



**VINGA**  
CORPORATE BOND

MONTHLY REPORT  
APRIL 2022



## The Riksbank's hike means higher coupons!

The Riksbank's rate hike by 25 basis points in late April was not a big surprise to us. Higher rates are usually not positive for the financial market but for Vinga it means that the coupons for the SEK based floating rate bonds will increase by 25 basis points. Approximately 75% of Vinga's bonds has a floating rate coupon and two third of these are in SEK. The Nordic high yield market is in a sweet spot, there are not many segments of the financial market that are compensated when interest rates go up.

**Stefan Westfeldt**  
Principal Portfolio Manager

**Gustav Andåker**  
Portfolio Manager

PERFORMANCE - APRIL 2022

**+0,53 %**

PERFORMANCE - 3 MONTHS

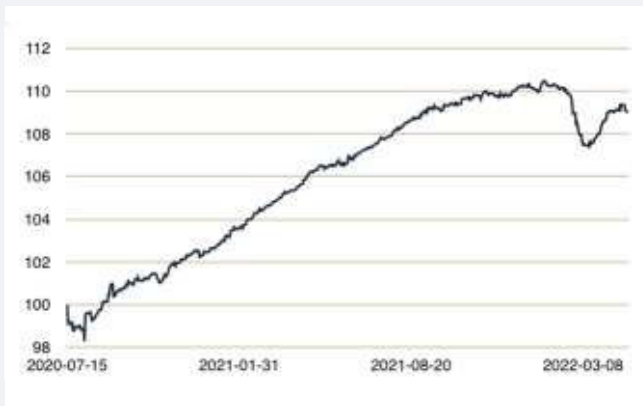
**-1,06 %**

PERFORMANCE - 1 YEAR

**+2,63 %**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	0,06 %	-1,72 %	0,09 %	0,53 %									-1,05 %
2021	0,89 %	0,85 %	0,86 %	0,94 %	0,20 %	0,73 %	0,77 %	0,71 %	0,38 %	0,34 %	0,01 %	0,46 %	7,39 %
2020	-	-	-	-	-	-	-1,17 %	1,60 %	0,51 %	0,11 %	1,16 %	0,42 %	2,63 %

### / PERFORMANCE SINCE INCEPTION /



### / COMMENT - APRIL /

Vinga added SBB's (Samhällsbyggnadsbolaget i Norden AB) subordinated bond in April. During 2022, SBB's stock has been exposed to significant short-selling attacks by US hedge funds. At the end of February, SBB's bonds weakened by 8% and the yield increased from 4% to 7%. After Standard & Poors' confirmed SBB's credit rating and signalled a potential rating upgrade in the next 12 months, we identified a buying opportunity.

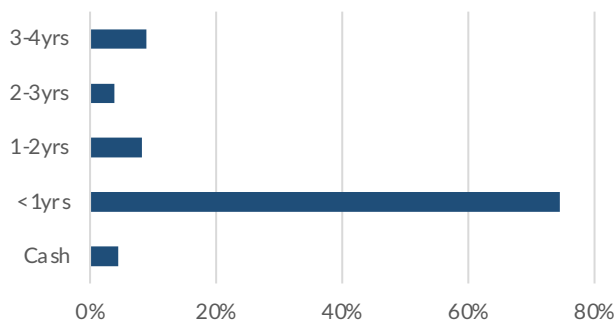
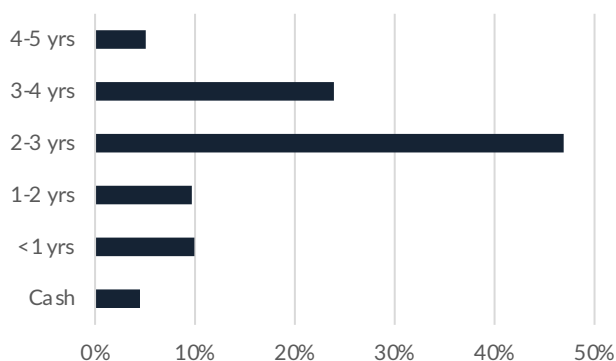
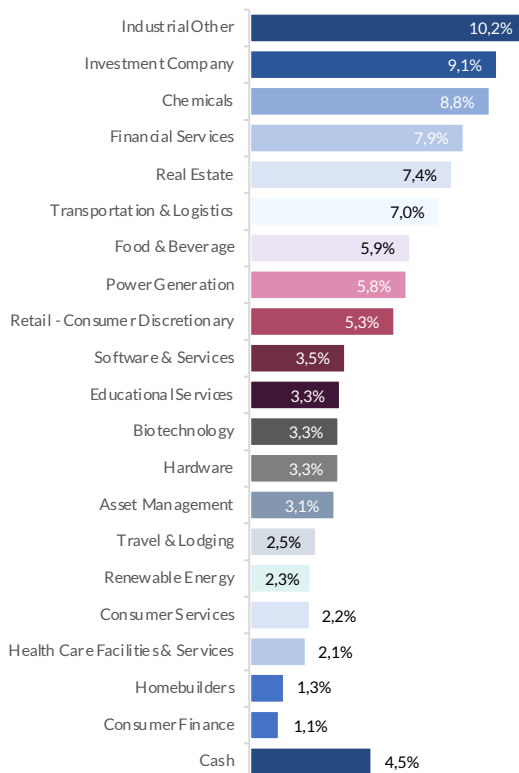
Vinga also added VEF AB's new issue at yield 7,25%. VEF is a stock-listed investment company, focused on emerging market fintech companies, that is entering the Nordic high yield market for the first time. The company has an impressive track record and a market cap of 4 billion SEK.

