

Ridge Capital Northern Yield
Portfolio Update
April 2024



RIDGE CAPITAL

Northern Yield is a SFDR Article 8
Only for professional, well-informed or qualified investors
Confidential and not for further distribution
Please refer to prospectus and to the KID before making final investment decision

Overview as of April 30th, 2024

<p>+1.7% net of fees in April</p> <p>+19.4% net of fees Last 12 months*</p>	<p>Volatility 3.7% / 3.2% Sharpe ratio 3.2 / 4.9**</p> <p>Since start / 12 months</p>	<p>37 issuers</p> <p>52 bonds</p>	<p>Unlevered gross YTM 13.3%</p> <p>Levered gross YTM 17.4%</p>	<p>Duration: 0.6 years</p> <p>Credit duration: 2.9 years</p> <p>Floating rates: 72%</p> <p>Fixed rates: 28%</p>	<p>AuM</p> <p>EUR 90m</p>
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Main features
Nordic High Yield "HY" bonds focus
Our lead manager has top track record 2018-2023
Yearly return target 3-month base rate + >7% over a cycle
Low volatility target <5% over a cycle
Performing credit Solid cashflows and security packages
Focus on credit selection instead of over-diversification
True active management & portfolio optimization. We don't only "buy & hold" bonds issued in the primary market
Focused portfolio ~30-50 issuers
Portfolio rating equivalent ~70% B ~30% BB
Low interest rate risk Floating rate notes majority of portfolio
Inception December 2022

Risk management and structure
Monthly liquidity via Luxembourg SCA SICAV-RAIF
Hedging capabilities (market downside protection and FX)
Structural leverage ~1.5x (+/- 0.25). Suitable level to handle phase of intense market stress. Allows us to reach our target return without excessive credit risk
Portfolio restrictions Issuer <10%, Sector <25%
Hard close EUR ~300m unlevered (EUR ~450m levered, <1% of market)
Skin in the game Team invested EUR >2m and committed to reinvest management fees
SRI/risk-class 3 of 7, +3 years investment horizon

Prime broker & Audit



Deloitte.

SFDR article 8 environmental, social or governance characteristics and exclusion of oil & gas, coal, tobacco, gambling



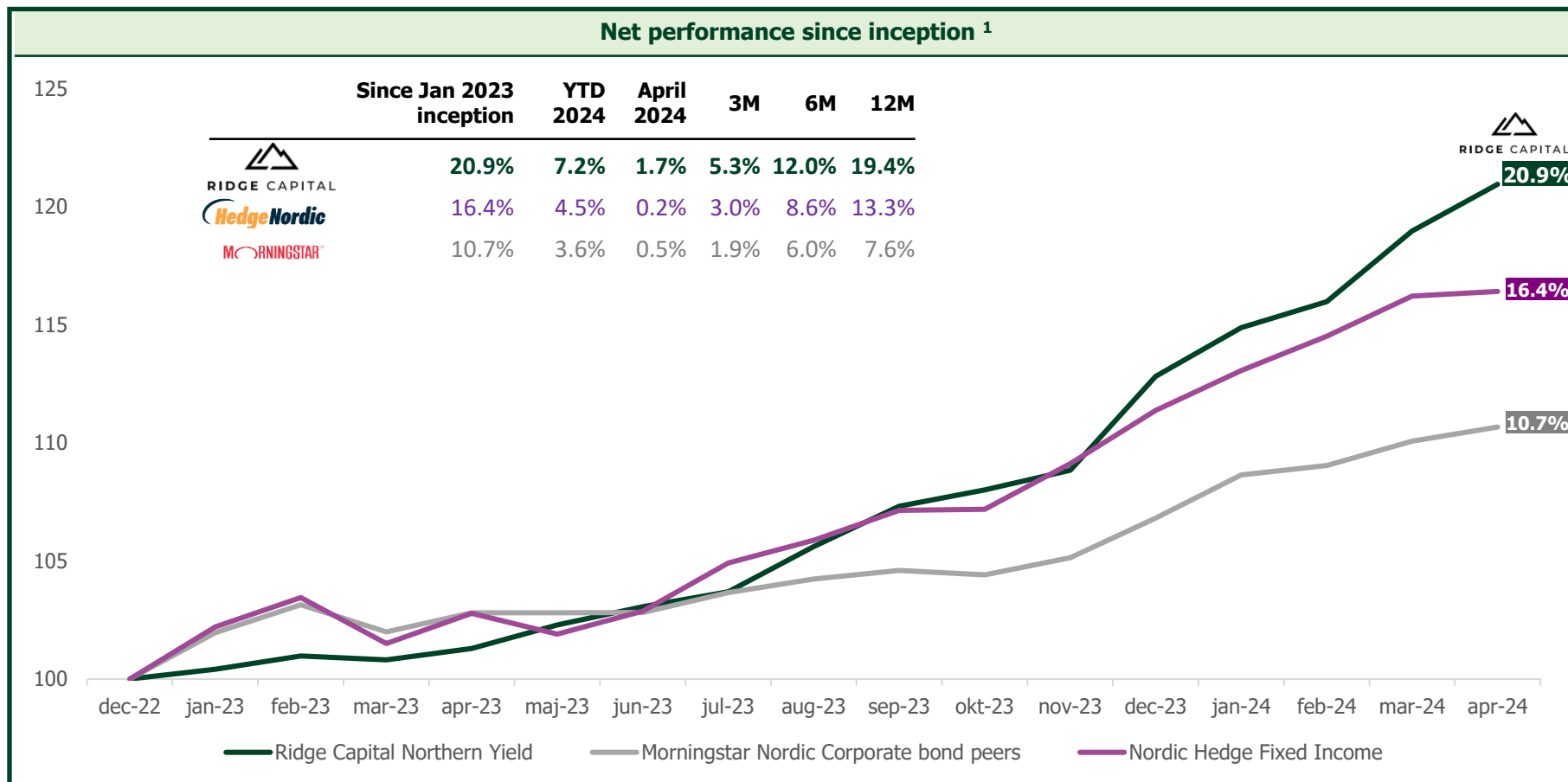
Signatory of:



* Ridge Capital Northern Yield P2 SEK acc (also available in EUR, USD, CHF and NOK). Fully invested since April 2023

** Risk-free rate assumed at average rate of 3-month Stibor for the period

#1 Performance since inception in January 2023



Past performance does not predict future returns and investment may lead to a financial loss. What you will get will vary depending on how the market performs and how long you keep the investment/product. Future performance is subject to taxation which depends on each investor's situation, and which may change in the future. Complete prospectus and fund statutes available through Ridge Capital. The information should not be considered investment advice nor recommendation and is Ridge Capital's proprietary. Ridge Capital should not be held responsible if the information or data may be incomplete, inaccurate or incorrect.

Source:

1. Ridge Capital Northern Yield P2 SEK acc (ISIN LU2559358101). Includes all Nordic Corporate Bond funds in the Morningstar category (SEK, Flex, HY), but excluding funds with global and / or pan-European mandate. The Hedge Nordic NHX Fixed Income is an equally-weighted sub-index of the NHX Composite that tracks the performance of Nordic fixed income hedge fund managers. Please reach out directly to Ridge Capital to get hold of data and performance for all available share classes.

Portfolio Managers commentary

Navigating April's unexpected inflation and market shifts

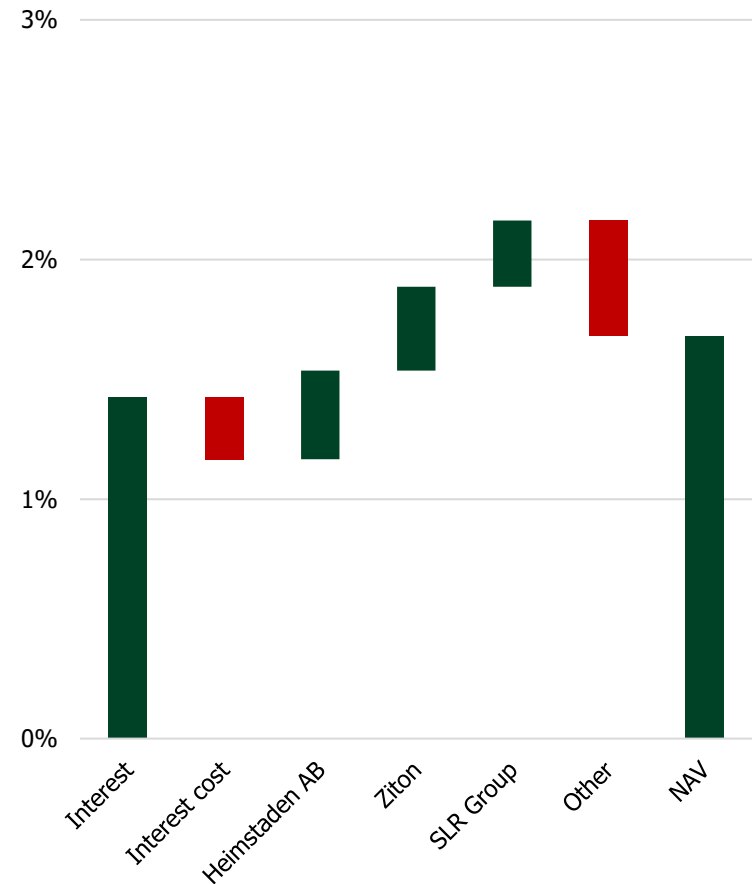
April saw diminishing optimism among investors for an early Federal Reserve rate cut, following a series of inflationary surprises. Key indicators such as the Consumer Price Index (CPI), Personal Consumption Expenditures (PCE), hourly wages, and employment costs all trended upwards unexpectedly in recent weeks. As a result, US equities experienced a downturn, closing the month down by 4.2%, while the Euro Stoxx 600 fell by 1.5%. Conversely, Sweden's markets showed resilience, with the Stoxx index climbing 2.5% in anticipation of a 25 basis point "bps" rate cut that was realized in early May.

