

Scandinavian Credit Fund I

Monthly commentary - October 2023

Scandinavian Credit Fund I AB (publ) reports a NAV price for October of 75.25. This is a decline of 3.78%. The decline is attributable to a write-down of a credit of approximately SEK 80 million. This is because a borrower has been moved from category 1 to category 2. The borrower was moved to category 2 due to a missed interest payment. It is not a realised loss but follows the IFRS9 model that the fund uses. The fund has an ongoing dialogue with the borrower.

The fund has not had any new lending during October, but a loan of SEK 0.1 million has been made to Idet Fjällby to finance the divestment that has now begun. A number of measures have been taken to improve the return on cash and cash equivalents. No divestment took place in October.

Pledged assets

All companies in which the Fund is a majority owner (Blue, Global Scanning and Scooper) had positive cash flows in October. We work closely with company management to develop the companies in terms of revenue with a focus on cash flow generation.

Global Scanning has a world market share of about 70% in industrial scanners. They recently launched a world-unique contactless scanner. The customer group is mainly art museums, which is a completely new customer group that is art-independent.

The fund also owns properties in Kopparberg, Norrtälje and in Björnrike, Idetfjällby | Fjällstugor in Björnrike/Vemdalen. In parallel with the refinement of the properties, we are working on divesting them.

Management strategy

The fund works actively to manage and refine its assets. Hans Westerberg is now chairman of the board of the three shareholdings. The common denominator for these companies is to reduce the cost base in order to achieve a lower break-even level and thus become less sensitive to loss of revenue.

Disbursement

The Fund receives many questions regarding when the next payment will be made. As previously communicated, it will take place in Q1 2024 at the earliest and the fund will return when it becomes relevant.

Payments are made via Euroclear as a repayment of capital. Therefore, no withholding tax is deducted. Taxation of the units is done according to current taxation rules.

Payment is made when the fund has accumulated enough cash to make the payment meaningful. This is because payments are associated with administrative work and costs.

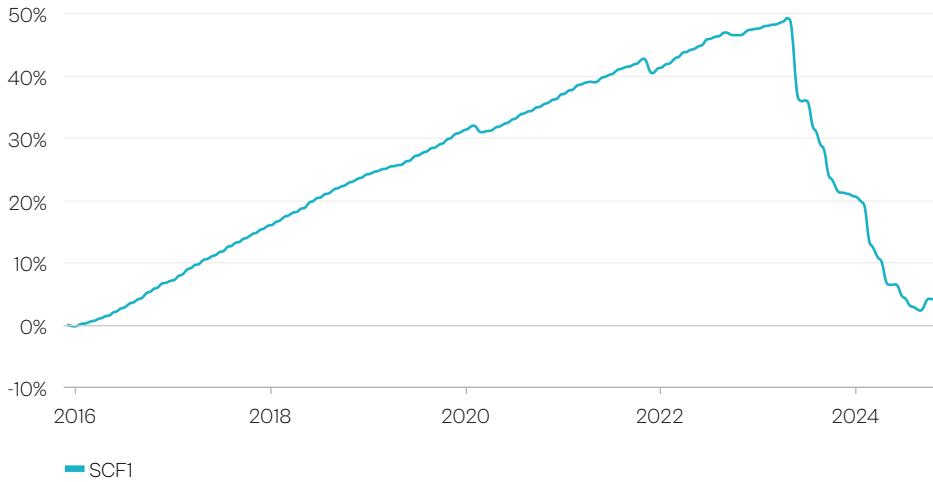
The reconciliation date for payments will in future be the same day as the monthly NAV is reconciled, i.e. the last day of the month. And published on the first working day of the month. The payment will be executed five working days later.

The payment is made pro rata to the Fund's unitholders. More information about the payment is communicated on the Fund's website: www.finserve.se/fonder/kredit-rantefonder/scandinavian-credit-fund-i/.

Fund Manager

Hans Westerberg is an accomplished financial analyst and strategist with over three decades of experience in the financial industry, predominantly in Sweden and the United Kingdom. Recognized for expertise in engineering analysis and equity research, with a focus on the Nordic region. Held positions as Head of Equity Research at Gotabanken and Chief Analyst at Danske Bank. Held multiple leadership positions at Swedbank, including Sector Head for Industrials Large Corporates and Head of ECM. Served as Head of Equities at Skandiabanken and Senior Investment Advisor at the British Embassy.

Cumulative Monthly Returns*



Performance Statistics*

Last Month	-0.09%	Total Return Cumulative	3.91%
Total Return Annualized	0.43%	Winning Months (%)	80.37%
Sharpe Ratio (10Y T-Note)	-0.79	Sortino Ratio	-0.81
Standard Deviation Monthly	1.34%	Standard Deviation Annualized	4.64%

General Information

Management Fee	1.60%
Risk (SRR1 1-7)	4
Portfolio Manager	Hans Westerberg

Monthly Performance (%)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	-0.52	-0.85	-5.63	-2.07	-3.50	-0.09	-1.96	-1.39	-0.56	1.67	-0.09		-14.16
2023	0.17	0.28	0.19	0.22	0.31	-8.54	-0.21	-3.40	-2.17	-3.78	-1.88	-0.16	-17.75
2022	0.52	0.48	0.66	0.64	0.36	0.34	0.78	0.27	0.50	-0.39	0.12	0.45	4.83
2021	0.60	0.48	0.53	0.43	0.02	0.49	0.40	0.48	0.36	0.35	0.49	-1.50	3.15
2020	0.51	0.54	-0.81	0.18	0.43	0.47	0.59	0.52	0.39	0.48	0.50	0.41	4.28
2019	0.52	0.31	0.42	0.36	0.11	0.57	0.57	0.53	0.50	0.44	0.71	0.59	5.77
2018	0.54	0.56	0.63	0.57	0.57	0.83	0.58	0.51	0.63	0.50	0.49	0.40	7.02
2017	0.43	0.84	0.80	0.69	0.67	0.59	0.64	0.73	0.59	0.60	0.61	0.66	8.13
2016	-0.25	0.37	0.31	0.44	0.50	0.68	0.65	0.78	0.61	0.88	0.77	0.72	6.64

* Fondens avkastning över tid är inte detsamma som dess NAV-kurs (nettovärde per andel). Fondens utbetalningsmetod har ändrats sedan man beslutat att börja avveckla och återbetala kapital till investerarna. Nu ändras inte antalet andelar i fonden i samband med utbetalningar, utan först när allt kapital är återbetalt. Varje utbetalning minskar fondens NAV-kurs direkt. Hur mycket den minskar beror på utbetalningens storlek i förhållande till fondens totala tillgångar (AuM). Om fonden till exempel har 100 miljoner kronor och betalar tillbaka 10 miljoner, skulle NAV-kursen minska med 10%.

Denna månads NAV: 63,33

Expected loss provisioning under IFRS 9

Category 1-3

	Loan amount (SEKm)	Market value collateral (SEKm)	Loan-to-value (%)	Reservations (SEKm)
Category 1	980,2	1759,9	55,69%	13
Category 2	622,1	524,3	118,7%	134,1
	Loan amount (SEKm)		Net exposure (SEKm)	Reservations (SEKm)
Category 3	444,3		150,1	294,2

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.