



**VINGA**  
CORPORATE BOND

MONTHLY REPORT  
AUGUST 2022



## Historically attractive yield!

Vinga generated positive return in August, a moderate increase in a turbulent market. The Nordic high yield market had big outflows during the first half of 2022. The flows have now turned and the Norwegian market has big inflows. We see smaller inflows in the Swedish high yield market so far, but we expect them to follow the Norwegian flows as we head into the fall. The yield in the market is high, a level that in a historic comparison has generated double digit return in 12-18 months. Listen in to the latest episode of our podcast "Högräntepodden" for a discussion of this subject.

**Stefan Westfeldt**  
Principal Portfolio Manager

**Gustav Andåker**  
Portfolio Manager

### PERFORMANCE - AUGUST 2022

**+0,40 %**

### PERFORMANCE - 2022

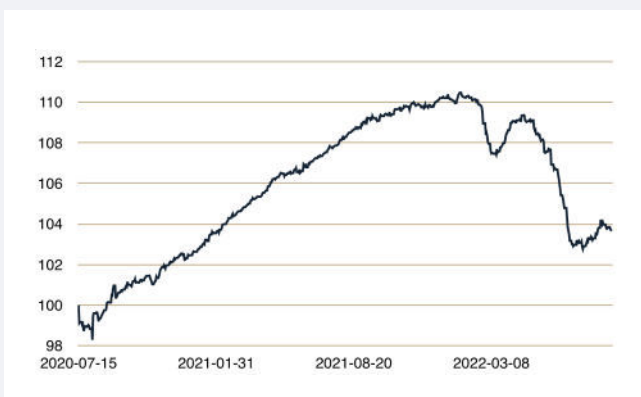
**-5,95 %**

### PERFORMANCE - 1 YEAR

**-4,82 %**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	0,06 %	-1,72 %	0,09 %	0,53 %	-1,27 %	-3,88 %	-0,23 %	+0,40 %					-5,95 %
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 - AUGUST /

Vinga's three largest holdings delivered strong Q2 reports. SGL International revised up their profit (EBITDA) for 2022 to \$190m and we expect a net leverage of 1,3x by year-end. Humble Group grew organically by 23% and has a diversified portfolio of 30 brands and entities. Esmaeilzadeh Holding increased the NAV (net asset value) by 75%. The group companies Lyvia Group, Rebellion, Novedo are performing well, and the LTV (loan to value) is down at 13% and the equity ratio is 85%. We expect Esmaeilzadeh's bond to trade at the same yield level as VNV (8%).

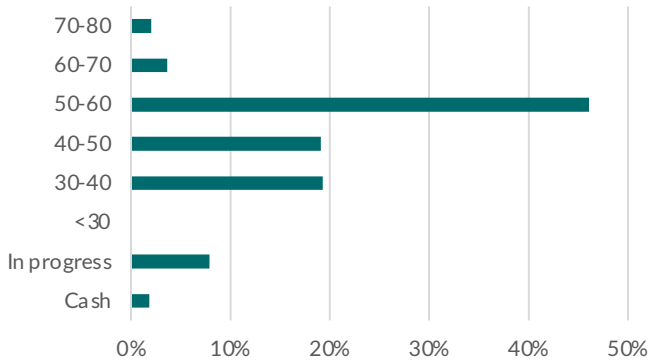
Vinga's ESG score is higher compared to last month. That implies a lower portfolio ESG risk. No holding is below score 30 as Media & Games' score has been revised up.

### / LARGEST HOLDINGS /

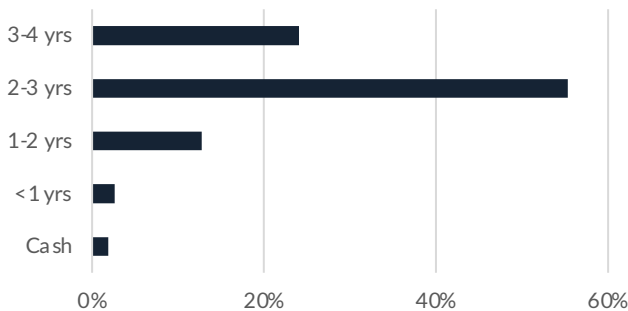
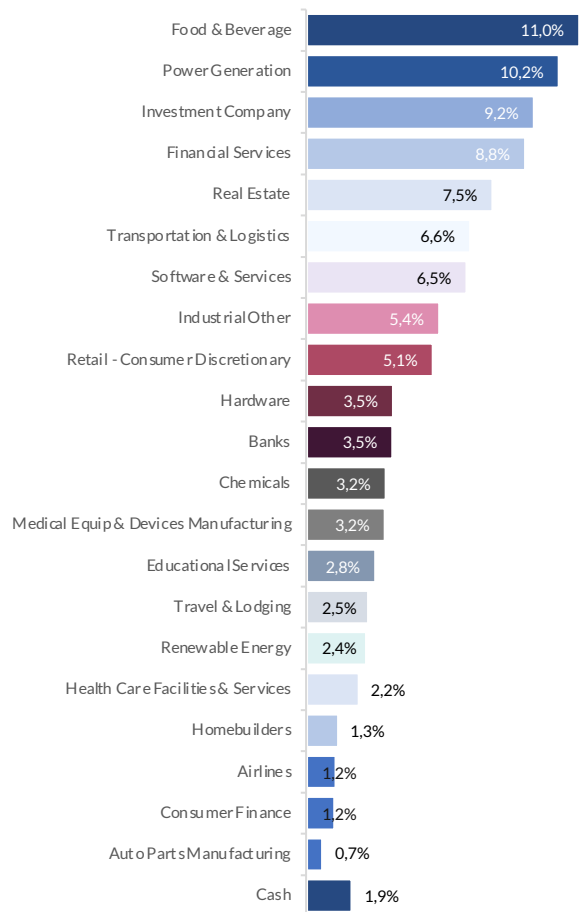
Issuer	Weight %	Yield %
SGL INTERNATIONAL AS	5,9%	7,3%
HUMBLE GROUP AB	5,5%	10,1%
ESMAEILZADEH HOLDING AB	5,3%	10,7%
SOLIS BOND CO DAC	4,1%	8,0%
ARISE AB	4,1%	6,0%
VNV GLOBAL AB	3,9%	8,0%
BAYPORT MANAGEMENT	3,6%	14,3%

### / OUTLOOK /

The world economy is slowing down and we are now in a below trend growth economy. If we get a recession, it will likely be shallow due to a strong labor market and upcoming big fiscal stimulus. Governments will spend enormous sums helping households and business with escalating energy bills as well as investing in new energy production. The labor market gets tailwinds from the expanding post-covid service sector and from multinationals investing at home instead of in China. Northvolt's and Volvo Cars's large investments in battery factories in Sweden are examples of this. A strong labor market will possibly create more hikes from the central banks, but it will not create a deep recession in 2023.

**/ ESG SCORE /**


The ESG score is based on the fundamental ESG research and ESG scoring methodology of sustainAX. The ESG research is used as input in the ESG risk integration in the investment decisions. Low ESG risk is reflected by a high ESG score and the range is 0-100. The average for August ended up at 49.5.

**/ MATURITY PROFILE /**

**/ SECTOR ALLOCATION /**

**/ FUND FACTS /**

Type:	UCITS fund
Trading:	Daily trading and pricing
Currency:	SEK and EUR
Risk class:	3 of 7
<b>Fixed fee</b>	
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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