

**YMER**

Alternative Credit Fund III

2025 Q2

**3.8%**

Year to date

**1.8%**

Last quarter


**49.9%**

Since Inception

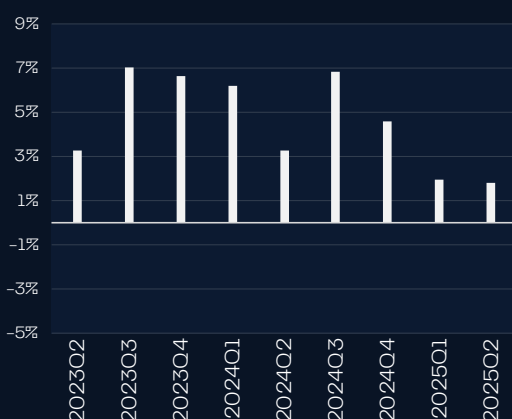
## Portfolio managers

**Stefan Engstrand****Hubert Warzynski****Christian Fredriksson**

## Key Statistics


	 <b>YMER AC FUND III</b>	iBoxx EUR HY	Eurostoxx 50
Cumulative Return	49.9%	18.8%	31.2%
Average Quarter	4.6%	1.9%	3.2%
Valuation Periods	9	9	9
Positive Valuation Periods	9	9	6

## Quarterly returns



## Market Commentary

The second quarter experienced volatility driven by U.S. tariffs and geopolitical uncertainty. Credit markets remained resilient relative to other asset classes and finished the quarter on a positive note. The European CLO market was active towards the end of the quarter as lower debt costs made the CLO equity arbitrage more attractive. While a few defaults occurred, their impact on CLOs was limited due to minimal exposure across CLOs. Overall, corporate fundamentals remain relatively strong, suggesting manageable forward-looking default rates.

	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%)	4.61% (144.47%)	22.6%
2025	1.94% (147.27%)	1.79% (149.90%)			3.8%

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

## Performance

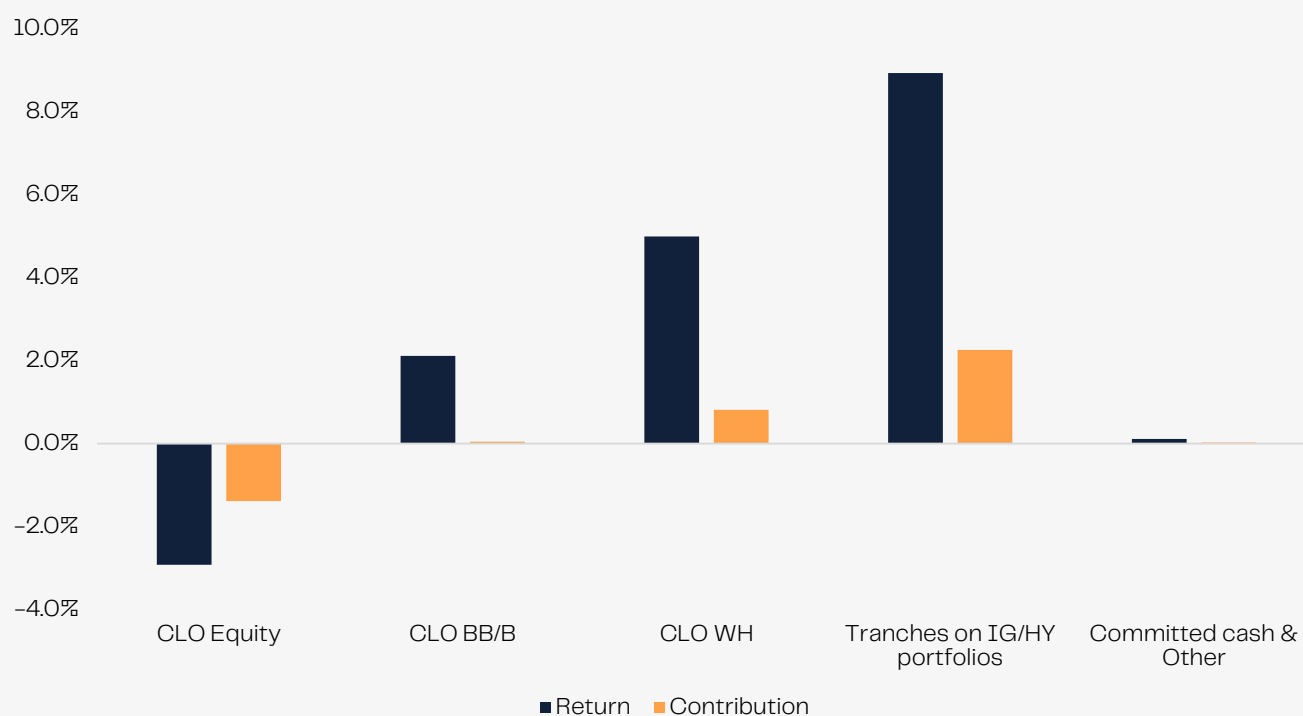
The NAV increased by 1.8% in the second quarter of 2025, driven by short-dated CSOs and CLO warehouses as credit markets finished the quarter on a positive note. CLO equity lagged slightly due to declining portfolio spreads over the past 6–12 months. Most of this tightening appears to be behind us, with limited room for further compression. Flattening forward rate curves also weighed on future return expectations, though cash-on-cash returns remained strong at 18–20% annualized.

