



YMER | STRUCTURED CREDIT

Quarterly Report – Ymer SC AC

October – December 2020

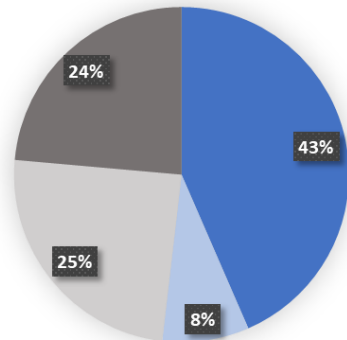
Market Commentary - Credit and equity markets continued to perform strong during the last quarter of the year, mainly driven by positive news around the vaccine rollout and the outcome of the presidential election in the US. Within credit, lower quality high yield bonds performed very well following a slow recovery during the former two quarters. Leveraged loan prices continued to advance after plateauing in the last quarter, bringing them almost back to pre Covid-19 levels. Defaults remained lower versus projected earlier in the year and still predominantly occurred in the retail, entertainment, and travel sectors. CLO debt spreads continued to go lower and are expected to go tighter in the new year. CLO equity valuations continued to improve but are still far off pre pandemic levels and lagging the broader credit market recovery.

Quarterly Results (% of value at inception)

	Q1	Q2	Q3	Q4	Annual
2020	-1.24% (98.76%)	3.24% (101.97%)	6.04% (108.13%)	8.34% (117.14%)	17.14%

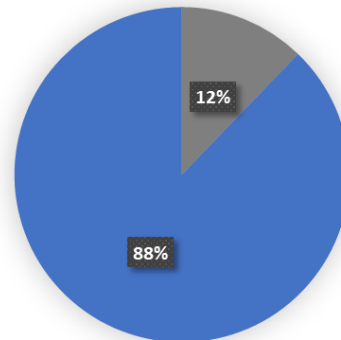
Based on a reference investor who invested in the initial close

Product Exposure



■ CLO Equity ■ CLO Junior Debt ■ Tranches on IG indices ■ Cash

Geographical Exposure



■ United States ■ Europe

Fund Performance - The fund increased 8.34% over the quarter with all assets performing well. All CLO equity positions continued to pay their coupons as anticipated while key CLO portfolio risk metrics were stable. During the quarter, the fund decreased its exposure to investment grade and high yield index tranches as they performed very well. The fund opened two European CLO warehouses which are anticipated to roll into CLO equity during the second quarter of 2021.

The next opening for investors in Ymer SC AC is 31st January 2021. Q1 2021 NAV together with the quarterly report will be published 10 business days into the second quarter.