
Portfolio Manager comment Coeli High Yield Opportunities I SEK May 2025

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 by 1.37% during May. Since year-end, the NAV per share has consequently advanced by 0.35%. Global financial markets continued to recover in May, with the lack of further negative news on US trade tariffs supporting sentiment. In addition, market participants shifted their focus to expected tax cuts and deregulation in the US, which are expected to be announced shortly, which supported equity markets. However, the currency and bond markets are signalling scepticism towards US economic policy as government bond yields rose further and the dollar depreciated. Moody's downgraded the US credit rating by one notch, leaving the country without a AAA rating from one of the leading credit rating agencies for the first time in modern times. A steadily rising national debt and an inability to address public deficits were cited as the reasons for the decision.

The Federal Reserve left its key interest rate unchanged during the month, as economic activity had been relatively resilient during the spring. The outlook for both growth and inflation is highly uncertain and the central bank is warning of increased risks for stagflation, a highly unpleasant scenario where inflation rises at the same time as economic activity is pressured.

The Riksbank also left the interest rate unchanged in May, which was in line with market expectations. With increased uncertainty in the world and a somewhat weaker economic outlook, the Riksbank is ready to ease monetary policy further at future meetings if inflation, which is considered to be temporarily elevated, falls back in line with forecasts. The subdued inflation outlook is further being supported by the Swedish krona that is continuing its comeback, during May it was leading the way as the most appreciated currency among the developed economies.

In the recovery seen in the Nordic corporate bond market, the fund performed well with positive performance contributions from a significant majority of its holdings. The largest contributor was Hoist Finance, which reported good performance for the first quarter at the beginning of the month. Last year, companies invested heavily, which is now resulting in both higher revenues and profits. Bond prices for consumer credit company Bayport recovered slightly after an investor update in which the company's management presented details about possible divestments of operations in a couple of countries where the group operates.

Positive development was also seen for bonds from the industrial conglomerate Novedo despite a quarterly report that contained information about negative organic growth and deteriorating margins, however, cash flow was strong, and the company's liquidity is reassuring. The Finnish construction company YIT and the real estate company Arwidsro, which were added to the portfolio in early May, both issued hybrid bonds, which strengthens their financial profiles and lengthens the debt profile of the respective companies.

Some negative impact on the result came from fixed-rate bonds as primarily longer euro interest rates rose.

During the month, the fund participated in a number of primary transactions and several new issuers were added to the portfolio, this with the aim of increasing diversification and improving liquidity. Among others, bonds from Verisure, First Camp, ADDvise and Avanza were added to the portfolio.

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