



MONTHLY REPORT

Sustainable Return

June 2023

A FLURRY TO MONTH

June concluded the first half-year in a slightly softer tone and the fund yielded -0.37% during the month (3.67% YTD) driven by (i) a larger repricing of one of our holdings (ii) a general strengthening of our investment company portfolio, with Storskogen on top; and (iii) an overall slightly weaker sentiment for the real estate sector. The Storskogen (listed with EUR 1.4bn mkt cap) investment – a theme which was initiated only in Q1 of this year – has generated an attractive return of 30%+ IRR following the refinancing which took place in June. We have never lost money on an investment company and the Storskogen investment further strengthens our conviction on the sector. On the other hand, the real estate market continues to sway as discussed in our May report and most of our holdings in the sector traded softer during the month. Investors remain sceptical towards the sector, but few actually do in-depth analysis to separate the wheat from the chaff.

If any, the positive news concerning the real estate sector are that refinancing needs are being addressed and new equity invested. During the month, real estate company and property developer Alm Equity announced the disposal of most of its shares in Klöver with its project portfolio of ~24,000 homes. The EUR 100m proceeds from the divestment will be applied towards amortising debt and further strengthening liquidity. Real estate fund Areim announced it has increased its ownership in property developer Magnolia Bostad from 50% to 100%. Areim, with an estimated investment capacity of EUR 2.2bn through its latest fund, could help supporting Magnolia during these rocky times. Finally, real estate company Genova (listed with EUR 200m mkt cap) sold low-levered, non-core assets resulting in a well-needed EUR 35m liquidity boost. We hold bonds in Magnolia but expect modest price movements despite these positive news due to the overall negative sector sentiment.

Finally, we note that pretty much everyone suddenly has come out as a macro expert with views on rates, FX and monetary policy in general. In Sweden, the ever-depreciating SEK has sparked a renewed debate about joining the Euro with some people seeming almost insulted by the record-weak currency. But as a small currency in an interest-sensitive, real estate troubled economy, the weakness of the SEK actually seems pretty inevitable, doesn't it? In any event, we take neither FX nor rates risk and continue to do what we say we do: focusing on credit, financial and liquidity risk to deliver stable alpha return over time, regardless of market sentiment.

Emil & Jakob



Nordic Credit Partners

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Cumulative performance (%)

1 Month	YTD	1 Year	3 Years	Since inception	NAV A	NAV B	NAV C
-0.37	3.67	2.36	N/A	12.54	100.87	102.39	102.39

Monthly performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.27	1.56	-0.09	0.58	0.68	-0.37							3.67
2022	0.77	-0.47	0.69	0.28	-0.51	-1.27	0.41	0.76	-0.18	-1.95	0.03	-0.32	-1.89
2021	0.84	0.44	0.72	0.98	0.47	1.00	0.98	1.06	0.39	0.26	0.41	0.37	8.19

Key fund facts

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

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:



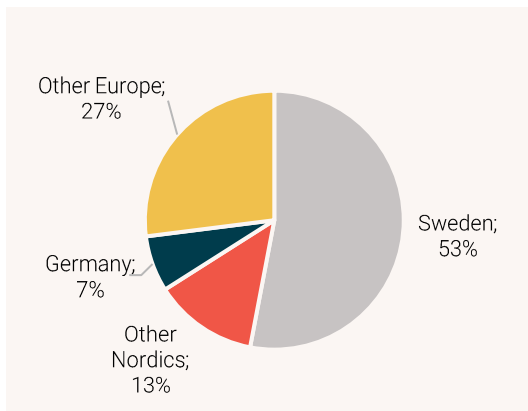
Portfolio and performance ratios

Ratio	
Yield to maturity	15.4%
Yield to worst	15.4%
Average coupon	9.9%
Credit duration	1.76 years
Duration	0.32 years
Modified duration	0.27%
Weighted average bond price	93.4
Average credit rating	Non-rated

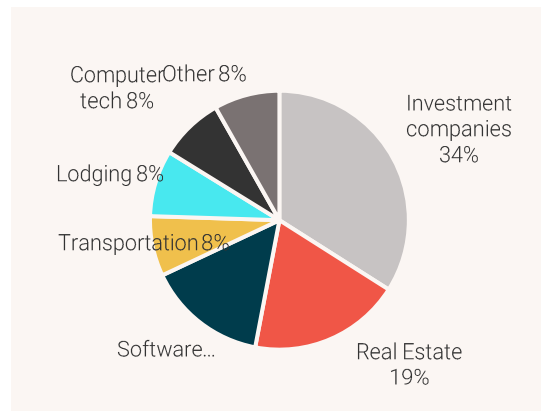
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Ratio	
Investments during the month	-
Divestments during the month	2
Positive months since inception	83%
Annualised return since inception	3.29%
Standard deviation p.a. since inception	2.50%
Sharpe ratio since inception	1.32
Risk level	3 out of 7

