



**YMER**

Alternative Credit Fund III

2024 Q1

6.2%

Year to date

6.2%

Last quarter

25.2%

Since Inception

## Portfolio managers



Stefan Engstrand



Hubert Warzynski



Christian Fredriksson

## Key Statistics

	YMER AC FUND III	iBoxx EUR HY	Eurostoxx 50
Cumulative Return	25.2%	9.4%	20.8%
Average Quarter	5.8%	2.3%	5.0%
Valuation Periods	4	4	4
Positive Valuation Periods	4	4	3

## Quarterly returns



## Market Commentary

Stocks, loans and corporate bonds had a firm start to the year despite the fact that interest rates edged up on the back of strong macro data, especially in the US. The amount of expected rate cuts in 2024 has been reduced and the timing pushed out.

The primary CLO market was very active in the first quarter with very strong issuance as the cost of liabilities continued to come down. The strong performance in CLO debt means that economics for new issue equity is starting to look more attractive again. CLO equity distributions were historically high and are expected to remain so, with actual and expected default rates being lower than anticipated.

	Q1	Q2	Q3	Q4	Annual
2023	-	3.27% (103.27%)	7.03% (110.54%)	6.64% (117.88%)	17.9%
2024	6.21% (125.20%)	-	-	-	6.2%

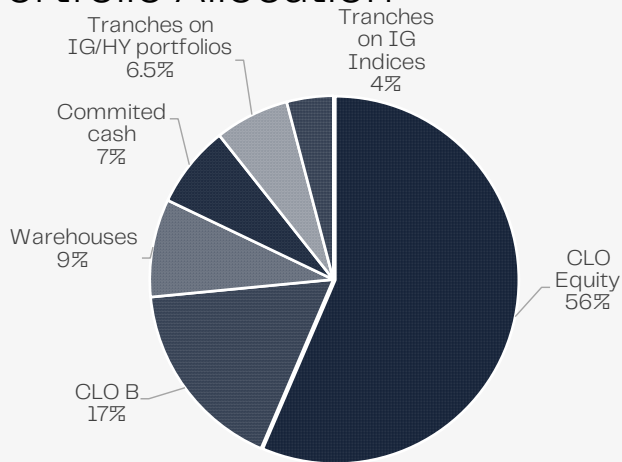
Based on a reference investor who invested at the initial close.

## Performance

The NAV increased by 6.2% during the first quarter of 2024. Loan prices and high yield bonds appreciated, and CLO tranches, particularly those in the lower part of the capital structure, continued to advance. Despite this, CLOs remain highly attractive compared to other credit investments and asset classes.

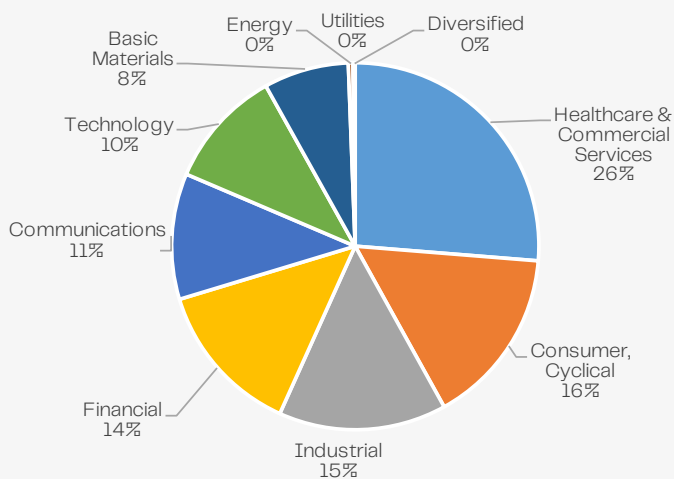
During the quarter, the fund was active, selling B-rated CLO tranches and buying CLO equity positions in the secondary market, where the most attractive opportunities currently exist. A new investment in a high yield portfolio was added and further allocations to existing CLO warehouses were made as the primary CLO market is starting to look attractive. A tail risk hedge was established given that the cost of protection is at historically low levels. The next NAV and quarterly report will be published ten business days into the third quarter of the year. The fund will continue to accept new investors throughout the remainder of 2024, as there are still very attractive opportunities in our segment of the market.

## Portfolio Allocation



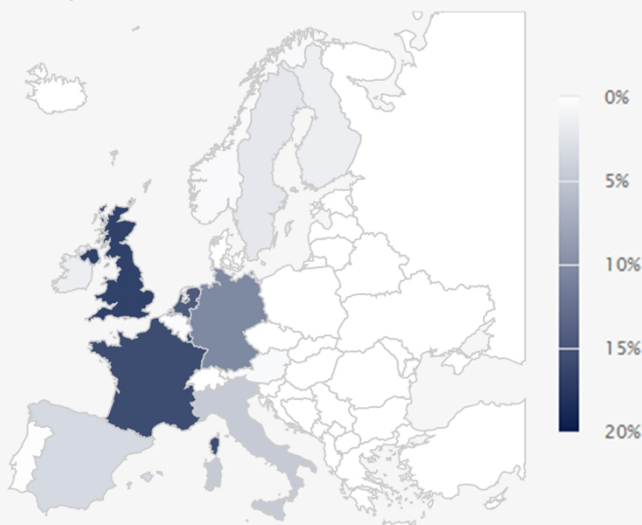
Allocation	Weight
CLO Equity	56.4%
CLO B	17.0%
Warehouses	8.6%
Committed cash	7.3%
Tranches on IG/HY portfolios	6.5%
Tranches on IG Indices	4.1%

## Sector Exposure



Sector	Weight
Healthcare & Commercial Services	26.3%
Consumer, Cyclical	15.7%
Industrial	14.8%
Financial	13.6%
Communications	11.1%
Technology	10.5%
Basic Materials	7.5%
Energy	0.4%
Utilities	0.2%
Diversified	0.0%
Government	0.0%

## Regional Exposure



Country	Weight
France	19.1%
United Kingdom	17.7%
United States	16.5%
Germany	13.7%
Netherlands	13.7%
Spain	4.6%
Italy	4.5%
Sweden	3.7%
Ireland	1.8%
Finland	1.4%