
Portfolio Manager comment Coeli Nordic Investment Grade 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 (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's return. The information below regarding returns therefore differs from the returns in other share classes.

Nordic Investment Grade (formerly Likviditetsstrategi) advanced by 0.23% during December. Since year-end, the NAV per share has consequently increased by 6.04%. 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.

Insurance companies were among the largest positive contributors this month as well, with Tryg Forsikring, Alm Brand and SiriusPoint at the top. Tryg held a capital markets day during the month where new financial targets for 2027 were presented. The company is guiding for earnings improvements primarily through increased efficiency and economies of scale. SiriusPoint announced a targeted buy-back of all of the previous main shareholder CMIG's shares in the company. The transaction will to some extent deteriorate SiriusPoint's financial strength, but will lead to the company's governance being simplified, the connection to a financially weak Chinese owner being eliminated and the company's free float increasing.

Real estate companies, which have performed well in the credit markets for almost the entire year, also contributed positively in December. Foremost among the fund's holdings in the sector was the portfolio newcomer Citycon, which issued new five-year bonds.

Negative impact on the month's result was mainly seen from fixed-rate bonds, which declined due to rising interest rates.

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