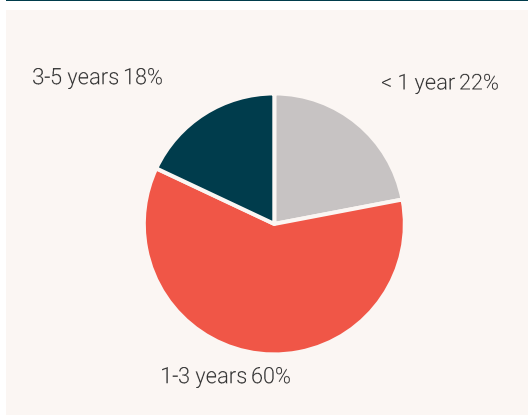
Breakdown by geography (issuer)



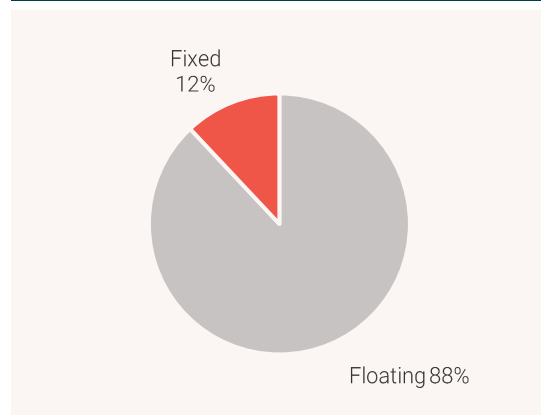
Breakdown by sector



Breakdown by maturity



Breakdown by coupon

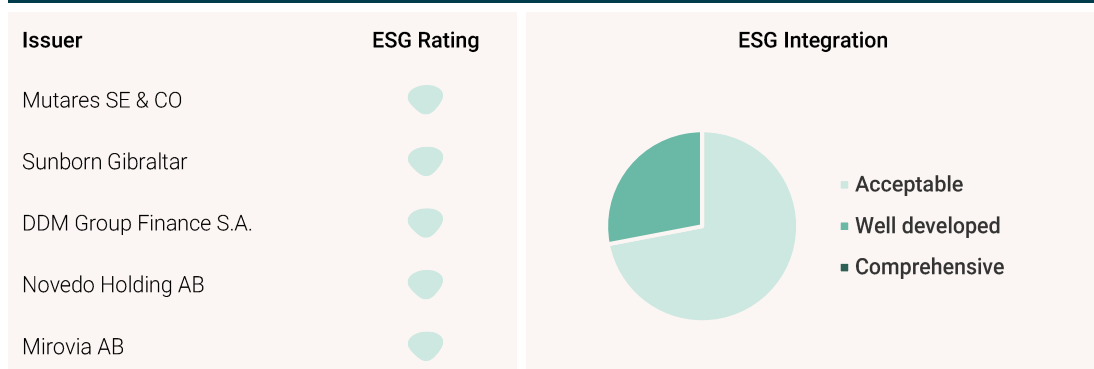


Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Mutares SE & CO	N00012530965	Germany ¹	Mar 2027	Euribor+8.50%	6.5%
Sunborn Gibraltar	SE0010296632	Gibraltar ¹	Mar 2024	Euribor+5.00%	5.4%
DDM Group Finance S.A.	LU2570106943	Luxembourg ¹	Dec 2024	10.0% PIK ²	5.4%
Novedo Holding AB	SE0017070980	Sweden	Nov 2024	Stibor+6.50%	5.2%
Mirovia AB	SE0015938378	Sweden	Jul 2024	Stibor+8.25%	4.8%

¹Issuers with significant operations in Europe but with a Nordic listing or ISIN. ²With a convertible feature.

Breakdown by internal sustainability rating



Monthly performance since inception (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.27	1.56	-0.09	0.58	0.68	-0.37							3.67
2022	0.77	-0.47	0.69	0.28	-0.51	-1.27	0.41	0.76	-0.18	-1.95	0.03	-0.32	-1.89
2021	0.84	0.44	0.72	0.98	0.47	1.00	0.98	1.06	0.39	0.26	0.41	0.37	8.19
2020							0.33	-0.02	0.11	0.06	1.55	0.13	2.16



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	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

INVESTMENT TEAM

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