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## Portfolio Manager comment Coeli Nordic Corporate Bond Fund R-SEK July 2024

### This is a marketing communication.

Before making any final investment decisions, please read the prospectus, its Annual Report, and the KID of the relevant Sub-Fund [here](#)

Note that the information below describes the share class (R SEK), which is a share class reserved for private investors. Investments in other share classes generally have other conditions regarding, among other things, fees, which affects the share class return. The information below regarding returns therefore differs from the returns in other share classes.

**Nordic Corporate Bond Fund (Class R)** advanced with 0.85% during July. Since year-end, the NAV per share has consequently increased by 3.91%. During the month of July, market rates fell, not least in Sweden, where the market is now pricing in fyra interest rate cuts this year. This is twice as many as the Riksbank's own forecast. This is mainly due to lower inflation expectations, which has resulted in pressure on market interest rates and a weaker Krona. Should the market be right, the policy rate will land at 2 per cent at the end of 2025. As is well known, the ECB and the Fed have not yet started to cut rates, but expectations are now high that the cuts will come in September.

Credit spreads narrowed slightly during the month and were more or less unaffected by the correction/rotation that took place in the equity market. The Nordic credit market was characterised by a summer lull with few primary deals and limited trading in secondary markets.

Bonds from Hoist Finance developed positively after the company presented a strong report with a significantly improved result because of rising revenues and good cost control. During the year, Hoist intends to apply for the status of "specialized debt restructuring", which will improve the company's capital adequacy and place stricter demands on long-term and stable financing.

The real estate companies reported generally in line with expectations, the value changes during the quarter were relatively small, while lettings were slightly better than expected with stable vacancy rates and no increase in rental losses. In addition, the sector benefited from falling interest rates and falling expectations about future interest rates.

Some negative impact on the month's results came from Magnolia Bostad, which presented a quarterly report that showed deteriorating credit ratios. On the positive side, it is noted that the company sold four housing projects during the quarter, which indicates that investors' interest in residential properties may just be about to improve.

#### Top Holdings (%)

WHITE MOUNT FRN 17-22.09.47	4.2%
NORDEA HYP 1.0% 19-17.09.25	4.1%
SWEDBK 1.0% 19-18.06.25	3.7%
B2 HOLDING FRN 19-28.05.24	3.5%
LANSBK 1.25% 18-17.09.25	3.3%

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