



YMER

Alternative Credit Fund III

2023 Q4

17.9%

Year to date

6.6%

Last quarter

17.9%

Since Inception

Portfolio managers



Stefan Engstrand



Hubert Warzynski

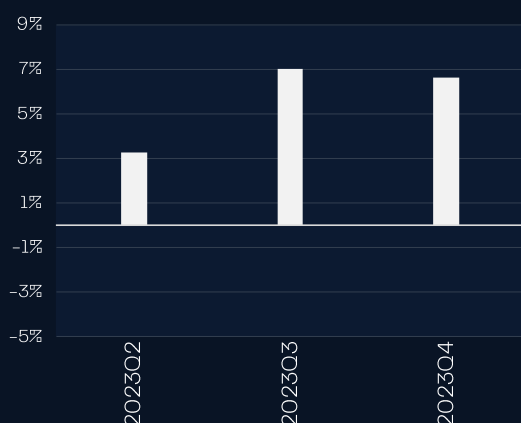


Christian Fredriksson

Key Statistics

	YMER AC FUND III	iBoxx EUR HY	Eurostoxx 50
Cumulative Return	17.9%	8.6%	7.1%
Average Quarter	5.7%	2.8%	2.5%
Valuation Periods	3	3	3
Positive Valuation Periods	3	3	2

Quarterly returns



Market Commentary

In the final quarter of the year, there was notable appreciation in asset prices for both stocks and bonds. This was influenced by major central banks signaling the end of a historically steep cycle of rate hikes. Toward the end of the quarter, positive inflation readings heightened expectations of a substantial decline in interest rates over the upcoming years.

Loan values remained steady after an initial decline, while high yield bonds experienced significant strength. CLOs concluded the year on a strong note, gradually catching up with other asset classes. Nonetheless, CLOs continue to present significant yield pick-up versus most other credit investments.

	Q1	Q2	Q3	Q4	Annual
2023	-	3.27% (103.27%)	7.03% (110.54%)	6.64% (117.88%)	17.9%

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

Performance

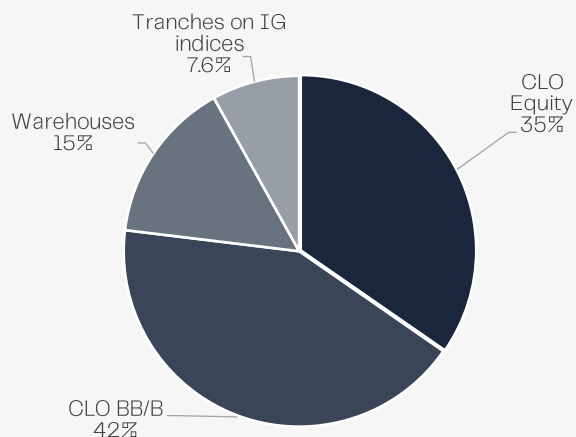
The NAV saw an increase of 6.6% in Q4 2023. Loan prices remained stable, while high yield bonds had a particularly strong quarter. CLO tranches throughout the capital structure concluded the year strongly. Despite this, CLOs continue to look very attractive compared to other credit investments as well as other asset classes.

The fund deployed capital into an US investment grade position, purchased both CLO equity and Single Bs in the secondary market, and continued to deploy capital into a CLO warehouse.

The next NAV and quarterly report will be published ten business days into the second quarter of the year.

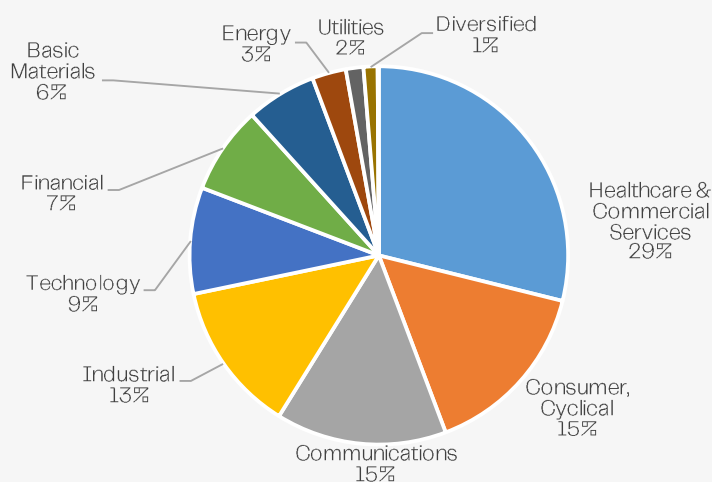
The fund will continue to be open for new subscriptions throughout the remainder of 2024, as there are still very attractive opportunities in our segment of the market.

Portfolio Allocation



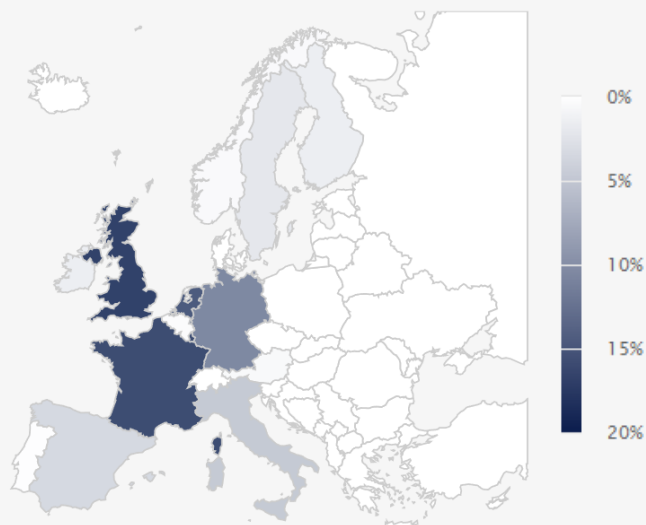
Allocation	Weight
CLO Equity	32.6%
CLO BB/B	39.8%
Warehouses	14.1%
Tranches on IG indices	7.6%
Committed cash	5.9%

Sector Exposure



Sector	Weight
Healthcare & Commercial Services	31.4%
Consumer, Cyclical	16.6%
Communications	14.2%
Industrial	12.2%
Technology	9.3%
Financial	6.6%
Basic Materials	5.8%
Diversified	1.7%
Energy	1.4%
Utilities	0.6%
Government	0.2%

Regional Exposure



Country	Weight
United States	31.4%
United Kingdom	14.7%
Netherlands	13.4%
France	13.2%
Germany	10.8%
Italy	4.1%
Spain	3.3%
Sweden	2.6%
Ireland	1.8%
Finland	1.3%