YMER
Alternative Credit Fund IV

2026 Q3

Ymer is an independent investment manager specializing in European structured credit.
Our strategy combines long-term capital with an active investment approach to capitalize on market volatility and capture complexity and illiquidity premia.

-1.0%	Last quarter	6.8%	Year to date	13.1%	Since inception

Market commentary

The third quarter of the year was dominated by significantly rising longer-dated interest rates that reached multi-decade highs. Inflation started moving up as energy prices resumed advancing following the re-escalation of the conflict in the Middle East. Credit spreads widened on the back of this while loans stayed flat. Dispersion increased in CLO portfolios as there were a number of idiosyncratic events that influenced the market.

Despite the above adverse market conditions, CLO liabilities continued to tighten across the capital structure, with junior spreads tightening the most, approaching the lowest levels in over a decade. However, B-rated tranches in resets of CLOs with slightly lower collateral quality widened out significantly. This created attractive opportunities during the summer as the additional yield compensated more than enough for the increased risk in the underlying portfolios.

CLO equity valuations were adversely impacted by falling asset spreads. Short-dated CSOs performed well, driven by strong roll-down characteristics and low default expectations.

Performance commentary

The NAV decreased by 1.0% in the third quarter of the year. The fund's CLO equity positions decreased in value due to falling loan spreads, which reduced the present value of future cash flows. Despite this, the underlying CLO portfolio performance was robust.

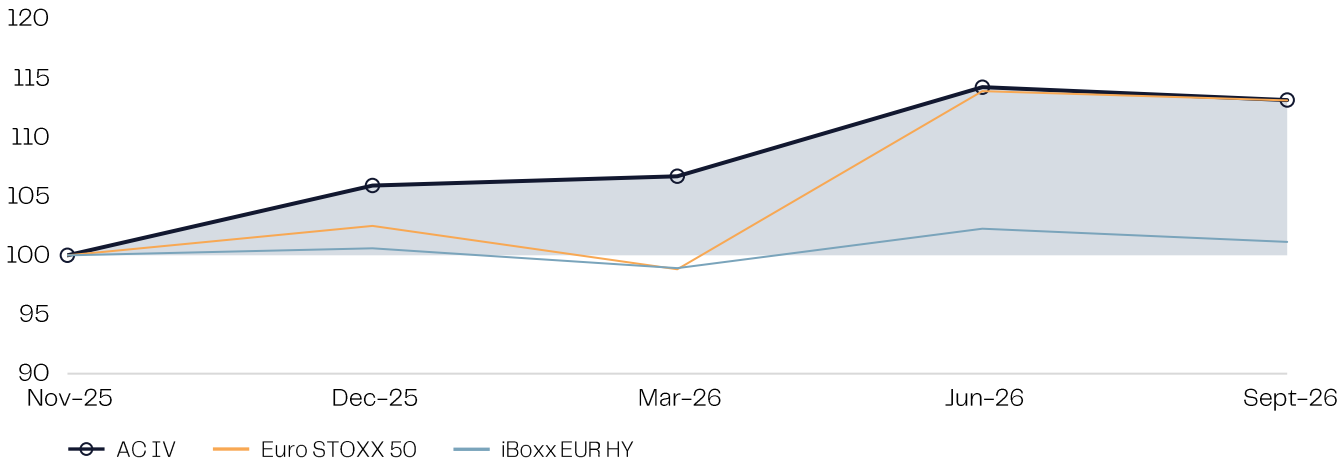
Similar to the previous quarter, CSOs remained a strong contributor to performance due to the pull-to-par effect.

The fund kept opportunistically disposing of CLO equity positions in the secondary market at attractive levels while reinvesting the proceeds into CLO warehouses with very favorable terms. It also took advantage of the dislocation in certain B-rated tranches during the summer as well as investing in a CLO with a top-performing CLO manager.

New investors will be accepted into the fund during 2026, and the next subscription is expected at the end of October.

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

Fund performance



Note(s): 1) All returns are presented in EUR. 2) Based on a reference investor participating in the initial close.

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