



RIDGE CAPITAL

*Investor presentation*

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Please refer to prospectus and to the KID before making final investment decision.



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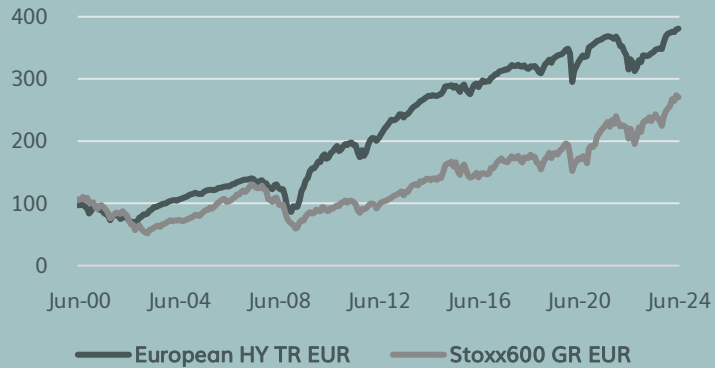
*Benefits of* **HIGH YIELD**

# The overall High Yield "HY" market OFFERS MANY BENEFITS

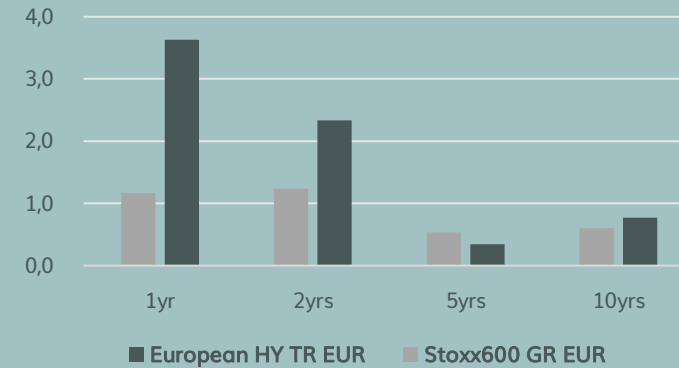


BENEFITS OF HIGH YIELD | NORDIC HIGH YIELD MARKET | OUR TEAM | OUR FUND

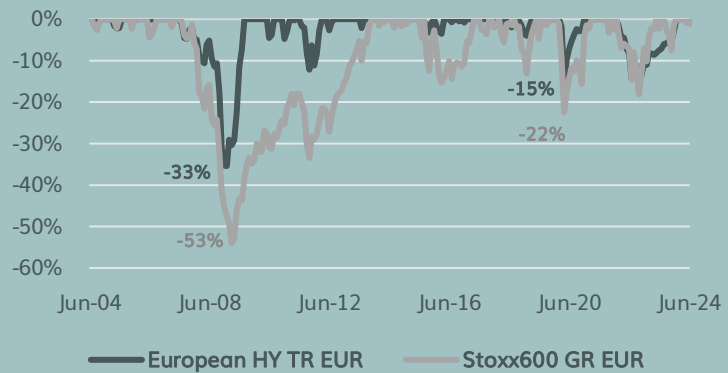
### HY outperforms Equities<sup>1</sup>



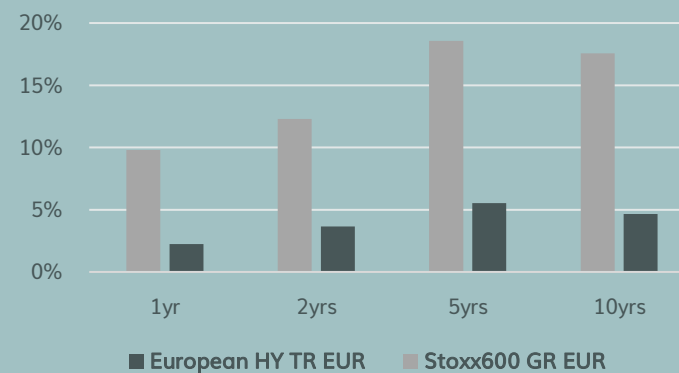
### HY has higher Sharpe ratio<sup>2</sup> than Equities



### HY has smaller drawdowns<sup>3</sup> than Equities



### HY has lower volatility<sup>4</sup> than Equities



Sources:

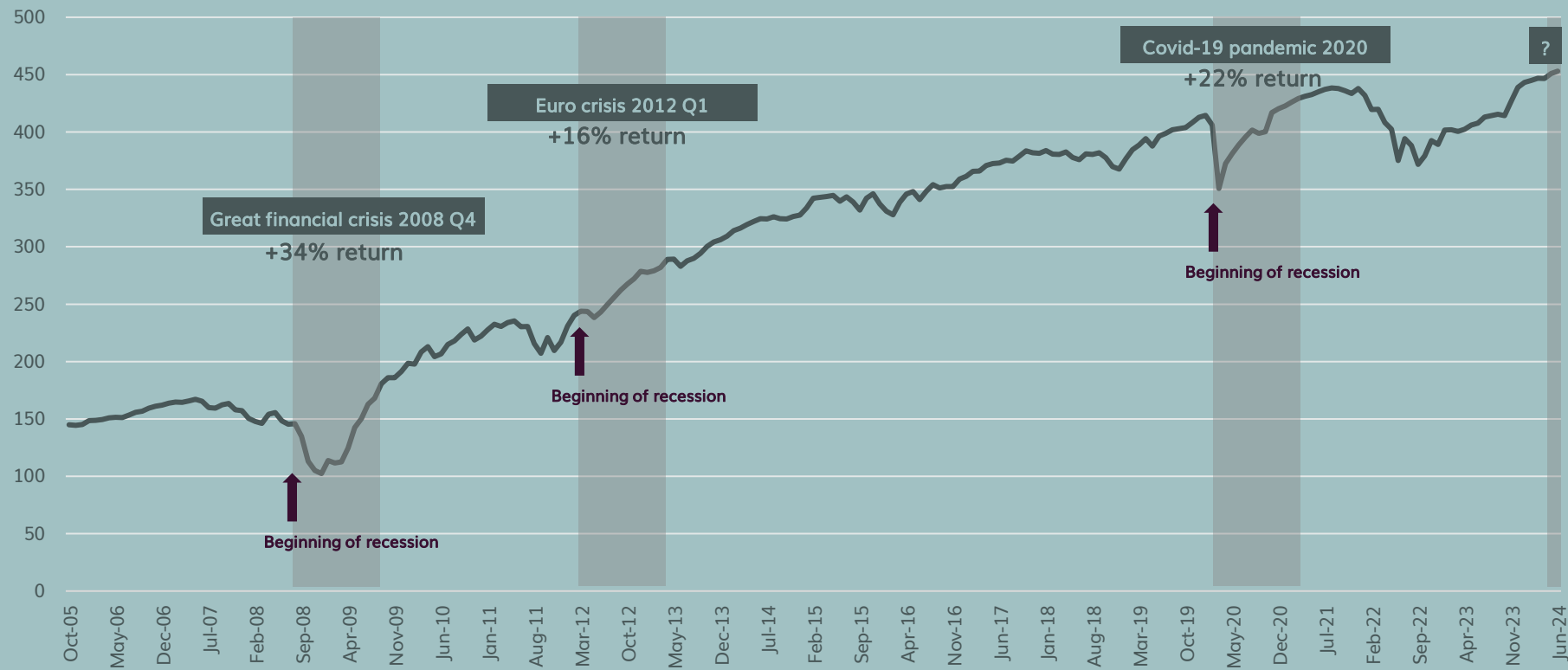
1. Stoxx600 GR EUR is a European equity index, with the 600 largest listed companies, that includes dividends
2. Sharpe ratio is used to measure risk-adjusted returns and is defined as annual returns over 3-month EURIBOR divided by annual volatility (standard deviation)
3. Drawdown is the maximum percentage drop between peak value and bottom value. Drawdown period is the time period until value is back at previous peak value
4. Average 30 days volatility 30/06/2024 and backwards

# Beginning of recessions point to SIGNIFICANT RETURN OPPORTUNITIES IN HIGH YIELD



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12 months returns after the start of a recession<sup>2</sup> are significant



Sources:

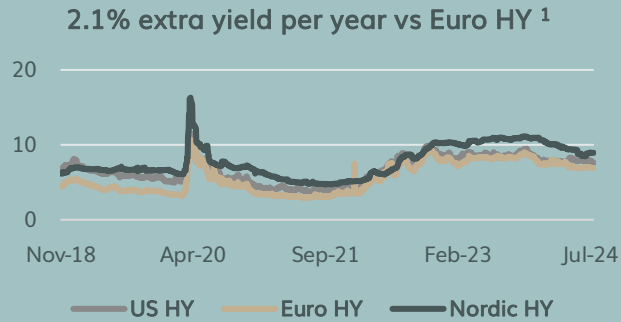
1. Bloomberg EUR HY Index HEAE Data as of 30/06/2024
2. A period of temporary economic decline during which trade and industrial activity are reduced, generally identified by a fall in GDP in two successive quarters

*The Nordic* **HIGH YIELD MARKET**

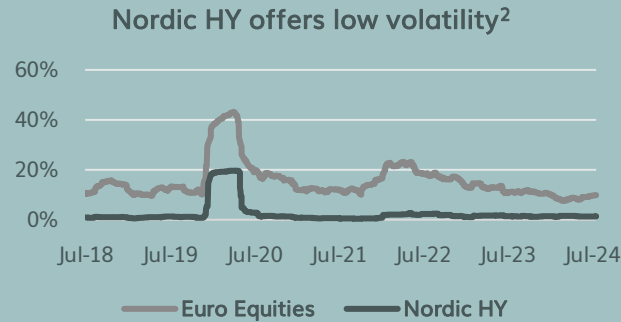
# The Nordic High Yield market PROVIDES MANY UNEXPECTED BENEFITS



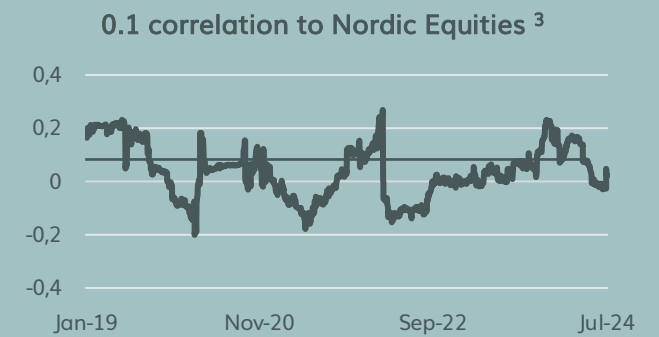
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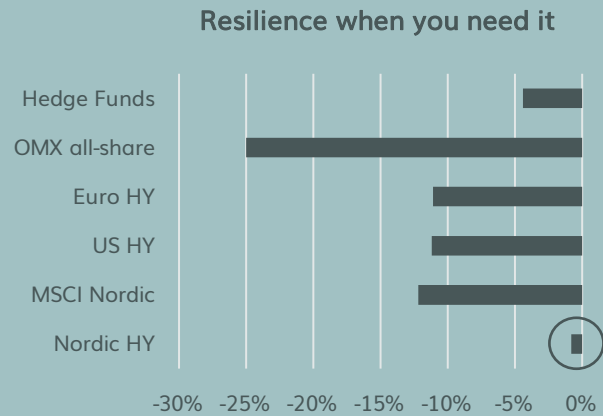
Nordic HY has higher yield than US and Euro HY which acts as a buffer against potential negative scenarios



Volatility is low thanks to absence of speculative investors and index products

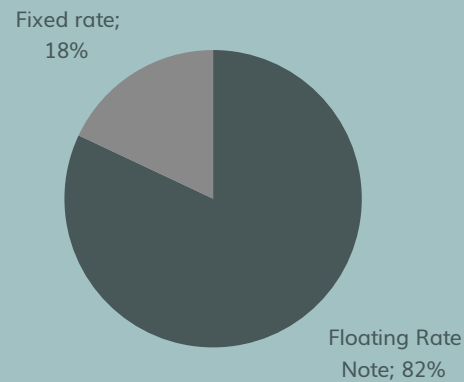


The correlation to Nordic HY is lower than Euro HY vs Nordic EQ which is 0.6



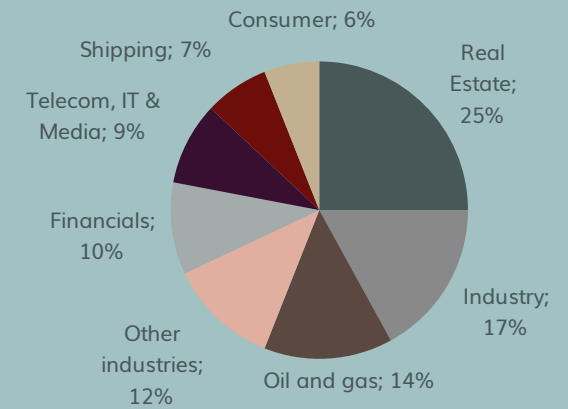
Nordic HY resisted well while Euro HY and Nordic EQ experienced heavy declines in 2022

### Low interest rate duration (<1) <sup>4</sup>



Nordic HY mainly consists of floating rate notes which come with a structurally low duration

### Many sectors to choose from



You can easily build a diversified portfolio outside of the fossil fuel and real estate sectors

Sources:

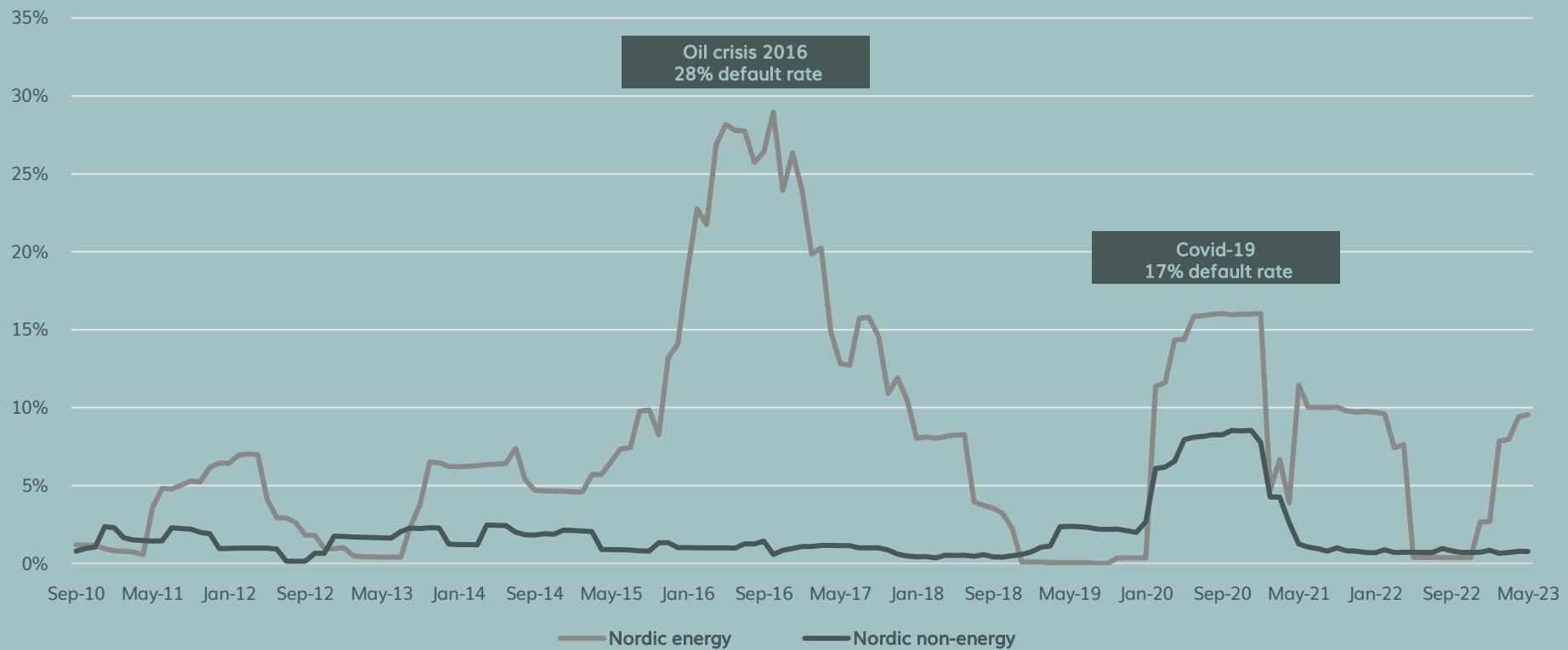
1. DNB markets and Barclays High Yield indices as of 10/07/2024
2. DNB markets Nordic High Yield index and Stoxx600 GR EUR, 90 day volatility
3. DNB markets Nordic High Yield index correlation to MSCI Nordic. Correlation 120 days
4. This data corresponds to the Swedish corporate bond market, not the entire Nordic market

# Default risks can be reduced significantly WHEN EXCLUDING THE ENERGY SECTOR



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During oil price crisis, defaults skyrocket in the Nordic energy sector



Sources:  
1. DNB data as of 30/05/2023





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## 1. TRANSACTION COSTS ARE SIGNIFICANTLY HIGHER FOR NON-LOCAL INVESTORS

- High barriers to enter the market
- Without an excellent local network, and preferably fluency in local languages, this over-the-counter market is not exploitable

## 2. MAJORITY OF ISSUERS ARE NON-RATED

- The lack of coverage from e.g. Moody's, Fitch, S&P in this market implies lower transparency and accessibility
- You get an edge when you take the time to do your own high-quality due diligence, credit research and analysis

## 3. MOST MARKET PARTICIPANTS HAVE A BUY & HOLD INVESTMENT STYLE

- Local players mainly disregard the secondary market
- This creates significant price and volume opportunities for active managers

## 4. COMPETITION IS NOTABLY LOWER THAN IN OTHER ASSET CLASS

- No ETFs, no passive index funds, no International asset managers are present
- Most investors are retail and use daily traded UCITS funds
- Addressing this market with the right structure, creates recurring opportunities

## 5. BOND PRICES FLUCTUATE SUBSTANTIALLY FROM UCITS IN- AND OUTFLOWS

- UCITS bond funds move prices when faced with larger than usual daily outflows/inflows
- Several large funds source a significant portion of their AUM from structured products linked to volatility <sup>1</sup>
- It's possible to profit from these outflows when e.g. volatility suddenly rise, triggering forced sales

**Sources:**

1. Investors get 200% exposure through structured products if volatility is low. When volatility spiked in 2020, it triggered 10b SEK of outflows from e.g. one large UCITS fund. This created a buying opportunities for contrarian investors.

# *Our* TEAM



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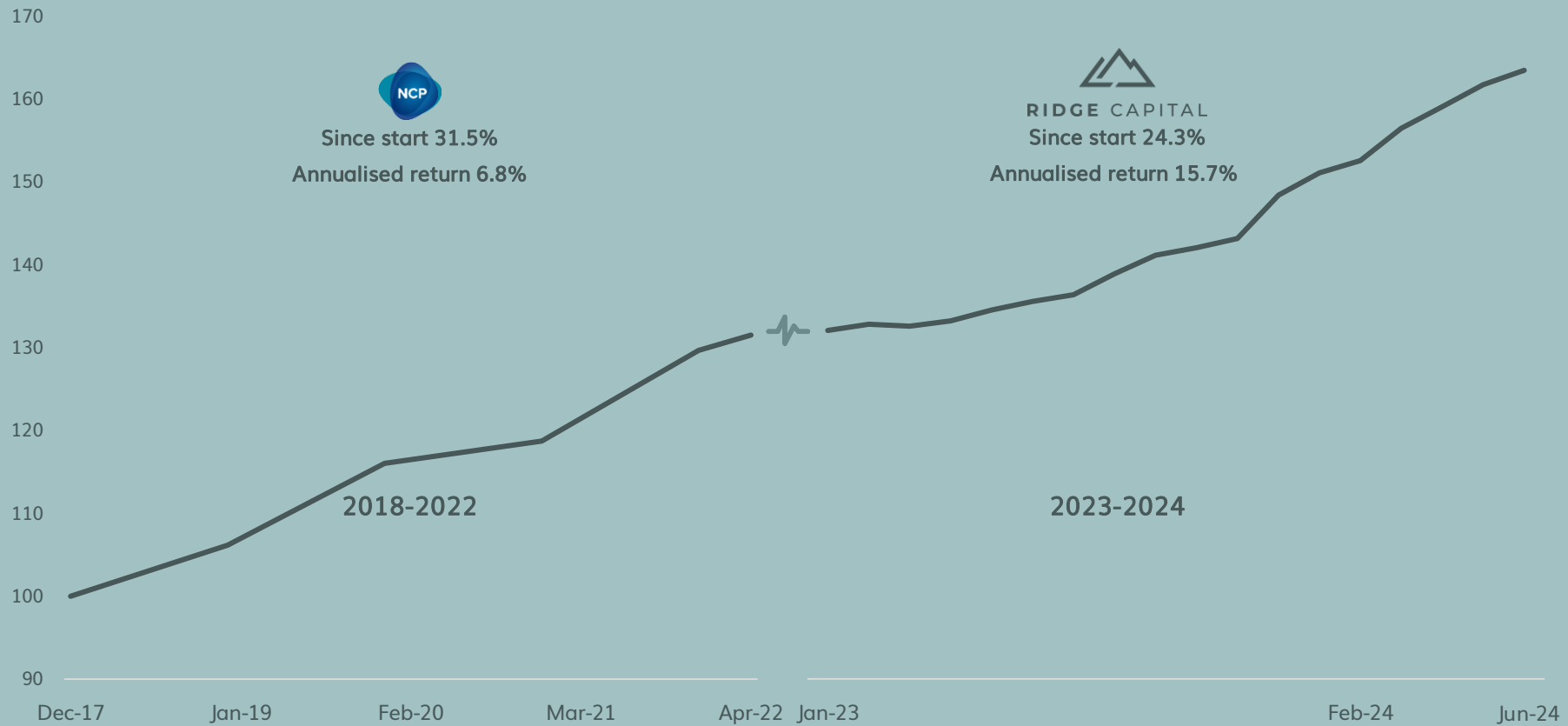
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Merged track record of our Lead Portfolio Manager



Sources:

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.

*Our* FUND



## MAIN FEATURES

**High Yield bonds** Nordic focus

**Lead Portfolio Manager has top track record** since 2018

**Annual return target** 3-month base rate + >7% net over a cycle

**Volatility target** <5% over a cycle

**Performing credit** solid cashflows and strong collateral

**Focus on credit selection** instead of over-diversification

**Focused portfolio** ~40 issuers, ~50 bonds

**Active management and portfolio optimization** Buy & Hold is not enough

**Portfolio rating equivalent** ~70% B ~30% BB

**Low interest rate risk** Majority of our portfolio is floating rate notes

**Friends of Ridge Capital** Founders, partners, company owners, industry specialists, legal experts

**Inception** December 2022

## SFDR ARTICLE 8

Promotes environmental, social or governance characteristics.

We exclude of oil & gas, coal, tobacco, gambling and follow the AP-funds ethical exclusion list

We are PRI Signatories



## RISK MANAGEMENT & STRUCTURE

**Monthly liquidity** via Luxembourg SCA SICAV-RAIF

**Hedging possibilities** against market downside and FX moves

**Structural leverage** ~1.5x (+/- 0.25) to reach our target return and buy bonds with less 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** 4 of 7, +3 years investment horizon

**Board of Directors Luxembourg** Christoffer Malmström, Mikael Holmberg, Måns Levin, Kelly Anckenmann and Luc Régent



## SERVICE PROVIDERS

**Prime broker** Goldman Sachs

**Audit** Deloitte

**AIFM** Funds Avenue

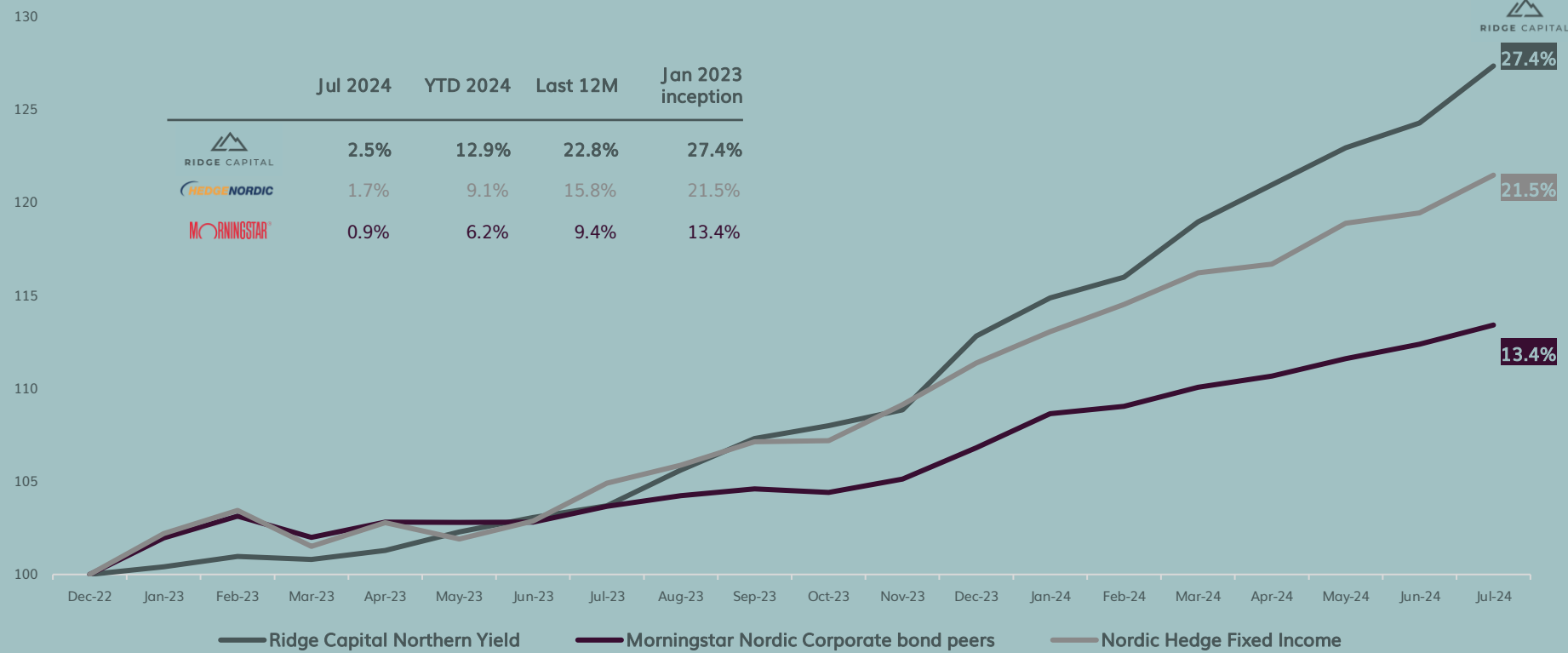
**Custodian** Caceis Luxembourg

# #1 performance in the asset class SINCE OUR JANUARY 2023 INCEPTION



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Net performance since inception



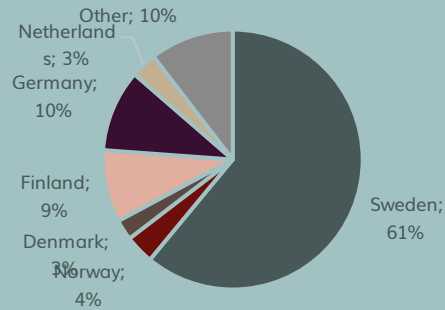
Sources:

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.



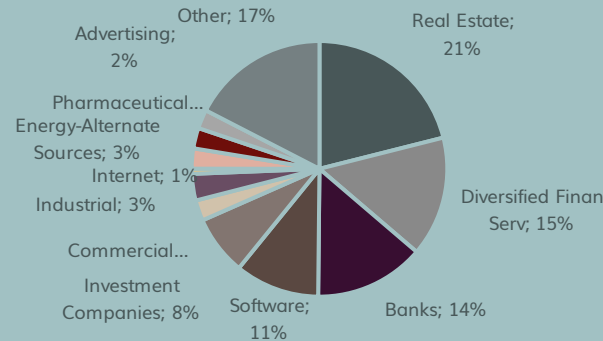


Portfolio by geography



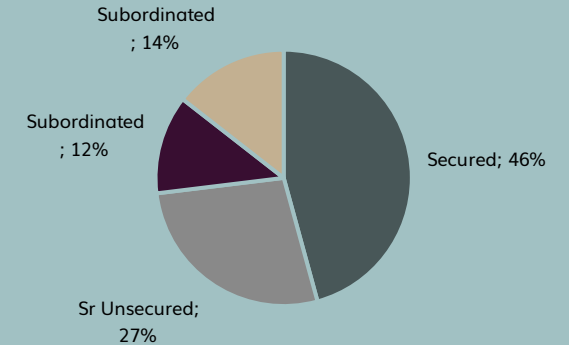
Sweden is our largest exposure. Our non-Nordic bonds have Nordic HY documentation

Sector allocation



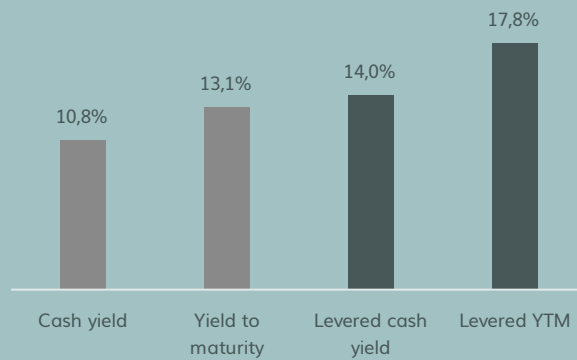
No exposure to oil & gas (our exclusion policy). Our real estate exposure has increased from 9% in 2023 to currently 21%

Capital structure



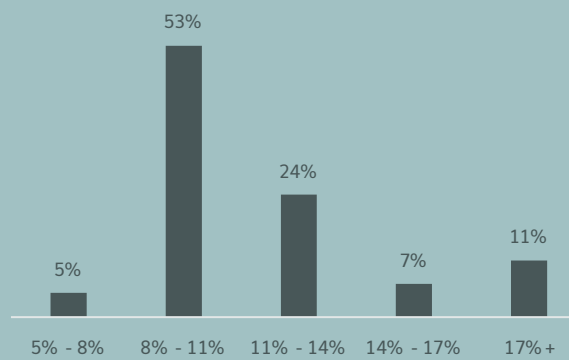
Majority of the portfolio is made up of Secured and Senior Unsecured bonds

Portfolio bond yields



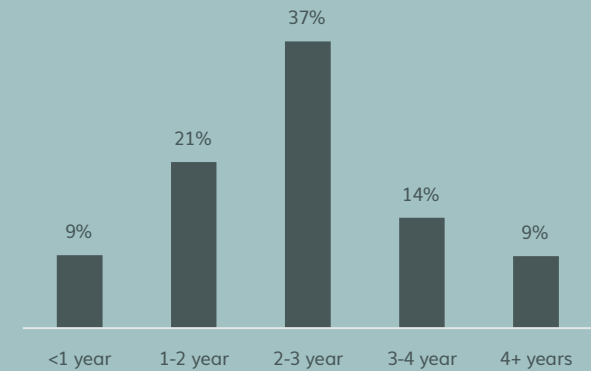
Cash yield = coupons  
Yield to maturity = coupons + repayment at par

Portfolio YTM unlevered dispersion

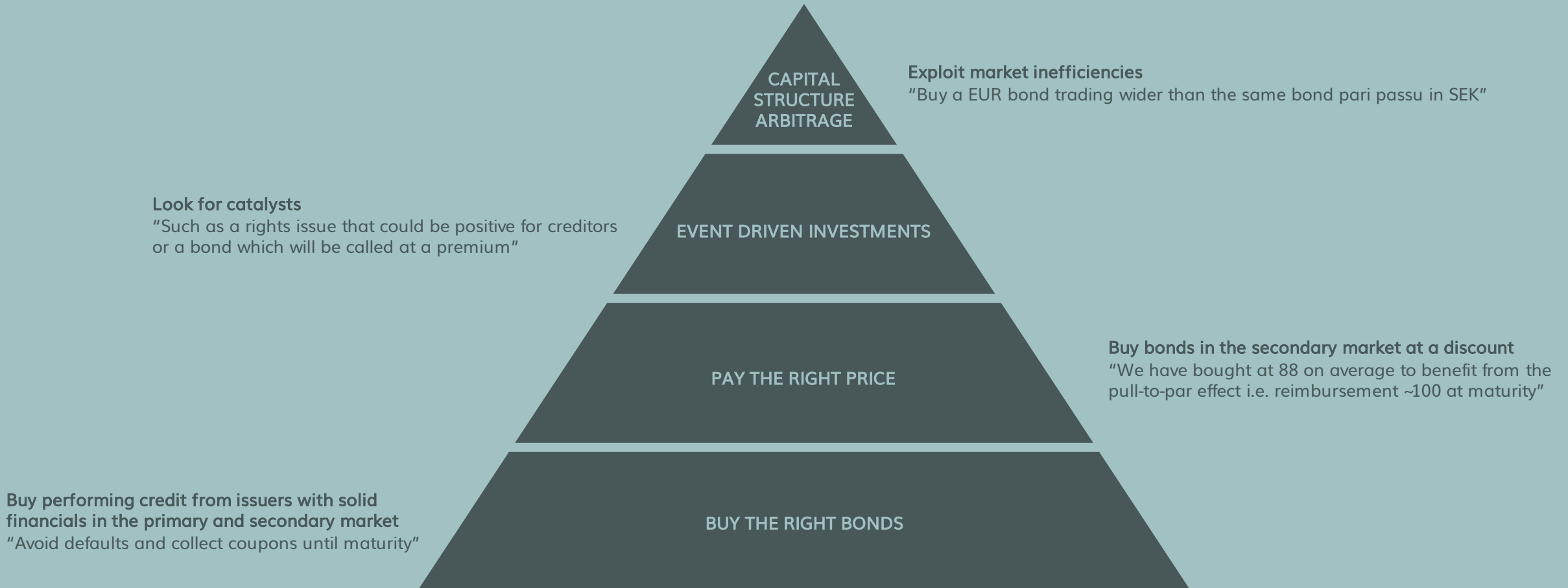


Most of our bonds yield low teens without leverage

Portfolio maturity dispersion



3.2 years weighted average bond lifespan of our portfolio



# How do we make money? 2(3)

## OUR TYPICAL TRADES



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### NOBA Buy the right bonds and collect coupons

Annualized IRR<sup>1</sup>= 10%  
if we hold it to maturity



### storskogen Pay the right price

Annualized IRR=65%



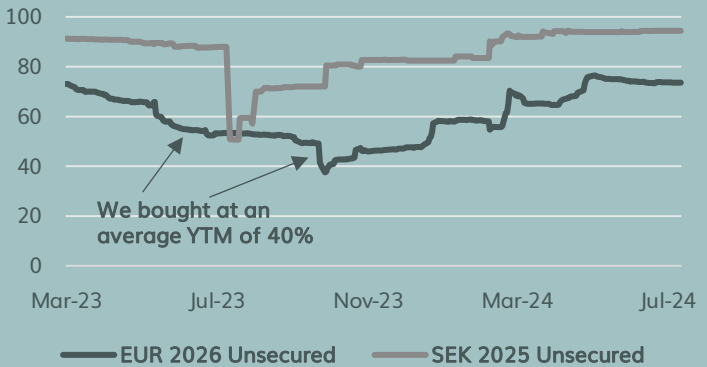
### Event driven investments

Annualized IRR=83%



### Heimstaden Capital structure arbitrage

Unjustified wider spreads on EUR bonds



Sources:  
1. Annualized IRR is the internal rate of return on an annual basis



**We avoid highly leveraged<sup>1</sup> companies**

- We had no conviction on their ability to deleverage
- Their appetite for high leverage meant too much risk in our view
- They defaulted in July 2023

**KVALITENA**

**We avoid companies with liquidity uncertainty risks**

- The company could not support the coupon payments with just the cash flow they generated <sup>2</sup>
- Volatile real estate prices and low transaction volumes provided a challenge to free up liquidity
- The balance sheet raised a lot of question marks

**Caybon.**

**We avoid companies with weak cash flows**

- Caybon struggled with profitability from 2022 due to increased costs and weaker demand
- Cash flows became increasingly negative and became a threat to bondholders

**sunborn**

**We avoid companies with vulnerable business models**

- Sunborn experienced weak demand after Covid
- The company was unprepared for the high-interest rate environment
- They had a history of credit trouble with written procedures

Sources:

1. Leverage is defined as Net debt/Rolling 12-months EBITDA and measures the ability to pay back debt
2. The Interest Coverage Ratio was below 1.0x for an extended period



**STEP 1. INVESTMENT UNIVERSE >700 BONDS**

- Bonds with Nordic HY documentation from primary and secondary market
- Screened and sourced from our network and 15 banks & brokers e.g. Nordea, Swedbank, Danske Bank, SEB, DNB, Pareto, Arctic, Carnegie, ABG, Gottex

**STEP 2. WE EXCLUDE 600 BONDS**

- No fragile business models with weak management, high EV valuations, dependent on exogenous factors, e.g. commodities
- No sector with high default rates (i.e. oil & gas)
- Bonds which don't fulfil our ESG criteria and our article 8 classification

**STEP 3. WE PRE-SELECT 100 BONDS**

- Deep fundamental analysis, focus on cash flow generation and solid financial health
- Favor companies owned by families, entrepreneurs, private equity/sponsors
- Input from our proprietary network "Friends of Ridge Capital" is key

**STEP 4. WE CREATE A WATCHLIST OF ~75 BONDS**

- A bond enters our "watchlist" when we see an interest to invest in it, but when its price trades too high

**STEP 5. FINAL PORTFOLIO OF ~50 BONDS**

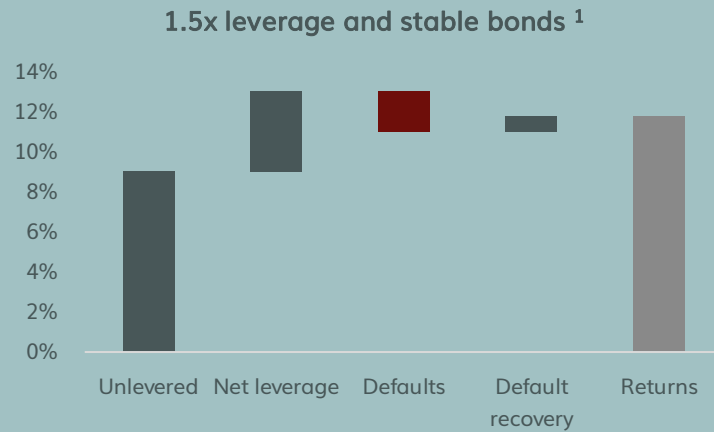
- We choose the best price/value against our watch list
- We monitor the portfolio's risk metrics daily

To reach our annual return target base rate + >7% net

# COUNTER-INTUITIVELY, LEVERAGE HELPS TO REDUCE CREDIT RISK

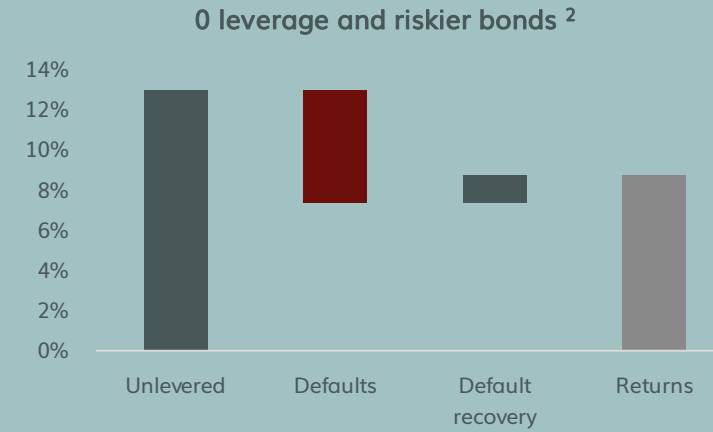


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**Levered example portfolio can reach target return without excessive credit risk**

- Less credit risk
- Lower defaults
- Higher default recovery



**Unlevered example portfolio requires higher credit risk to achieve return target**

- High credit risk and junior debt in the capital structure implies:
  - Higher default rate, on average 24% for subordinated debt
  - Lower recovery rate

**Sources:**

1. Assuming 2.0% default rate from Portfolio managers track record, 150% leverage and the recovery rate is based on the recovery rate for global unsecured and secured bonds from Moody's  
2. Assuming Moody's average forecasted base and bear default rate for Euro HY in H1 2024. The default recovery rate is based on the historical recovery rate for global unsecured bonds from Moody's

# *Fee* STRUCTURE

*We raised more than*  
**1/3 OF THE FUNDS' MAXIMUM CAPACITY**



Share class	FO	P2	P1
Currencies	SEK, EUR, USD or NOK (also prepared for CHF, GBP, DKK)		
Management fee	0.60%, 0.40% once total AUM >1b SEK (~90m EUR)	0.75%	1.25%
Performance fee	20% above Hurdle with collective high-water mark. Reduced to 15% once total AUM >1b SEK (~90m EUR)	20% above Hurdle with collective high-water mark	
Hurdle	3%, no catch up		
Transaction fee	No buy/sell or transaction fee. No swing-pricing		
NAV	Monthly. Valuation last business day of the month		
Dividends	Electable (~1/2 of quarterly performance, paid out quarterly)		
Subscription	Monthly, T-1 valuation day 5 pm CET, liquidity date T+5		
Redemption	Monthly, 30 days' notice before NAV and subject to 2-year lock-up	Monthly, 30 business days' notice	
Minimum investment	SEK 100,000,000 (EUR ~10m) <sup>1</sup>	SEK 10,000,000 (EUR ~1m) <sup>1</sup>	SEK 1,250,000 (EUR ~0.1m)
# Investors	5	>50	
Max capacity	SEK 2,500,000,000 – 3,000,000,000 (EUR ~250-300m)		



Subscription through  
**THESE PLATFORMS**



Banks



Insurers and fund platforms



Multi family offices



Performance  
PER SHARE CLASS



ISIN	Share class	Jul-24 (%/NAV)	YTD 2024	Last 3M	Last 6M	Last 12M
<b><u>Anchor investors</u></b>						
LU2559357392	FO SEK Acc	2.48% 127.6	12.96%	5.33%	10.93%	22.96%
LU2559357046	FO EUR Acc	2.44% 123.8	12.85%	5.36%	10.84%	23.01%
LU2812394653	FO NOK Acc*	2.56% 105.5	5.50%	5.50%	N.A	N.A
<b><u>Accumulating</u></b>						
LU2559356824	P1 SEK Acc	2.43% 126.1	12.62%	5.19%	10.64%	22.32%
LU2559358101	P2 SEK Acc	2.47% 127.4	12.88%	5.29%	10.86%	22.81%
LU2559358010	P2 EUR Acc	2.43% 118.6	12.10%	4.96%	10.39%	N.A
<b><u>Distributing</u></b>						
LU2559358523	P2 EUR Dis**	0.3%** 112.8	4.93%	3.57%	5.68%	12.02%
LU2559357988	P2 SEK Dis**	0.3%** 114.3	5.08%	3.61%	5.75%	12.06%

NAV was 100.00 for each share class at inception

\* The share class was started in April 2024

\*\* Distributive share classes distribute half of the total quarterly performance

Share classes are available in USD, NOK, CHF, DKK, GBP in accumulating "Acc" and distributing "Dis"

# *Thank* YOU

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# APPENDIX



## APPENDIX

### 1. WE EXCLUDE

- Oil & gas, tobacco, adult entertainment

### 2. WE LIMIT

- Coal, alcohol, gambling and weapons are limited to maximum 5% of a company's revenue

### 3. WE RATE

- All companies we invest in, have to answer an ESG questionnaire with 20+ questions
- We award points regarding their current performance and roadmap
- There are four ESG ratings in our proprietary system:  
unsatisfactory, light green, green and dark green

### 4. WE ANALYSE

- We do a deep qualitative analysis of the strengths and weaknesses on each case we study
- We consider the material aspects of the sector the company operates in

Signatory of:





APPENDIX

**General Industry**

Please list the industry's three biggest sustainability (ESG) related challenges and briefly describe the process for identifying these challenges

Does the company have a Science Based Target, report to the CDP or engage in any similar sustainability initiatives?

Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?

**Environment**

Please list the firm's three primary risks related to climate change and if any, the firm's climate related opportunities

Does the firm anticipate any climate related investments, and if so to what extent?

Circular Economy: how are purchases and waste managed? If the firm rely on any scarce resources, please describe what efforts are made to mitigate the risk of those resources becoming scarcer in the future, e.g., recycling, reusing substitutes or improved resource efficiency

Transition related risks (for example changed customer preferences or legislation): Do you anticipate any risks or opportunities due to the transition to a carbon neutral society? Is there any risk of the firm's offer being negatively affected? If yes, how has the firm positioned itself to handle that risk?

Please disclose your Scope 1, 2 & 3 GHG emissions. If not available, do you have a time plan for when to start reporting?

Have you set a target to become carbon neutral? If so, how have you defined carbon neutrality?

Please list the firm's primary means of making a positive environmental impact or minimizing negative environmental impact

Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?

**Social**

Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?

If applicable, please state your targets for gender and cultural equality and indicate the relative split of men/women at every level of the firm, particularly the Board of Directors and management team

Does the company conduct any other community engagement activities aside from those directly connected to the business?

How often does the firm conduct audits of its suppliers, and how often do you discover incidents not compliant with your code of conduct?

**Governance**

Do all staff members receive continuing education on anti corruption? Is there an external whistle blower function? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?

Please state the firm's business tax residence (i.e., where the firm pays tax) and explain why that specific tax residence was chosen

How many independent members sits on the Board of Directors?

Please state if and to what extent, the company has transactions with related parties


Which KPIs dictate the remuneration to management (are sustainability and diversity goals included)?

Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. In your response, please confirm what KPIs are monitored (if any) and how frequently reporting is undertaken

Have you signed an Union agreement?



APPENDIX

	UCITS	 RIDGE CAPITAL
> 100% of cash is invested	X	✓
Monthly redemption. No liquidity risk leading to a frozen fund	X	✓
Don't just buy primary bonds & hold them until maturity	X	✓
Focus portfolio <150 bonds	X	✓
Low management fees	X	✓
Pure HY exposure, no large IG pocket	X	✓
Hedging allowed to protect portfolio	X	✓
Capacity to handle debt to equity swap	X	✓
Hard close when fund reaches 1% of Nordic HY market to protect performance	X	✓
Team 100% dedicated to managing one fund	X	✓
Exclusion of fossil fuel	X	✓

**Example 1 with an existing UCITS fund**

**Weak returns, lack of diversification**

- 5 years annualized net return 0.84%
- Sweden exposure 90%
- Real estate exposure 40%
- Financials exposure 46%
- Fixed rates exposure 37%
- Volatility 4.5%
- IG exposure 52%
- Buy & hold

**Example 2 with an existing UCITS fund**

**Weak returns, invests 30% on non-HY bonds**

- 5 years annualized net return 2%
- Cash exposure 17%
- IG exposure 12.4%
- Buy & Hold



APPENDIX

**NO SKIN IN THE GAME**

- Many managers have no significant capital invested into their own fund

**BUY & HOLD MANAGERS**

- Most AIFs mainly buy primary bonds and hold them until maturity
- They do not look for portfolio optimization

**COMPLEX FUND STRUCTURES**

- Some AIFs have umbrella structures, which are complex and costly
- Given the low asset amount in each fund, their Total Expense Ratio (TER) is often high

**TIME-TO-MARKET: 1 TO 5 DAYS INSTEAD OF 1 TO 5 HOURS**

- AIFs miss market opportunities because of a too rigorous private debt fund Investment Committee “IC” format
- This forces the portfolio managers to provide recommendations days in advance to their IC before then can invest/divest
- IC members rarely have enough corporate bond investing experience

**TOO MUCH RISKS IN THE PORTFOLIO**

- Buy & hold strategies take too much risk chasing high single digit returns
- Many build portfolios with high unlevered YTM, high real estate exposure (>30%), derivatives, mezzanine loans, convertible bonds, equity kickers, direct lending/private debt underwriting





APPENDIX

**PRIVATE DEBT ATTRACTIVENESS BECAUSE OF ITS HIGHER YIELD HAS MOSTLY VANISHED**

- During Zero Interest Rate Policy, "ZIRP": you could get significant yield pickup, compared to public credit
- Since "ZIRP" is over: you get similar yields on both asset classes <sup>1</sup>

**YOU HAVE TO SACRIFICE LIQUIDITY FOR MANY YEARS**

- Private debt funds have up to 10 years lock-up period

**PRIVATE DEBT HAS HIGHER RISK**

- A typical private debt fund has 10-20 holdings
- Every default has a significant negative impact on performance

**SIZE OF ASSETS UNDER MANAGEMENT IS AN ISSUE**

- It's challenging to source enough deals if assets under management are too high
- It's difficult to get access to deals with low assets under management

Source:

1. JP Morgan capital markets outlook as of September 2022



APPENDIX

**BANKS' DISCRETIONARY & ADVISORY TEAMS ARE NOT 100% FOCUSED ON HIGH YIELD**

- Rarely HY experts only
- Have many investments to track
- Mainly buy bonds on the primary market and hold them until maturity
- Not good at sourcing liquidity at the right price when they invest
- Are too large. Move the market with inflows/outflows/redemptions

**"DO IT YOURSELF" SUCH AS SMALL INSTITUTIONS AND FOUNDATIONS ARE OFTEN SHORT STAFFED**

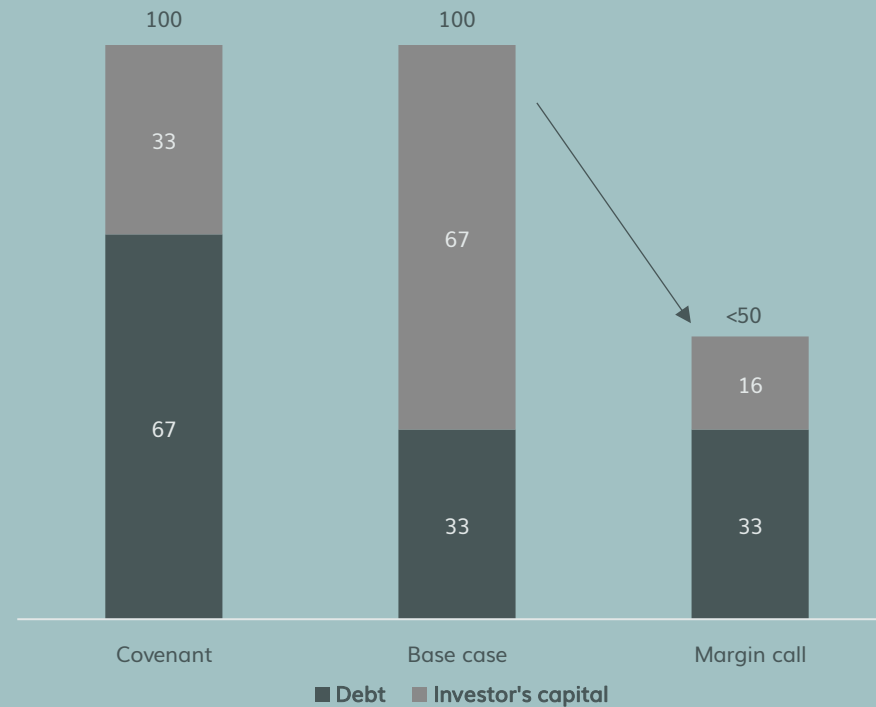
- Mainly buy bonds on the primary market and hold them until maturity
- They don't optimize their portfolio
- Their goal is often limited to getting back the nominal with interest
- Don't have time to do credit analysis and follow each bond's life
- They multiply risks of default situations and bond picking accidents

# Our portfolio can absorb a significant drawdown (~50%) BEFORE HITTING A MARGIN CALL



## APPENDIX

Example of a hypothetical 50% drop in Nordic HY with  
33% margin requirement<sup>1</sup> and 150% exposure



*Worst HY market drops / drawdowns*  
-23% in 2020 for Nordic HY  
-33% in 2008 for Euro HY

**Disclaimer:**

1. Be aware that these are examples. Margin levels as well as exposure can both increase and decrease. Past performance is not a guarantee of future results. You may lose part of or the entirety of your investment. Nothing contained in this presentation constitutes investment, legal, or other advice, nor is it to be relied on in making an investment or other decision. The purpose of the contents in this presentation is purely to serve as information



## APPENDIX

### What is a corporate bond?

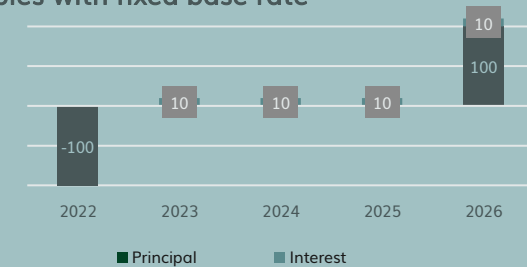
- A corporate bond is like a loan, but instead of the borrower (e.g., a corporation) borrowing from a bank, the corporate borrows from multiple investors
- The bond is listed on an exchange and investors may sell or buy the bond, just like with a stock, although the market is less transparent
- Bonds trade in %, i.e., 100% (known as "PAR") is the price corresponding to the amount that the company borrows, and subsequently need to repay at the bond's maturity (also known as the principal or face value)
- The bond pays interest, a coupon, to its bondholders (e.g., quarterly or semi-annually)
- The coupon can be fixed, e.g., 5%, or floating, e.g., 3-month Stibor + 3%. With Stibor at 2%, the company in both cases pays 5%

### How do you make money on bonds?

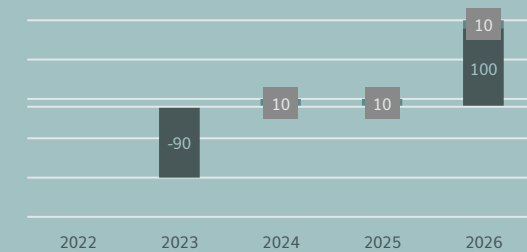
- A bond bought at issue at price 100 and held until maturity, will earn the interest coupon in return
- Why can the bond price change during the bond's lifetime?
  - If a company's credit risk improves, such that investors see less risk of default, then investors will require a lower return (yield), and hence the price of the bond goes up. If the credit risk increases, investors require higher yield, and hence price of the bond goes down. I.e., bond price and yield have an inverse relationship
- Investors can therefore make an extra profit if they buy a bond at a discount (e.g., below 100%), as it will then receive higher yield than the interest coupon, plus be repaid at face value (100), if the company does not default

### Different bond return examples with fixed base rate

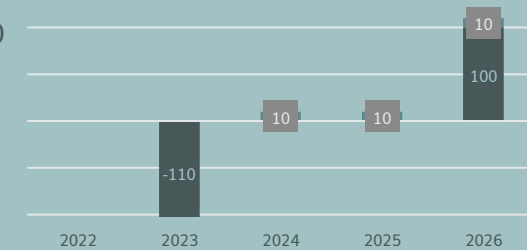
- Buy at issue, at price 100
- Coupon 10% every year
- Repaid at maturity 2026
- Annual return or Yield to Maturity: 10%



- Buy after 1 year, price 90
- Coupon 10% (cash yield 11%)
- Repaid at maturity 2026
- Annual return: 14%



- Buy after 1 year, price 110
- Coupon 10% (cash yield 9%)
- Repaid at maturity 2026
- Annual return: 6%



Our investment universe is focused on  
**BB+ TO B- RATINGS OR EQUIVALENT**



APPENDIX

Moody's	S&P	Fitch
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-
Ba1	BB+	BB+
Ba2	BB	BB
Ba3	BB-	BB-
B1	B+	B+
B2	B	B
B3	B-	B-
Caa1	CCC+	CCC
Caa2	CCC	
Caa3	CCC-	
Ca	CC	CC
	C	C
	C	C
C	SD/D	RD/D

Investment grade "IG"

Ridge Capital's primary investment universe: Performing credit

High Yield

Distressed

- In the Nordic HY market it is not common for issuers to obtain a corporate rating by any of the major ratings firms: S&P, Moody's or Fitch
- Occasionally the Nordic rating agency, Nordic Credit Rating, provides a rating
- Ridge Capital does not give any significant weight in its investment decision to rating, but rather performs our own assessment of the credit quality
- We expect our portfolio holding to primarily in the BB to B area, with an overweight in B



APPENDIX

**Risks**

- Market risk, equity market risk, interest rate risk, geographic regional risk, foreign exchange risk, credit risk, risk relating to active management, risks related to securities lending and repurchase and reverse repurchase transactions, risks related to the use of financial derivative instruments, risks relating specifically to investments in other funds, covered bond risk, inflation risk, risk and liquidity management, leverage, risks typically associated with unusual market conditions, counterparty risk, liquidity risk, operational risk, custody risks, default risk
- In addition to the above specific risk factors, please consider the general section entitled "risk factors" in the prospectus

**Summary of investors' rights:**

- Funds Avenue S.A. may decide to terminate the arrangements made for the marketing of the Fund in all or a particular country
- A summary of the investors' rights is available in English on the AIFM's website <https://fundsavenue.com/>

**Other information:**

- The fees and charges paid by the Fund will reduce the return on your investment. Certain costs paid by the Fund will be charged in SEK and exchange rate fluctuations may cause these costs to increase or decrease when converted if your local currency is other than SEK
- Past performance is not a guarantee of future results. You may lose part of or the entirety of your investment. Nothing contained in this presentation constitutes investment, legal, or other advice, nor is it to be relied on in making an investment or other decision. The purpose of the contents in this presentation is purely to serve as information



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