



MONTHLY REPORT

Sustainable Corporate Bond 2XL

December 2023

A strong finish to a record-breaking year

The Nordic credit market ended the year with a positive sentiment thanks to a strong rebound in the mood-setting local equity markets and the global trend of declining long-term interest rates. The fund yielded +1.39% during the month (+11.45% full year). The main drivers behind the return are (i) price increases in the real estate and investment company portfolio; and (ii) coupon payments driven by the high underlying base rates.

The declining long term interest rates (reduced by more than 100bps since October for a Swedish 5-year government bond) and the market now factoring in several rate cuts by the Riksbank in 2024, have resulted in a more positive sentiment around Swedish real estate. Liquidity in many real estate bonds has improved and our real estate portfolio contributed >100bps to the fund's December performance.

Similarly, our investment company holdings, which are sensitive to the overall risk sentiment, traded up during the month and contributed 20bps to the fund's December performance. Despite this, many of them continue to offer attractive risk-adjusted return with unlevered yields 15-18% which should continue to positively impact return going forward.

In summary, we conclude the strongest year ever for the fund. However, real estate and macro concerns remain, leaving additional upside to be harvested in 2024. For example, the real estate portfolio (24% of the fund's total portfolio) trades at a cash price of 70% of par although the majority is expected to be repaid in the next 18 months. Similarly, the Swedish investment company portfolio (29% of the total portfolio) trades at a cash price of 96% with only 12 months to maturity. We recognise that it from the outside indicates an elevated default risk. However, our investment process which now has been applied for over a decade and includes thorough due diligence, advisor input and investment committee approval should continue to reduce defaults (also in tougher markets) as it has done in the past. We look forward to continue to apply this investment philosophy during 2024 and welcome additional investors into the fund.

Emil & Jakob



Nordic Credit Partners

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Cumulative performance (%)

1 Month	YTD	1 Year	3 Years	Since inception	NAV
1.39	11.45	11.45	14.73	16.89	116.89

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	0.52	0.24	0.15	1.39	11.45
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:



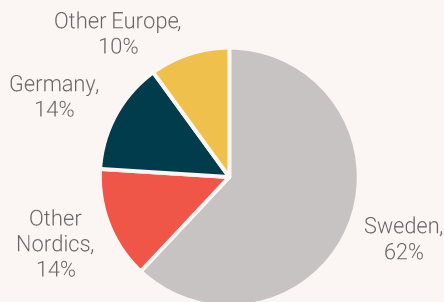
Portfolio and performance ratios

Ratio	
Yield to maturity (unlevered)	13.6% ¹
Yield to worst (unlevered)	14.5% ¹
Average coupon	10.0%
Credit duration	2.0 years
Duration	0.30 years
Modified duration	0.25%
Weighted average bond price	89.2
Leverage as % of gross portfolio	16%

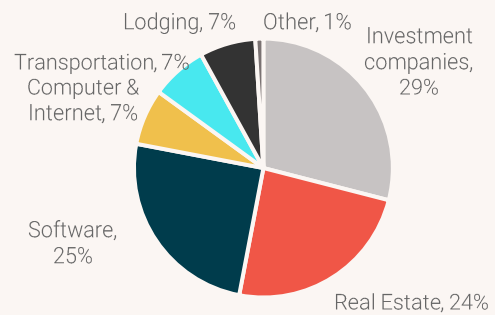
¹ Excluding a high-impact near-term maturity issuer

Ratio	
Investments during the month	-
Divestments during the month	-
Positive months since inception	80%
Annualised return since inception	4.7%
Standard deviation p.a. since inception	3.9%
Sharpe ratio since inception	0.87
Sortino ratio since inception	0.51
Risk level	3 out of 7
Average credit rating	Non-rated

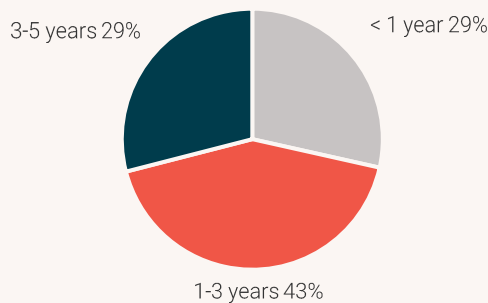
Breakdown by geography (issuer)



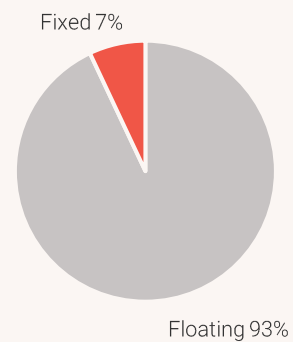
Breakdown by sector



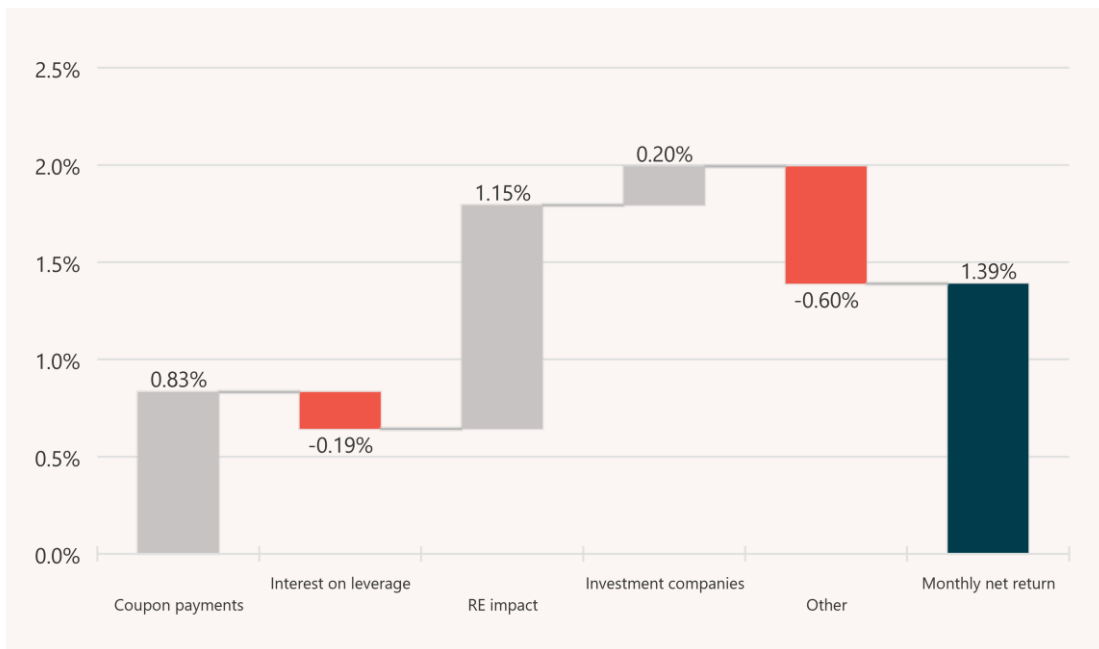
Breakdown by maturity



Breakdown by coupon



Monthly return breakdown

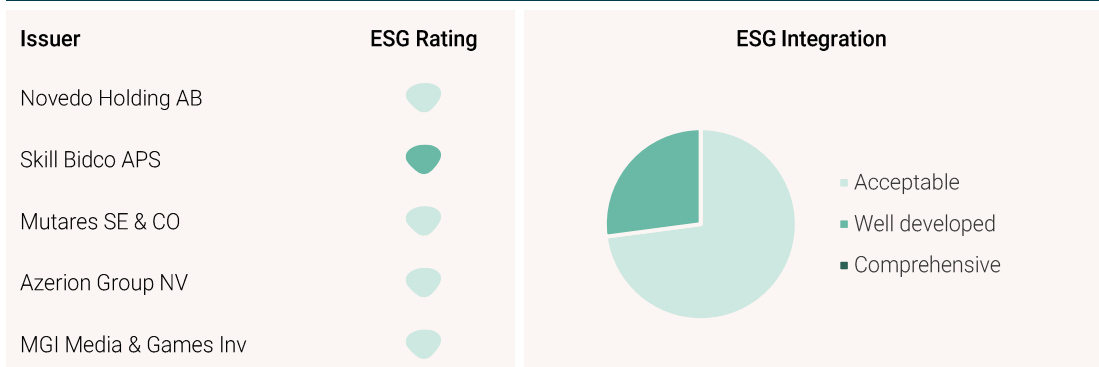


Other includes net effects, unrealised profit and losses, fees and rounding differences.

Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Novedo Holding AB	SE0017070980	Sweden	Nov 2024	Stibor+6.50%	8.0%
Skill Bidco APS	N00012847831	Denmark	Mar 2028	Euribor+6.75%	7.3%
Mutares SE & CO	N00012530965	Germany	Mar 2027	Euribor+8.50%	7.1%
Azerion Group NV	N00013017657	Netherlands	Oct 2026	Euribor+6.75%	7.1%
MGI Media & Games Inv	SE0019892241	Sweden	Mar 2027	Euribor+7.25%	7.0%

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	0.52	0.24	0.15	1.39	11.45
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.

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