
Portfolio Manager comment Coeli High Yield Opportunities R SEK July 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) advanced by 0.57% during July. Since year-end, the NAV per share has consequently increased by 1.59%. During the month, global bond yields rose slightly due to somewhat more hawkish central banks and inflation that was reported higher in both the US and the Eurozone as well as in Sweden.

Both the Federal Reserve and the ECB chose to keep their respective policy rates unchanged, which was in line with market expectations. From Frankfurt it was announced that the economic outlook is uncertain, especially with regard to the effects of US tariffs, and the central bank's stance is now to wait and see before new interest rate cuts may be relevant. The Federal Reserve also confirmed its cautious, data-dependent stance as inflation is still reported above target.

GDP growth in the US and the Eurozone in the second quarter was reported to be somewhat stronger than expected. In the stagnant European economy, however, the growth rate was barely positive. In the US, growth was higher, but largely affected by reduced imports as many companies earlier in the year accelerated their purchases to avoid tariffs. However, the details of the US statistics were relatively weak, with only a moderate increase in final sales to private domestic purchasers.

Unexpectedly weak US labor market statistics for July, and large downward revisions to previous estimates of the number of jobs created, confirmed the picture that the US economy is slowing down. The bleaker picture of the situation on the labor market did not please the White House, whereupon the head of the agency responsible for the statistics was dismissed from her post. The dismissal appears to be a textbook example of how a messenger is shot and is yet another severe blow to the credibility of the current administration's actions in the economic policy area.

The most talked about topic of the summer was the US trade war, and several agreements on new tariffs for exports to the US were presented in July. In most cases, the outcome has been lower tariffs than what was first announced in April, although in most cases the specifications that are customary in trade agreements are still missing. For the EU, most of what is exported across the Atlantic is now expected to be subject to 15 percent tariffs, along with a European commitment to increase imports of American natural gas and oil. However, the abrupt changes and capriciousness of the Americans' actions raise the question of how long these agreements will last.

Developments in the Nordic corporate bond market were quiet with bond prices rising moderately. Trading volumes and activity in the primary market were very limited.

Among the month's biggest contributors were Eurobonds from property companies Citycon and Akelius Residential, with the latter issuer supported by a quarterly report that included information on good rental growth and reduced vacancies. Citycon announced that its share buyback program had been terminated with smaller volumes than announced as the share price traded around the program's maximum permitted level. Heimstaden AB also made a positive contribution after a bond issue and simultaneous repurchase of its 2027 bonds at attractive levels. Good development was also

seen for the credit management company Hoist Finance after Moody's confirmed the company's credit rating and raised the outlook to positive.

Among the reporting companies, strong figures were noted from B2 Impcat and Protector. Credit management company B2 reported high investment activity, strong cash flow and sustained higher collections in the second quarter. The Norwegian insurance company showed good growth and improved profitability due to price increases.

Some negative impact on the result came from fixed-rate bonds that retreated slightly as market interest rates rose. Weak development was otherwise seen mainly for Flora Food Group bonds that were added to the portfolio during the month. During the month, the portfolio was expanded with a handful of Eurobonds with assessed high liquidity, which also improves the portfolio's risk diversification.

Date Created

2025/08/08