



Finserve Nordic AB

Nordic Factoring Fund LUX

Monthly commentary - November 2024

Nordic Factoring Fund AB (publ) reports a NAV price for November of 106.02, an increase of 0.54 percentage points compared to the previous month. This year's return amounts to 6.02% after fees to a volatility of 0.3%, leading to an annual Sharpe ratio of 12.43.

Investing in Finserve Nordic Factoring Fund gives investors access to a well-diversified portfolio of over 1000 credit counterparties with high credit ratings and an asset class that exhibits low correlation with other asset classes, such as fixed income, equities, traditional credits, currencies and commodities.

The portfolio consists of approximately 150,000 invoices issued to more than 1,000 companies with an average invoice amount of EUR 2,500.

In November, the risk level in the credit portfolio remained unchanged. The strategy has continuously been in line with the target return and shown low volatility since its inception, with no negative monthly returns.

No new investments were made during the period, but the management believes that the current portfolio composition is well positioned for future market developments during the current quarter and beyond.

We believe that there are still good prospects for an attractive risk-adjusted return with low volatility. The underlying counterparties in the portfolio have a credit rating of A on average, and the entire portfolio is credit insured, which protects investors against losses in the event of bankruptcy. The low insurance premium shows that the portfolio composition is considered satisfactory by the insurance company and reflects the quality of the underlying processes and counterparties.

Forecast

The U.S. economy is in a vague but dynamic phase. A strong dollar has strengthened purchasing power internationally and equity markets have shown robust performance, driven in part by positive growth expectations and increased investment following the recent presidential election. At the same time, there is a high level of uncertainty about policy initiatives, such as tariffs and other protectionist measures, which risk creating bottlenecks in trade flows and contributing to more volatile inflation developments. Inflation is a particular concern, as a too rapid rise could push the Federal Reserve to keep interest rates higher for longer than the market expects, which in turn could dampen growth.

In Europe, mainly Germany and France, economic development is weak. Industrial production and exports continue to suffer under global uncertainty, and the ECB faces difficult choices. Further cuts in interest rates to stimulate the economy are seen as a necessity, but the risk is that these measures will drive inflation, especially if energy prices or other basic commodities were to rise rapidly. In addition, geopolitical uncertainty, including the impact of US trade policy on EU export markets, weighs heavily on the outlook. The combination of low growth and weak consumer and business confidence makes the recovery uncertain in the short term.

The Swedish economy is at increased risk of a deepening recession, although the market expects some stabilisation and recovery in 2025. Core inflation rose in November, but is still below the Riksbank's target of 2%. This means that continued monetary policy stimulus in the form of interest rate cuts will probably be required to boost domestic demand. In the longer term, however, lower interest rates may reduce households' incentive to save and contribute to higher consumption, which could be an important driver of the recovery. GDP grew more than expected in the third quarter, however, at low levels. The assessment is currently that the Riksbank will cut the interest rate by 25 basis points on 19 December.

The fund's current strategy and portfolio positioning are prepared for a scenario of potential market uncertainty and rising credit spreads. By maintaining a diversified portfolio and choosing counterparties with high credit ratings and strong balance sheets, the fund is well-equipped to handle market stress

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.

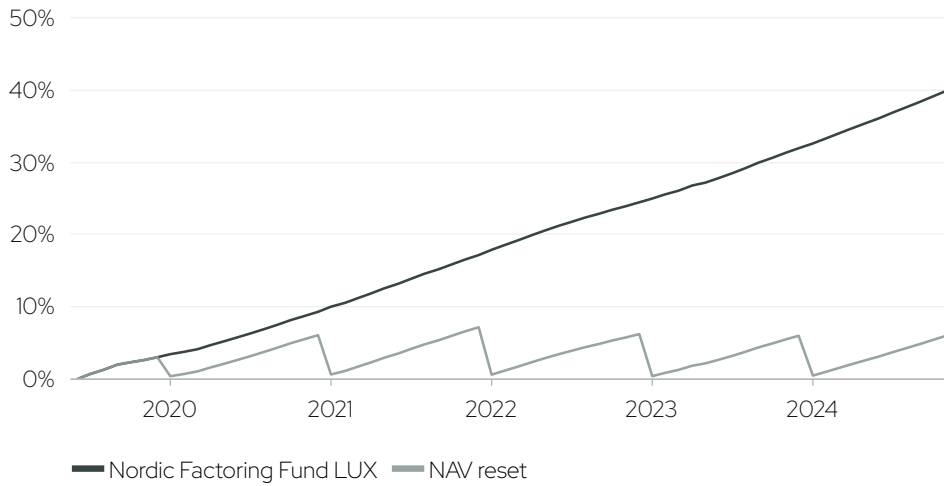
Key Highlights

- The fund offers an interesting alternative for exposure to the Nordic market for corporate loans through factoring
- NFF enters into factoring agreements with small and medium-sized business clients with payment terms of 30 to 60 days and a maximum of 120 days
- The portfolio is credit insured up to approximately 99%
- The fund aims to provide a return of more than 6 percent after fees, with low volatility
- The main risks in the fund are credit risk and liquidity risk. All risks are detailed in the fund documentation
- The correlation with traditional asset classes is expected to be low to nonexistent.

Sector Exposure



Cumulative Monthly Returns*



Performance Statistics*

Last Month	Total Return Cumulative
0.54%	39.89%
Total Return Annualized	Winning Months (%)
6.39%	100.00%
Standard Deviation Monthly	Standard Deviation Annualized
0.09%	0.30%
Sharpe Ratio (10Y T-Note)	
12.43	

General Information*

Minimum Investment	125,000 EUR
Management Fee	1.25%
Net Targeted Return (annual)	6+ %
Risk (SRRI 1-7)	2
AUM	79M EUR
Trade (Buy)	Monthly
Trade (Sell)	Quarterly
Portfolio Manager	Andreas Konstantino
ISIN	LU2553414561
Bloomberg Ticker	BBNFFL1 LX

Monthly Performance (%)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	0.50	0.52	0.52	0.57	0.50	0.49	0.60	0.51	0.52	0.59	0.54		6.02
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 track record above reflects the actual performance of the Nordic Factoring Fund (SEK), net of all fees and costs to investors, up to January 2024. Historical fees have been adjusted to represent the fee structure applicable to an institutional share class with a 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.