Credit spreads remained robust amidst these conditions. EUR spreads widened slightly by 16 bps to 363 bps, while Nordic High Yield (HY) spreads tightened 37bps to 469 bps.

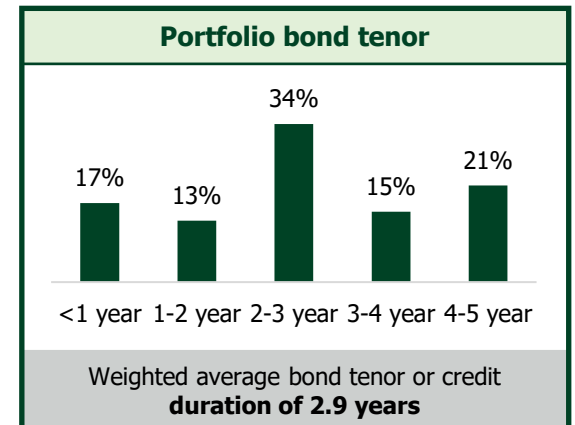
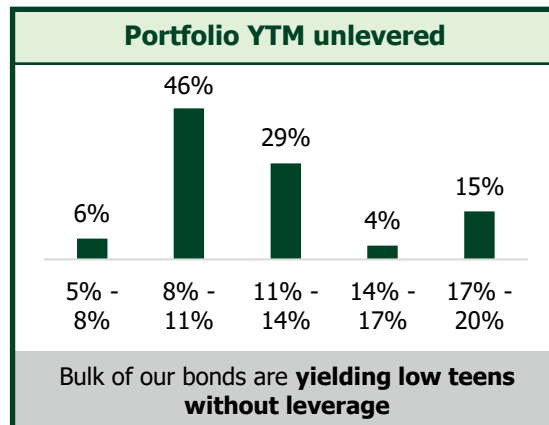
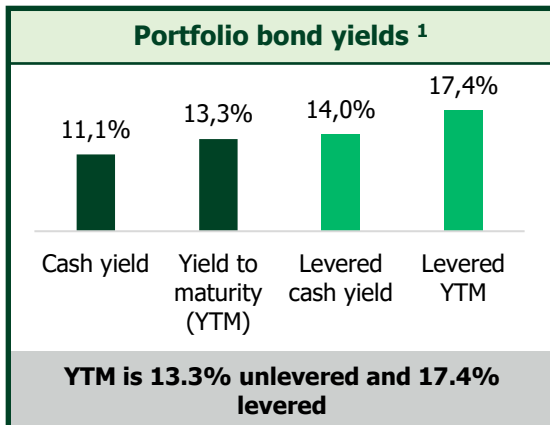
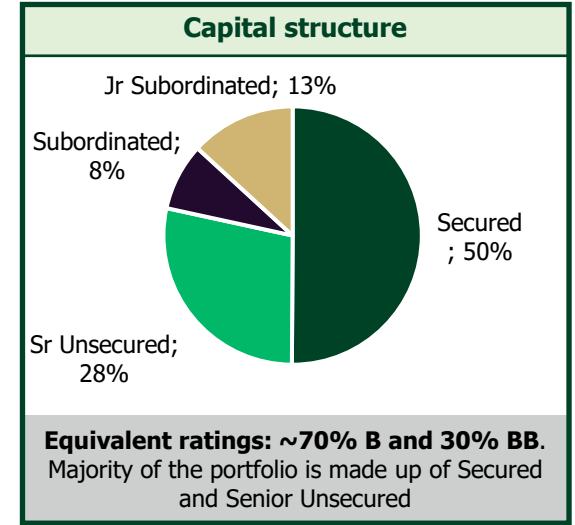
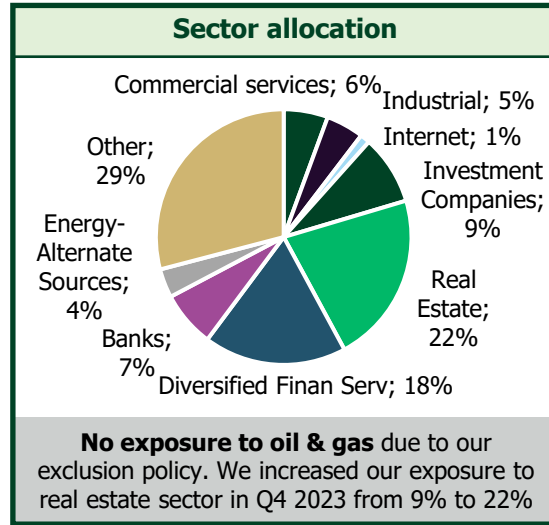
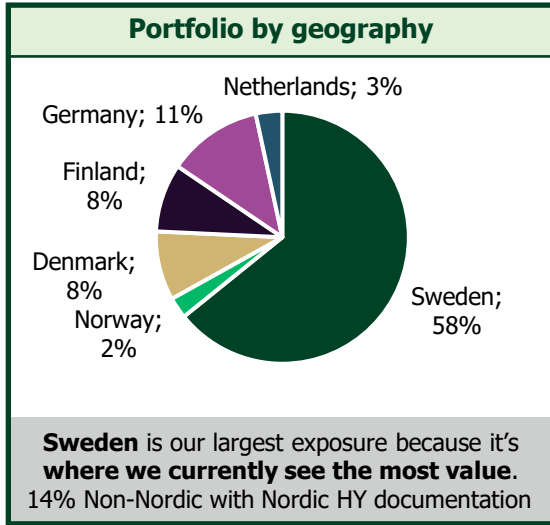
The primary market remained lively throughout April, though the variation in credit quality posed challenges in identifying attractive risk/reward opportunities. A sluggish secondary market and concerns over impending supply shortages as we approach the slower summer months, have resulted in primary yields being priced lower than what might be considered equitable, especially relative to trading comparables. This environment has provided a window for more opportunistic issuers, often backed by private equity firms, to advance deals before the market fully adjusts.

