YMER
Alternative Credit

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.

1.5%	Last quarter	1.0%	Year to date	103.7%	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

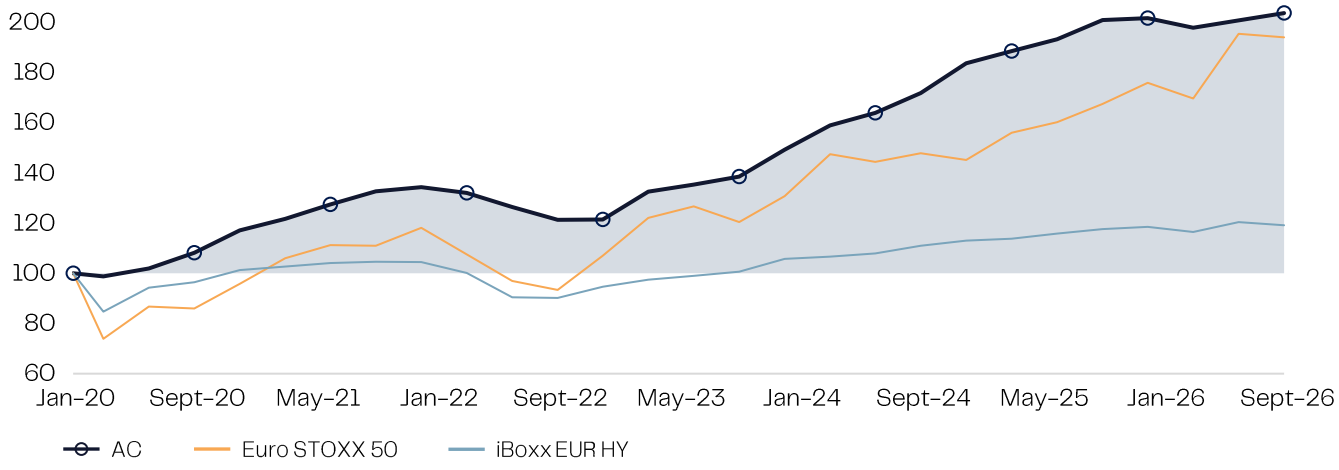
The NAV increased by 1.5% in the third quarter of the year. Similar to the previous quarter, CSOs remained a strong contributor to performance as they are now approaching their final maturity by year-end. The fund kept opportunistically disposing of CLO equity positions in the secondary market at attractive levels.

The fund exited its investment period at year-end 2025 and is now due to repay fund investors. A first payment is scheduled during October, and full repayment is expected during Q1 2027.

Investors in Ymer Alternative Credit are invited to remain exposed to Ymer's funds by investing in Ymer Alternative Credit Fund IV during the coming quarters.

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.

Stefan Engstrand
Co-founder, Portfolio manager

Hubert Warzynski
Co-founder, Portfolio manager

Christian Fredriksson
Co-founder, Portfolio manager

Filippo Sampietro
Investment Professional