
Portfolio Manager comment Coeli Nordic Investment Grade September 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 advanced by 0.29% during September. Since year-end, the NAV per share has thereby increased by 2.48%. September turned out as a relatively calm month and offered continued performance for risky assets, not at least in the US equity markets where several indices reached new all-time highs. The macro event with most market impact was the revision of US GDP figures for the second quarter, indicating that the economy still is strong and growing at annualised rate of close to four percent. Despite the rosy backdrop signals from the markets are ambiguous, the gold price keeps soaring and the US dollar continues to depreciate.

Investor sentiment was somewhat supported by central banks, most notably by the Fed that lowered its target rate by 25bps to the interval 4-4.25%. Comments from chairman Powell following the decision were interpreted as rather hawkish and the market consequently came to discount fewer rate cuts in the coming quarters. In the Nordics both the Riksbank and Norges Bank followed suit with lowered policy rates. In Sweden the policy rate is expected to remain at the current level of 1.75% until the end of next year. In Norway the central bank projects rates to be lowered by a further percentage point over the coming two years from today's level of 4%.

The biggest contributor in September was SiriusPoint, which at the end of the month announced that its subsidiary Armada Care, active in health insurance, has been divested. The transaction will result in a significant gain upon completion and increase the company's equity by approximately 10%. Bonds from Corem Property and Protector Forsikring were among the biggest positive contributors. In both cases, the development was driven by issuance of new bonds, which resulted in tighter curves for both issuers. The development for Corem was also supported by the news that properties with a market value of SEK 1.2 billion had been sold to strengthen the balance sheet. The company is thus close to reaching its divestment target of SEK 5 billion for 2025.

During the month Klarna and NOBA Bank was successfully listed on NYSE and Nasdaq Stockholm respectively. As listed companies the access to capital is improved and analyst coverage is increased, all pointing towards tighter credit spreads going forward. . Swedbank had its issuer rating upgraded by one notch to AA- (stable) by S&P. The rating action came after SEC concluded its investigation into Swedbank's historical AML shortcoming. S&P further notes that governance, compliance and risk management has been significantly strengthened.

Activity in the Nordic primary market increased sharply in September, including record issuance volume of high-yield bonds. The fund participated in a handful of new issues and increased its holdings of bonds from, among others, Corem, Hexagon and Tryg Forsikring. The share of real estate companies was increased slightly by the addition of Sveafastigheter to the portfolio. Divestments were made of bonds from Alm Brand and IF/Sampo.

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