
Portfolio Manager comment Coeli High Yield Opportunities R SEK March 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 (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.

Coeli High Yield Opportunities (Class R) (formerly Nordic Corporate Bond Fund) declined with 0.12% during March. Since year-end, the NAV per share has consequently increased by 0.99%. Market developments during the month were characterised by increasing volatility as investors' risk appetite declined. The weakened sentiment is closely linked to the uncertainty surrounding US trade policy.

Among central banks, the Riksbank, Norges Bank and the Federal Reserve, among others, left their respective policy interest rate unchanged. In Sweden, the key interest rate is expected to remain at the current level going forward, while the US Federal Reserve forecasts two cuts in 2025. In Frankfurt, however, the ECB decided to lower its key interest rate to 2.50%, the message that monetary policy remains data-dependent was repeated, and the ECB is expected to proceed cautiously due to the prevailing uncertainty. The announcements from the central banks were in line with expectations and had no significant market impact.

On the other hand, the news that Germany is abandoning its conservative stance on budget deficits and public debt led to a sharp rise in long-term government bond yields. The Bundestag approved a comprehensive stimulus package with loan-financed investments in defence, infrastructure and climate action. The Swedish government joined the crowd with casual attitude towards spending borrowed money when the Swedish defence forces now are to be quickly upgraded. The European Commission also announced a plan for military rearmament, including joint borrowing and exemptions from the common budget rules for increased defence spending.

Among the month's biggest contributors were subordinated bonds from Hoist Finance, which continued to trade in a positive trend. Hoist issued senior bonds in March, the company's relatively low financing cost is a competitive advantage and enables continued investments in mature debt portfolios. Bonds from insurance companies withstood the market turbulence relatively well with good earnings contributions from, among others, Alm Brand and Tryg Forsikring. SiriusPoint had its outlook raised to positive by the rating agency Fitch, which noted in a report that the company's insurance results had improved significantly.

Klarna Bank announced that it is preparing a listing of the company on the New York Stock Exchange. A listing could take place as early as April and, according to media reports, the company is valued at \$15 billion.

Real estate companies performed relatively weakly during the month as the sector was pressured by rising long-term interest rates and new assumptions that policy rates in Europe have bottomed out. Among the real estate companies, Finnish Citycon came under particular pressure after a downgrade from S&P, although it is notable that the company retains investment grade status for its senior bonds.

During the month, the fund participated in new issues from software retailer NTI Group, construction company YIT and real estate company Fastpartner, among others. Senior secured bonds from Swedish Electro Invest and Floatel were also added to the portfolio. Balder, Å landsbanken and Storskogen

were divested. Portfolio changes implemented during the month contributed to increasing the yield level in the fund.

At the end of the month, the portfolio consisted of 58 holdings from 51 different issuers.

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