

Ridge Capital Northern Yield
Portfolio Update
March 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 March 31st, 2024

<p>+2.6% net of fees in March</p> <p>+18% net of fees Last 12 months*</p>	<p>Since start / 12 months</p> <p>Volatility 3.6% / 3.1%</p> <p>Sharpe ratio 3.1 / 4.4**</p>	<p>37 issuers</p> <p>51 bonds</p>	<p>Unlevered gross YTM 14.0%</p> <p>Levered gross YTM 18.6%</p>	<p>Duration: 0.5 years</p> <p>Credit duration: 2.8 years</p> <p>Floating rates: 72%</p> <p>Fixed rates: 28%</p>	<p>AuM EUR 80m</p>
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Main features
Nordic High Yield "HY" bonds
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 and portfolio optimization. Our investment style is not only primary market "buy & hold"
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



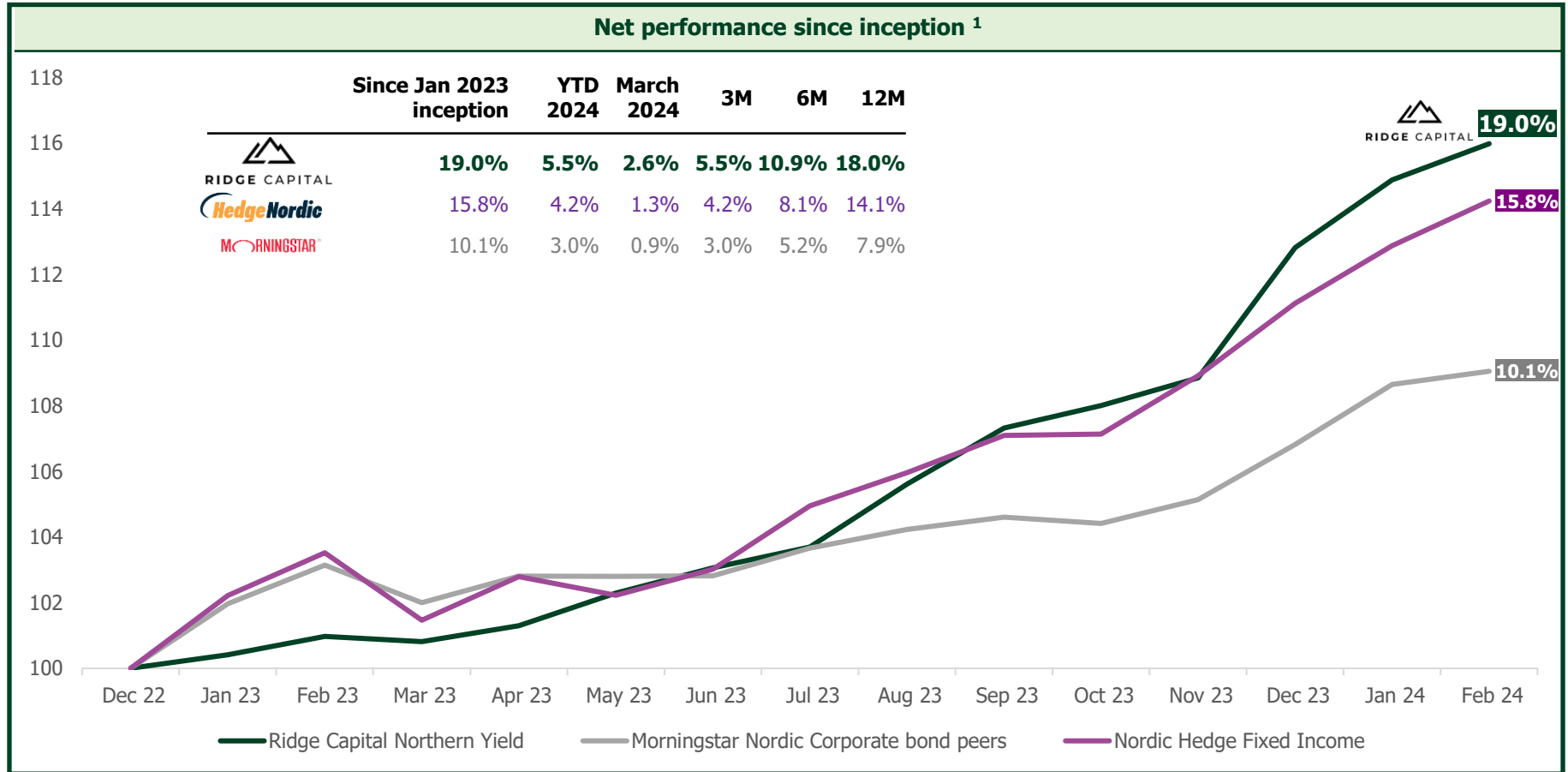
Signatory of:



* 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

Risk appetite grows. Spreads narrow, ahead of more primaries

We're pleased to share a robust performance for the first quarter, with a gain of +5.5%, bringing our trailing twelve-month performance to +18%. This achievement underscores our consistent growth and our ability to outperform both our peers and other asset classes such as the equity markets, e.g. the Swedish OMXS30 index, which experienced a gain of +13% during the last 12 months.

