
Portfolio Manager comment Coeli High Yield Opportunities I SEK December 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.

Coeli High Yield Opportunities (Class I) (formerly Nordic Corporate Bond Fund) advanced 0.80% during December. Since year-end, the NAV per share has consequently increased by 8.17%. The month started on a positive note with rising stock prices and falling risk premia in the credit market. However, the positive sentiment was dampened towards the end of the month, while government bond yields rose, longer maturities increased more significantly, resulting in steeper yield curves in most developed countries.

Several central banks lowered their key interest rates, including the Federal Reserve, the ECB and the Riksbank, all of which chose to cut by 0.25 percentage points, which was in line with market expectations. However, the communication from the Fed was more hawkish than before and the forecast now indicates fewer cuts in 2025 than previously guided for. The Riksbank is also guiding that they may slow down the pace of interest rate cuts at the beginning of the new year.

The month's biggest contributor was the Danish clothing retailer PWT, which carried out a sweetened buyback of the company's outstanding bonds. After being forced into a restructuring in the aftermath of the pandemic in 2020, PWT has returned to profitability in recent years and this month's buyback can be said to have been the final step in cleaning up its balance sheet. A positive impact on the result also came from Bayport Management, where the fund received new bonds with longer maturities following the agreement the company reached with bondholders earlier in the autumn. The agreement gives Bayport a lower interest burden and room to adjust debt to more sustainable levels in the coming years given the earnings from the company's loan business.

Bonds from IT company Crayon rose in value after a plan for a merger with Swiss SoftwareOne was presented. Speculation about a merger between the two has circulated during the autumn, the offer that has now been presented appears to be rather low and the probability of the transaction going through is therefore considered relatively limited.

Real estate companies, which have performed well in the credit markets for almost the entire year, also contributed positively during December. The fund's holdings in the sector were primarily Citycon after the company's issue of five-year bonds met with very high interest among investors. Bonds from CIBUS, however, fell slightly after the company presented a major acquisition that establishes the company in the Benelux region. The acquisition gives the company increased geographical diversification at the expense of an, at least temporarily, higher loan-to-value ratio.

The negative impact on the month's results was mainly seen from fixed-rate bonds that fell due to rising interest rates.

During the month, the fund participated in a new issue from MacGregor, which was recently bought out from Cargotec by the private equity firm Triton. MacGregor is a world leader in cranes and lifting equipment in the maritime environment, with a large installed base and a significant service business, the company is expected to develop well as a standalone entity in the coming years. In addition, the

fund's holdings of bonds from Klarna Bank, Logistri and Scatec increased while holdings of Akelius and Crayon were reduced.

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