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

Nordic Investment Grade (formerly Likviditetsstrategi) declined by 0.10% during March. Since year-end, the NAV per share has consequently increased by 0.64%. 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.

ICA Gruppen was among the month's largest contributors after the announcement that the Baltic operations would be divested. The sale will generate a significant cash flow equivalent to just over half of the group's net debt, which will thus significantly strengthen the company's financial risk profile. Bonds from insurance companies performed well with good performance contributions from, among others, Storebrand Liv and Gjensidige. 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.

Real estate companies performed relatively poorly 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 bonds.

During the month, the fund participated in new issues from Hoist Finance and NOBA Bank, among others. Among the fund's holdings of bonds from real estate companies, Balder was sold in favor of an investment in bonds from Akelius Residential. Portfolio changes implemented during the month contributed to increasing the yield level in the fund.

Date Created

2025/04/02