



Finserve

# Nordic Factoring Fund

## Monthly commentary - April 2024

### Nordic Factoring Fund AB (publ) reports a return of 0.57% in april.

The fund's underlying performance aligns with expectations and the established risk level. Expected interest rate cuts are not anticipated to affect the fund's returns or its historically stable risk profile. Lower interest rates will also enhance the fund's competitiveness as other low-risk investments are expected to yield lower returns due to the forthcoming rate cuts.

The managers have meticulously analyzed sectors and individual counterparties to minimize risks and maintain a high repayment capacity and low volatility. The fund's underlying counterparties have an average rating of 'A', and the fund is protected against bankruptcies by credit insurance. The low insurance premium indicates that the insurance company finds the portfolio's composition satisfactory.

Investment in the Finserve Nordic Factoring Fund offers investors access to a well-diversified portfolio of over 250 counterparties with high credit ratings, representing an asset class that exhibits low correlation with other asset classes such as interest rates, equities, credits, currencies, and commodities.

**Forecasts:** The U.S. market displays resilience with persistent and slow-moving inflation, affecting interest rate expectations. Despite ongoing strong economic indicators and low unemployment in April, there remains uncertainty about the timing of a U.S. interest rate cut. Europe and Sweden continue to experience declining inflation, and rate cuts by the Riksbank and ECB are highly likely at their upcoming meetings in May and June respectively. However, challenges with the weakened krona in the first quarter might affect the Riksbank's decision-making process concerning rate cuts. The market consensus points to a likely cut on May 8, and it is widely anticipated that this will occur. The speed at which the Riksbank will act following the initial cut remains to be seen.

Lower interest rates will ease conditions for sectors and companies reliant on financing. Factoring is experiencing significant growth as banks and lending institutions become increasingly restrictive with credit offerings. Factoring allows many large and small companies to expand through more flexible lending options.

### IFRS 9

Reserves in the portfolio are very low. Nearly 100% of the fund's exposure is in category 1, and the security is backed by over 30,000 invoices pledged for the benefit of the fund. The invoices are rolled over every 30 to 90 days, with credit insurance both with and without recourse.

## Fund Manager



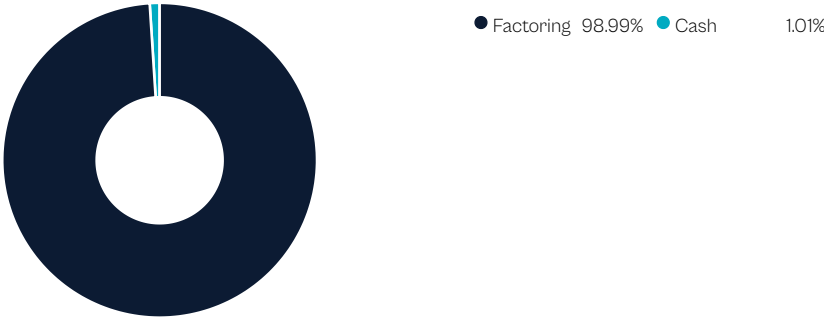
Andreas Konstantino has 10 years of experience in credit risk and lending. He has had credit risk reporting responsibility for a credit portfolio on 1,2 bn SEK, responsible for credit risk KRI monitoring, responsible for credit impairment and impairment analyzes at one

of Sweden's largest banks, Swedbank Swedish branch. Most recently comes from the role of independent valuation for Finserve Nordic AB.

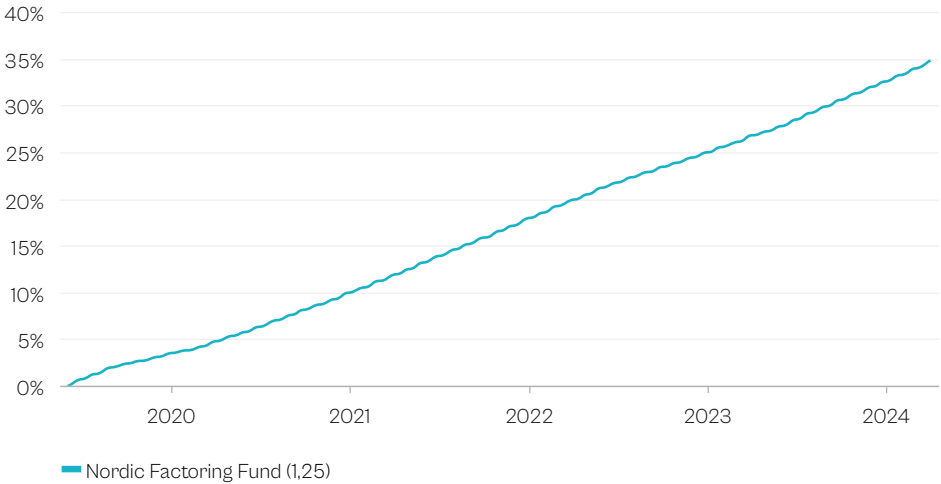
## Key Highlights

- Nordic Factoring Fund (NFF) was launched in June 2019
- NFF is an alternative investment fund, focusing on direct lending, with a return target of + 6% per year
- The target for the fund's risk, expressed as standard deviation, is below 1% annually.
- NFF shows low correlation with other asset classes
- Funds invested in the fund are lent to a pool of credit insured invoices
- The fund is placed in risk class 2 of 7 (SRRI)

Sector Exposure



Cumulative Monthly Returns\*



Performance Statistics\*

Last Month	Total Return Cumulative
0.57%	34.76%
Total Return Annualized	Winning Months (%)
6.37%	100.00%
Standard Deviation Monthly	Standard Deviation Annualized
0.09%	0.31%
Sharpe Ratio	
5.14	

General Information\*

Minimum Investment	125,000 EUR
Management Fee	1.25%
Targeted Return (annual)	6+ %
Risk (SRRI 1-7)	2
AUM (million)	132 EUR
Trade (Buy)	Monthly
Trade (Sell)	Quarterly
Portfolio Manager	Andreas Konstantino
ISIN	LU2553414561

Monthly Performance (%)\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	0.50	0.52	0.52	0.57									2.13
2023	0.42	0.46	0.40	0.58	0.31	0.48	0.55	0.54	0.58	0.53	0.52	0.48	6.01
2022	0.63	0.55	0.59	0.56	0.53	0.56	0.46	0.46	0.44	0.44	0.38	0.46	6.24
2021	0.65	0.50	0.59	0.57	0.62	0.58	0.61	0.59	0.55	0.57	0.57	0.55	7.18
2020	0.41	0.33	0.34	0.53	0.53	0.50	0.52	0.58	0.55	0.58	0.55	0.51	6.09
2019							0.71	0.62	0.67	0.31	0.32	0.37	3.04

*\*The above track record is based on the actual performance of the Nordic Factoring Fund (SEK) net of all fees and costs to investors. The fees are however adjusted to reflect what would be applicable to an insititutional share class applying a fee structure of 1.25% management fee.*

*Investing in mutual funds always involves a risk. The value of your investment can go up and down depending on factors affecting the market including interest rates. Historical returns are not an indicator of future returns. Investors may lose parts or the entire amount invested. For more information on risks, read more in the funds' KIID and prospectus.*