



MONTHLY REPORT

Sustainable Corporate Bond 2XL

August 2023

Encouraging start to the autumn

In August, the market sentiment gradually picked up following the quiet summer period. The fund yielded +1.59% during the month (+8.93% YTD) driven by (i) a price increase in Azerion after the announcement of a significant divestment and contemplated refinancing of its 2024-bond; (ii) a continued tightening of the Momox bond based on a strong Q2 report; and (iii) a general good sentiment in the investment company segment (32% of the portfolio).

Azerion announced the divestment of its Youda Games portfolio for EUR 81m (up to EUR 150m incl. earnouts). The transaction reduces leverage by almost one turn, taking net leverage to just above 2x EBITDA. Following this, the company also announced a contemplated refinancing of its outstanding bond maturing in April 2024. Combined, these news lifted the bond price by five ppts, equivalent to +84 bps of the monthly NAV. Momox continued to deliver on its strategic plan during Q2 with increased gross margin (+2.2 ppts) and lower opex. Net leverage was reduced to 1.9x (incl. leasing), significantly down from 3.3x in the previous quarter and the bond continued to trade up on this news. Finally, the investment company segment of the fund's portfolio traded well during the month, driven by Mutares, EHAB and - most importantly - Novedo which is firming up its IPO plans for Q4 this year. The primary proceeds from the IPO are expected to reduce net leverage by at least one turn to below 2x EBITDA and line up the company for a refinancing of the bond in the bank market. The bond traded up on these news.

Despite long term rates remaining high during the month, we saw increased liquidity in the secondary market including, a bit surprisingly, in real estate despite current standstill in newbuild. Secondary market bond transactions were reported both in small and large real estate companies as well as in property developers. In addition, several primary transactions were completed, most importantly Castellum (Baa3 rated, EUR 5bn mkt cap) – returning to the bond market for the first time since April 2022. We did not participate in the issuance but see it as an encouraging sign of the market regaining confidence. We expect more issuers to test the market in the coming weeks and although we see no fundamental reasons for a more positive tone on the real estate market, we note that sentiment can change quickly, and memory is awfully short at times. Time will tell.

Emil & Jakob



Nordic Credit Partners

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Cumulative performance (%)

1 Month	YTD	1 Year	3 Years	Since inception	NAV
1.59	8.93	2.94	14.05	14.25	114.25

Monthly performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.46	1.01	-0.07	0.80	3.51	0.73	-0.39	1.59					8.93
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

Key fund facts

Fund name	Nordic Credit Partners SICAV-RAIF Sustainable Corporate Bond 2XL		
Target instruments	Nordic corporate bonds	AIFM	Carne Global Fund Managers
Target return	3m Stibor + 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:



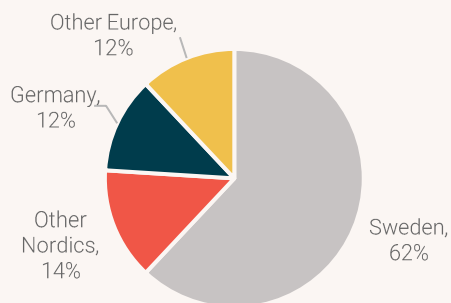
Portfolio and performance ratios

Ratio	
Yield to maturity (unlevered)	19.4%
Yield to worst (unlevered)	19.4%
Average coupon	9.7%
Credit duration	1.90 years
Duration	0.34 years
Modified duration	0.29%
Weighted average bond price	92.5
Leverage as % of gross portfolio	22%

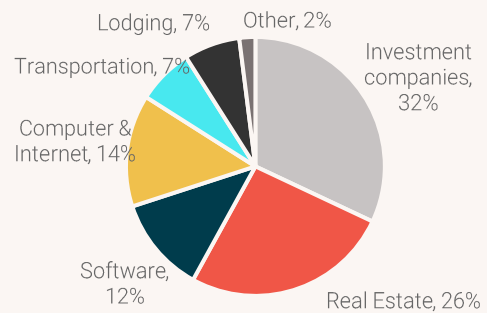
Ratio

Ratio	
Investments during the month	-
Divestments during the month	1
Positive months since inception	78%
Annualised return since inception	4.4%
Standard deviation p.a. since inception	4.1%
Sharpe ratio since inception	0.85
Sortino ratio since inception	0.46
Risk level	3 out of 7
Average credit rating	Non-rated

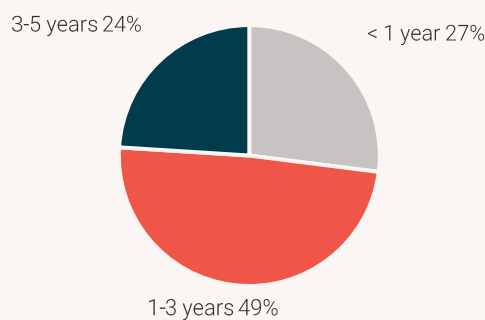
Breakdown by geography (issuer)



