Kraft Fondene

# KRAFT CORPORATE BONDS

## Monthly report
October 2026



+47 51 97 74 40
www.Kraftfinans.no
Kundesenter@kraftfondene.no



# FUND MANAGER'S COMMENT

*Kraft Corporate Bonds*



**Øivind Thorstensen**
*Portfolio Manager*



**Simen Aarsland Øgreid**
*Portfolio Manager*

## *The fund returned -11.57% in October and is down -8.79% over the last 12 months.*

October was marked by high energy prices, uncertainty over monetary policy and political unrest in Europe. Eurozone inflation rose to 3.8 % in September, and both the US Federal Reserve and the European Central Bank left rates unchanged but signalled that they may raise them again. Rate markets pulled in opposite directions. The US 10-year Treasury yield fell from 5.29 to 4.94 per cent as investors sought safety, while French government bonds were sold in favour of German ones. The spread between French and German 10-year government yields widened from 82 to 165 basis points, and France now pays a higher interest rate on its debt than Greece.

The turmoil spread to the European credit market, where high yield credit spreads widened by more than 60 basis points and new issuance fell 13 % from October last year. Investors became markedly more selective, and the decline was concentrated in lower-rated bonds, while bonds with higher credit quality held up better. Late in the month the market calmed and spreads tightened again.

Communication and real estate detracted most from the fund, with Virgin Media O2 and Heimstaden AB the largest individual detractors. The communication sector was weak throughout the month, with no material change in Virgin Media O2's operations. The company retains a leading position in the UK telecom market and has a new cost plan that will strengthen its creditworthiness. We therefore took the opportunity to buy the company's senior secured debt, which is priced at around 3 times EBITDA. In our view this is attractive when comparable listed telecom companies trade at more than 5 times.

In real estate, the decline came after the parties negotiating a new government in Berlin proposed transferring housing from large landlords into public ownership. This caused selling pressure in Heimstaden AB, but even if the proposal became law without compensation, our calculations show that the company's assets cover its bond debt around 2.5 times. A bill could come in 2028 at the earliest, and the German federal government has resolved to block such measures. The price fall has therefore far exceeded the economic impact. The full article is available on kraftfinans.no.

These developments have not materially changed our assessment of the credit risk in the portfolio, and interest income contributed positively throughout the period. We will continue to invest in companies with attractive risk-adjusted returns.

At the end of the month, the fund had a weighted average yield of 10.61 %* and a yield to maturity of 14.92 %.*

**Before management fees. The yield may fluctuate from day to day and therefore does not constitute a guarantee of return for the period in which it is calculated.*

