



MONTHLY REPORT

Sustainable Corporate Bond 2XL

January 2023

MARKET & PORTFOLIO COMMENTARY

The start of the year saw a broad upswing in the market, in contrast to the end of last year which was relatively calm. The secondary market experienced robust demand, which in turn spurred the primary market. Several transactions were launched with fully subscribed books, albeit with wider spreads compared to historical levels, indicating a healthy balance between issuers and investors for the time being. This may be attributed to the calendar effect, combined with the strong fund inflows of approximately SEK 1bn in December, boosting the market sentiment. While we have relinquished the activity in the primary market, we have altered our focus to the secondary market, where we have been actively adjusting our positions and fine-tuning our portfolio to align with the current market conditions. We continue to see the secondary market as a more favourable opportunity for those who are willing to take advantage of it.

The fund yielded 1.46% during the month (1.46% YTD) and the current cash price of the portfolio is ~92 which gives a levered YTM at 15%. We are pleased to observe a green start to the year with positive return. The performance was driven mainly by a positive sentiment and, in particular, price rebounds in real estate issuer Heimstaden and Momox Holding which continues to climb. As we approach the midpoint of the Q4'22 reporting period for publicly traded companies, the results have been encouraging, with turnover and profitability aligning broadly in line with expectations and guidance. While we are satisfied with the results thus far, the true test lies ahead. Most of our portfolio companies must nail its colour in the latter part of February to confirm our outlook.

During the month we disposed one holding which traded over par and we used the proceeds to adjust other holdings and to reduce leverage in the portfolio. We also swapped bonds in one issuer where we saw an opportunity to reduce risk while maintaining an attractive yield. We still see interesting opportunities in the secondary market as already mentioned. We monitor the market and trade flows opportunistically and are eager to use our available liquidity to regain some of the lost return from last year.

Last but not the least, Cecilia Bevik-Cronqvist has decided to leave NCP this spring to pursue a new role as a sustainability director outside of finance. Cecilia joined NCP in 2020 to develop and implement an industry leading framework for sustainable investing – an assignment which she has now completed with exceptional skill and commitment. We are grateful for her contributions to NCP, her dedication and great team spirit and we wish her best of luck in her future endeavours. Going forward, the portfolio management team will assume her operational tasks while the Sustainability Council will be responsible for the sustainability strategy.



Nordic Credit Partners

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Cumulative performance (%)

1 Month	YTD	1 Year	3 Years	Since inception	NAV
1.46	1.46	-4.40	N/A	6.41	106.41

Monthly performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.46												1.46
2022	0.80	-0.86	0.60	1.17	-0.73	-2.42	1.09	0.91	-2.80	-2.83	-0.74	0.79	-5.03
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

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 target return of 6-9% p.a. Each investment undergoes thorough commercial, financial and sustainability due diligence and is approved by NCP's Investment Committee. The fund applies up to 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 and impact on its specific sustainability factors and risks, thus futureproofing the portfolio and investing in long-term frontrunners.

Signatory of:



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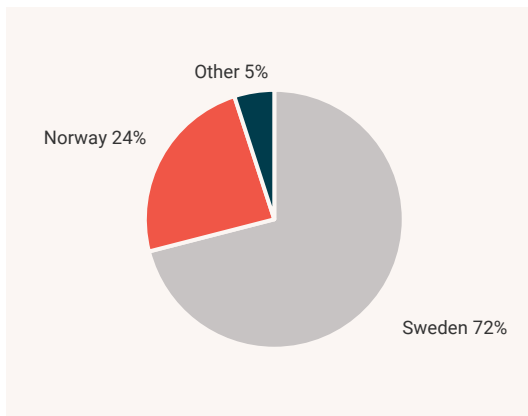
Key ratios

Ratio	
Yield to maturity	12.8%
Yield to worst	12.8%
Average coupon	8.3%
Credit duration	1.81 years
Duration	0.40 years
Modified duration	0.36%
Standard deviation p.a. (since inception)	3.95%
Average credit rating	Non-rated

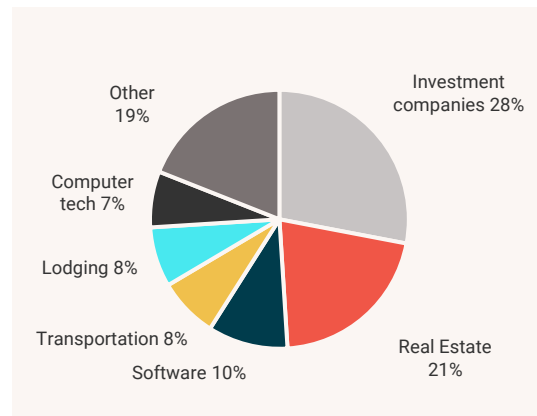
Key ratios cont.

