



MONTHLY REPORT

Sustainable Return

July 2023

ANOTHER CONFUSED TAXI DRIVER IN THE CALM SUMMER CITY

July was, as usual, a quiet month with generally small price movements and low liquidity. The fund yielded 0.04% during the month (+3.72% YTD) mainly explained by (i) a repricing in Cabonline due to an announced restructuring (further explained below); (ii) a continued slight weakening in real estate; and (iii) a slightly softer portfolio performance overall i.e., no meaningful pricing impact.

On 15 July, Nordic taxi company Cabonline announced a restructuring where institutional investors (we understand this is the largest bondholders) will become new majority shareholders in the company to reduce the interest bill on the company's EUR 150m FRN which together with a softer macro-outlook has become tough to stomach. We have gradually reduced our holding in the bond which currently constitute 3.7% of our portfolio and 1.3% of the outstanding bond. Consequently, we did not take an active part in the negotiations but on the other hand, the portfolio impact of the 15 ppts+ price decline following the announcement was also limited. Once the written procedure related to the restructuring is issued (expected mid-August) we will evaluate our options and report back on actions taken in subsequent monthly reports. The general confusion around Heimstaden Bostad and its parent company Heimstaden AB continued with negative Swedish press mainly focused on the institutional shareholders which put further pressure on the bond pricing. We maintain our view, however, that additional equity will be required, and we expect the shareholders to inject equity in order to secure liquidity and retain the investment grade rating. Last but not least, Mirovia announced the early redemption of its outstanding bonds (4.8% of the portfolio) which is expected to have a slightly positive impact on the August NAV.

The yield in the portfolio continues to be records high (16.2% - mainly due to the higher base rate and the real estate segment trading well below par) while we continue to see the risk as contained. In fact, we expect additional early redemptions in a few holdings during the remainder of this year and keep several attractive investment opportunities in our shadow portfolio ready as replacements. We look forward to the market pace picking up again in August and are ready to execute as and when opportunities crystallise.

Emil & Jakob



Nordic Credit Partners

Nordic Credit Opportunities SICAV-RAIF Sustainable Return – July 2023

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Cumulative performance (%)

1 Month	YTD	1 Year	3 Years	Since inception	NAV A	NAV B	NAV C
0.04	3.72	1.98	12.22	12.59	100.90	102.44	102.44

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	0.04						3.72
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	-1.79
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:



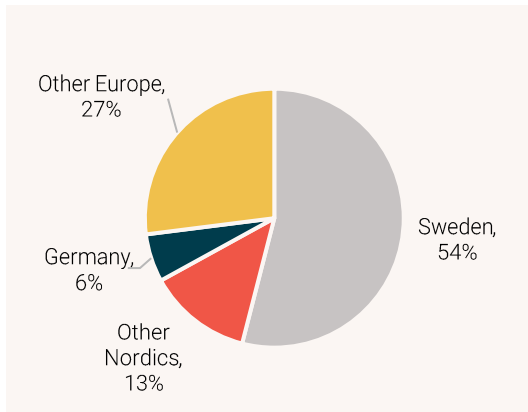
Portfolio and performance ratios

Ratio	
Yield to maturity	16.2%
Yield to worst	16.2%
Average coupon	9.7%
Credit duration	1.67 years
Duration	0.31 years
Modified duration	0.27%
Weighted average bond price	93.1
Average credit rating	Non-rated

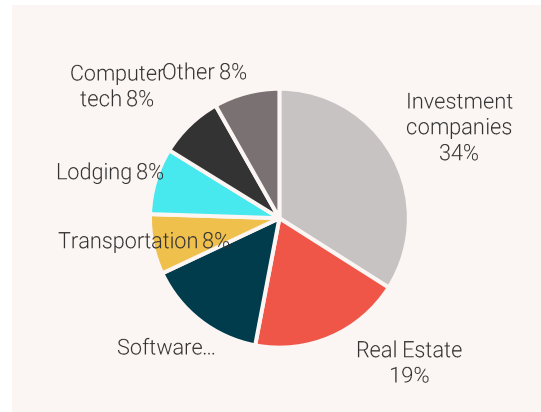
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Ratio	
Investments during the month	-
Divestments during the month	-
Positive months since inception	74%
Annualised return since inception	3.82%
Standard deviation p.a. since inception	2.41%
Sharpe ratio since inception	1.22
Risk level	3 out of 7

