

Espiria Nordic Corporate Bond

With an investment strategy based on fundamental analysis and in-depth knowledge of the local markets, Espiria is proud to launch our new Nordic Corporate Bond fund. The fund provides access to the attractive Nordic corporate bond market, offering investors a dose of diversification and a lower overall risk profile which is healthy during periods of heightened economic uncertainty or prosperity.

Higher yields and wider spreads in a stable environment

The Nordic market features unique characteristics that offer excellent opportunities for fundamentals-based investors. Among other things, the region offers attractive spreads in a stable and diversified market, including high exposure to green bonds. The three main Nordic economies are all AAA-rated, which translates to low overall country risk. Nordic GDP growth is also steady and historically above the euro area average.

Nordic countries rank high globally in terms of digitalisation, innovation, and sustainability and they have generous automatic stabilisers in place such as welfare and unemployment benefits. The AA-rated Nordic banking sector is stable, safe, and profitable, featuring high returns driven by cost efficiency and low loan losses. This adds layers of security should companies face difficult economic headwinds. The use of floating-rate note bonds with coupons reset every three months is widespread in the Nordics, which further reduces interest rate risk and volatility.

Roughly three-quarters of companies that issue high-yield bonds in the Nordics are unrated. **Espiria has therefore developed a proprietary fundamental credit rating framework to assess credit quality on non-rated bonds.** This proprietary assessment provides an information advantage that can be used to create alpha. Nordic companies also have smaller bond issue sizes compared to their counterparts in the Eurozone and the US, offering an attractive investor spread premium and making it easier to exert influence when it comes to ESG-related issues.

FUND SUMMARY

- Nordic focus
- Higher interest rates
- Higher corporate bond spreads
- Favourable macro environment
- Proprietary credit rating framework

PORTFOLIO MANAGEMENT TEAM



Peter van Berlekom

Chief Investment Officer
Espiria since 2020, in the industry since 1990



Stefan Pari

Lead Portfolio Manager
Espiria since 2014, in the industry since 2007



Huizi Zeng

Portfolio Manager
Espiria since 2021, in the industry since 2008



Erik Karlsson

Portfolio Manager
Espiria since 2025, in the industry since 2011

Fully integrated proprietary sustainability tools in our investment process

The essence of Espiria's business is to not only find attractive investment opportunities but to also work actively to drive positive change, and influence industries to become more sustainable. Our investment philosophy is based on extensive research and knowledge of local markets as well as our ongoing dialogue with companies to improve ESG-standards and strengthen the chain of accountability in portfolio companies.

The Espiria Nordic Corporate Bond fund's investment process fully integrates sustainability and quality through a proprietary analytical tool and is implemented by an experienced team with tried and tested performance. The fund relies on a structured investment process to produce alpha-generating strategies, with a focus on proven strategies serving as a key performance driver.

Investment decisions are guided by the Espiria Quality & Sustainability Score (EQSS) Framework, which helps promote specific environmental and social characteristics such as low biodiversity risk, board diversity, and alignment with UN SDGs and Net Zero targets. The fund is classified as an SFDR Article 8 Fund under the Sustainable Finance Disclosure Regulation (SFDR). It also promotes environmental and social characteristics with sustainability and ESG processes integrated into company selection, portfolio construction, and portfolio monitoring.

The fund's main investment themes include high-yield and unrated bonds with limited interest rate risk, followed by high liquidity investment grade bonds with moderate interest rate risk. Around 5-10 percent of the fund will be allocated to money market instruments.

FUND HIGHLIGHTS

Why a Nordic corporate bond fund?

- Stable macro environment in the Nordics (AAA-rated economies)
- AA-rated, strong and supportive banking system
- Floating rate notes prevalent – lower volatility
- Higher spreads compared to Europe / US credits

Why is now the time to invest?

- Macro timing is attractive with rising interest rates and increasing spreads
- Bonds are a good alternative given the uncertainty in the equity markets
- Attractive returns while managing risk

Why Espiria?

- We are a uniquely positioned fundamental investor in the Nordics
- Strong management team backed up by solid owner
- Robust in-house credit assessment for non-rated bonds
- Frontrunner in sustainability
- Relationship driven investor

FUND INFORMATION

Name	Espiria Nordic Corporate Bond
Fund launch date	2022-12-09
Country of domicile	Luxembourg
Type	UCITS
NAV Frequency	Daily
SFDR	Article 8
Currencies	SEK, EUR, CZK
Yearly fee	1,08%

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