
Portfolio Manager comment Coeli Nordic Corporate Bond Fund I SEK November 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 (I SEK), which is a share class reserved for institutional 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 I) advanced 0.49% during November. Since year-end, the NAV per share has consequently increased by 7.32%. November's most noteworthy event in the media was undoubtedly the US election in which Donald Trump was elected president. The Republican party also managed to secure a majority in both chambers of Congress, which gives good prospects for the president to push through his policies. What has been announced regarding the economic policy has mainly concerned unfunded tax cuts and increased trade barriers through the introduction of tariffs. The market reaction to the election was initially rising US interest rates and stock prices, later in the month interest rates turned south while the strong sentiment in the equity market persisted.

On the political scene in Europe, von der Leyen finally succeeded, six months after the election, in getting a new EU Commission in place. This at the same time as Germany was undergoing a government crisis with new elections announced for February. France appears to be on the same path as its neighbour as its government faces a vote of no confidence in early December.

It was less turbulent from the central banks, Federal Reserve of the US delivered in line with expectations an interest rate cut of a quarter of a percentage point. However, with a continued strong labour market in the US, the prospects for future reductions have diminished. Here at home, the Riksbank chose to lower the repo rate by half a percentage point. The Riksbank continues to guide for more interest rate cuts as inflation has been pushed back and the economy is still judged to be weak.

Among the month's biggest positive contributors was the real estate company Heimstaden. During November, Heimstaden Bostad issued bonds in several different transactions and at the same time carried out buy-backs of outstanding bonds, all in all thereby extending the maturity profile of the company's debts and reducing the refinancing risk. A positive contribution also came from Bayport Management, who announced that the company had agreed with bondholders to extend the maturity of two of the company's outstanding bonds.

Bonds from Scatec, a developer and producer of renewable energy, also performed well after a strong report. The company's profit rose sharply compared to a year ago thanks to increased electricity production and profits from the sale of facilities. Scatec also presented an updated strategy with a more concentrated geographic focus, sales of operational solar and wind farms and continued self-financing of new development projects.

Some negative impact on the result came from Topsoe, which developed negatively as a result of negative news flow regarding the rate of investment in new facilities for the production of hydrogen and biofuels. Bonds from Norske Skog fell in value after the company reported a falling profit at the end of October, at the same time as the conversion from paper to cardboard at the mill in France was reported to become both more expensive and taking longer time.

During the month, bonds from Castellum were sold in favour of an investment in the Finnish property

company Citycon. As a leading Nordic player in shopping centres, Citycon has been facing challenges in recent years. With a clean-up of the property portfolio and a strengthened balance sheet through a share issue earlier in the year, the company's bonds are judged to offer good prospects for high risk-adjusted returns. In addition, the fund participated in an issue from the smaller real estate issuer Logistri. Bonds from, among others, Greenfood, Axentia and iLoq were divested to obtain a slightly more concentrated portfolio.

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