



MONTHLY REPORT

Sustainable Return

August 2023

ENCOURAGING START TO THE AUTUMN

In August, the market sentiment gradually picked up following the quiet summer period. The fund yielded +1.48% during the month (+5.25% YTD) driven by (i) a price increase in Azerion after the announcement of a significant divestment and contemplated refinancing of its 2024-bond; and (ii) a general good sentiment in the investment company segment (31% 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 which boosted this month's NAV. All our holdings now have released their Q2 reports which were in general encouraging and stable despite the current macro uncertainty. 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. Naturally, 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 A	NAV B	NAV C
1.48%	5.25%	2.71%	13.91%	14.25%	101.52	101.56	101.56

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	1.48					5.25
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:



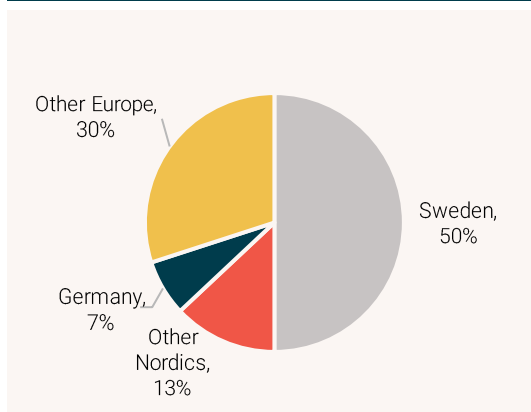
Portfolio and performance ratios

Ratio	
Yield to maturity	17.4%
Yield to worst	17.4%
Average coupon	9.8%
Credit duration	1.62 years
Duration	0.32 years
Modified duration	0.28%
Weighted average bond price	92.7
Average credit rating	Non-rated

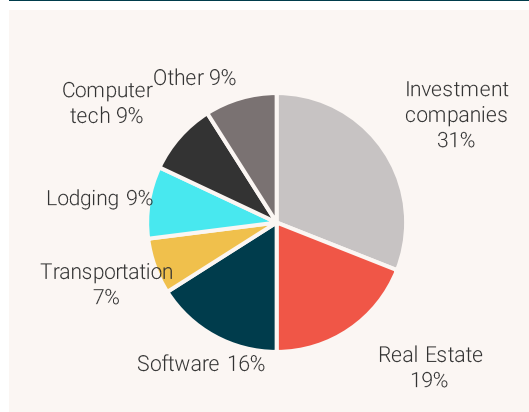
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Ratio	
Investments during the month	-
Divestments during the month	1
Positive months since inception	74%
Annualised return since inception	4.19%
Standard deviation p.a. since inception	2.50%
Sharpe ratio since inception	1.33
Sortino ratio since inception	0.84
Risk level	3 out of 7

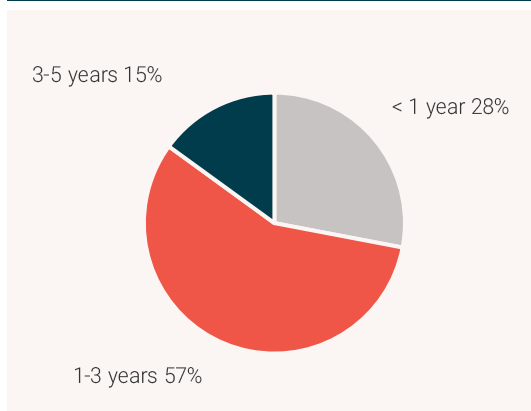
Breakdown by geography (issuer)



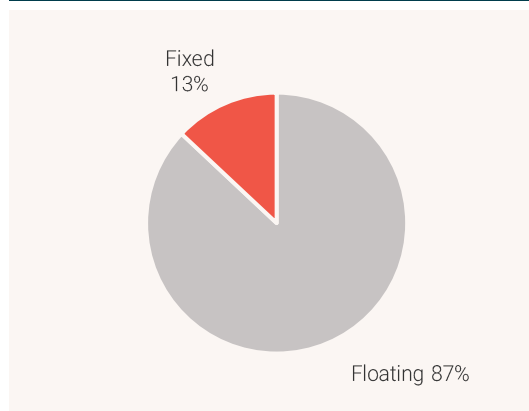
Breakdown by sector



Breakdown by maturity



Breakdown by coupon

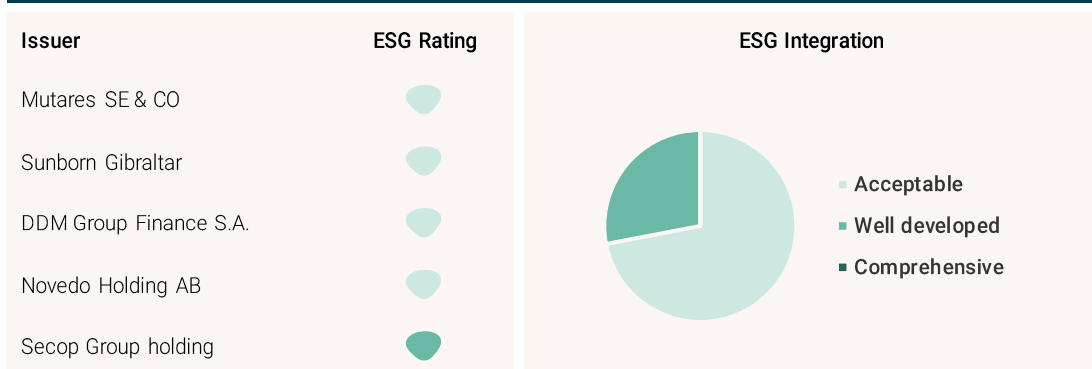


Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Mutares SE & CO	N00012530965	Germany ¹	Mar 2027	Euribor+8.50%	6.6%
Sunborn Gibraltar	SE0010296632	Gibraltar ¹	Mar 2024	Euribor+5.00%	5.5%
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%
Secop Group Holding	N00012923194	Germany	Dec 2026	Euribor+8.40%	5.2%

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	1.48					5.25
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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 
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INVESTOR RELATIONS

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