

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

Assets under management EUR 104m	+1.7% net of fees in May +20.2% net of fees Last 12 months*	Volatility 3.7% 3.2% Sharpe ratio 3.3 5.1** Since start 12 months	41 issuers 55 bonds	Unlevered gross YTM 13.0% Levered gross YTM 16.5%	Duration: 0.5 years Credit duration: 3.2 years Floating rates: 78% Fixed rates: 22%
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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/companies
- 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:

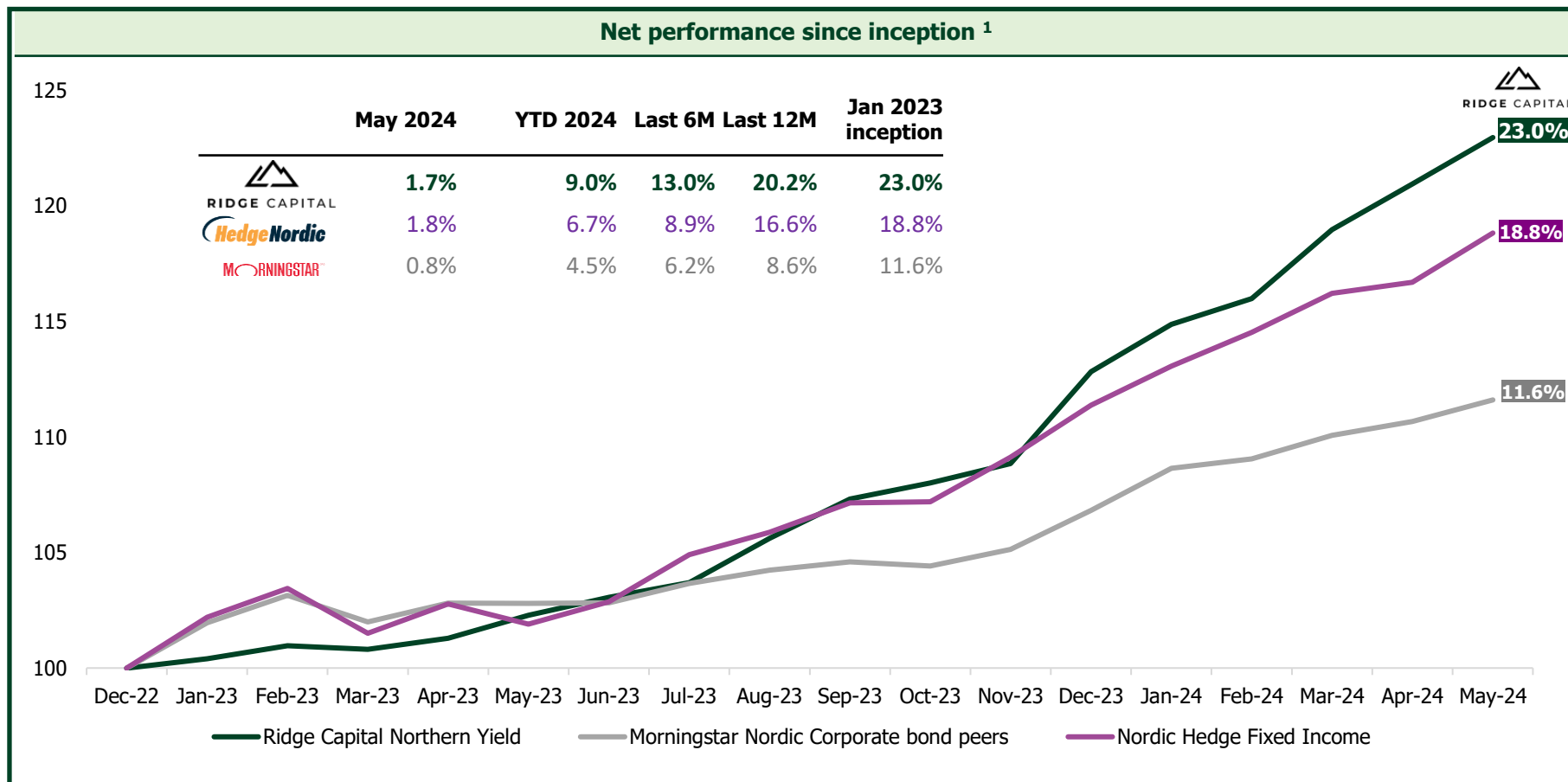


* Ridge Capital Northern Yield P2 SEK acc (also available in EUR, USD, CHF and NOK).