The Nordic HY market continues to demonstrate its resilience, with spreads tightening further. Currently, Nordic HY spreads stand at ~500bps, presenting an attractive pick-up compared to the European Itraxx, which hovers around ~300bps. Despite the tightening spreads, the Nordic HY market remains favorable, offering compelling opportunities compared to the more liquid European HY market.

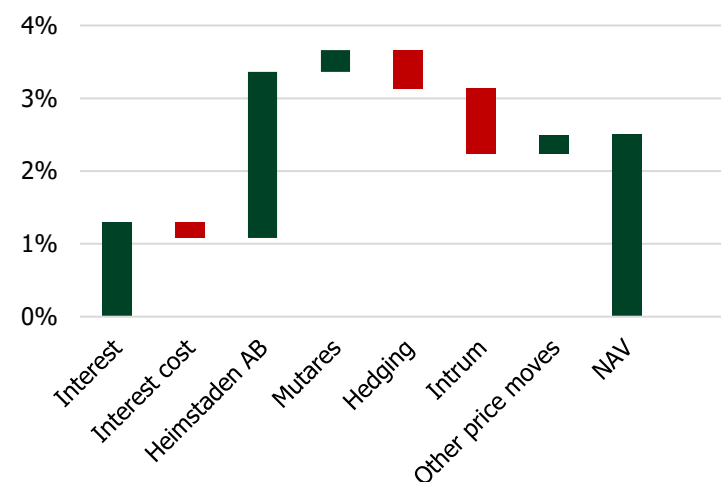
March witnessed renewed activity in Nordic HY primary markets as issuers seized favorable market conditions. Notably, primary deals debuted at lower pricing than anticipated, influenced by a 4.1 billion SEK inflow to Nordic high-yield funds year-to-date, indicating robust investor appetite for bonds.

Intrum garnered significant attention in March following their decision to engage advisers Houlihan Lokey and Milbank, coupled with a credit rating downgrade by the S&P. While Intrum's bonds experienced a temporary decline of up to -20%, they have recovered to a milder ~-13% drop since the end of February. Should a full restructuring occur, bondholders may stand to benefit, especially considering current trading levels in relation to the value of the service business and outstanding loan portfolio. However, it's essential to acknowledge the potential timeline for recovery, as it will take many years to collect the loans if not sold immediately.

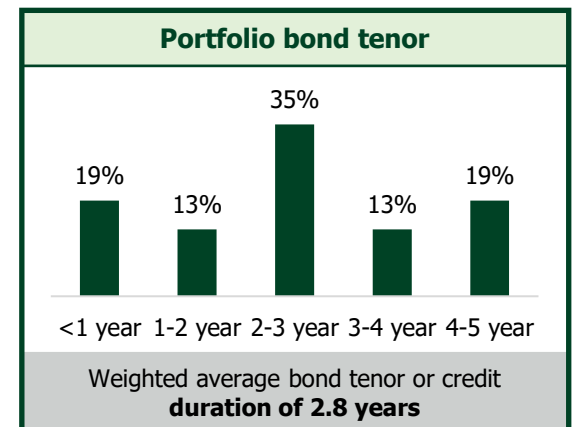
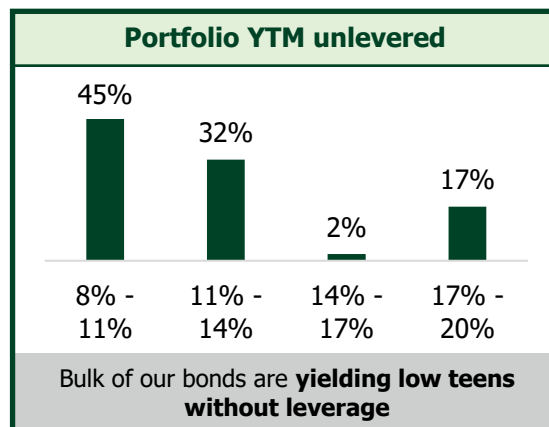
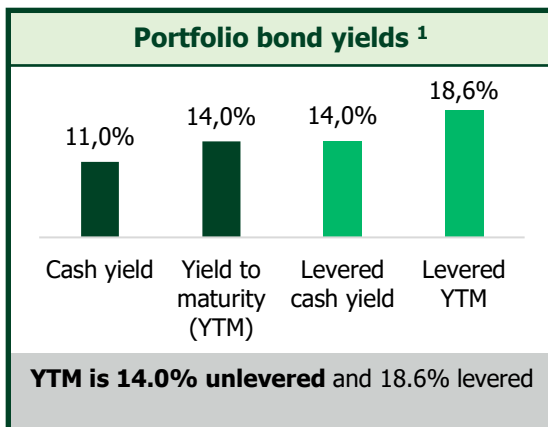
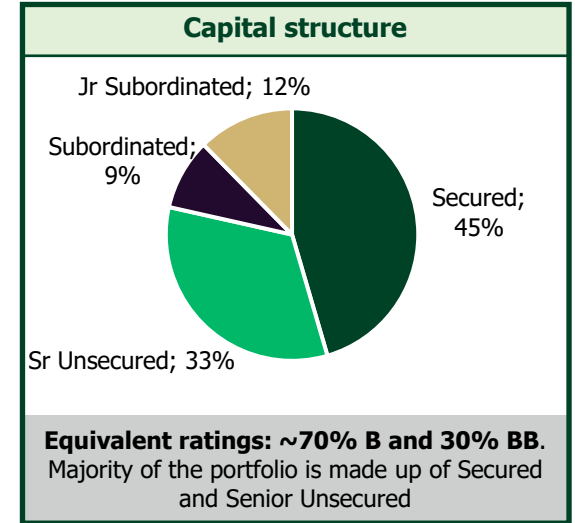
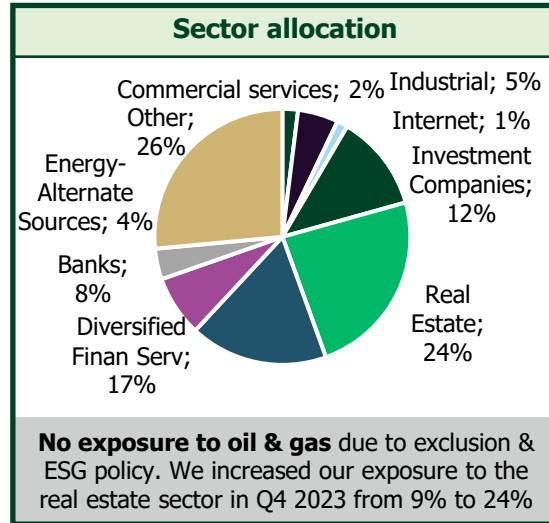
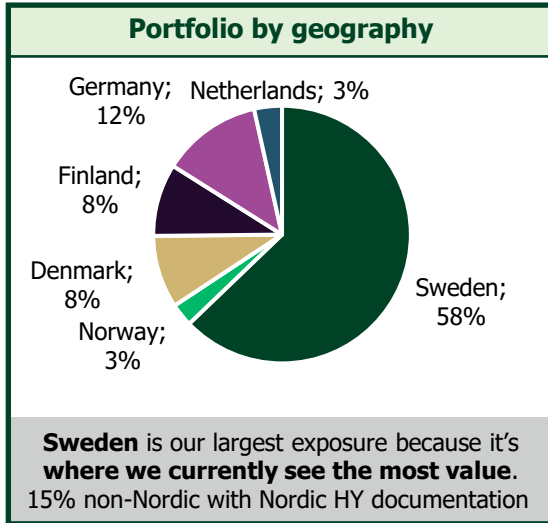
Heimstaden AB emerged as a top performer for the month, with senior unsecured bonds rallying by +17% and hybrids by +36%, showcasing confidence in their asset sales strategy. Our interaction with top management at a recent conference provided insights into their strategic approach, emphasizing efforts toward a significant privatization scheme. We will continue to monitor the company closely as any hick-ups to the privatization scheme leave no other option than a rights issue, if the company want to protect its credit rating.

While maintaining a positive outlook for the investment climate ahead, we've prudently acquired put options on the iTraxx during Q1 2024 to hedge our portfolio against potential market downturns. These options provide valuable insurance at minimal cost relative to potential payouts in volatile market conditions, ensuring prudent risk management practices.

Major NAV impact for the month (%)



Portfolio breakdown as of March 31st, 2024



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

Share classes performance overview

ISIN	Share class	Mar-24 (NAV/%)	YTD 2024	Last 3M	Last 6M	Last 12M
Founders / anchors						
LU2559357392	FO SEK Acc	119.2 2.60%	5.48%	5.48%	10.92%	18.16%
LU2559357046	FO EUR Acc	115.6 2.57%	5.39%	5.39%	10.92%	N.A.
Accumulating						
LU2559356824	P1 SEK Acc	117.94 2.55%	5.35%	5.35%	10.64%	17.63%
LU2559358101	P2 SEK Acc	118.97 2.57%	5.45%	5.45%	10.85%	18.01%
LU2559358010	P2 EUR Acc	111.23 2.53%	5.10%	5.10%	9.37%	N.A.
Distributing						
LU2559358523	P2 EUR Dis*	110.45 2.57%	2.78%	2.78%	5.86%	N.A.
LU2559357988	P2 SEK Dis*	111.90 2.57%	2.90%	2.90%	6.03%	11.45%

* Share classes distribute half of the 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 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:

