

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Name of product	NCI Credit Opportunity Company A/S (or "the Company")
Name of PRIIP manufacturer	The manufacturer of this Key Information Document is NCI Advisory A/S
Website	www.nciadvisory.com
Call +4541998250 for more information	
The Danish Financial Supervisory Authority is responsible for supervising NCI Advisory A/S in relation to this Key Information Document. NCI Advisory A/S is registered with the Danish Financial Supervisory Authority. This key information document is accurate as of 30 April 2024.	
ALERT: You are about to purchase a product that is not simple and may be difficult to understand.	

What is this product?

Type of product	The Company is an Alternative Investment Fund (AIF) established as a Danish, private limited company (<i>aktieselskab</i>) registered as a §19 company under the Danish Capital Gains Tax Act and thereby tax transparent. The Company is a single legal entity.
Term	The Company has been established for an unlimited period of time and is open-ended. However, the Company can be liquidated by the board of the Company, if the board of the Company deems it appropriate in relation to the protecting the investors' interests. Please refer to the Articles of Association and the Shareholders' Agreement.
Objectives	The Company invests in European corporate high-yield bonds. These bonds are issued in different currencies, are usually not rated, and often have limited liquidity. We aim to generate a return of >10% per year over the medium-term investment horizon by taking credit risk on these investments. The prices of the instruments in the portfolio can have relatively large fluctuations, which can significantly impact the return on your investment. The fund is not levered but may use limited financing for cash flow optimisation. Dividend is distributed but investors are given option to reinvest their net returns.
Intended retail investors	This product is intended for focused, well-informed investors, who are able to make an informed investment decision, using money which they can afford to lose, with a diversified investment and savings portfolio, have a high tolerance to risk, and understand the impact of and risks associated with investments in medium and high-risk debt instruments such as e.g., high yield corporate bonds.

What are the risks and what could I get in return?

Summary Risk Indicator



Lower risk ————— Higher risk

The risk indicator assumes you keep the product for 5 years.

The risk can be significantly different if you cash in at an early stage and you may get back less.

The Summary Risk Indicator (SRI) is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

You may not be able to cash in early.

You may have to pay significant extra costs to cash in early.

You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

We have classified this product as 5 out of 7 which is a medium-high risk class.

This rates the potential losses from future performance at a medium-high risk level, and poor market conditions will likely impact the capacity to pay you.

This Company does not include any protection from future market performance, so you could lose some or all of your investment. If the Company is not able to pay you what is owed, you could lose your entire investment.

As an investor in the company, you are subject to the terms and conditions as outlined in the shareholders' agreement. At the next general meeting the shareholders shall vote for a cancellation of the shareholders' agreement and changes to the articles of association.

Performance

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product over the last 10 years. Markets could develop very differently in the future. The stress scenario shows what you might get back in extreme market circumstances.

Recommended Holding Period 5 years

Example investment DKK 750,000

Scenarios		If you exit after 1 year	If you exit after 5 years
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stressed scenario	What you might get back after costs	390,218	428,829
	Average return each year	-48.0%	-10.6%
Unfavourable scenario	What you might get back after costs	663,232	720,828
	Average return each year	-11.6%	-0.8%
Moderate scenario	What you might get back after costs	775,742	859,178
	Average return each year	3.4%	2.8%
Favourable scenario	What you might get back after costs	899,516	955,344
	Average return each year	19.9%	5.0%

The stress scenario shows what you might get back in extreme market circumstances.

What happens if NCI Credit Opportunity Fund A/S is unable to pay out?

There is no compensation or guarantee scheme in place against the default of the Company and you could lose all your capital if this happens.

What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Cost over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods. We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.
- DKK 750,000 is invested.

Investment DKK 750,000	If you exit after 1 year	If you exit after 5 years
Total costs (DKK)	30,209	91,046
Annual cost impact (*)	2.03%	2.03%

*) This illustrates how costs reduce your return each year over the holding period. For example, it shows that if you exit at the recommended holding period your average return per year is projected to be 2.8% before costs and 0.8% after costs.

Composition of costs

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	1% of the amount you pay in when entering this investment.	DKK 7,500
Exit costs	1% of your investment before it is paid out to you.	DKK 7,500
Ongoing costs taken each year		
Management fees and other administrative or operating costs	1.43% of the value of your investment per year. This is an estimate based on actual costs over the last year.	DKK 10,702
Transaction costs	0.60% of the value of your investment per year. This is an estimate of the costs incurred when sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	DKK 4,507
Incidental costs taken under specific conditions		
Performance fees	The performance fee is calculated as 15% of the annual return above 8%, including any return below 8% from the year before. Example: if the previous year delivered a return of 6%, the performance will be calculated as 15% of the return above 2+8%=10% and will be charged as a performance fee to the manufacturer. The actual amount will vary depending on how well your investment performs. The aggregated cost estimation above includes the average over the last 3 years.	DKK 0

How long should I hold it and can I take money out early?

Recommended Holding Period (RHP): 5 years

The RHP was chosen to provide a consistent return less dependent on market fluctuations.

There is no required minimum holding period. It may be suitable for you if you are contemplating a medium-term investment. Should you sell your shares back to the company, keep in mind this process takes at least 180 days and you may not be able to be repaid in full at once, but may be repaid over a period, following the normal repayment of the company's investments. Costs related to external valuation, if required, of your shares, in accordance with the articles of association and shareholders' agreement, must be covered by you.

By investing in the company, you are subject to the terms and conditions in the shareholders' agreement.

Investment is subject to a one-off entry cost of 1% of your investment. This cost is paid to the company and passed through to NCI Advisory A/S, as compensation for the work.

Divestment is subject to a one-off exit cost of 1% of your investment. This 1% received by the company and passed through to NCI Advisory A/S, as compensation for the work.

Should you wish to divest some or all your shares you can sell your shares to third party (buyer to be approved by the company's board) or back to the company.

The value of your investment may go down as well as up, depending on general financial market conditions, foreign exchange rates versus the Danish krone, the level of interest rates, and/or movements in bond prices.

How can I complain?

Complaints can be sent in written form by e-mail (jb@nciadvisory.com) or to the following address of the product manufacturer at: NCI Advisory A/S, Annexstræde 6, DK-2500 Valby, Denmark.

Other relevant information

Further information about the Company (including latest annual reports and latest monthly reports) are available free of charge by making a written request to jb@nciadvisory.com or at the registered office of the of the product manufacturer.

The past performance over the last 3 years and the previous performance scenarios are available at the registered office of the product manufacturer.