### / LARGEST HOLDINGS /

Issuer	Weight %	Yield %
SCAN TRANSGROUP INTL	5,6%	6,1%
HUMBLE GROUP AB	5,5%	6,9%
ESMAEILZADEH HOLDING AB	5,2%	6,9%
HEIMSTADEN AB	4,6%	6,3%
SERNEKE GROUP AB	4,2%	10,2%
VNV GLOBAL AB	3,8%	5,0%
ALTERNUS ENERGY PLC	3,8%	6,5%

### / OUTLOOK /

Currently everything is about inflation and the economic cycle. There is a risk that central banks are hiking too fast and too much and thereby creating a hard landing. The macro data indicates that the global economy will grow at trend growth for the next 3-4 quarters. The households have become pessimistic while the corporates continue to have an optimistic view of the future. The Ukraine war, inflation and the Chinese Omicron situation are headwinds for consumers. Inflation and lower growth will cut corporate profits and cash flows but we argue that they will be large enough to keep the default risk distant. During the last Fed hike cycle (2017-2019) the Nordic high yield market outperformed the stock market significantly.

**/ DURATION PROFILE /**

**/ MATURITY PROFILE /**

**/ SECTOR ALLOCATION /**

**/ FUND FACTS /**

Type:	UCITS fund
Trading:	Daily trading and pricing
Currency:	SEK and EUR
Risk class:	3 of 7

**Fixed fee**

Class A:	1,25% (min. investment SEK 100)
Class B:	0,65% (min. investment SEK 5M)
Class C:	1,25% (min. investment EUR 10)
Class D:	0,65% (min. investment EUR 0,5M)
Performance fee:	20% above OMRX T-BILL +2%

The fund is actively managed, meaning that bonds are selected individually after a thorough analysis of each issuer and market. The fund invests primarily in bonds issued by Nordic companies and is suited for investors with a preferred investment horizon of 2-3 years.

While the main focus is corporate bonds in the high yield segment (with lower credit ratings), the fund can also invest in instruments with higher credit ratings ("investment grade") as well as in instruments without credit rating. At least 70 percent of the fund's capital must be invested in corporate bonds and the portfolio managers can use derivatives as part of the fund's investment mandate, as well as to reduce unwanted risk.

The objective of the fund is to achieve capital growth that, over a period of 3 years, exceeds the performance of the fund's benchmark index, OMRX T-BILL +2 percentage points per year.

## LEGAL INFORMATION

### Fund company

Vinga Corporate Bond is a securities fund pursuant to the Swedish Investment Funds Act (LIF) (2004:46). The fund company for Vinga Corporate Bond is AIFM Capital AB, a subsidiary of AIFM Group AB. The fund is administered through a contractual agreement with AIF Management AB.

### Fund manager

Vinga Corporate Bond is managed as a discretionary mandate by SIP Nordic Fondkommission AB, a Swedish licensed securities company authorized by the Swedish financial supervisory authority. The Principal Portfolio Manager is Stefan Westfeldt.

**Fund company:** AIFM Capital AB

**Fund administration:** AIF Management AB

**Fund manager:** SIP Nordic Fondkommission AB

**Custodian bank:** Swedbank AB

## RISK INFORMATION

Historical returns are no guarantee of future returns. The money invested can both increase and decrease in value, and there is no certainty that you will get back the entire amount invested. Contact us for more information.

## CONTACT

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