*Best regards,*
**Øivind Thorstensen &**
**Simen Aarsland Øgreid**

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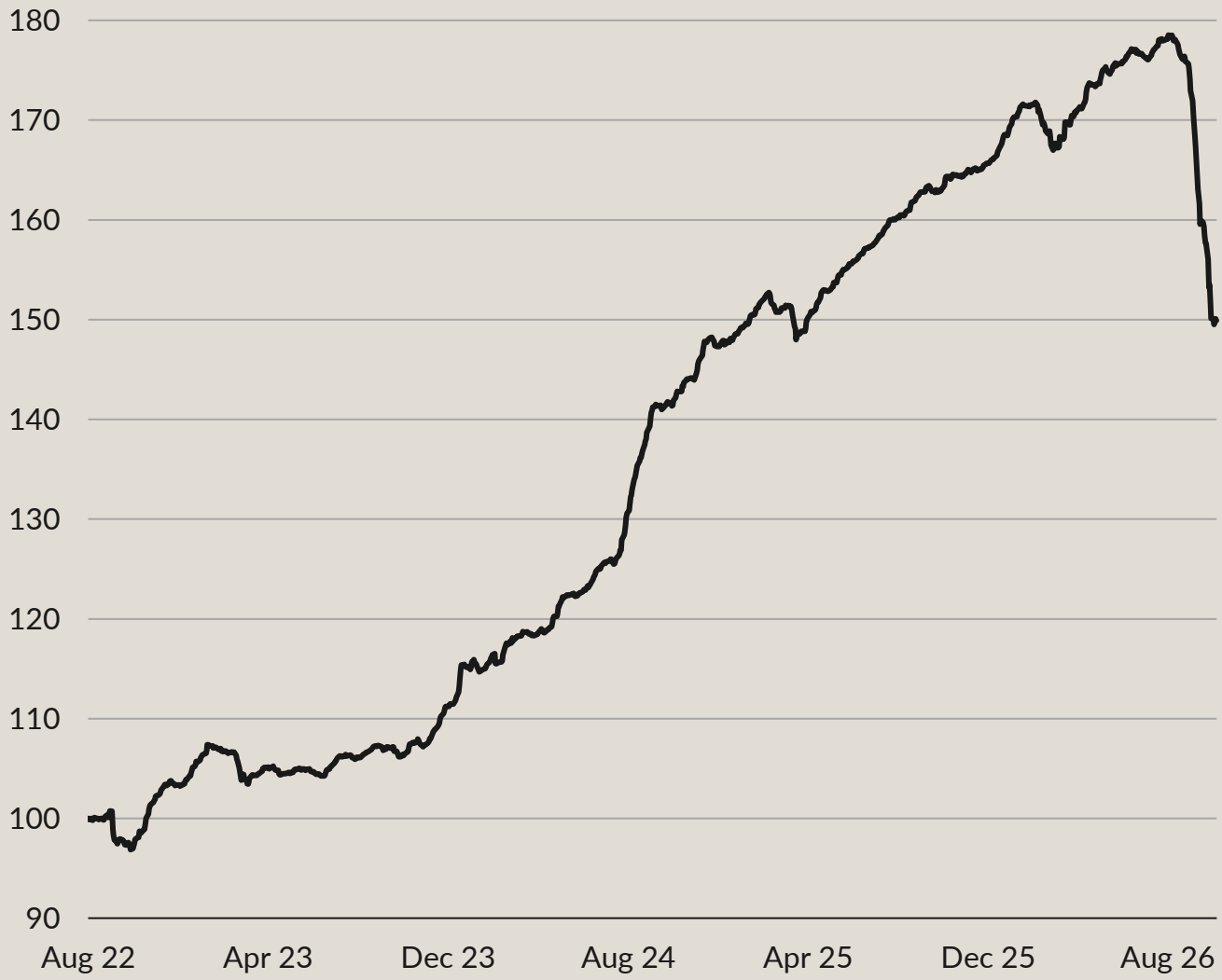
# FUND PERFORMANCE

*Kraft Corporate Bonds - Class B*

| -11.57 % | -9.73 % | -8.79 % | 10.16 % |
|---|---|---|---|
| October 2026 | Year to Date | Last 12 months | Annualised since inception |

## NAV Development

*Date: 30.10.26 // NAV = 149.92 // AUM = 4 447 mnok*




## Past Performance

| | 2022 | 2023 | 2024 | 2025 | YTD |
|---|---|---|---|---|---|
| Kraft Corporate Bonds B | 3.4 % | 7.8 % | 32.7 % | 12.3 % | -9.7 % |

