

Investor Letter - February 2024

Markets Are Open

Summary

The strategy was up 1.2% in February, up 2.5% year-to-date.

February saw Benin and Kenya issuing new bonds repricing most of Africa's bonds. In addition, the UAE's commitment to inject USD24 billion into Egypt redefined FDI support for a stressed issuer.

During the month we added to our Kazakhstan, Costa Rica, Senegal, Ivory Coast, Angola and Namibia holdings.

The fund ended the month with a USD yield of 10.8% and a spread of 726bps.

Key Market Developments

February was driven by Frontier specific headlines, not least by the new issuance of bonds. Specifically, Benin and Kenya issued new bonds to refinancing upcoming bond maturities. This provided strong support for Frontier bonds, despite US interest rates moving wider on the month and back above 4%.

US Economic and employment figures continued to be strong in February, with the 10-year interest rates fluctuating around 4.2%. Markets have again become more benign in relation to conflicts in Ukraine, Gaza, and the Red Sea. Meanwhile, US equity markets have reached new all-time highs.

Senegal saw substantial volatility in February on the back of postponed presidential elections. This has since been partially revoked as the courts judged it unconstitutional. A new date is yet to be confirmed. In Pakistan, we saw a government being formed with limited noise from the imprisoned ex-president. Egypt saw the United Arab Emirates announce a resort development to the tune of \$35 billion, including a \$24 billion injection in a few months. This dwarfed any IMF package and moved Egypt out of stressed territory.

In terms of rating categories, CCC and lower-rated bonds

saw the strongest positive performance of 2.4%, with both B and BB rated bonds lagging with returns of 1.8% and 0.5% respectively.

Portfolio Developments

February's returns were driven by a number of strong performers in the lower rated space.

Biggest positive contributors were holdings in Tunisia, Sri Lanka and Egypt. Tunisia's bonds continued to benefit from investors re-investing 2024 bonds but also continued support from Europe. Sri Lanka's economic figures continue to improve, including tourism. Egypt saw an unprecedented investment package announced which offset any concerns regarding the Gaza conflict or Suez canal traffic. Post month end, Egypt also devalued its currency and agreed to a new USD 8 billion IMF funding plan.

The biggest detractors to performance were Ghana and Senegal. Ghana saw a change in the Finance Minister and proposals for an anti-LGBTQ law, repricing bonds.

In February, we added exposure in four African issuers: in Senegal, on the back of weakness; in Ivory Coast, we increased our new issue exposure on attractive pricing. Among short-dated bonds, we added in Angola and Namibia. Similarly, we more than doubled our Kazakhstan exposure in short local bonds. We also added to our short-dated bonds in Costa Rica, on the back of the recent upgrade.

Additions were partially funded by cash and by the sale of our 2024 bonds in Kenya, which performed on the back of the refinancing transaction.

We ended the month with a risk of 114%, compared to a risk level of 118% at the start of the month.

Top 3 and Bottom 3 Contributors in February

Top:	Bottom:
Tunisia - continued demand post 2024 maturity	Ghana - change in Finance Minister
Sri Lanka - economy is performing	Senegal - fall out from postponed elections
Egypt - UAE investment, IMF programme	Ivory Coast - US yield sensitive and correction post rally

Source: Coeli; Bloomberg

Outlook

US interest rates and “soft landing” discussions are likely to continue as the main driver of volatility affecting our higher rated universe.

With year to date returns at time of writing of 7% in CCC space and 0-1% in the remainder of our index, we expect continued spread compression as investors rotate into riskier positions.

The USD35 billion investment by the United Arab Emirates in Egypt, illustrates the external support we expect to see for strategic Frontier Markets. Though Europe may be more occupied with the conflict in Ukraine in the medium term.

The fund’s yield ended the month at 10.8% and continues to offer an attractive return potential for investors.

Kind Regards,
Lars and Maciej

This is marketing communication

Before making any final investment decisions, please refer to the prospectus of Coeli SICAV I, its Annual Report, and the KIID of the relevant Sub-Fund. Relevant information documents are available in English at coeli.com. A summary of investor rights will be available at <https://coeli.com/regulatory-information-coeli-asset-management-ab/>.

Past performance is not a guarantee of future returns. The price of the investment may go up or down and an investor may not get back the amount originally invested.

