



# JYSKE CAPITAL

## Corporate Bonds High Yield



JYSKE BANK

# From Factors to Fundamentals: A Proven Path to Stable Alpha

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# Systematic Alpha With Fundamental Conviction

**As a specialist investment manager focusing on multi-factor corporate credit and high yield, Silkeborg-headquartered Jyske Capital Corporate Bond Team manages USD 2.3bn in liquid credit strategies in investment grade and high-yield bonds.**

Jyske Capital is the asset management division of Jyske Bank, a Systemically Important Financial Institution in Denmark with equity capital of USD bn 7.0.

The Corporate Bond Team is seeing strong interest in their core offerings. Nordic and global investors are seeking new forms of diversification that can deliver enhanced portfolio returns, while maintaining a disciplined approach to risk.



In this article, focusing on factor investments in credit, we meet Martin Nybye Sørensen, Director and Head of Corporate Bonds at Jyske Capital.

**Please give a short introduction to your team in Jyske Capital and your specialty in terms of multi-factor corporate credit and high yield investments.**

"We founded the team back in 2012 where we developed our investment idea from academic factor research in equities – but here adapted to the special case of credit. We launched our two core products – EUR investment grade and global high yield corporate bonds in 2013 – on the belief that consistent, persistent credit signals can be identified to create alpha.

We deliberately designed our approach as a lean, efficient team, driven by an unbiased quantitative factor model backed by good old-fashioned fundamental credit research and discretionary portfolio construction. All key features of the strategy – from team, to process to portfolio – have been stable since inception in 2013."

**Can you please share some highlights from your team's challenges and achievements over the past year?**

"In 2025, we've seen a challenging market but fortunately also continued strong interest in especially high yield credit among investors. We experience institutions who are reconsidering increasing their long-term exposure in light of the higher interest rate environment."

Jyske Capital has maintained its long-term leadership position in performance, which has led to robust interest.

"Our global high yield, in particular, has gained strong traction with institutional clients. For example, in April, an existing Nordic client added tactically during a period of heightened market uncertainty. In July, we secured a new Nordic client who invested USD 75m in Q3. In Q4, we have begun onboarding a new Asian client for a tailor-made mandate.

## What makes factor investment special in credit?

"Firstly, quantitative factors are far less exploited in credit compared to equities due to significantly different data structures in bond issues, where a company may have dozens of complex debt instruments but only one equity.

Secondly, an active investment manager style in credit has traditionally favored large analyst teams as a primary method to identify attractive opportunities, where we deliberately wanted to approach research differently.

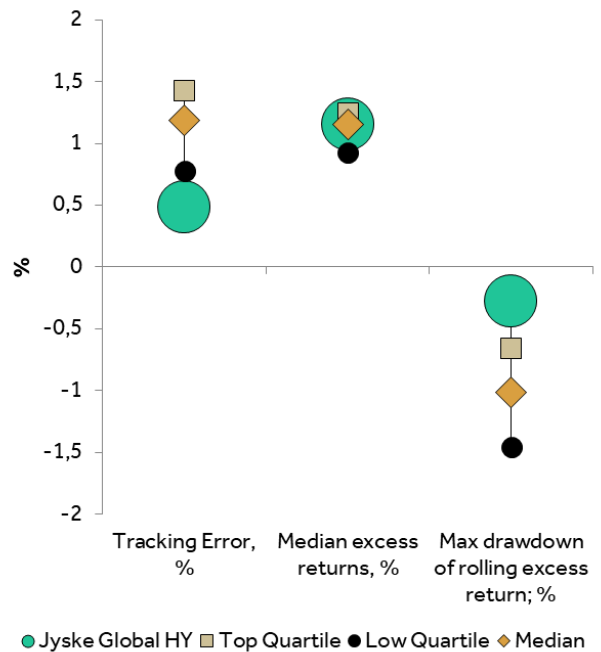
We emphasize a systematic bottom-up approach to portfolio construction with duration and other macro factors fixed to the benchmark. We find this to be genuinely unique in the peer universe. It creates value with low risk."

The structured factor approach is a path towards effective and consistent identification of bonds from companies with improving or stable credit quality that trade at an attractive price.

The fundamental research adds a layer of human validation, and deep understanding of issuer's credit dynamics ensures conviction behind every position. The result is a low or even negative correlation of alpha relative to managers who employ a traditional investment style. This creates a strong differentiation property for Jyske's strategy because an investor can improve the overall portfolio Sharpe Ratio by adding their style to the existing lineup.

"We have strong conviction in our disciplined, risk-adjusted approach to credit investing, supported by our proprietary multi-factor model.