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# KEY FIGURES

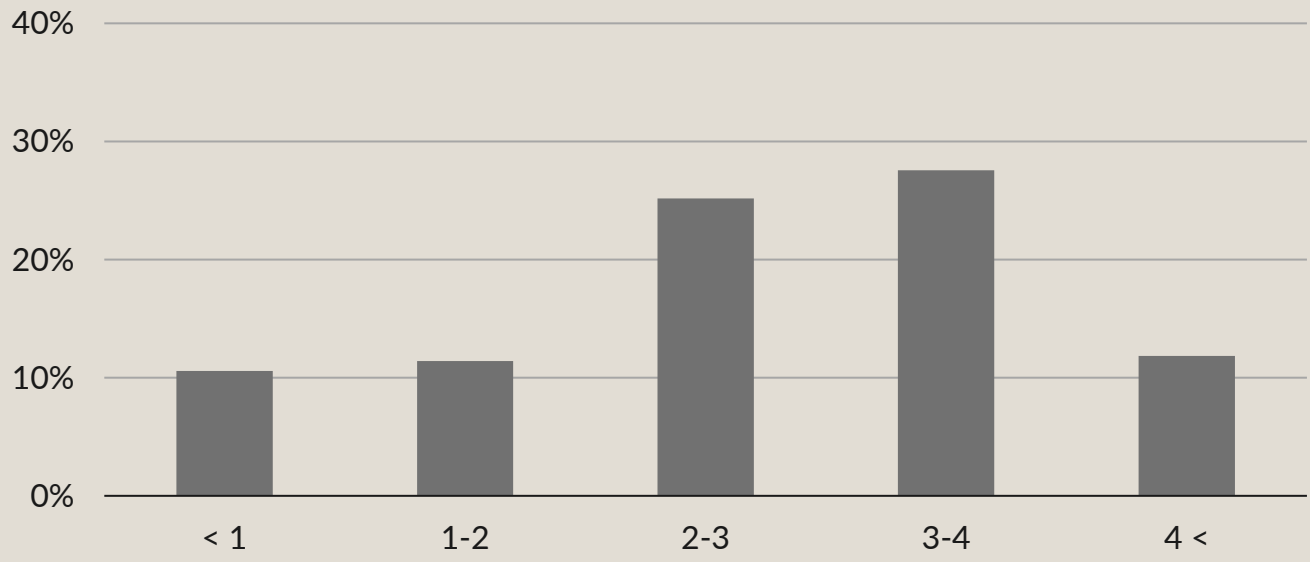
*Kraft Corporate Bonds*

| 2.29 | 2.78 | 10.61 % | 14.92 % |
|---|---|---|---|
| Duration | Credit Duration | Current Yield* | Yield to Maturity* |

**Before management fees. Subject to daily fluctuations and therefore not guaranteed for the period in which it is calculated.*

