

## 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

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**Nordic Credit Partners SICAV-RAIF**

(Umbrella fund)

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Nordic Credit Partners

# Sustainable Corporate Bond 2XL

## MARKET & PORTFOLIO COMMENTARY

During March, the Russian invasion of Ukraine gradually sunk in, and the market realised (somewhat cynically, perhaps) that the direct economic consequences are limited. Needless to say, the amplitude of the human suffering is still at a level difficult to comprehend. As such, the market's focus returned to inflation, fuelled by oil and gas prices, and associated forecasted interest rate hikes. Overall, fund flows were still negative but more balanced than during previous months and the market seems to have stabilised at this lower level with satisfactory liquidity.

The fund yielded +0.60% during the month (+0.53% YTD). The performance was driven by positive impact from the SEK 1.65bn (EUR 160m) refinancing of Cabonline and continued recovery in the Sunborn bonds. The Cabonline book closed successfully at +950 bps after only one day (we had already extensively reviewed the case during pre-sounding) allowing the old bond to be repaid at c.105% of par value within the next few weeks. The refinancing is consequently also expected to have a positive impact on performance during April. The Sunborn bonds continued to trade up following positive commentary in the Q4 reports with bookings being at very promising levels for the remainder of 2022 and EBITDAR in the Finnish operations was above the equivalent pre-Covid levels (!) and up 75% YoY.

The primary market has slowly and selectively re-opened, and new issuances generally print at attractive levels compared to Q4 2021. The larger spread reflects the limited appetite from investors rather than fears of interest rate hikes and we expect to see a number of interesting primary issuances in the coming months. The benefits of the fund's redemption policy have become evident during this volatile period and no doubt continues to serve our investors well.

*Cecilia, Chris and Jakob*

## CUMULATIVE PERFORMANCE (%)

| 1 month | YTD  | 1 year | 3 years | Since inception | NAV    |
|---------|------|--------|---------|-----------------|--------|
| 0.60    | 0.53 | 6.64   | NA      | 11.02           | 111.02 |

## MONTHLY PERFORMANCE (%)

| Year | Jan  | Feb   | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sep  | Oct  | Nov  | Dec  | YTD  |
|------|------|-------|------|------|------|------|------|------|------|------|------|------|------|
| 2022 | 0.80 | -0.86 | 0.60 |      |      |      |      |      |      |      |      |      | 0.53 |
| 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

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

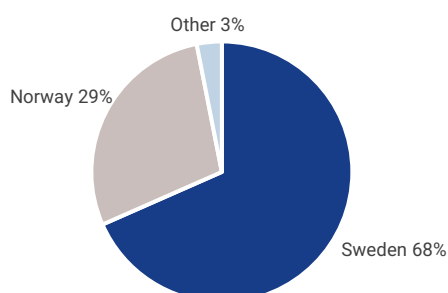
## KEY RATIOS

| Ratio                                     |            |
|---|------------|
| Yield to maturity                         | 8.8%       |
| Yield to worst                            | 8.8%       |
| Average coupon                            | 6.8%       |
| Credit duration                           | 2.41 years |
| Duration                                  | 0.46 years |
| Modified duration                         | 0.44%      |
| Standard deviation p.a. (since inception) | 1.70%      |
| Average credit rating                     | Non-rated  |

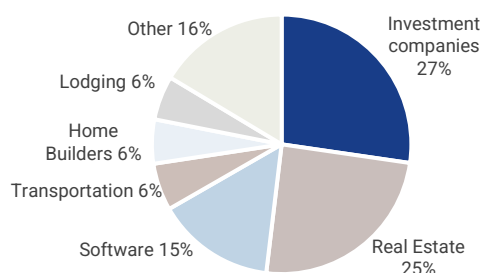
## TOP HOLDINGS

| Issuer                           | %    |
|----------------------------------|------|
| Media and Games Invest           | 5.4% |
| Aurelius Equity Opportunities AB | 5.3% |
| Cabonline Group Holding          | 5.2% |
| Mutares SE & Co                  | 5.0% |
| Azerion Holdings BV              | 4.9% |

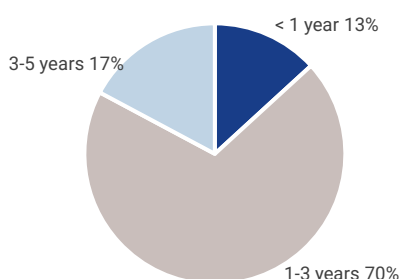
## BREAKDOWN BY GEOGRAPHY



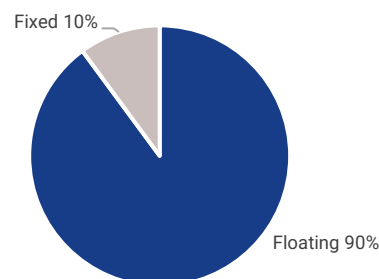
## BREAKDOWN BY SECTOR



## BREAKDOWN BY MATURITY



## BREAKDOWN BY COUPON



## SHARE CLASS INFORMATION

| Share class             | Institutional (SEK)                      | Partner (SEK)                            | Institutional (EUR)                      | Partner (EUR)                            |
|-------------------------|--|--|--|--|
| <b>ISIN</b>             | Acc: LU2180877792<br>Distr: LU2180877446 | Acc: LU2180877875<br>Distr: LU2257617105 | Acc: LU2257617014<br>Distr: LU2257616636 | Acc: LU2257617105<br>Distr: LU2257616719 |
| <b>Target client</b>    | Inst. & Well-informed                    | Inst. & Well-informed                    | Inst. & Well-informed                    | Inst. & Well-informed                    |
| <b>Currency</b>         | SEK                                      | SEK                                      | EUR                                      | EUR                                      |
| <b>Income</b>           | Acc./Distr.                              | Acc./Distr.                              | Acc./Distr.                              | Acc./Distr.                              |
| <b>Distr. frequency</b> | Quarterly                                | Quarterly                                | Quarterly                                | Quarterly                                |
| <b>Min investment</b>   | SEK 1.5m                                 | SEK 50m                                  | EUR 125 000                              | EUR 5m                                   |
| <b>Subscriptions</b>    | Monthly                                  | Monthly                                  | Monthly                                  | Monthly                                  |
| <b>Redemptions</b>      | Quarterly                                | Quarterly                                | Quarterly                                | Quarterly                                |
| <b>Management fee</b>   | 0.90% p.a.                               | 0.60% p.a.                               | 0.90% p.a.                               | 0.60% p.a.                               |
| <b>Performance fee</b>  | 20% over Hurdle                          | 20% over Hurdle                          | 20% over Hurdle                          | 20% over Hurdle                          |
| <b>Hurdle</b>           | 3M Stibor+2%                             | 3M Stibor+2%                             | 3M Stibor+2%                             | 3M Stibor+2%                             |

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