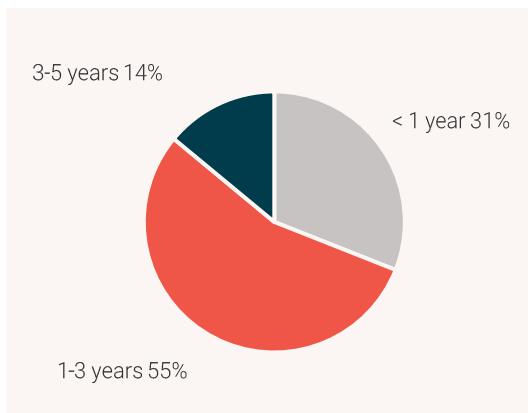
Breakdown by geography (issuer)



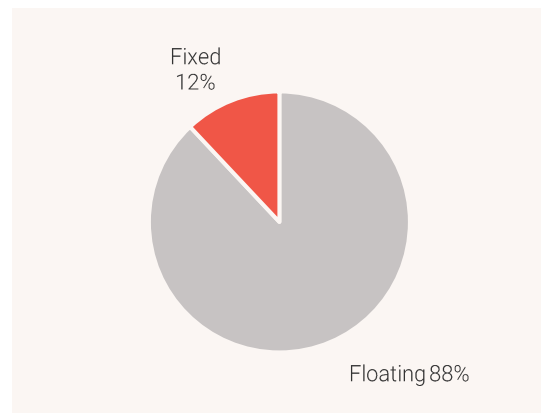
Breakdown by sector



Breakdown by maturity



Breakdown by coupon

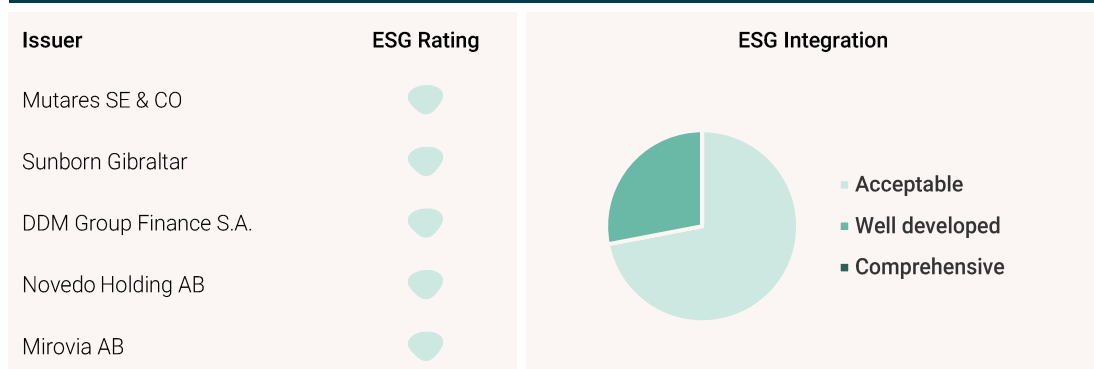


Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Mutares SE & CO	N00012530965	Germany ¹	Mar 2027	Euribor+8.50%	6.4%
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%	4.9%

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	0.04						3.72
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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

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)

www.ncpgroup.se

Nordic Credit Partners SICAV-RAIF

(Umbrella fund)

60 avenue J.F. Kennedy

L-1855 Luxembourg

Grand Duchy of Luxembourg