Ratio	
Sharp Ratio (since inception)	0.64
Additional names to the portfolio	1
Leavers of the portfolio	2
Positive months since inception	80%
Risk level	3 out of 7

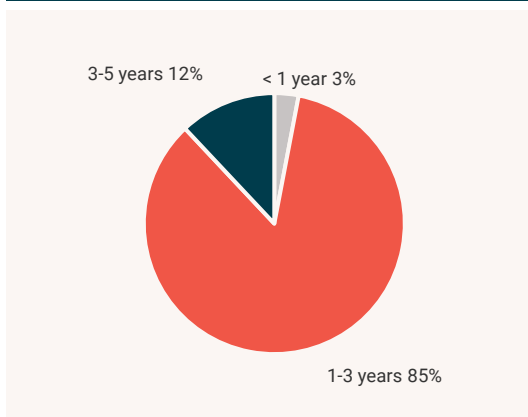
Breakdown by geography



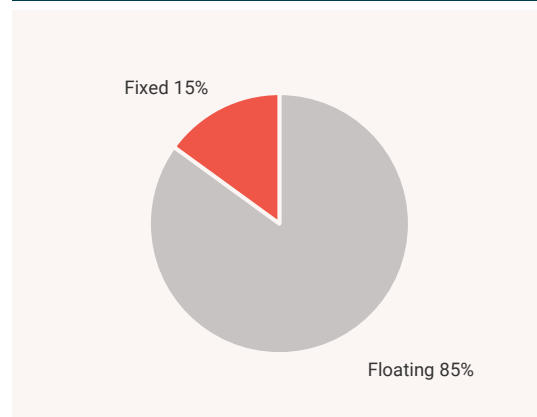
Breakdown by sector



Breakdown by maturity



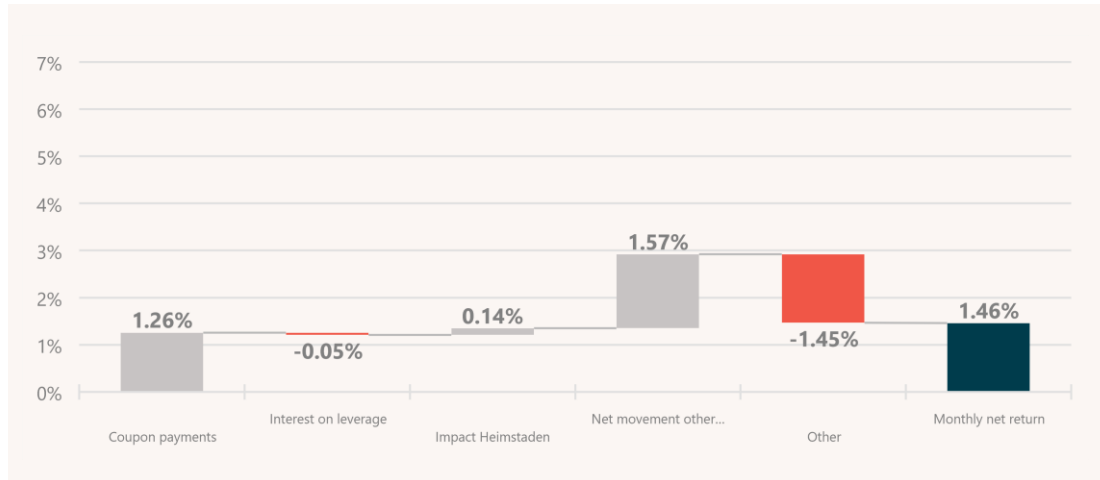
Breakdown by coupon



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Monthly return breakdown



Other includes unrealised profit and losses, accrued fees and rounding differences

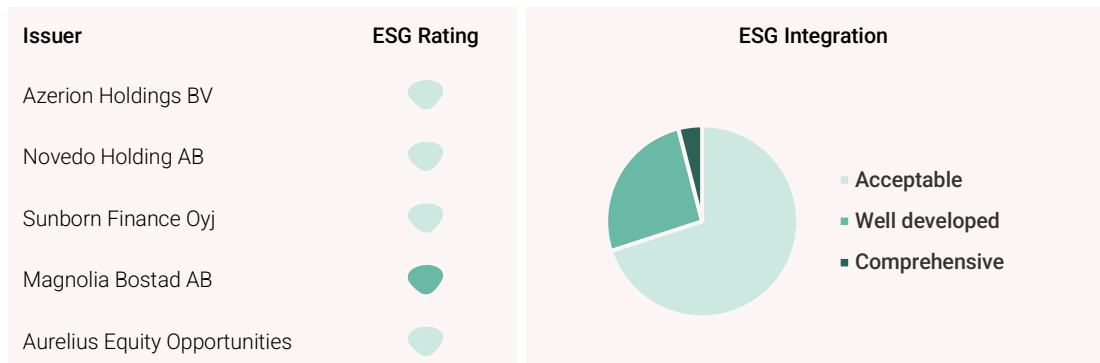
Top holdings

Issuer	%
Azerion Holdings BV	6.9
Novedo Holding AB	6.5
Sunborn Finance Oyj	5.4
Magnolia Bostad AB	5.3
Aurelius Equity Opportunities	4.9

Main movers for the period

Issuer	%-points
Heimstaden Bostad	12.7
Ziton AS	-10.7
Sunborn Gibraltar	-6.2
Momox Holding	5.9

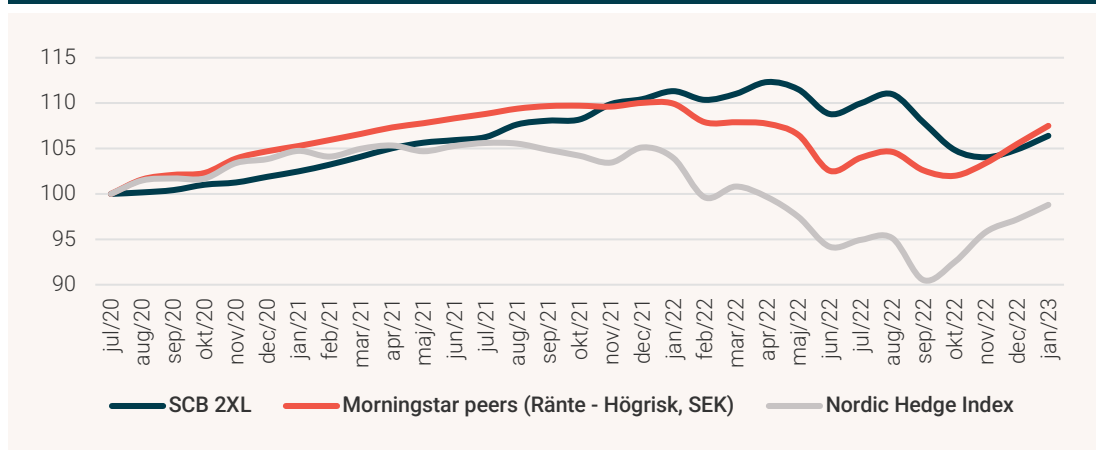
Breakdown by internal sustainability rating



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Total return since inception¹




Source: Bloomberg & Nordic Hedge. 1) Inception August 2020.

Share class information

Share class	Institutional (SEK)	Partner (SEK)	Institutional (EUR)	Partner (EUR)
ISIN	Acc: LU2180877446 Distr: LU2180877792	Acc: LU2257616636 Distr: LU2257617014	Acc: LU2257616636 Distr: LU2257617014	Acc: LU2257616719 Distr: LU2257617105
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	Annually	Annually	Annually	Annually
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%

INVESTMENT TEAM

Jakob Eliasson 
Founder & Chief Investment Officer

Cecilia Bevik-Cronqvist 
Portfolio Manager, Sustainable Investing

Emil Ahlin 
Assistant Portfolio Manager

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