



VINGA
CORPORATE BOND

MONTHLY REPORT
OCTOBER 2022



The turnaround is close!

Several indicators are pointing towards a turnaround for the Nordic high-yield market. The global high-yield market has been rallying for a month, and the volatility of capital markets are falling. At Vinga's present yield level, it is enough for the yield to stay unchanged for the fund to increase by one percent per month. 0,60 percentage points come from coupons, and 0,4 percentage points come from price increases. Vinga has an average bond price of 87,5 and on average 2,4 years left to maturity. This gives a price upside of 0,4 percentage points per month given no defaults.

Stefan Westfeldt
Principal Portfolio Manager

Gustav Andåker
Portfolio Manager

PERFORMANCE - OCTOBER 2022

-0,98 %

PERFORMANCE - 2022

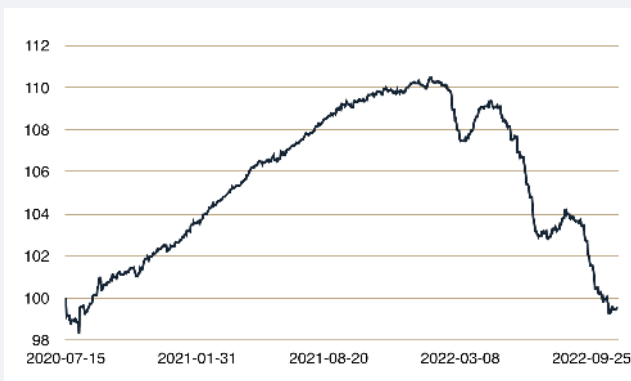
-9,77 %

PERFORMANCE - 1 YEAR

-9,34 %

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0,06 %	-1,72 %	0,09 %	0,53 %	-1,27 %	-3,88 %	-0,23 %	+0,40 %	-3,12 %	-0,98 %			-9,77 %
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 /



/ COMMENTS - OCTOBER /

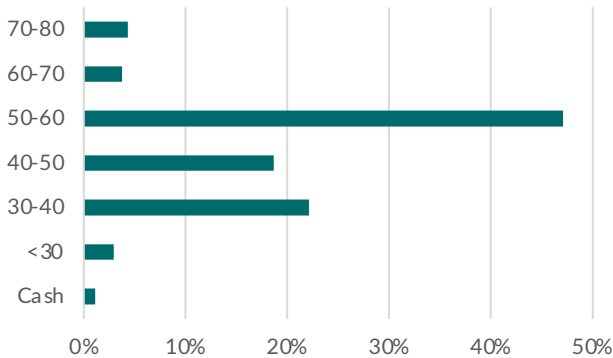
October was a relatively uneventful month with minor changes to the bond portfolio. Most action took place in the Nordic real estate sector, where the big players announced credit-positive news. Akelius bought a large part of Arnhult's shares in Castellum, which implies that Castellum has changed a high-levered owner to a low-levered owner. SBB announced a plan to split the company into two parts, where the one focusing on homes will be distributed to its shareholders. The main owner Batljan can reduce his leverage and focus on the public real estate portfolio. The Nordic high-yield market has reacted with caution so far, but news will ultimately have a positive impact on the market.

/ LARGEST HOLDINGS /

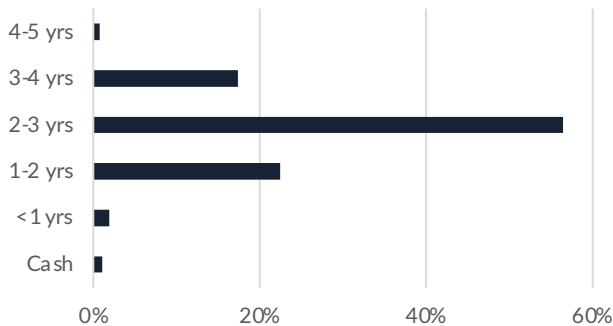
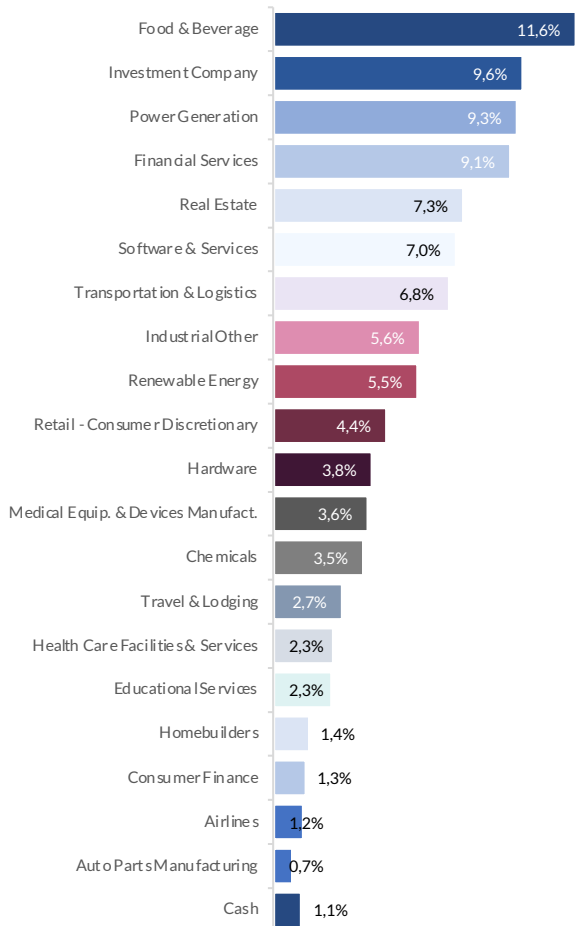
Issuer	Weight	Yield
SGL INTERNATIONAL AS	6,0 %	12,7 %
HUMBLE GROUP AB	5,9 %	11,9 %
ESMAEILZADEH HOLDING AB	5,6 %	13,0 %
SOLIS BOND CO DAC	4,6 %	8,9 %
BAYPORT MANAGEMENT	3,9 %	16,3 %
VNV GLOBAL AB	3,9 %	12,4 %
BICO GROUP AB	3,6 %	19,6 %
GREENFOOD AB	3,5 %	12,2 %

/ OUTLOOK /

We see clear evidence of a slowing global economy. Unemployment is increasing in the US, and home prices continues down in the Nordic region among other things. The slowdown will ultimately lead to an end of the central bank hiking cycle. We see signs of this already, Norges Bank hiked by 25 basis points instead of the expected 50 basis points at their last meeting. The markets will soon be able to look beyond the hiking cycle and focusing on inflation is falling and increasing prospects of interest rates cuts at the end of 2023. Next year will likely be an odd year where the macro economy is weak and financial markets are hot.

/ 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 October ended up at 48.6.

/ 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.

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