



YMER

Alternative Credit Fund III

2023 Q2

3.3%

Year to date

3.3%

Last quarter

3.3%

Since Inception

Portfolio managers



Stefan Engstrand



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Key Statistics

	YMER AC FUND III	iBoxx EUR HY	Eurostoxx 50
Cumulative Return	3.3%	16%	3.7%
Average Quarter	3.3%	16%	3.7%
Valuation Periods	1	1	1
Positive Valuation Periods	1	1	1

Market Commentary

The second quarter of the year was characterized by recovering loan prices and strong high yield markets even though risk free interest rates continued to rise. Volatility decreased as peak rates are on the horizon and recessionary risks have somewhat abated with stronger than expected GDP growth and corporate earnings.

Inflation continues to be the main source of concern even if it has clearly peaked but remains well above target. The default rate has started to increase but is still considerably lower than what is being priced in by the loan and CLO market, where current yields offer attractive compensation for risk.

	Q1	Q2	Q3	Q4	Annual
2023	-	3.27% (103.27%)	-	-	3.3%

Based on a reference investor who invested at the initial close.

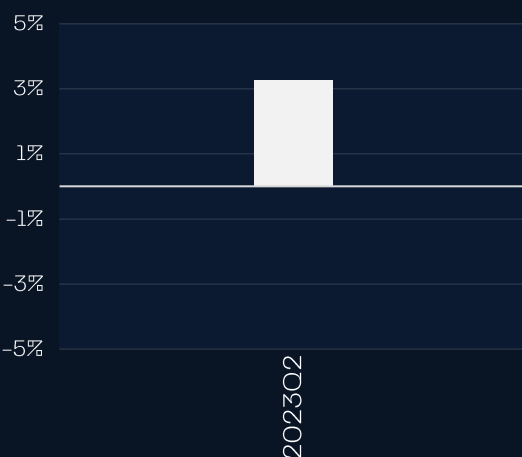
Performance

The NAV increased by 3.27% in Q2 2023. High yield and loan prices advanced during the second quarter but despite this CLO spreads remained historically wide and on a relative basis look cheap to other asset classes.

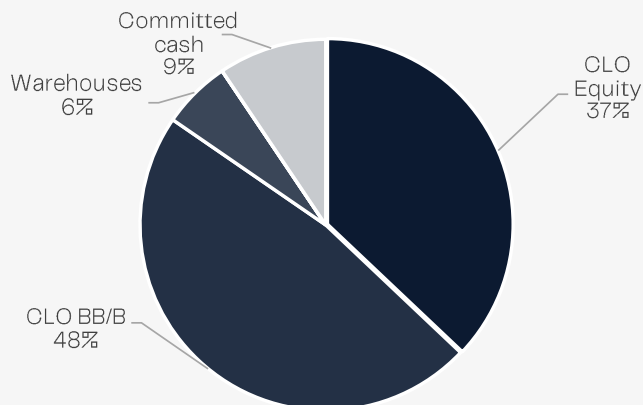
The fund kept taking advantage of attractive opportunities in the secondary CLO market across the junior part of the capital structure and has now deployed most of its capital. It also participated in two primary CLO transactions with favorable terms. A new CLO warehouse was established and has slowly started accumulating assets at attractive levels.

The fund will be open for new subscriptions in September 2023. The next NAV and quarterly report will be published ten business days into the fourth quarter of the year.

Quarterly returns

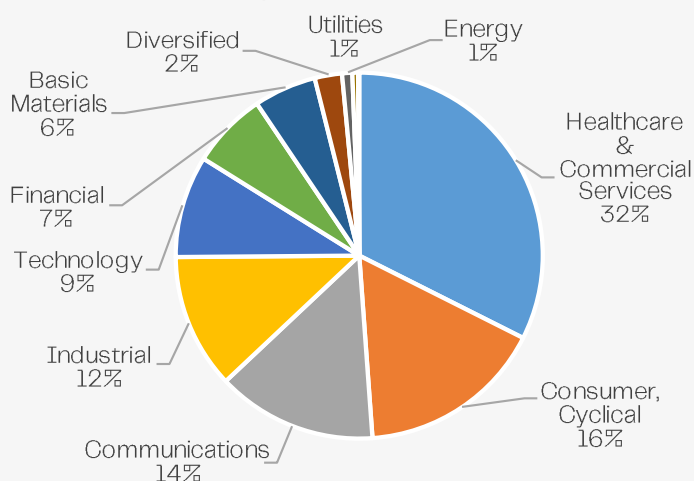


Portfolio Allocation



Allocation	Weight
CLO Equity	37.1%
CLO BB/B	47.5%
Warehouses	6.0%
Tranches on IG indices	0.0%
Tranches on IG/HY portfolios	0.0%
Committed cash	9.4%

Sector Exposure



Sector	Weight
Healthcare & Commercial Services	34.8%
Communications	15.3%
Consumer, Cyclical	14.4%
Industrial	14.4%
Technology	9.8%
Financial	4.5%
Basic Materials	4.5%
Diversified	2.1%
Energy	0.2%
Utilities	0.0%
Government	0.0%

Regional Exposure



Country	Weight
France	20.8%
United Kingdom	20.6%
Netherlands	16.5%
United States	12.8%
Germany	12.8%
Italy	3.4%
Spain	3.3%
Sweden	2.6%
Ireland	2.2%
Finland	2.2%