The fund was actively managed during the quarter. A hedge was closed early in the period, and the fund invested in a bespoke CSO at attractive levels amid early-quarter dislocation. Additionally, the fund opened two new CLO warehouses and priced one CLO with a tier 1 manager. A B-rated tranche was sold following market tightening. Looking ahead, the fund has secured a pipeline of attractive investment opportunities, with CLO equity continuing to offer compelling value.

The next report will be published 10 business days into the following quarter.



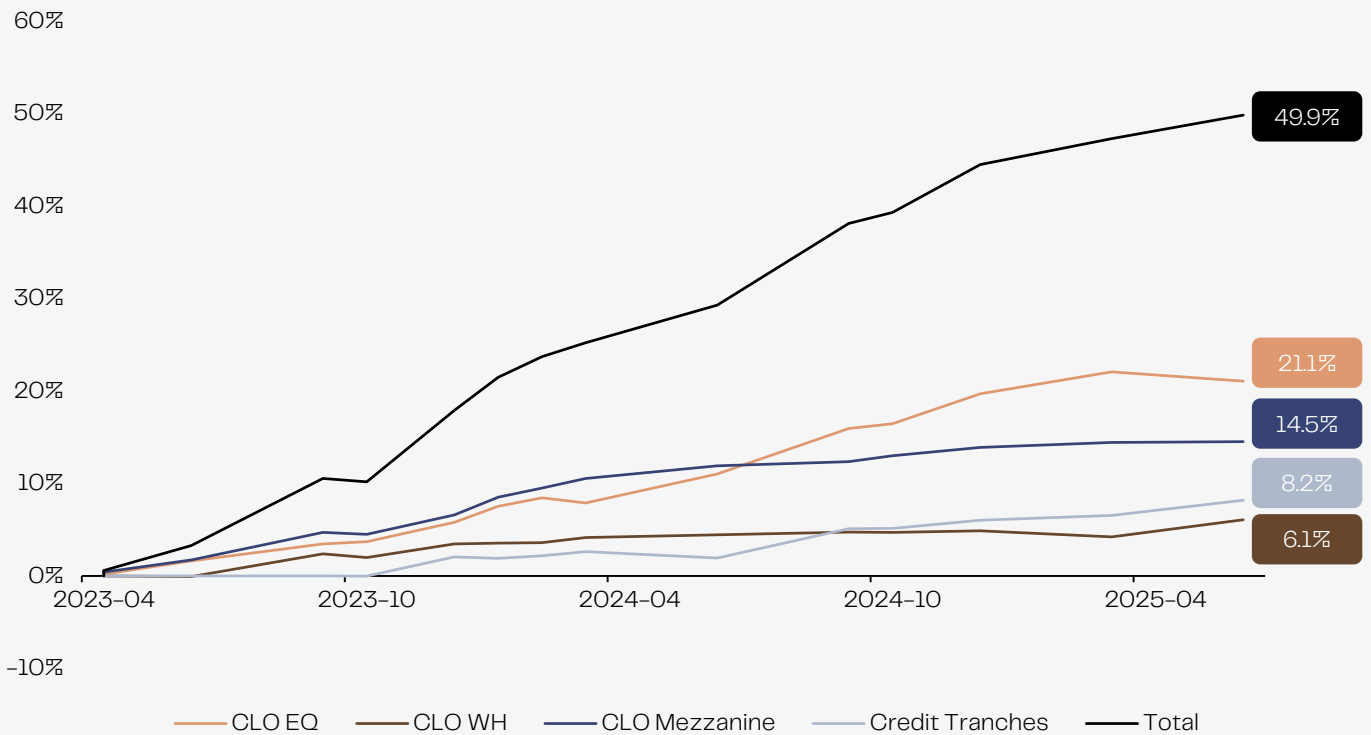
## Quarterly performance attribution



	Weight	Class return	Fund Contribution
Portfolio	100.0%	1.8%	1.8%
— CLOs	50.7%	-0.4%	-0.5%
— Equity	43.0%	-2.9%	-1.4%
— B/BB	0.0%	2.1%	0.0%
— WH	7.7%	5.0%	0.8%
— Credit Tranches	34.9%	9.0%	2.3%
— IG/HY portfolios	34.9%	9.0%	2.3%
— IG portfolios	0.0%	0.0%	0.0%
— Committed cash & Other	14.4%	0.1%	0.0%



## Historical performance attribution



## Historical fund weights