3 year's Rolling Excess Return vs. Manager's Own Preferred Benchmark from 12/2015 to 03/2025



Source: Jyske Capital using eVestment Analytics Calculation and data as of 03/2025 for Global High Yield Managers with more than 10 years of track record data

Our clients have enjoyed a long-term stable stream of continuous outperformance to our benchmark since the strategy's inception in 2013.

We regard this as exceptional quality, and we are happy to see that this view is shared by sophisticated investors on an international scale.

Even with intense market competition – particularly when you are up against some of the most well-known global brand names in the industry – the positive style and performance differentiation, together with a changing yield environment, continues to create opportunities for us."

### Which themes are the most important to you and the team right now?

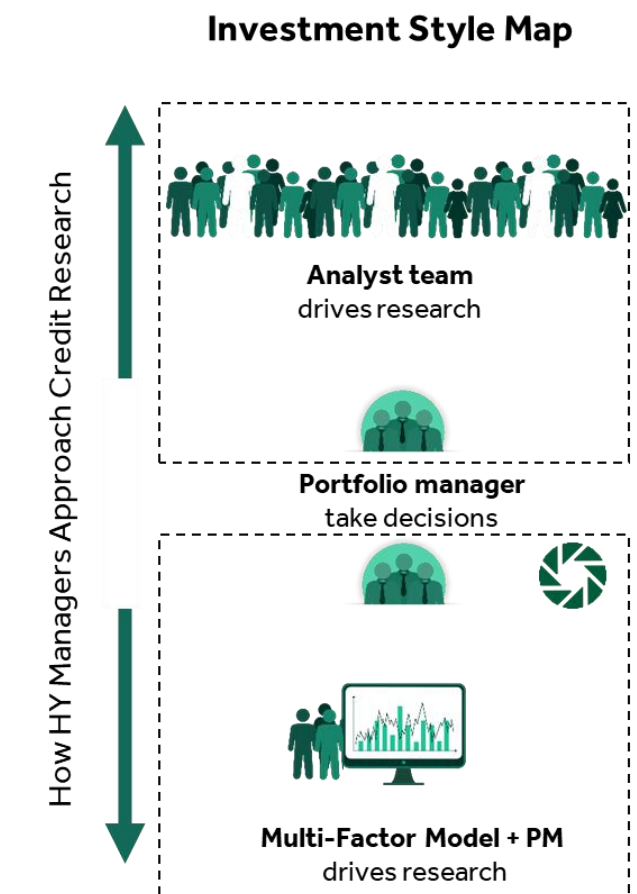
“We constantly work on deepening our research on ESG and sustainability to understand these risks and opportunities in our fundamental company analysis. We believe ESG integration must take place at the company level and that transition cases should be allowed to play a meaningful role. This is opposed to traditional screening and exclusions, though this is still required by some of our clients.”

“Our investment style and alpha-generation is implementable across different currencies and credit qualities, so we have been focusing on aligning product design with investor demand, particularly for clients who come with a different benchmark or currency restriction that require adjusted allocation decisions.”

### Which of your product offerings do you consider the most interesting to investors right now, and why?

“Spreads have remained relatively tight, despite the current elevated interest rate environment. Still, we see growing demand for strategies that offer higher yields while maintaining strong credit quality.

While many traditional managers typically target alpha in opportunistic credits, distressed issuers and special situations, we believe in seeking to enhance portfolio returns with a disciplined approach to risk by maintaining our focus on the quality of the company and liquidity of the issue.



Source: Jyske Capital

I would say, all our products are designed with this philosophy, so the choice of one of the other is mostly a matter of the client's overall risk appetite and strategical allocation.

We are happy to see there is notable interest in our type of investment approach because diversification, not just within the portfolio itself, but also between managers, remains a key priority for investors.”

## eVestment peer group analysis, track record from January 2016 – Sept. 2025

### Background Universe: Mercer Global High Yield Fixed Income – USD Hedged



Source: eVestment Analytics comparing with Mercer International Fixed Global High Yield USD excluding short duration and quant to reflect fundamental credit managers.

Returns from 1<sup>st</sup> January 2016 (launch of SRI composite) until 30<sup>th</sup> September 2025. Currency: USD. Calculations are gross of fees. Core strategy began 1<sup>st</sup> January 2013.

Strategy benchmark is blended ICE BofA ML 50% European HY, 50% US HY

## Available Share Classes for Non-Danish Investors

Facts	Jyske SICAV High Yield Corporate Bonds EUR IC	Jyske SICAV High Yield Corporate Bonds EUR RD	Jyske SICAV High Yield Corporate Bonds SEK IC
ISIN	LU1529111731	LU1529111814	LU2755788515
Launch date	01.02.2017	01.02.2017	26.02.2024
Fund AUM m	EUR 364.4 million		

Source: Jyske Bank, [www.jyskesicav.lu](http://www.jyskesicav.lu)