While the bulk of corporate earnings reports are expected in May, the initial releases have generally not been eventful. However, Heimstaden, one of our top picks at the start of the year, has reported noteworthy developments. The company announced a 0.8% increase in property valuations for the quarter, a change in trend following a 14% decline from their peak values. Additionally, Heimstaden highlighted the successful implementation of their privatization strategy, achieving divestments at more than 30% above book value. Arctic Securities' real estate analysts captured the essence of these achievements in their recent note on Heimstaden AB, aptly titled "Recognize a homerun when you see it".

Major NAV impact for the month (%)



Portfolio breakdown as of April 30th, 2024



1. YTM=Yield to maturity. The levered YTM is after interest rate costs to Prime Broker

Share classes performance overview

ISIN	Share class	Apr-24 (NAV/%)	YTD 2024	Last 3M	Last 6M	Last 12M
Founders / anchors						
LU2559357392	FO SEK Acc	121.2 1.68%	7.25%	5.32%	12.05%	19.57%
LU2559357046	FO EUR Acc	117.5 1.63%	7.11%	5.20%	12.09%	N.A.
Accumulating						
LU2559356824	P1 SEK Acc	119.9 1.63%	7.07%	5.18%	11.76%	18.96%
LU2559358101	P2 SEK Acc	120.9 1.67%	7.21%	5.29%	11.98%	19.40%
LU2559358010	P2 EUR Acc	113.0 1.62%	6.81%	5.18%	10.50%	N.A.
Distributing						
LU2559358523	P2 EUR Dis*	108.9 -1.43%*	1.32%	2.04%	5.95%	N.A.
LU2559357988	P2 SEK Dis*	110.3 -1.44%*	1.42%	2.07%	5.94%	9.31%

* Share classes distribute half of the total quarterly performance as a distribution
Share classes also available in USD, NOK, CHF, GBP in both accumulating "Acc" and distributing "Dis"
NAV was 100.00 for each share class at inception/launch

The team

Team in Stockholm



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Portfolio Analyst (to join in Q3-Q4 2024)

Friends of Ridge Capital

- Company owners
- High-level executives
- Industry specialists
- Legal team
- Private Equity, Hedge Fund, VC founders & partners

Board of Directors Luxembourg SICAV-RAIF & GP

- Mikael Holmberg
- Kelly Anchenmann
- Luc Régent



Prime Broker



Audit



AIFM (Compliance, risk, portfolio management) & Custodian





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Signatory of:

