

PROFILE

Nordic Credit Opportunities Sustainable Return 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.

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

Cecilia Bevik-Cronqvist

Portfolio manager

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 Opportunities SICAV-RAIF

(Umbrella fund)

28-38 Place de la Gare

L-1616 Luxembourg

Grand Duchy of Luxembourg



Nordic Credit Partners

MARKET & PORTFOLIO COMMENTARY

Following a more positive tone in March and April, the Nordic high yield market weakened in May, largely due to heightened turmoil in global markets. Real estate and financials were the weakest-performing industries, while oil service and E&P continued to do relatively well due to underlying improvement in oil prices. Price distribution has become less even, with a 14% of bonds now priced below 95%, nearly twice as much as in April and issuers that are trading at a discount come from a wide range of industries. This provides an unusually attractive opportunity to revisit names in our shadow portfolio that six months ago traded way too tight but are now coming into scope.

The fund yielded -0.51% during the month (+0.76% YTD). The decline was largely due to underperformance in the real estate segment, notably in our Heimstaden holdings. Just as a refresher, Heimstaden is Europe's second largest residential real estate company with EUR 30bn+ of assets, an LTV of 49% and backed by tier 1 Nordic pension funds and insurance companies. Nevertheless, international investors trading out of the name results in price declines across all its outstanding bonds. We estimate the negative impact from our Heimstaden holding on May NAV to be c.-0.6%. Despite this, the fund continues to outperform the market and its relevant comparable Morningstar category of 30 funds, now being down -3.2% YTD on average and with only one other fund alongside us generating positive returns YTD.

Due to the market turmoil and uncertain outlook, we continue to be cautious with new investments and have not realised any mark to market losses on the portfolio. We see most value in the secondary market diversified financial services are now on par with real estate as the largest sector exposure, partly due to the value decline in the real estate bonds as described above. Market activity slows as we approach Swedish Midsummer, and we now position the portfolio for the fast-approaching summer months with reduced liquidity.

Cecilia and Jakob

CUMULATIVE PERFORMANCE (%)

1 month	YTD	1 year	3 years	Since inception	NAV A	NAV B
-0.51	0.76	5.32	NA	11.34	100.04	104.44

MONTHLY PERFORMANCE (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.77	-0.47	0.69	0.28	-0.51								0.76
2021	0.84	0.44	0.72	0.98	0.47	1.00	0.98	1.06	0.37	0.26	0.41	0.37	8.17
2020							0.33	-0.02	0.11	0.06	1.55	0.13	2.16

THE FUND

Fund name	Nordic Credit Opportunities SICAV-RAIF Sustainable Return		
Target instruments	Nordic corporate bonds	AIFM	Fuchs Asset Management
Target return	6-9% 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.

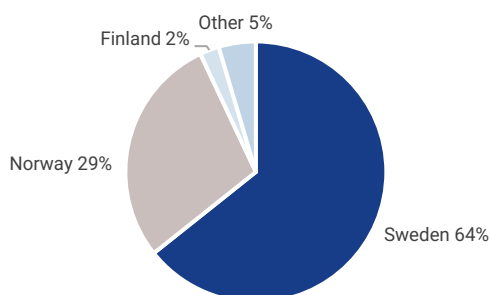
KEY RATIOS

Ratio	
Yield to maturity	10.6%
Yield to worst	10.1%
Average coupon	8.1%
Credit duration	2.31 years
Duration	0.58 years
Modified duration	0.53%
Standard deviation p.a. (since inception)	1.70%
Average credit rating	Non-rated

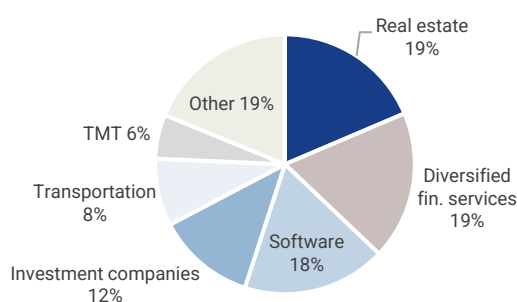
TOP HOLDINGS

Issuer	%
Impala Group Plc	4.9%
Seafire AB	4.7%
SIBS AB	4.7%
Omnione S.A.	4.6%
Media and Games Invest	4.6%

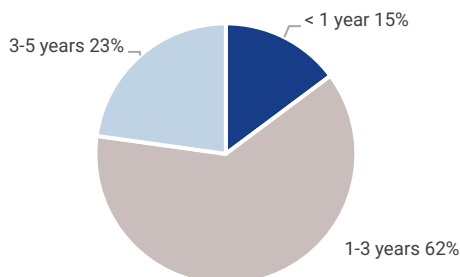
BREAKDOWN BY GEOGRAPHY



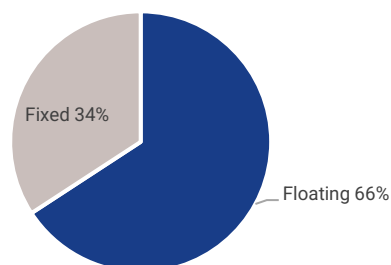
BREAKDOWN BY SECTOR



BREAKDOWN BY MATURITY



BREAKDOWN BY COUPON



SHARE CLASS INFORMATION

Share class	Class A	Class B	Class C
ISIN	LU2173402418	LU2173402509	LU2173402681
Target client	Inst. & Well-informed	Inst. & Well-informed	Inst. & Well-informed
Currency	EUR	EUR	EUR
Income	Distributing	Distributing	Distributing
Distr. frequency	Annually	Annually	Annually
Min investment	EUR 20,000,000	EUR 500,000	EUR 500,000
Subscriptions	Monthly	Monthly	Monthly
Redemptions / redemption fee	Annually / 3.0%	Annually / 3.0%	Monthly / 7.0%
Management fee	0.50% p.a.	0.55% p.a.	0.55% p.a.
Performance fee	20% over Hurdle	20% over Hurdle	20% over Hurdle
Hurdle	3M Stibor+3%	3M Stibor	3M Stibor

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