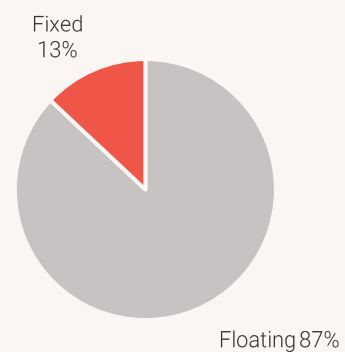
Breakdown by sector



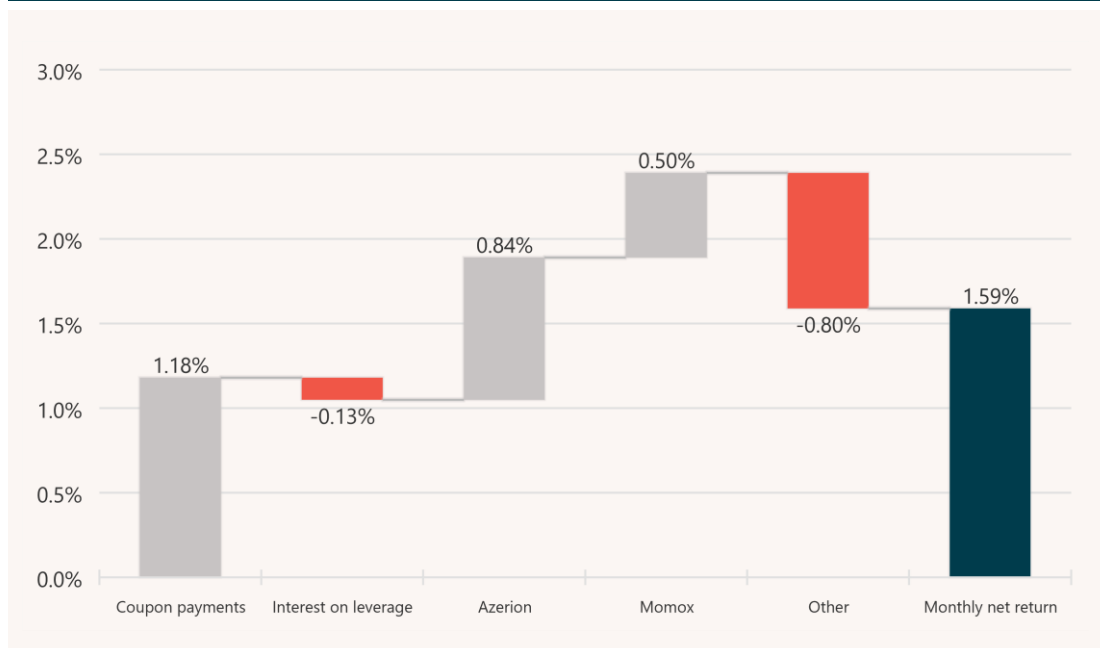
Breakdown by maturity



Breakdown by coupon



Monthly return breakdown

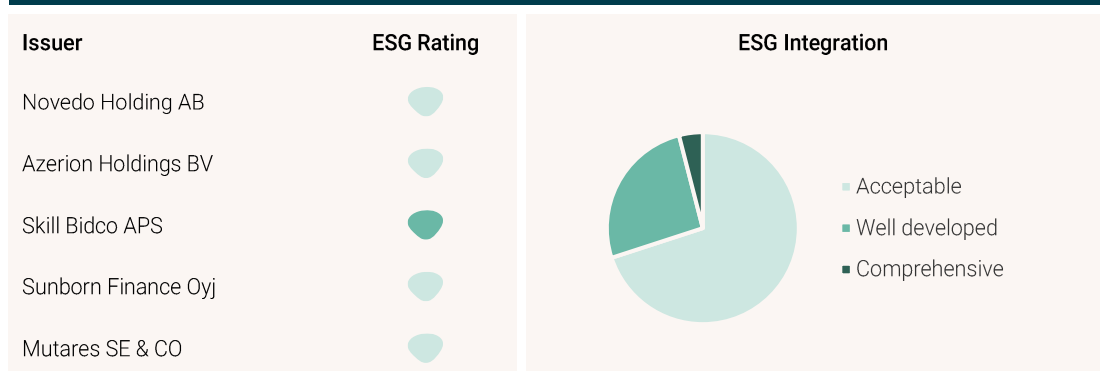


Other includes net effects, unrealised profit and losses, fees and rounding differences.

Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Novedo Holding AB	SE0017070980	Sweden	Nov 2024	Stibor+6.50%	8.1%
Azerion Holdings BV	SE0015837794	Netherlands	Apr 2024	7.25%	8.0%
Skill Bidco APS	N00012847831	Denmark	Mar 2028	Euribor+6.75%	7.4%
Sunborn Finance Oyj	FI4000292750	Finland	Feb 2024	Euribor+4.85%	6.8%
Mutares SE & CO	N00012530965	Germany	Mar 2027	Euribor+8.50%	6.4%

Breakdown by internal sustainability rating



Monthly performance since inception (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.46	1.01	-0.07	0.80	3.51	0.73	-0.39	1.59					8.93
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

Share class information

Share class	Institutional (SEK)	Partner (SEK)	Institutional (EUR)	Partner (EUR)
ISIN	Acc: LU2180877446 Distr: LU2180877792	Acc: LU2180877529 Distr: LU2180877875	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
Distributing	Electable	Electable	Electable	Electable
Distr. frequency	Annual	Annual	Annual	Annual
Min investment	SEK 1.5m	SEK 50m	EUR 125 000	EUR 5m
Subscriptions	Monthly	Monthly	Monthly	Monthly
Redemptions	Monthly	Monthly	Monthly	Monthly
Notice period	4 months' notice	4 months' notice	4 months' notice	4 months' notice
Management fee	0.95% p.a.	0.70% p.a.	0.95% p.a.	0.70% p.a.
Performance fee	15% if hurdle reached	15% if hurdle reached	15% if hurdle reached	15% if hurdle reached
Hurdle	3mS+5% p.a.	3mS+5% p.a.	3mS+5% p.a.	3mS+5% p.a.

INVESTMENT TEAM**Jakob Eliasson** *Founder & Chief Investment Officer***Emil Ahlin** *Assistant Portfolio Manager, ESG Lead***INVESTOR RELATIONS****Karl-Fredrik Hansson** *Head of Sales & Investor relations*karl-fredrik.hansson@ncpgroup.se

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