



YMER

Alternative Credit Fund III

2024 Q2

9.7%

Year to date

3.3%

Last quarter

29.3%

Since Inception

Portfolio managers



Stefan Engstrand



Hubert Warzynski



Christian Fredriksson

Key Statistics

	YMER AC FUND III	iBoxx EUR HY	Eurostoxx 50
Cumulative Return	29.3%	10.8%	18.2%
Average Quarter	5.3%	2.1%	3.6%
Valuation Periods	5	5	5
Positive Valuation Periods	5	5	3

Quarterly returns



Market Commentary

Stocks, loans and bonds were little changed in the second quarter of the year. Inflation is gradually decreasing, and this combined with cooling labor markets increases the likelihood that interest rates will go down towards the end of the year. Hence borrowing costs for corporates continue to go down spurring a wave of debt issuance and refinancing activity in the loan and bond markets.

The primary CLO market remained very active as the cost of financing decreased significantly. Bank treasuries together with pension funds and insurance companies keep buying senior CLO tranches driving prices higher. CLO equity is currently looking very attractive as distributions remain high with default rates remaining low.

	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%)	3.25% (129.27%)			9.7%

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

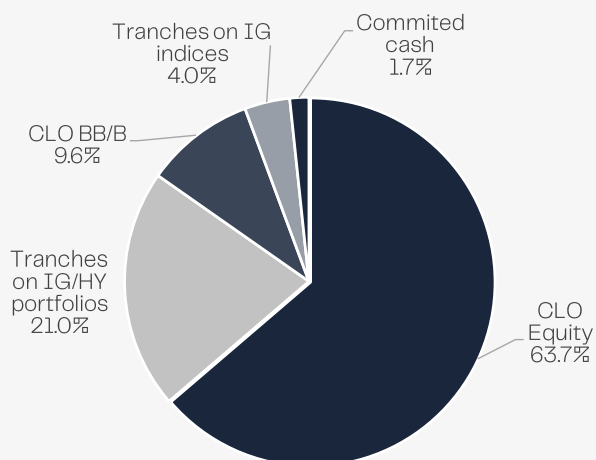
Performance

The NAV increased by 3.3% during the second quarter of 2024. Loans had very small changes but high yield bonds outperformed and start to look expensive especially versus loans. CLO debt tranches continued to tighten significantly.

During the quarter one of the funds CLO warehouses priced into a CLO at very attractive projected returns. The fund also invested in blended high yield/investment grade portfolios with a fixed maturity. Further on the fund disposed of B rated CLO tranches which appreciated significantly in favor of buying secondary CLO equity which was attractively priced.

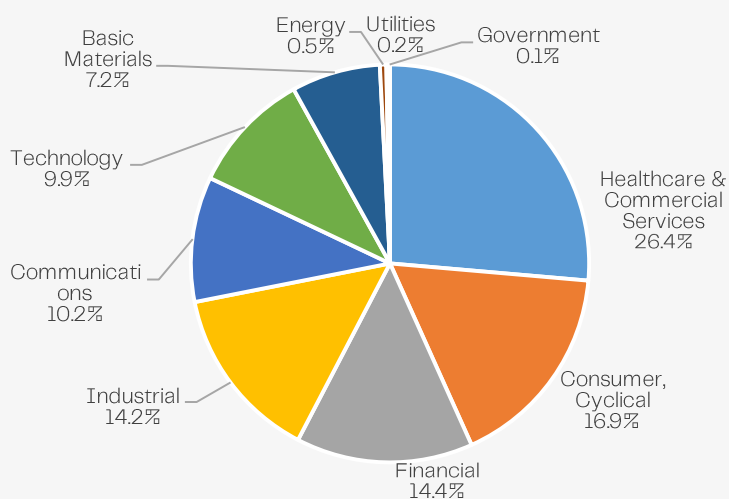
The fund will continue to accept new investors throughout the remainder of 2024. The next NAV and quarterly report will be published ten business days into the third quarter of the year.

Portfolio Allocation



Allocation	Weight
CLO Equity	63.7%
Tranches on IG/HY portfolios	21.0%
CLO BB/B	9.6%
Tranches on IG indices	4.0%
Committed cash	1.7%

Sector Exposure



Sector	Weight
Healthcare & Commercial Services	26.4%
Consumer, Cyclical	16.9%
Financial	14.4%
Industrial	14.2%
Communications	10.2%
Technology	9.9%
Basic Materials	7.2%
Energy	0.5%
Utilities	0.2%
Government	0.1%

Regional Exposure



Country	Weight
France	18.6%
United Kingdom	17.5%
United States	16.8%
Netherlands	13.4%
Germany	11.6%
Italy	5.2%
Spain	4.9%
Sweden	3.8%
Ireland	1.5%
Belgium	1.3%