



YMER

Alternative Credit Fund III

2024 Q3

17.2%

Year to date

6.8%

Last quarter

38.1%

Since Inception

Portfolio managers



Stefan Engstrand



Hubert Warzynski

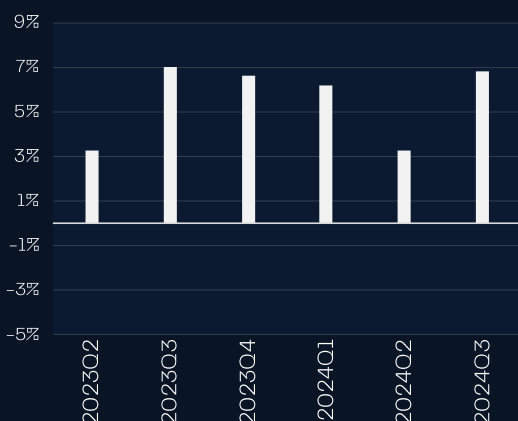


Christian Fredriksson

Key Statistics

	YMER AC FUND III	iBoxx EUR HY	Eurostoxx 50
Cumulative Return	38.1%	13.8%	21.1%
Average Quarter	5.5%	2.2%	3.4%
Valuation Periods	6	6	6
Positive Valuation Periods	6	6	4

Quarterly returns



Market Commentary

The fund performed very well as stocks and corporate bonds had a strong third quarter despite the short dislocation early in August. As inflation continued to cool and labor markets showed signs of weakness the federal reserve cut rates by 50 bps spurring further strength across bonds and loans. Corporate earnings and outlooks remain strong boding well for asset prices in the coming quarters.

The primary CLO market kept a very high issuance pace on track for a record year. The activity is fueled by an attractive CLO arbitrage while debt tranches still attract investors at current spread levels. CLO equity continues to look very attractive as distributions remain high and defaults remain subdued. As liability spreads continue to go tighter more and more CLOs become refinancing candidates creating event driven upside CLO equity.

	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%)	6.83% (138.11%)	-	17.2%

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

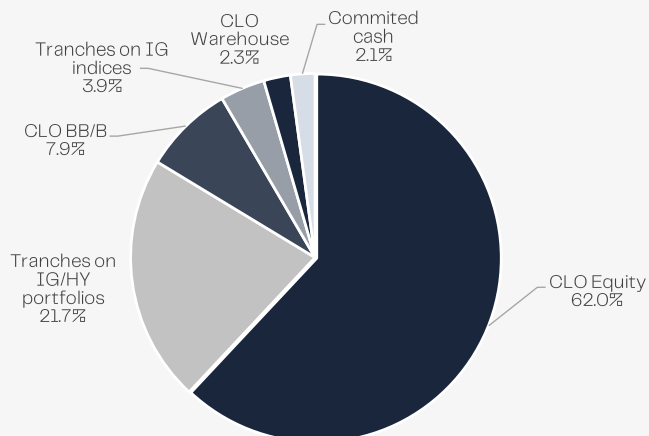
Performance

The NAV increased by 6.8% during the third quarter of 2024. CLO equity distributions were strong while prices of equity and debt tranches continued to appreciate. The fund's CSOs performed very well as credit spreads tightened and curves continued to steepen.

The fund kept investing in European primary CLO equity and disposed of B rated tranches which continued to perform well during the quarter. The dislocation in early August presented an opportunity to take profits in the fund's hedges as credit markets were relatively unaffected by the short but steep decline in stocks. The two warehouses that are currently open kept ramping loans and are expected to price during Q4 and early next year as the CLO arbitrage keeps looking attractive.

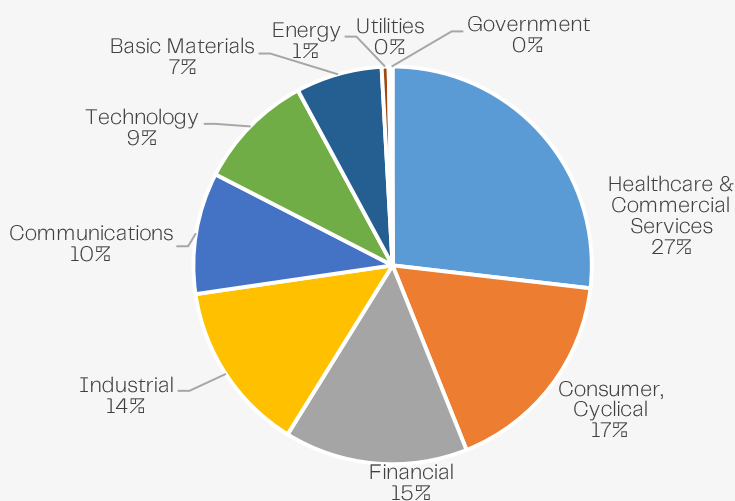
The intention is that the fund will continue to accept new investors until the end of the first quarter in 2025, as there are still attractive investment opportunities.

Portfolio Allocation



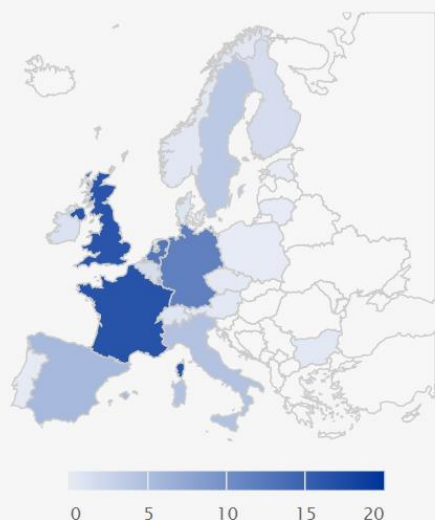
Allocation	Weight
CLO Equity	62.0%
Tranches on IG/HY portfolios	21.7%
CLO BB/B	7.9%
Tranches on IG indices	3.9%
CLO Warehouse	2.3%
Committed cash	2.1%

Sector Exposure



Sector	Weight
Healthcare & Commercial Services	26.8%
Consumer, Cyclical	17.1%
Financial	14.9%
Industrial	13.9%
Communications	9.9%
Technology	9.6%
Basic Materials	7.0%
Energy	0.6%
Utilities	0.2%
Government	0.1%

Regional Exposure



Country	Weight
France	17.6%
United Kingdom	17.4%
United States	16.7%
Netherlands	13.3%
Germany	12.3%
Spain	5.8%
Italy	4.8%
Sweden	3.9%
Finland	1.6%
Belgium	1.5%