

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 and impact on its specific sustainability factors and risks, 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 lagged behind its global peers in July, with a more modest return compared to e.g. European high yield. The difference is explained by the ratio between fixed-rate and floating-rate bonds, with the Nordics being dominated by the latter, thus not benefitting to the same degree as its global peers from lower long-term interest rates. In addition, Nordic credit spreads were largely stable in July (while they tightened abroad), which was expected since most market participants were on holiday, resulting in low secondary-market turnover and a slowdown in primary markets. Price distribution is largely unchanged from end-June, with 12% of the market priced below 90% of par.

The fund yielded 0.41% during the month (-0.11% YTD). The return was somewhat driven by an improved sentiment in the Heimstaden bonds following the company's EUR 649m tender offer to buy back outstanding hybrid bonds. The offer was fully financed by equity raised from existing shareholders. There was also a slight improvement in overall market sentiment which contributed to the monthly return, but general market activity was low.

The general price decline in the market during the first seven months of 2022 has pushed the average yield of the portfolio up to 9.6%. The credit risk profile of the portfolio remains unchanged, so the yield expansion is mainly a result of increased risk premia and, to a lesser extent, increasing underlying interest rates. We continue to see several attractive investment opportunities in the secondary market. From experience, we know that at this point in the cycle and with the uncertain macro outlook, we focus on reducing credit risk and prefer bonds with defensive, cash generating business models.

Finally, we are pleased to announce that the distribution of the dividend for the period 1 July 2021 – 30 June 2022 will be paid on or about the 30 August 2022.

Cecilia and Jakob

CUMULATIVE PERFORMANCE (%) EXCL DIVIDENDS

1 month	YTD	1 year	3 years	Since inception	NAV A	NAV B	NAV C
0.41	-0.11	2.37	NA	10.38	91.11	103.54	103.48

MONTHLY PERFORMANCE (%) EXCL DIVIDENDS

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	0.41						-0.11
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.

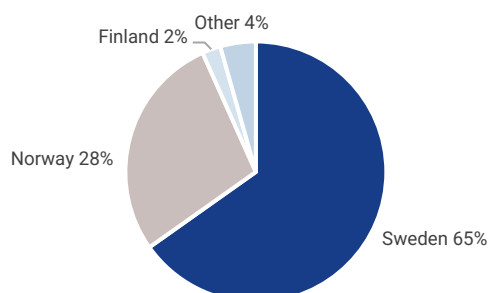
KEY RATIOS

Ratio	
Yield to maturity	9.4%
Yield to worst	9.4%
Average coupon	8.5%
Credit duration	2.23 years
Duration	0.64 years
Modified duration	0.59%
Standard deviation p.a. (since inception)	2.02%
Average credit rating	Non-rated

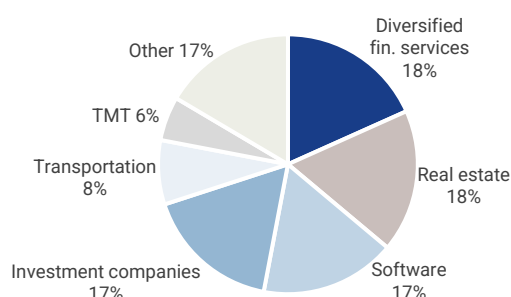
TOP HOLDINGS

Issuer	%
Mirovia AB	5.0%
Seafire AB	4.6%
SIBS AB	4.6%
Impala Group Plc	4.6%
Azerion Holdings BV	4.5%

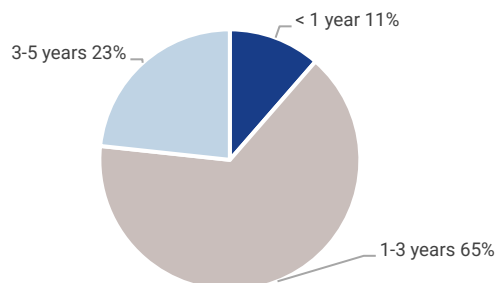
BREAKDOWN BY GEOGRAPHY



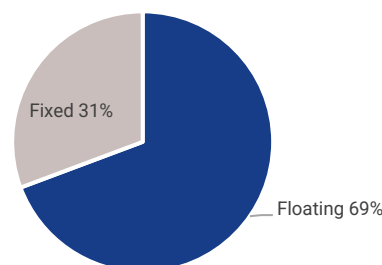
BREAKDOWN BY SECTOR



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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