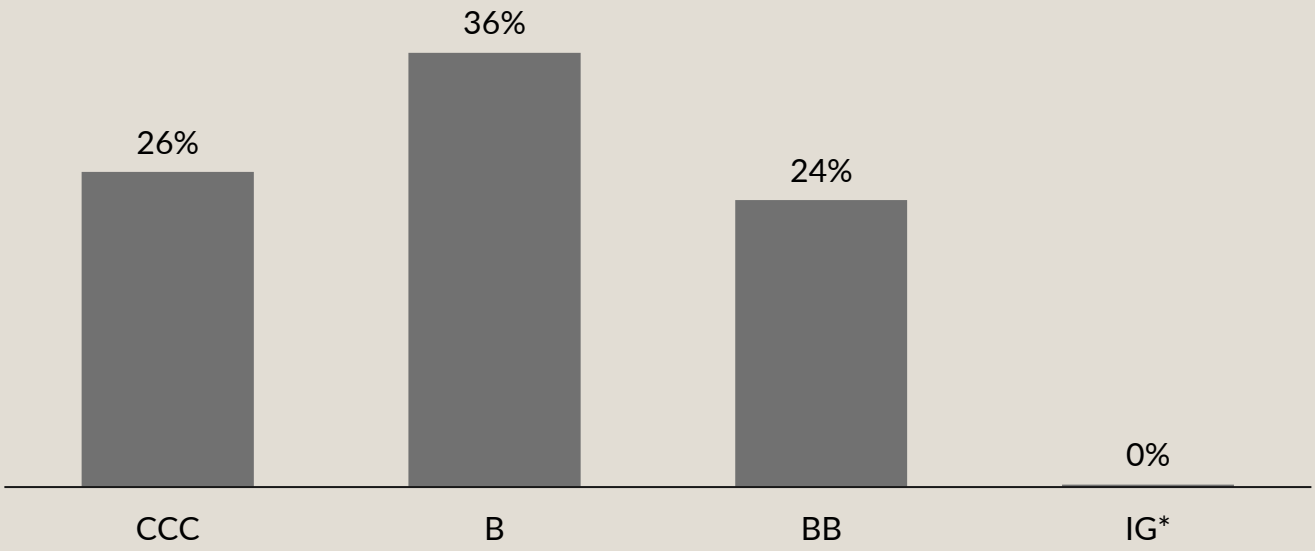
## Maturity Structure

*Years to maturity of bonds held by the fund.*




## Rating

*An estimate of credit risk, based on both official and implied credit ratings.*




**IG (Investment Grade) is a collective term for credit ratings from AAA to BBB-.*

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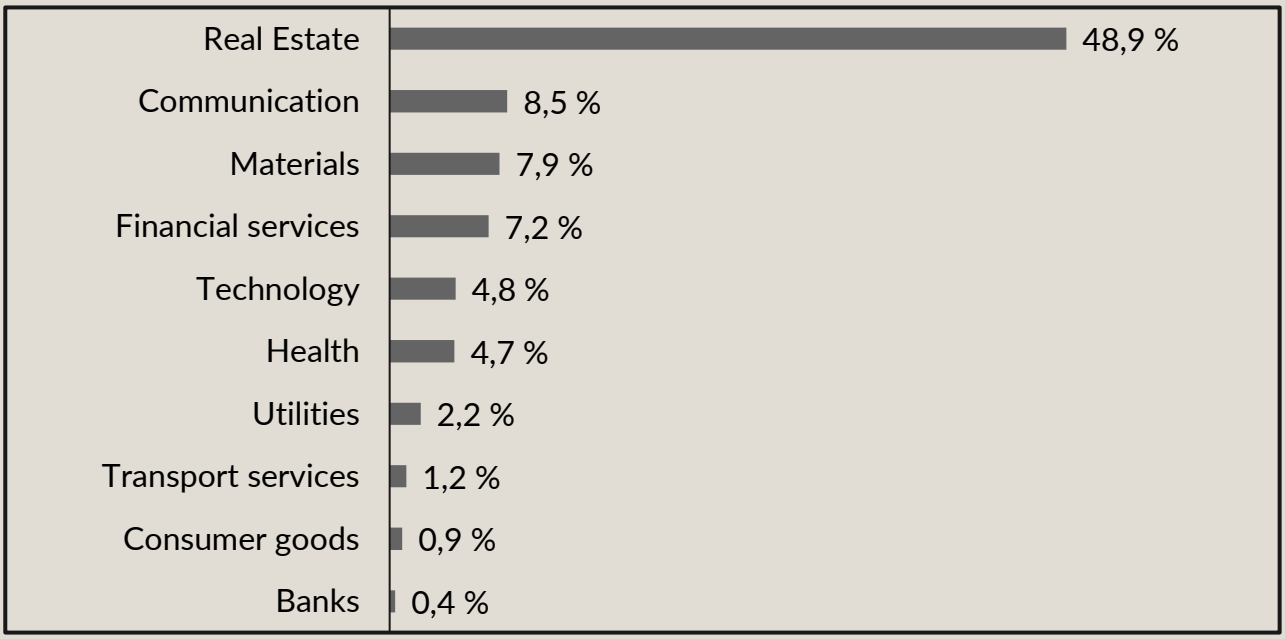
# EXPOSURE

*Kraft Corporate Bonds*

Largest Exposure

## Real Estate

### Sector Overview




### Top 10 Holdings

*Percentage Allocation by Issuer*

| | |
|---|---|
| Heimstaden AB | 10.0 % |
| Ardagh Group SA | 7.9 % |
| CPI Property Group SA | 7.0 % |
| Citycon Oyj | 6.5 % |
| Intrum Investments And Financing AB | 6.5 % |
| G City Europe Ltd | 4.9 % |
| AT Securities BV | 4.9 % |
| Aroundtown SA | 4.9 % |
| Atos Group | 4.8 % |
| Cerba Healthcare SACA | 4.7 % |



