



MONTHLY FACTSHEET

# Sustainable Return

February 2024

This document is marketing material. It is only intended for Professional Investors. Please refer to the Prospectus before making any final investment decisions. Investments pose a risk. Performance, Portfolio Breakdowns and Net Assets information as at: 29-02-2024. All other data as at 28-03-2024.

## Convincing February

During February, the Nordic credit market maintained its positive momentum from the past six months. Limited primary market activity underpinned strong development in the secondary market which largely is a seasonal pattern with the majority of issuers releasing year-end figures at the end of February. The fund yielded +0.80% during the month (+1.95% YTD) driven by (i) continuous high coupons thanks to the high underlying base rates; and (ii) a generally positive market momentum; partly offset by (iii) a price decline in the Sunborn Bond following the requested three-month extension.

By the end of this month, all portfolio companies have reported their fourth quarter and hence we have received full year figures for the fiscal year 2023. In general, the reports did not reveal anything surprising. The general theme was that (i) the underlying demand is still OK; (ii) the profitability is healthy thanks to more or less flexible cost bases or pricing power. Where we have seen softer reports and signs of a weakening demand, the companies have instead worked hard to defend their margins and to boost the cash generation (by inter alia normalisation of the working capital). The overall market reaction has been positive even if some real estate developers continue to be muted around their coming maturities (we have over time transitioned away from pure real estate developers). However, they still work as a decent indicator of the sentiment.

During February, Sunborn Finance, a Finnish family-controlled spa hotel, requested a three months' extension on its outstanding bond in order to manage its upcoming maturity originally scheduled for February 2024. The EUR 50m bond is secured by assets with an estimated fair value of EUR 58m (Dec 2023). Hence, we expect full value to be returned to bondholders at maturity but remain focused on the company and maintain an ongoing dialogue with the main owner and CEO. Even if we still see interesting opportunities in the secondary market, we note that the market has had a strong start of the year, and spreads are tightening fast. The window to act opportunistically is not yet closed but has narrowed fundamentally refocuses investor back at fundamental value which indeed is a sign of health.

*Emil & Jakob*

There is no guarantee that high returns will be reached and there is a risk of losing all or part of your investment.



**Cumulative performance (%)**

1 Month	YTD	1 Year	3 Years	Since inception	NAV A	NAV B	NAV C
0.80	1.95	4.86	13.15	17.08	104.22	104.06	103.90

**Monthly performance since inception (%)**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	1.15	0.80											1.95
2023	1.27	1.56	-0.09	0.58	0.68	-0.37	0.04	1.48	-0.47	-0.12	-0.14	1.47	5.79
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
2020	-	-	-	-	-	-	0.33	-0.02	0.11	0.06	1.55	0.13	2.16

The NAV is calculated by the independent fund administrator. Past performance is no indication of current or future performance; and the performance data do not take account of the commissions and costs incurred on the issue and redemption of shares. Capital invested in the fund may both increase or decrease in value and there is no guarantee that you will be repaid your invested capital. The past performance shown has been calculated using EUR-denominated figures. If the EUR is not your local currency, the returns shown may increase or decrease when converted into your local currency. Complete prospectus and fund statutes are available upon request. The information in this document is proprietary to Nordic Credit Partners AB and is intended only as general information. It should not be construed as investment advice or recommendation. The information may prove to be inaccurate, incomplete or out of date. Nordic Credit Partners AB is not responsible for the damage, whether direct or indirect result of any defects or errors in the information. Investors acquire shares of the fund, not the underlying assets. The Fund is actively managed, which means that the investments are selected at the discretion of the investment manager. The performance of the Fund is not measured against any benchmark or index.

**Key Risks**

**Investment in Fixed Income or Other Debt Securities** All fixed income or other debt securities have the fundamental risk that the issuer may be unable to make interest payments or repay the capital. Generally, government securities offer the lowest credit risk, which is reflected in their lower yield. Corporate debt offers a higher yield due to its higher risk. However, changes in economic and political outlook affect the value of such securities.

**Investment in High Yielding Debt Securities** Due to the volatile nature of sub-investment grade assets and the corresponding risk of default, investors in Compartments which invest in high yielding debt securities must be able to accept significant temporary or permanent losses to their capital and the possibility of fluctuations in the income return level of the Compartment.