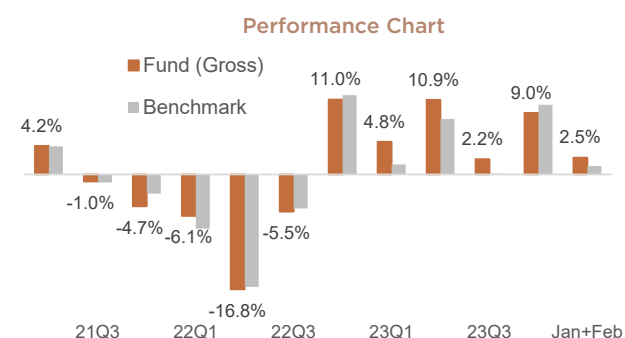
Fact Sheet - February 2024

Coeli SICAV I - Frontier Markets Fixed Income Fund

Fund Metrics ¹	Fund	NEXGEM ²
Total fund assets (USDm)	32	
Yield to worst (%)	10.8	10.2
Spread (bps)	726	637
Running yield (%)	6.5	6.8
Spread duration (years)	4.9	5.1
Number of countries	28	35
Number of bonds	48	144
Women in parliament ratio ³	24.4	22.6
Carbon emissions (t) per capita	256.9	1.5

Instruments	Fund	NEXGEM
Sovereign HC	87%	96%
Quasi Sovereign	3%	4%
Corporate	0%	-
Supranational HC	0%	-
Sovereign LC	8%	-
Supranational LC	0%	-
Cash & FX	2%	-

Top Holdings	Fund
SENEGL 6 3/4 03/13/48	6.4%
ANGOL 8 1/4 05/09/28	6.1%
TUNIS 5 3/4 01/30/25	4.9%
IVYCST 8 1/4 01/30/37	4.6%
PARGUY 6.1 08/11/44	4.5%



Performance	MTD	YTD	Last 3m	Last 12m	CY 2022	Since launch	Ann. since launch
Fund (before fees) ⁴	1.23%	2.46%	7.00%	23.76%	-18.07%	6.85%	2.30%
Fund (I USD) ⁴	1.15%	2.29%	6.73%	22.54%	-17.64%	3.82%	1.29%
Benchmark (NEXGEM)	1.54%	1.22%	5.68%	18.14%	-18.45%	-0.16%	-0.05%

Share Class I Details

ISIN	LU2273160551
Bloomberg ticker	COFMFIU LX
Management fee	0.75%
Launch date	31/03/2021
Swing factor (subscription only, may change)	1.25%

Share Class Currencies

Share class I, I-P	USD, EUR, GBP, SEK
Share class R	USD, EUR, GBP, SEK
Share class I-D, I-PD (distribution)	USD, EUR

Fund Details

Base currency	USD
Benchmark	JPM NEXGEM
Fund launch date	29/03/2021
NAV valuation point	16.00 CET
KIID Risk	5

Fund Managers

Maciej Woznica, Lars Krabbe	since 2021
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Investment Objectives

The fund aims to provide returns by investing in bonds from Frontier Markets, the younger and less developed fixed income markets within Emerging Markets. The objective is to outperform the JPM NEXGEM index by at least 75bps p.a.

Investment Universe

The core investment universe is represented by over 30 countries as defined by the JPM NEXGEM index. The fund will invest in hard currency sovereign bonds, quasi-sovereign bonds and selectively local currency bonds and corporate bonds. Majority of investments are rated high yield.

Investment Process

The investment process focuses on selecting country exposures with positive momentum in terms of their economy, funding and politics. The process further aims to capture premiums from curve roll-downs, quasi-sovereigns, new issues and benchmark changes.

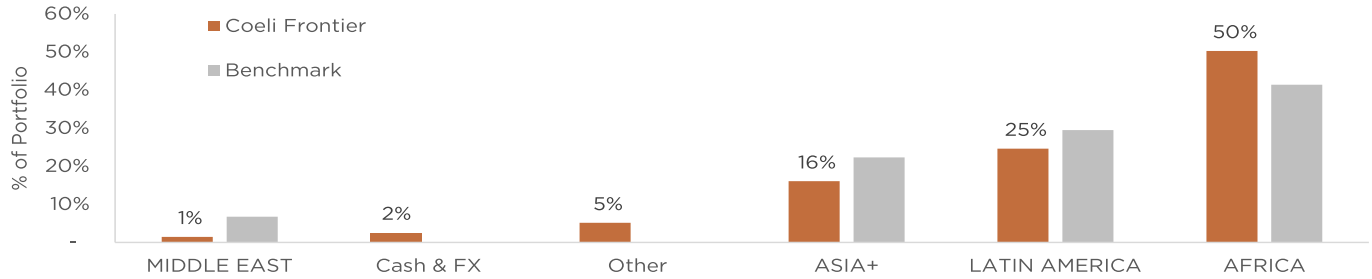
1) As of end of February 2024, using weighted average data from JPM Morgan, Bloomberg, Coeli; proforma for any transactions completed before month end. Yields and spreads capped at 20% and 2000. Local currency spreads and yields adjusted for difference in IMF inflation forecasts for 2024 when aggregating. US carbon emissions included in fund figures when invested in US treasuries.