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

May was another solid month

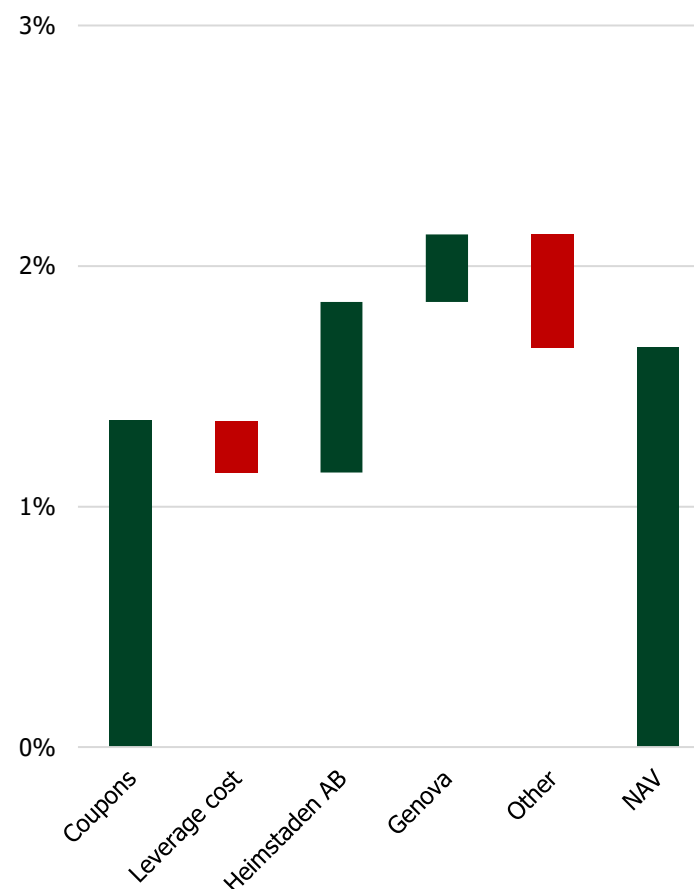
Returns in global credit markets were positive, with US and EUR high yield “HY” bond indices up around 1% for the month. The drivers were mixed: in the US, gains were due to lower interest rates, while spread returns were minimal. In the EUR market, rising long-term interest rates were offset by significantly tightened spreads. Such divergence between US and European markets is rare. However, markets have aggressively priced in near-term rate cuts by the ECB (was decreased by 25 basis points “bps” beginning of June), and recent eurozone data has increased uncertainty about further ECB rate cuts after this June cut.

The Nordic HY market in general performed well in May, with total returns of 0.9%, slightly above average in the current interest rate environment. Sector performance varied: financials lagged with a 2.3% loss due to issuer-specific news, while real estate led with a 4.5% gain. Index spreads have tightened significantly over the past month, decreasing from 469 bps at the end of April to 430 bps at the end of May. The premium vs European HY is now short of 100 bps, coming down from 230 bps at the beginning of the year. Main driver is the rebound in the Swedish Real Estate sector, in which we have increased our exposure to, at the end of 2023.

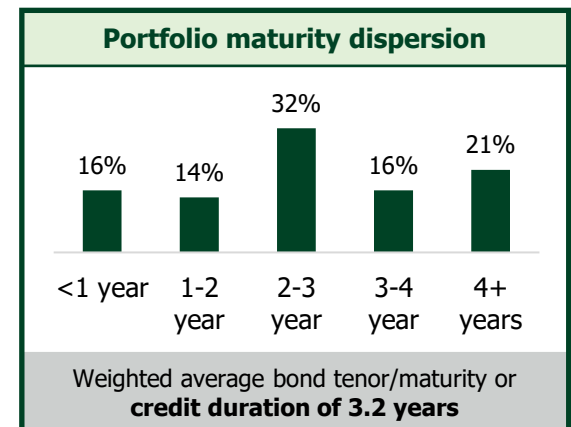
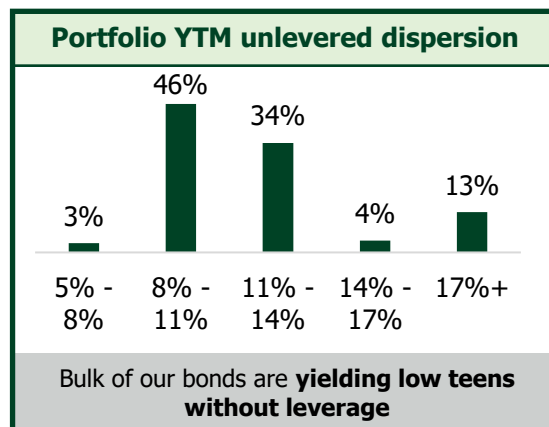
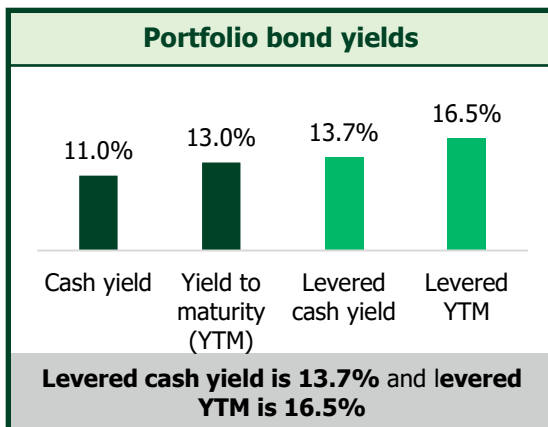
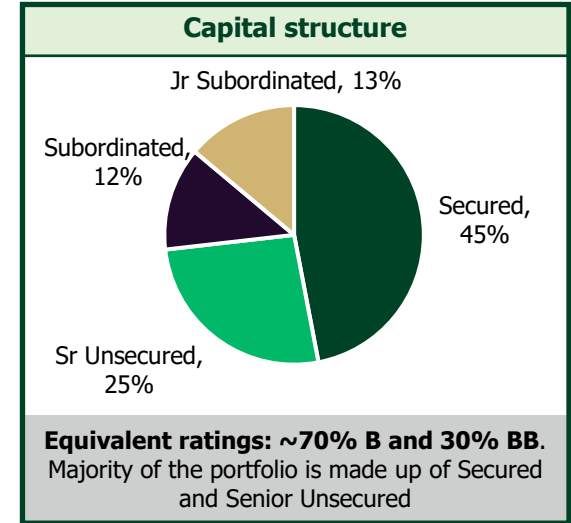
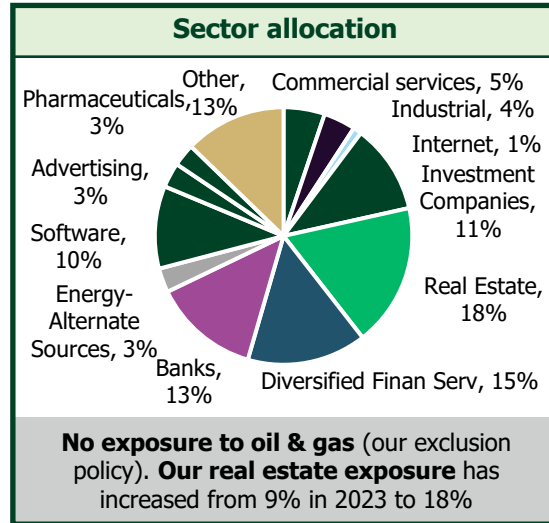
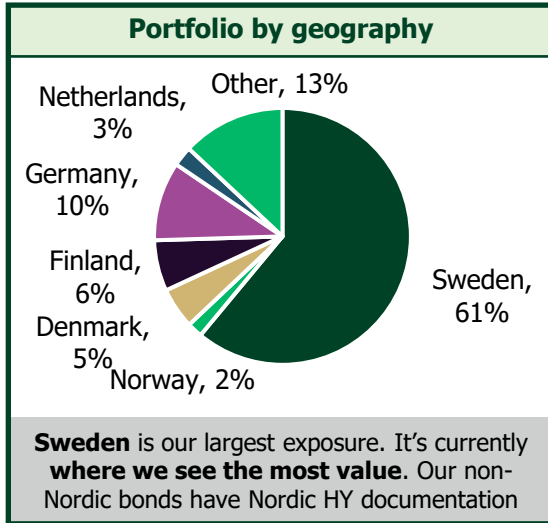
The primary market has been active with 23 deals, whereas 11 of them were new issues. Most deals were USD and SEK issues, and the total volume was approximately SEK 13b (EUR 1.1b).

In terms of portfolio changes, May was an active month. We have increased our exposure to the Nordic banking sector during the month, with new investments in e.g. Svea bank and Norion, who issued Tier 2 bonds. We added another new name to the portfolio with Axentia, that provides digital signage products for the public transportation sector. With regards to existing holdings, Heimstaden AB senior unsecured bonds continued to rise, providing a +0.7% NAV impact. Second best mover was the Genova convertible bond, following an ~+18% stock price increase during the month. The portfolio YTM is at ~17%, driven by the high underlying return on interest coupons (~14%).

Major NAV impact for the month (%)



Portfolio breakdown May 31st, 2024



YTM=Yield To Maturity
The levered YTM includes interest costs paid to our Prime Broker Goldman Sachs

Performance per share class

ISIN	Share class	May-24 (%/NAV)	YTD 2024	Last 3M	Last 6M	Last 12M
Anchor investors						
LU2559357392	FO SEK Acc	1.67% 123.2	9.04%	6.04%	13.03%	20.37%
LU2559357046	FO EUR Acc	1.72% 119.5	8.95%	6.04%	13.06%	N.A.
LU2812394653	FO NOK Acc	1.68% 101.7	1.68%	N.A	N.A	N.A
Accumulating						
LU2559356824	P1 SEK Acc	1.62% 121.8	8.80%	5.92%	12.74%	19.74%
LU2559358101	P2 SEK Acc	1.66% 122.9	8.98%	6.01%	12.96%	20.20%
LU2559358010	P2 EUR Acc	1.71% 115.0	8.63%	5.98%	11.46%	N.A.
Distributing						
LU2559358523	P2 EUR Dis*	2.16%* 111.2	3.51%	3.30%	7.13%	N.A.
LU2559357988	P2 SEK Dis*	2.18%* 112.7	3.63%	3.30%	7.42%	10.61%

* Distributive share classes distribute half of the total quarterly performance

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

NAV was 100.00 for each share class at inception

The team

Team in Stockholm



Christoffer Malmström
Lead Portfolio Manager & Co-founder
 MSc in Finance - Stockholm School of Economics
 +46 70 761 83 09 cm@ridgecap.se



Måns Levin
Portfolio Manager, CEO & Co-founder
 MSc in Finance - Stockholm School of Economics
 +46 73 262 90 00 ml@ridgecap.se



David-Anthony Carenc, Business Developer
 +46 70 262 46 59 dc@ridgecap.se



Carl Windmar, Junior Analyst
 +46 73 357 97 53 cw@ridgecap.se



Portfolio Analyst (to join in q3-2024)

Friends of Ridge Capital

- Company owners
- High-level executives
- Industry specialists
- Legal experts
- Founders & partners at Private Equity, Hedge Fund, VC

Board of Directors Luxembourg SICAV-RAIF & GP

- Mikael Holmberg
- Kelly Anchenmann
- Luc Régent



Prime Broker



Audit



AIFM (Compliance, risk, portfolio management) & Custodian





RIDGE CAPITAL

Ridge Capital AB
(Investment advisor)
Storgatan 23A, 114 55, Stockholm, Sweden
www.ridgecap.se
<https://www.linkedin.com/company/ridgecap/>



Ridge Capital SCA SICAV-RAIF
(Umbrella fund)
5, Allée Scheffer
L-2520 Luxembourg
Luxembourg
info@ridgecap.se

Signatory of:

