



YMER

Alternative Credit Fund III

2026 Q1

-7.5%

Year to date

-7.5%

Last quarter

44.1%

Since Inception

Portfolio managers



Stefan Engstrand



Hubert Warzynski



Christian Fredriksson

Key Statistics

	YMER AC FUND III	iBoxx EUR HY	Eurostoxx 50
Cumulative Return	44.1%	19.5%	38.9%
Average Quarter	3.2%	1.5%	3.0%
Valuation Periods	12	12	12
Positive Valuation Periods	11	11	8

Market Commentary

The first quarter of the year began with a firm market. Loan spreads reached multi-year lows and demand for CLOs was high. After a strong start, sentiment shifted as renewed concerns surrounding software exposure in credit portfolios resurfaced. This resulted in depreciating loan prices. The outbreak of the war in Iran caused further volatility impacting predominately cyclical credits as commodity prices soared which led to further price deterioration and wider CLO tranche spreads. In contrast, high yield credit spreads proved notably resilient resulting in strong performance of CSOs. At time of writing, loans, high yield and CLO debt have recovered significantly from month end observations.

	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%)	3.85% (155.67%)	0.05% (155.75%)	7.8%
2026	-7.50% (144.07%)	-	-	-	-7.5%

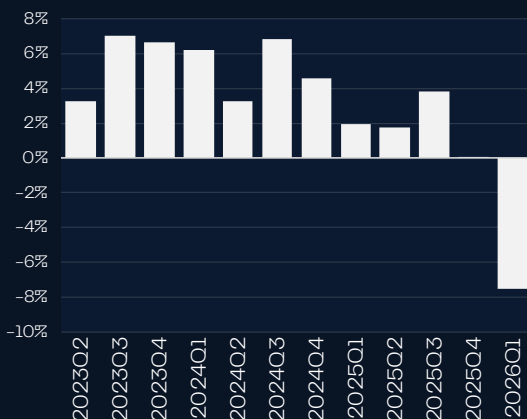
Based on a reference investor who invested at the initial close.

Performance

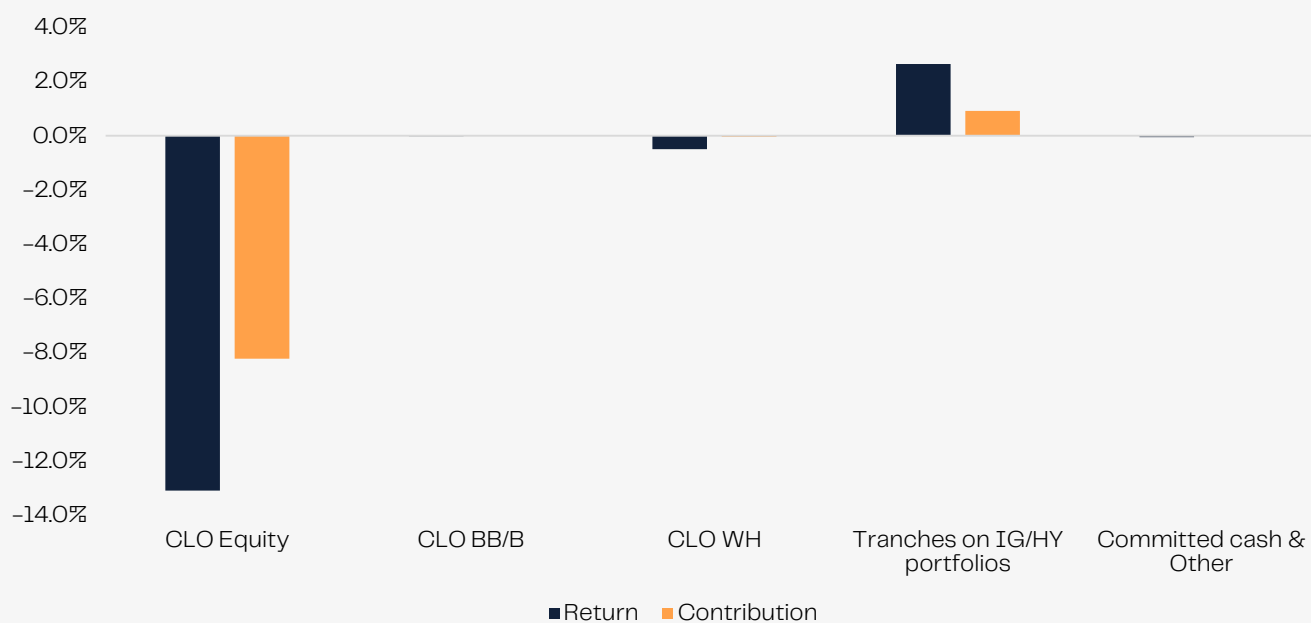
The NAV decreased by 7.5% in the first quarter of the year. CSOs continued to contribute positively to returns, as their short remaining maturity creates a pull-to-par effect. CLO equity continued to underperform as the software sector dislocation and the war in Iran affected secondary market valuations. Despite geopolitical uncertainties, underlying collateral quality of the portfolios continues to be solid with contained OCC levels and low default expectations. Cash-on-cash returns on CLO equity are currently in the 20-25% range on an annualized basis. During the quarter the fund disposed of CLO equity and B rated positions at attractive levels prior to the dislocation. Proceeds were redeployed into warehouses which are positioned to take advantage of dislocated market conditions.

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

Quarterly returns



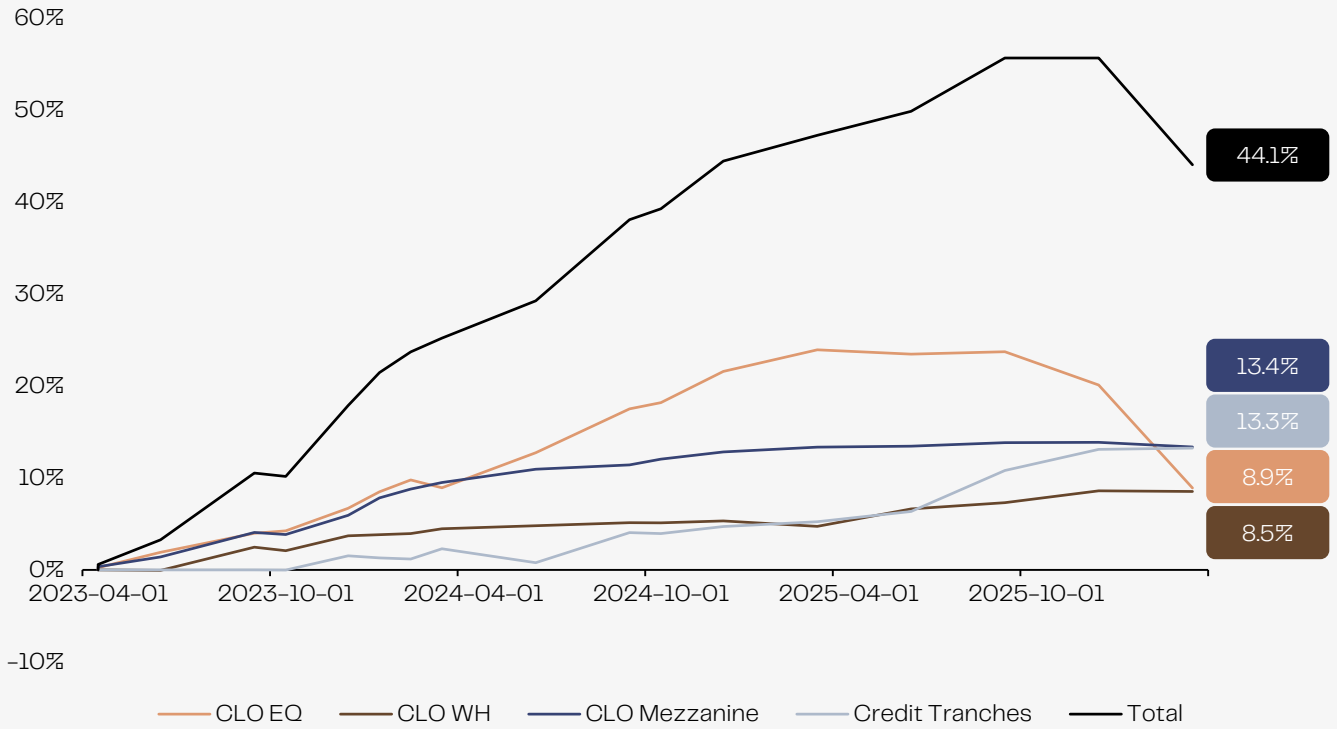
Quarterly performance attribution



	Weight	Class return	Fund Contribution
Portfolio	100.0%	-7.5%	-7.5%
CLOs	59.0%	-11.0%	-8.4%
Equity	55.9%	-13.2%	-8.3%
B/BB	0.0%	-0.2%	0.0%
WH	3.2%	-0.6%	-0.1%
Credit Tranches	40.9%	2.5%	0.9%
IG/HY portfolios	40.9%	2.5%	0.9%
IG portfolios	0.0%	0.0%	0.0%
Committed cash & Other	0.1%	-0.1%	0.0%



Historical performance attribution



Historical fund weights

