Portfolio Manager comment Coeli High Yield Opportunities I SEK December 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 (I SEK), which is a share class reserved for institutional investors. Investments in other share classes generally have other conditions regarding, among other things, fees, which affects the share class return. The information below regarding returns therefore differs from the returns in other share classes.

Coeli High Yield Opportunities (Class I) advanced by 0.18% during December. Since year-end, the NAV per share has consequently increased by 4.17%.

The year ended with positive sentiment in the financial markets and 2025 may be summed up as a strong year where most of the leading equity indices in Sweden, the US and the rest of Europe reached new record highs. The Swedish krona continued its strong trend in December and has made a remarkable recovery against all G10 currencies during the year. Slightly falling credit spreads were noted in the corporate bond market.

In December, the ECB and the Riksbank decided to leave their respective key interest rates unchanged at 2% and 1.75%, respectively, which was in line with market expectations. Both banks are considered to be close to or at the bottom of the interest rate cycle. The Riksbank does not forecast any changes in the coming year, while the statement from the ECB did not contain any guidance but emphasized that future decisions depend on incoming data.

On the other hand, the Federal Reserve, as expected, lowered the interest rate by 25 basis points to the range 3.50-3.75%. Somewhat surprisingly, it was announced that the program for asset purchases was restarted with the aim of strengthening liquidity in the financial system. The Fed's forecast indicates a further slightly lower interest rate by a total of 0.50% over the next two years. However, the long-term forecast must be interpreted cautiously as a new chairman is to be appointed in the spring, and the election of the chairman may have a significant impact on the central bank's credibility and its position as an independent and self-contained authority.

Longer government bond yields rose marginally during December. Over the year, the yield on ten-year government bonds in Sweden and Germany has risen by about 0.4% points, while the US equivalent has fallen by about the same magnitude.

Flora Food Group was the biggest contributor for the second month in a row as the company's bonds continued to recover. Solid performance was also seen for bonds from Keyto Group, a provider of household services, which followed up a strong quarterly report in November with a handful of acquisitions in December. The acquisitions are in line with the stated strategy of adding smaller companies to the platform. Bonds from Activeon, which operates trampoline parks, were also among the winners, after reporting strong growth and improved margins at the end of the previous month.

Some negative impact on the result was also seen this month from fixed-rate bonds as long-term market rates rose slightly. The biggest negative impact on the month's result came from Sparc Group after announcing that the company's leverage ratio at the end of the year was expected to exceed the level permitted under the bond terms due to challenging market conditions. The company therefore applied for temporary covenant relief, which subsequently was granted, the company forecasts that it will meet the original covenants by the end of 2026.

During the month, new bonds were added from the technology company Smart Eye, which supplies eye tracking technology to the automotive industry. A new investment was also made in the Norwegian IT and management consulting firm Bekk. Bonds from Conapto and Fastpartner were divested.

Date Created

2026/01/09