
Portfolio Manager comment Coeli Nordic Investment Grade June 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) advanced by 0.60% during June. Since year-end, the NAV per share has consequently increased by 1.79%. Government bond yields were sent lower in June after data indicating falling core inflation and concerns linked to the US trade war and public budget deficits, at least temporarily, decreased. Stock markets in Europe generally developed sideways while US stock indices rose, however, adjusted for exchange rate changes, the development in the US pales. During the month, the dollar continued to lose value and the decline during the first half of the year approaches 11%.

The Israeli American bombing campaign against Iran resulted in temporary hiccup in the financial markets with sharp fluctuations in the price of crude oil in particular, after a ceasefire was established, volatility decreased relatively immediately. The precision shown in the attacks on Iran stands in stark contrast to the indiscrimination, with countless civilian victims, that characterizes the ongoing war in Gaza. The global security situation remains tense and no matter how effective the bombings of Iran may have been, they are unlikely to reduce the mullahs' nuclear ambitions. NATO member states agreed during the month on a historic rearmament, with considerably increased defence spending. This partly as a response to the Russian threat, and partly to secure unity and commitment from all members of the alliance.

The Swedish and Norwegian krona came under pressure after interest rate cuts from the Riksbank and Norges Bank were followed by projections of lower interest rates than expected. The market is now ahead of both central banks' forecasts and is pricing in further interest rate cuts of half a percentage point for Sweden and a full percentage point for Norway. Contrary, the Federal Reserve once again decided to leave its key interest rate unchanged, the central bank is awaiting coming inflation data before considering easing monetary policy as increased tariffs may affect inflation in the near term.

The financial markets ended the month on a positive note, but the sentiment may be dented when the deadlines in several of the US trade negotiations expire at the beginning of July. In addition, final negotiations are underway on a US budget proposal that, in its current form, is expected to lead to further deficits and a sharp increase in national debt. This in a time when confidence in US economic policy has already been severely tested.

The development in the Nordic corporate bond market was solid, supported by both falling interest rates and tighter credit spreads. Activity in the market was high with a steady stream of new issues. In the high-yield segment, bonds equivalent to over SEK 140 billion have been issued so far this year, which is a record volume.

SiriusPoint became the month's largest contributor as the company's bonds continued to recover after a temporary price pressure earlier in the spring. Good development was also seen for the Norwegian insurance company Protector after the company's credit rating was raised by one notch to A-.

Real estate and construction-related companies generally developed well in the environment with falling interest rates. The best performer among the fund's real estate companies was Corem, which came up with a series of credit-positive news during the month, including a share issue and a couple of property divestments. Peab reported that a settlement with Unibail Rodamco regarding the Mall of Scandinavia has been reached after years of disagreements over price increases in the project. The settlement means that Peab's liquidity is strengthened by SEK 1 billion.

Some negative impact on the result came from Hoist Finance after an issue of new bonds put pressure on the company's outstanding debt instruments. During the month, bonds from Munters Group were added to the portfolio as the company was, making its debut in the bond market. In addition, maturity extensions were carried out on bonds from, among others, Heimstaden Bostad and Corem.

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