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

Nordic Investment Grade (formerly Likviditetsstrategi) declined by 0.34% during April. Since year-end, the NAV per share has consequently increased by 0.30%. April turned out to be a volatile month with large price swings for risky assets. At the beginning of the month, the White House announced extensive tariffs against the rest of the world. The size and scope of the tariffs were worse than feared, which sent the prices of stocks and corporate bonds sharply lower. A week later it was announced that the introduction of most tariffs was to be paused for a period of 90 days, with China as the largest exception, and exemptions were granted for certain goods, including pharmaceuticals. However, the fortuitous messages were interpreted by the market as the administration taking market movements into account, and by the end of the month equity markets had recouped most of the decline. Despite the market recovery, the pause does little to alleviate the underlying economic risks. Uncertainty surrounding the tariffs remains, which weighs on investment and employment, and thus increases the risk of an economic slowdown and ultimately a recession.

During the month, the US dollar fell in value while long-term government bond yields in the US rose slightly. With the stock market correction seen at the beginning of the month, the expected movement for the dollar was the opposite as it has historically been seen as a safe haven. The market movements have therefore been interpreted by some analysts as a distrust of American economic policy. In addition to starting a global trade conflict, Trumpâ??s sweeping criticism of the Federal Reserve and suggestions that its chairman should be removed from his post drew much attention. This led to concerns about the independence of the US central bank.

Indicators about the economic outlook and the view of the future generally weakened during the month. For example, consumersâ?? expectations for the future are at a 13-year low in the US while the confidence indicator for Swedish households fell for the fifth month in a row and the mood is now significantly more negative than normal.

Falling market interest rates in the Eurozone and Sweden led to rising prices for fixed-rate bonds with good performance contributions from, among others, Nordea Hypotek and Swedbank Hypotek. Real estate companies performed relatively well as the sector benefits from lower interest rates. Negative contribution to performance were seen from, among others, Hoist Finance and DFDS, whose bonds traded relatively weakly; both issuers have a cyclical element which may result in lower profitability later in the year.

During the month, exposure to real estate companies was increased by adding Corem and Heimstaden Bostad to the portfolio. In addition, maturity extensions were carried out in Securitas, Sagax and Citycon, which contributed to increasing the yield. Finally, the fund participated in a new issuance from the Danish telecom company TDC/Net.

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