

Kreditfonden Continues Along Upward Curve

Stockholm (HedgeNordic) – Scandinavian Credit Fund 1, which was recently added to the Nordic Hedge Index, reported returns of 0.9% for October for a 5% for the year so far. The fund launched in January 2016.

The fund provides small and medium-sized enterprises with short-term direct equity loans. Investors qualifying for these profit-sharing loans can be individuals, companies or professional investors. As most investment options in the market are adapted to the needs of the average saver, several interesting investment opportunities tend to be excluded from the market for private investors, in part due to high demands on minimum investment and its lock-in effects. The objective of the fund is therefore to create availability by noting profit-sharing loans on a regulated market index, the NGM-NDX.

In a comment to the month's performance, Fredrik Sjöstrand, the fund's Portfolio Manager, relates the fund had large inflows in September to kick off the month of October with. It has since traded most of it, the result being the healthy 0.92% increase. Any return above 0.50% means the fund has an annual rate of at least 6.0%, with very low volatility, the standard deviation annually being 1.14%. The entire fund was fully invested by end of October. Management is now networking at full capacity to meet potential partners with a view to lending, which is proceeding well as AUM grows.

Scandinavian Credit Fund I provides direct lending to achieve its target, high risk-adjusted returns with low or no correlation to equities, obligations and commodities markets. It uses derivatives to manage unwanted market risks that may arise when investing in various instruments, thereby enhancing the fund's returns. The fund hedges investments made in currencies other than the Swedish Krona. Its overall objective is to create long-term value growth for investors equivalent to, or better than, 6-10% per annum with low volatility. The fund is not stressed by non-borrowed funds, working instead on the basis of its credit models to ensure a good diversification of the portfolio in relation to the credit risk it takes.

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