**Liquidity Risk** The ability of the Company to sell particular investments may be seriously restricted as a result of legal restrictions, low market capacity and the size and nature of the assets. As a consequence of such restrictions, the liquidation of some investments may prove to be difficult and prolonged, and may only be possible at a significant discount, thus affecting the liquidity and/or the investment performance of the Shares.

**Redemption Risk** Investors may redeem Shares in accordance with the terms set in this Memorandum. Large redemptions of Shares might result in a Compartment being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets. In addition, a significant redemption of Shares may require a Compartment to realise investments at values which are lower than the anticipated market values of such investments. This may cause a temporary imbalance in a Compartment's portfolio. Thresholds limiting the maximum amounts which may be redeemed in each Compartment on each Valuation Day will also be put in place. The Board may also, but will not be obliged to, temporarily suspend the determination of the Net Asset Value per Share of any Compartment and/or the issue and redemption of Shares in respect of a given Compartment under specific circumstances - including, without limitation, when the Board determines, in its sole discretion, that the proportion of assets of the relevant Compartment(s) valued under the Mark-to-Model Valuation represents a significant part of the total assets of the relevant Compartment(s).

More information in relation to risks in general may be found in the "Risk Factors" section of the prospectus.



## Key fund facts

<b>Fund name</b>	Nordic Credit Opportunities SICAV-RAIF Sustainable Return		
<b>Target instruments</b>	Nordic corporate bonds	<b>AIFM</b>	Fuchs Asset Management
<b>Target return</b>	3-6% p.a. net of fees	<b>Depository</b>	Société Générale Luxembourg
<b>Inception date</b>	25 June 2020	<b>Auditor</b>	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 3-6% 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:



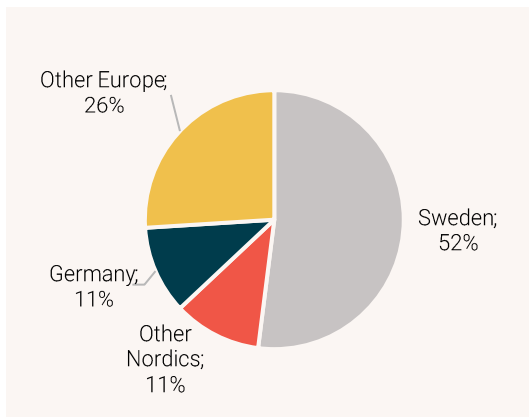
## Portfolio and performance ratios

Ratio			
Yield to maturity <sup>1</sup>	15.2%	Investments during the month	-
Yield to worst <sup>1</sup>	15.2%	Divestments during the month	1
Average coupon	10.9%	Positive months since inception	73%
Credit duration	1.6 years	Annualised return since inception	4.3%
Duration	0.29 years	St. deviation p.a. since inception	2.5%
Modified duration	0.25%	Sharpe ratio since inception	1.3
Weighted average bond price	90.8	Sortino ratio since inception	0.9
Average credit rating	Non-rated		

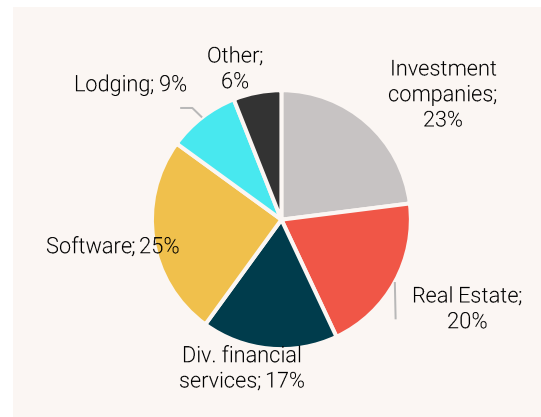
<sup>1</sup>Excluding two near-term maturity which impacts the YTM



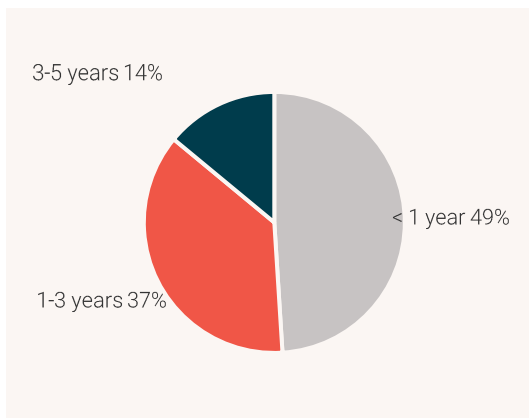
### Breakdown by geography (issuer)



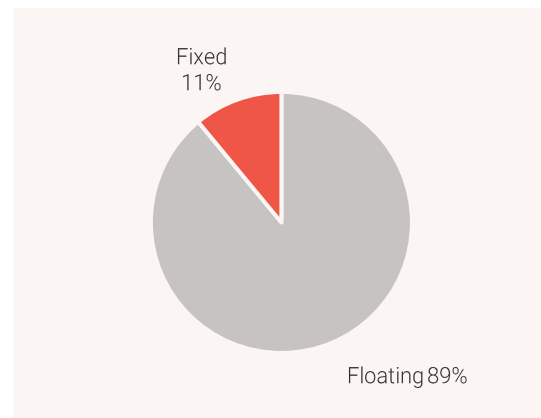
### Breakdown by sector



### Breakdown by maturity



### Breakdown by coupon

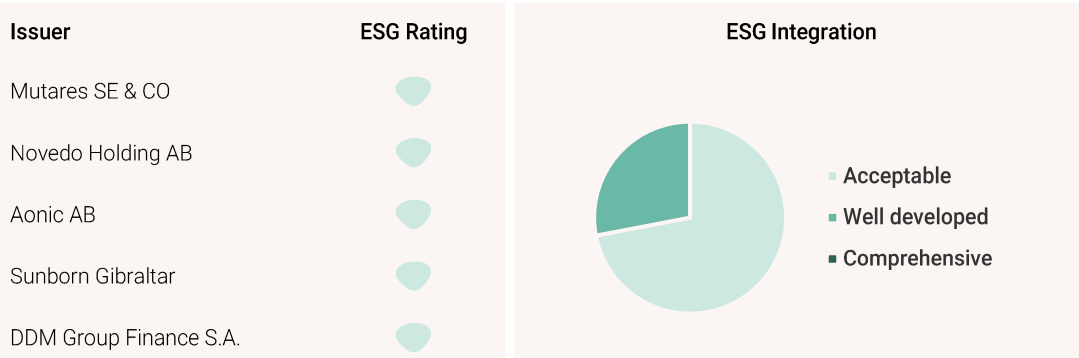


### Top holdings

Issuer	ISIN	Country	Maturity	Coupon	% Portfolio
Mutares SE & CO	NO0012530965	Germany <sup>1</sup>	Mar 2027	Euribor+8.50%	6.4%
Novedo Holding AB	SE0017070980	Sweden	Nov 2024	Stibor+6.50%	6.4%
Aonic AB	SE0020975449	Sweden	Oct 2027	Stibor+8.50%	5.9%
Sunborn Gibraltar	SE0010296632	Gibraltar <sup>1</sup>	Mar 2024	Euribor+5.00%	5.1%
DDM Group Finance S.A.	LU2570106943	Luxembourg <sup>1</sup>	Dec 2024	10.0% PIK <sup>2</sup>	5.1%

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

## Breakdown by internal sustainability rating



Further information about the sustainability related aspects of the Fund is available upon request.

## Share class information

Share class	Class A	Class B	Class C
<b>ISIN</b>	LU2173402418	LU2173402509	LU2173402681
<b>Target client</b>	Inst. & Well-informed	Inst. & Well-informed	Inst. & Well-informed
<b>Currency</b>	EUR	EUR	EUR
<b>Income</b>	Distributing	Distributing	Distributing
<b>Distr. frequency</b>	Annually	Annually	Annually
<b>Min investment</b>	EUR 20,000,000	EUR 500,000	EUR 500,000
<b>Subscriptions</b>	Monthly	Monthly	Monthly
<b>Redemptions</b>	Annually / 3.0%	Annually/ 3.0%	Monthly / 7.0%
<b>Management fee</b>	0.50% p.a.	0.55% p.a.	0.55% p.a.
<b>Performance fee</b>	20% over Hurdle	20% over Hurdle	20% over Hurdle
<b>Hurdle</b>	3M Stibor+3%	3M Stibor	3M Stibor

### INVESTMENT TEAM

**Jakob Eliasson**   
 Founder & Chief Investment Officer

**Emil Ahlin**   
 Portfolio Manager, ESG lead

### INVESTOR RELATIONS

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