

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

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Nordic Credit Opportunities SICAV-RAIF

(Umbrella fund)

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Grand Duchy of Luxembourg



Nordic Credit Partners

Sustainable Return

MARKET & PORTFOLIO COMMENTARY

The Nordic high-yield market had another tough month in June with losses across all industries, with real estate being the worst performing sector. Shipping, investment companies and seafood also saw material declines during the month. The main factor causing the decline was the weaker sentiment towards the real estate sector in Sweden, primarily from international investors. Overall, the distress ratio (proportion of the market priced below 90%) rose to 13%, up from 5% at the end of May, signalling increased credit risk in certain sectors. Still, due to the large share of floating rates notes in the Nordic market, two-thirds of its constituents are priced at 95% or higher.

The fund yielded -1.27% during the month (-0.53% YTD). The decline was again due to underperformance in the real estate segment but also following an overall moderate price decline across the portfolio. We feel comfortable with the credit risk in our real estate holdings but continue to monitor the sector closely. Some investors draw parallels to the Swedish real estate crisis in 1990 but that is in our view a premature conclusion. We see material differences in leverage levels, solidity and cash flow which – on the contrary – suggest important lessons have been learned from that time.

In times like these, the benefits of limited redemptions and (investing alongside) long term investors become apparent and results in significant outperformance vs. peers. The fund's relevant comparable Morningstar category of 30 funds is down -6.8% YTD on average ("top performer" is down -3.5% and worst performer -15.7% YTD). Also, unlike our peers, our performance is purely mark to market driven and has not resulted in any realisation losses. During the summer, our main focus will be on capitalising on opportunities and arbitrages related to current holdings that may emerge in the secondary market during times of low liquidity.

Cecilia and Jakob

CUMULATIVE PERFORMANCE (%)

1 month	YTD	1 year	3 years	Since inception	NAV A	NAV B	NAV C
-1.27	-0.53	2.94	NA	9.92	98.73	103.11	103.05

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	-1.27							-0.53
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.

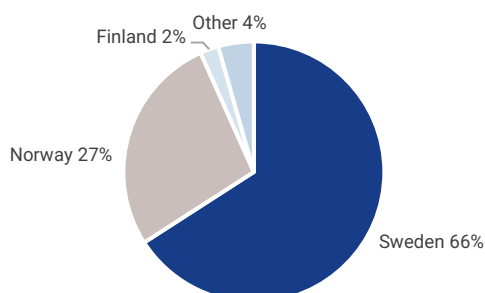
KEY RATIOS

Ratio	
Yield to maturity	9.6%
Yield to worst	9.4%
Average coupon	8.2%
Credit duration	2.22 years
Duration	0.52 years
Modified duration	0.47%
Standard deviation p.a. (since inception)	2.07%
Average credit rating	Non-rated

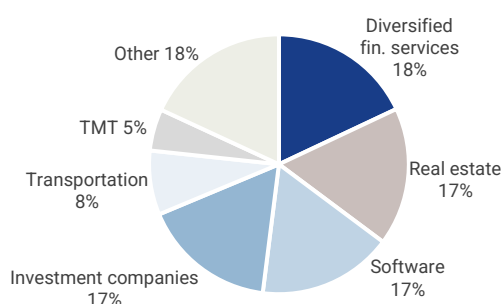
TOP HOLDINGS

Issuer	%
Mirovia AB	4.8%
Seafire AB	4.5%
SIBS AB	4.5%
Impala Group Plc	4.5%
Azerion Holdings BV	4.4%

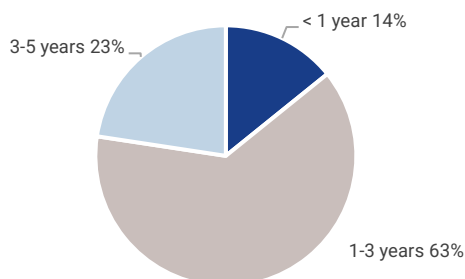
BREAKDOWN BY GEOGRAPHY



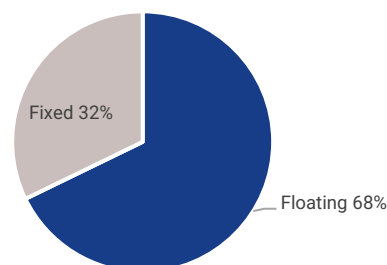
BREAKDOWN BY SECTOR



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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