# INVESTMENTS

*Kraft Corporate Bonds*

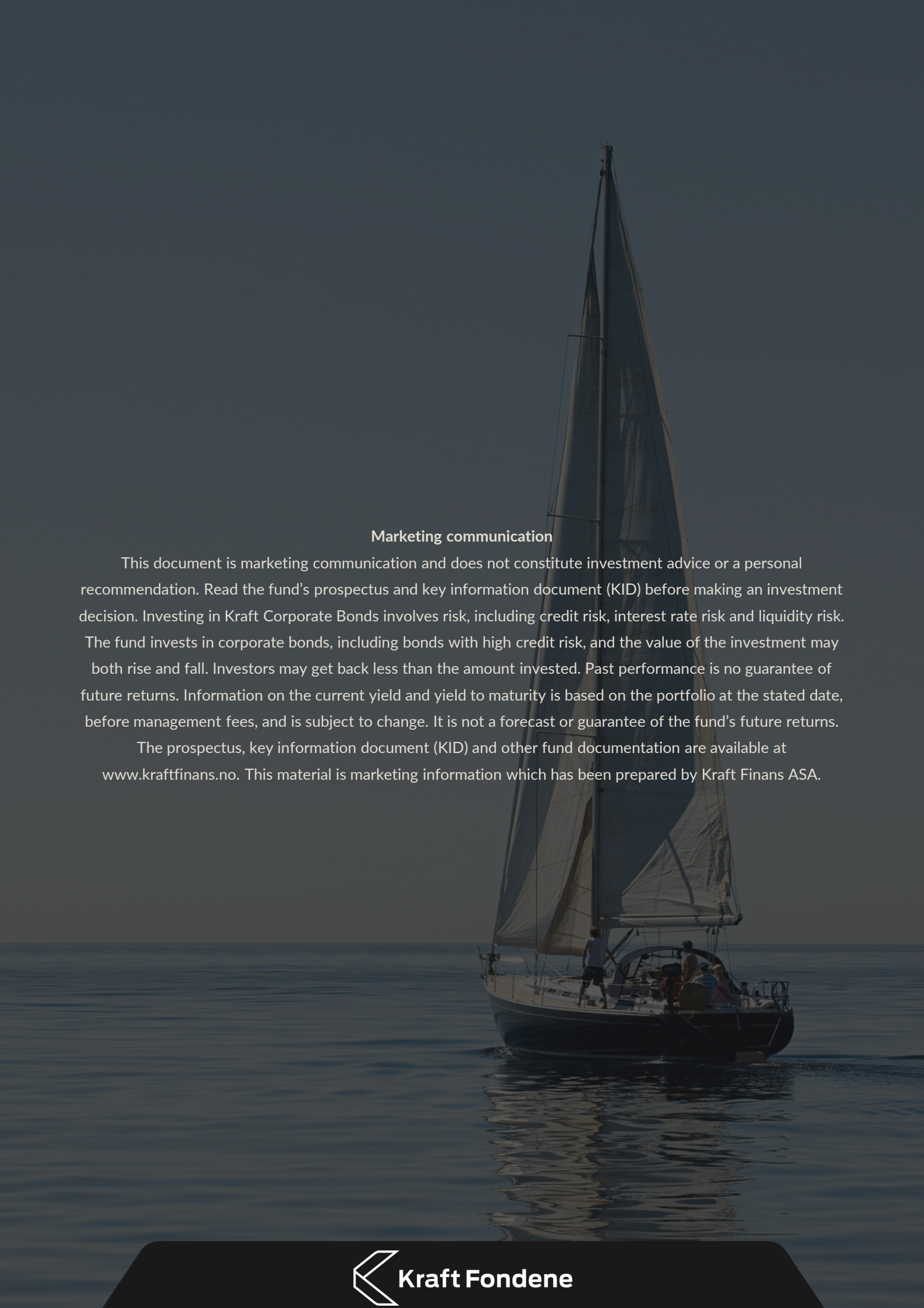
Companies in portfolio **30**

**Our primary focus is on underlying credit risk**

## Issuer Weighting

| Company | Weight |
|---|---|
| Heimstaden AB | 10.0 % |
| Ardagh Group SA | 7.9 % |
| CPI Property Group SA | 7.0 % |
| Citycon Oyj | 6.5 % |
| Intrum Investments And Financing AB | 6.5 % |
| G City Europe Ltd | 4.9 % |
| AT Securities BV | 4.9 % |
| Aroundtown SA | 4.9 % |
| Atos Group | 4.8 % |
| Cerba Healthcare SACA | 4.7 % |
| Virgin Media O2 Vendor Financing Notes V DAC | 4.6 % |
| Aroundtown Finance Sarl | 4.2 % |
| Samhallsbyggnadsbolaget i Norden AB | 3.4 % |
| Vivion Investments Sarl | 3.0 % |
| Thames Water Utilities Finance PLC | 2.2 % |

| Company | Weight |
|---|---|
| Virgin Media O2 Vendor Financing Notes VIII DAC | 1.3 % |
| Vmed O2 UK Financing I PLC | 1.2 % |
| Airx Group Holdings Ltd | 1.2 % |
| SES Financing Sarl | 1.1 % |
| Stellantis NV | 0.9 % |
| Societe Generale SA | 0.4 % |
| Titanium 2l Bondco Sarl | 0.4 % |
| SES SA | 0.2 % |
| TalkTalk Telecom Group Ltd | 0.2 % |
| Garfunkelux Holdco 3 SA | 0.1 % |
| Klarna Holding AB | 0.1 % |
| Intrum AB | 0.1 % |
| Thames Water Utilities Ltd | 0.0 % |
| Garfunkelux Holdco 4 SA | 0.0 % |
| Samhallsbyggnadsbolaget I Norden Holding AB | 0.0 % |



**Marketing communication**

This document is marketing communication and does not constitute investment advice or a personal recommendation. Read the fund's prospectus and key information document (KID) before making an investment decision. Investing in Kraft Corporate Bonds involves risk, including credit risk, interest rate risk and liquidity risk. The fund invests in corporate bonds, including bonds with high credit risk, and the value of the investment may both rise and fall. Investors may get back less than the amount invested. Past performance is no guarantee of future returns. Information on the current yield and yield to maturity is based on the portfolio at the stated date, before management fees, and is subject to change. It is not a forecast or guarantee of the fund's future returns. The prospectus, key information document (KID) and other fund documentation are available at www.kraftfinans.no. This material is marketing information which has been prepared by Kraft Finans ASA.

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