



MONTHLY REPORT

Sustainable Corporate Bond 2XL

February 2023

MARKET & PORTFOLIO COMMENTARY

The positive market sentiment from the end of January continued into February with tightening spreads and fund inflows. Several primary deals were priced in the market, by both existing and new issuers, albeit at large spreads. It is clear that issuers are eager to utilise this (temporary?) window of market activity without being overly concerned about pricing. Although we are still waiting for the first real estate issuer to try the market, we note that outstanding investment company and real estate bonds have begun to recoup a bit of previous year's lost ground. We are actively involved in multiple refinancing discussions and pre-soundings and are closely monitoring primary market activity to identify emerging opportunities.

The fund yielded 1.01% during the month (2.49% YTD) and the current cash price of the portfolio is ~91% of par value which corresponds to a levered YTM of 18%. The slightly lower cash price and higher YTM compared to the previous month is explained by (i) the refinancing of one outstanding bond above par which was replaced by a new bond issued with an OID (i.e. discount to par) and (ii) the partial disposal of two holdings above or close to par where proceeds were utilised to add size in two holdings sub-par. The performance of the fund was driven generally by coupon payments, the overall positive sentiment across sectors and, particularly, the rebounds for investment companies.

By the end of February, all portfolio companies had reported their FY 2022. In general, the reports did not reveal anything of a surprise. The general theme was that (i) underlying demand is still solid; (ii) the profitability is healthy thanks to more or less flexible cost bases or significant pricing power. The overall market reaction has been positive even if real estate developers continue to be under pressure, especially with regards to longer tenured bonds. Even if we still see interesting opportunities in the secondary market, we note that the market has had a strong start of the year, and spreads are tightening fast. The window to act opportunistically is not yet closed but has narrowed compared to previous months.

Emil & Jakob



Nordic Credit Partners

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Cumulative performance (%)

1 Month	YTD	1 Year	3 Years	Since inception	NAV
1.01%	2.49%	-2.60%	N/A	7.49%	107.49

Monthly performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.46	1.01											2.49
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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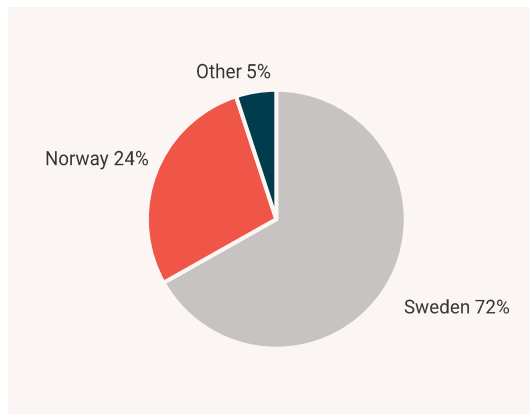
Key ratios

Ratio	
Yield to maturity	15.7%
Yield to worst	15.7%
Average coupon	8.5%
Credit duration	2.01 years
Duration	0.40 years
Modified duration	0.36%
Standard deviation p.a. (since inception)	3.91%
Average credit rating	Non-rated

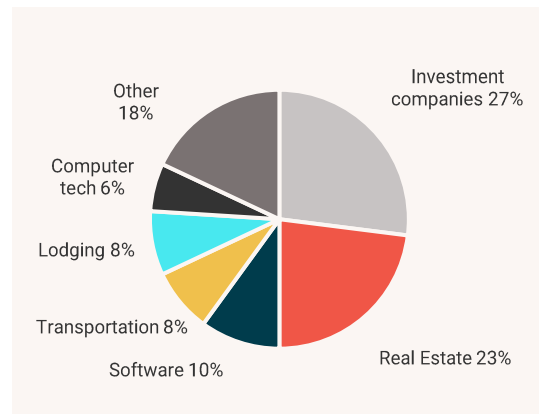
Key ratios cont.

Ratio	
Sharp Ratio (since inception)	0.73
Additional names to the portfolio	1
Leavers of the portfolio	-
Positive months since inception	81%
Risk level	3 out of 7

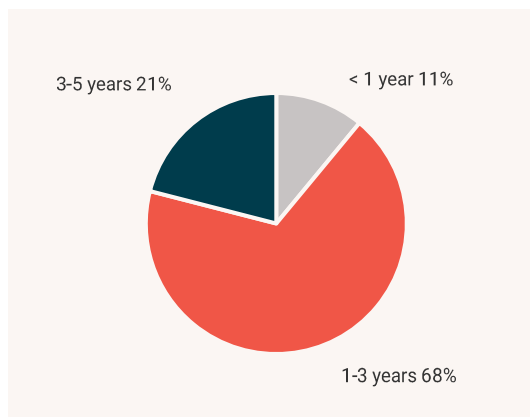
Breakdown by geography



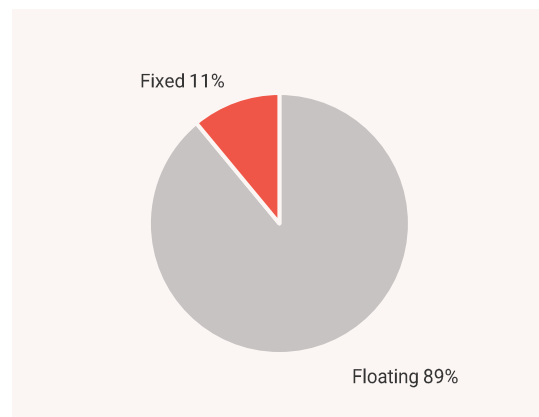
Breakdown by sector



Breakdown by maturity



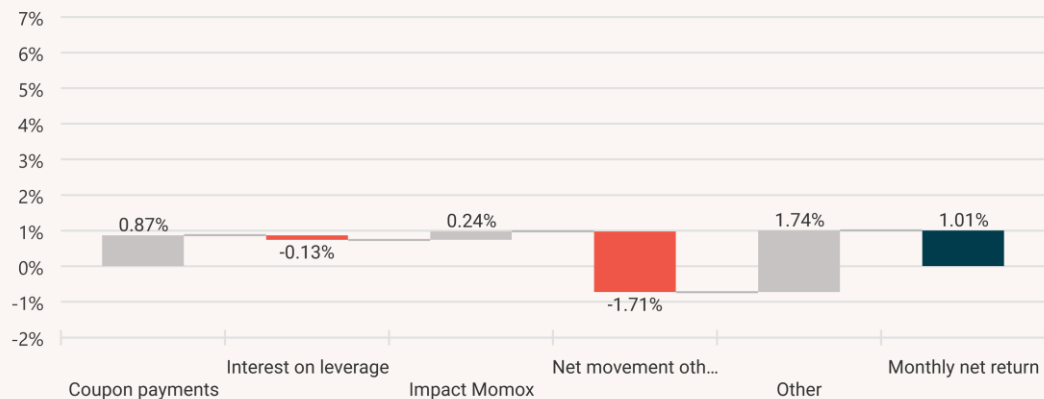
Breakdown by coupon



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Monthly return breakdown

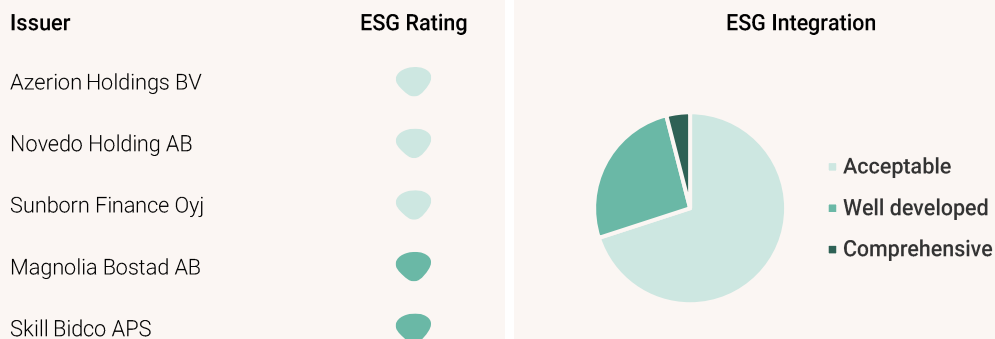


Other includes unrealised profit and losses, accrued fees and rounding differences.

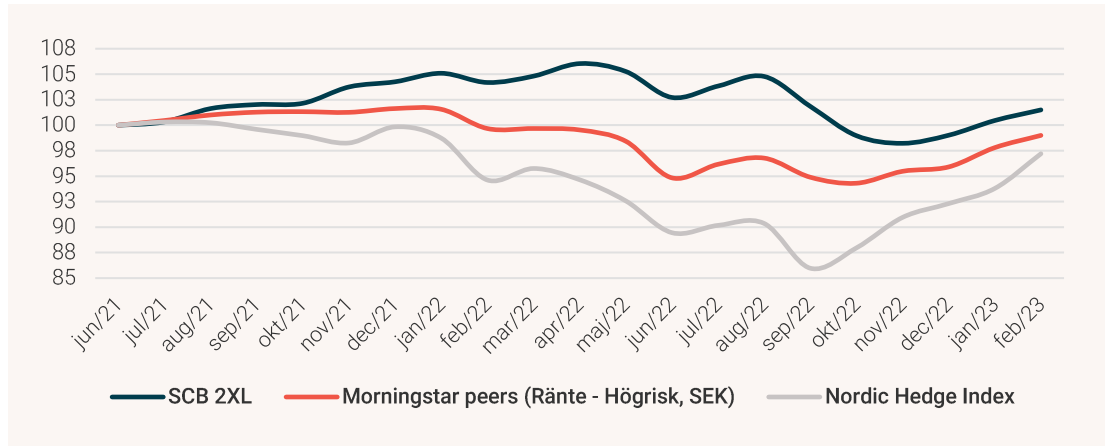
Top holdings

Issuer	%
Azerion Holdings BV	6.6
Novedo Holding AB	6.3
Sunborn Finance Oyj	5.4
Magnolia Bostad AB	5.3
Skill Bidco APS (Scan Global Logistics)	4.6

Breakdown by internal sustainability rating



Total return since inception¹



Source: Bloomberg & Nordic Hedge. ¹) Fully invested in June 2021.

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			
Currency	SEK	SEK	EUR	EUR
Income	Acc./Distr.			
Distr. frequency	Annually			
Min investment	SEK 1.5m	SEK 50m	EUR 125 000	EUR 5m
Subscriptions	Monthly			
Redemptions	Monthly (4 months notice)			
Management fee	0.95% p.a.	0.70% p.a.	0.95% p.a.	0.70% p.a.
Performance fee	15% over Hurdle			
Hurdle	max:(5%; 3M Stibor+2%)			

INVESTMENT TEAM

Jakob Eliasson 
Founder & Chief Investment Officer

Emil Ahlin 
Assistant Portfolio Manager, ESG Lead

INVESTOR RELATIONS

Karl-Fredrik Hansson 
karl-fredrik.hansson@ncpgroup.se
+46 73 435 33 10

CONTACT

Nordic Credit Partners AB
(Investment advisor)
Cecil Coworking
Norrandsgatan 10
SE-111 43 Stockholm, Sweden
www.ncpgroup.se

Nordic Credit Partners SICAV-RAIF
(Umbrella fund)
60 avenue J.F. Kennedy L-1855 Luxembourg
Grand Duchy of Luxembourg



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