2) NEXGEM refers to the Fund benchmark JPM NEXGEM

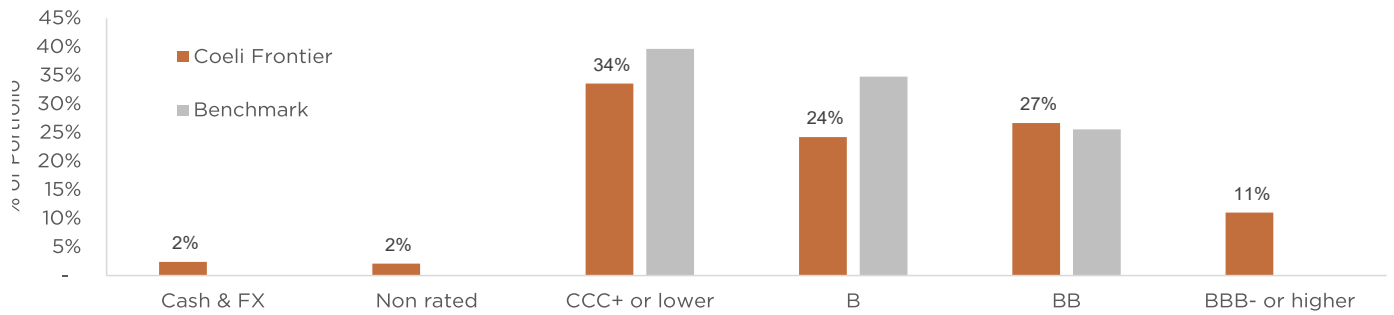
3) Weighted average based on IPU data from the 1st of each month

4) The end of month NAV on 30 December 2022 had a swing factor applied. The Fund (before fees) figures are adjusted for the swing factor. Gross figures are based on estimated fees for 2022. For disclaimers please see the next page

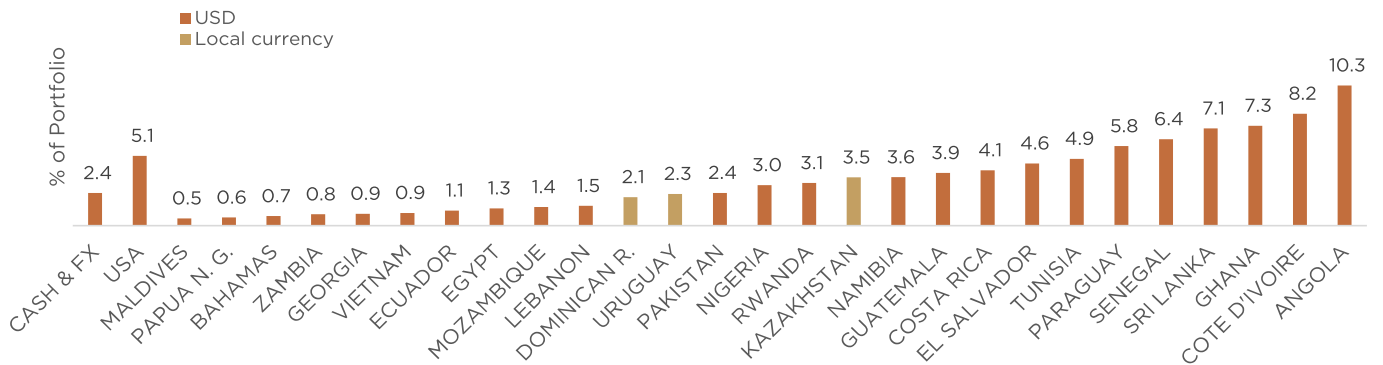
Regional Allocation



Rating Allocation



Country Allocation



Asia+ refers to regions defined as Asia and Europe by JP Morgan in the NEXGEM index
 Note that Cash and FX can turn negative as a result of large moves in USD exchange rates at month end
 Source: Bloomberg; Coeli

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