issuer	%
Media and Games Invest	5.5%
Aurelius Equity Opportunities AB	5.3%
Azerion Holdings BV	5.2%
Mutares SE & Co	5.2%
Kistefos AS	4.9%

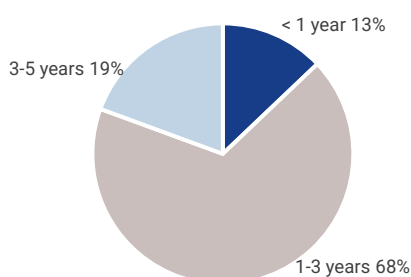
BREAKDOWN BY GEOGRAPHY



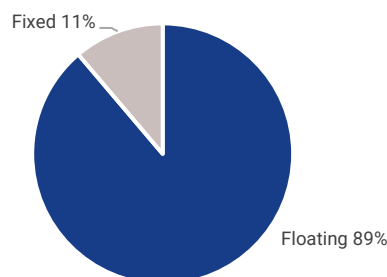
BREAKDOWN BY SECTOR



BREAKDOWN BY MATURITY



BREAKDOWN BY COUPON



SHARE CLASS INFORMATION

Share class	Institutional (SEK)	Partner (SEK)	Institutional (EUR)	Partner (EUR)
ISIN	Acc: LU2180877792 Distr: LU2180877446	Acc: LU2180877875 Distr: LU2257617105	Acc: LU2257617014 Distr: LU2257616636	Acc: LU2257617105 Distr: LU2257616719
Target client	Inst. & Well-informed	Inst. & Well-informed	Inst. & Well-informed	Inst. & Well-informed
Currency	SEK	SEK	EUR	EUR
Income	Acc./Distr.	Acc./Distr.	Acc./Distr.	Acc./Distr.
Distr. frequency	Quarterly	Quarterly	Quarterly	Quarterly
Min investment	SEK 1.5m	SEK 50m	EUR 125 000	EUR 5m
Subscriptions	Monthly	Monthly	Monthly	Monthly
Redemptions	Quarterly	Quarterly	Quarterly	Quarterly
Management fee	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
Hurdle	3M Stibor+2%	3M Stibor+2%	3M Stibor+2%	3M Stibor+2%

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