

Finserve Nordic Factoring Fund Listed on Nasdaq Stockholm: Expanding Access to Alternative Credit

Finserve Nordic AB has listed a debenture in the form of a capital certificate for Finserve Nordic Factoring Fund on Nasdaq Stockholm, broadening access for institutional investors. The listing is designed to improve liquidity and transparency, reflecting the growing interest in short-duration credit strategies during a period of market uncertainty.

Factoring as an Alternative to Bonds

With increasing geopolitical tensions, shifting monetary policy, and volatile equity markets, many investors are seeking diversification in their investment strategy. Finserve Nordic Factoring Fund which finances short-term corporate receivables, has emerged as one such alternative.

Finserve Nordic Factoring Fund offers the investor exposure toward short-dated invoices typically around 30 days from companies with a range of credit quality. This approach reduces interest rate sensitivity compared to long-term bonds, while providing more predictable cash flows.

The Nordic Context

The Nordic region offers several characteristics that make factoring strategies relatively stable:

- **Corporate governance:** Nordic companies are generally recognized for their transparency and financial discipline.
- **Macroeconomic environment:** Public finances are comparatively sound and economies well-diversified.
- **Risk profile:** Short maturities and high-quality counterparties limit exposure to credit losses.

Factoring returns also tend to have low correlation with equity or bond markets, offering potential diversification benefits in multi-asset portfolios.

Market Dynamics and Bank Lending

Factoring has gained ground particularly in periods when banks tighten credit to small and medium-sized enterprises (SMEs). Regulatory changes and stricter capital requirements have, in many cases, reduced the availability of traditional loans.

- **Sweden:** Factoring is projected to grow by more than 6% annually between 2025 and 2030.
- **Finland:** SMEs are increasingly adopting invoice financing to stabilize cash flow.
- **Denmark & Norway:** Usage is rising steadily, especially among export-oriented businesses.

Digital platforms have accelerated this trend by enabling faster, paperless transactions—often with settlement in less than two days.

Source: Bonafide Research

Considerations for Investors

For institutional portfolios, factoring exposure may offer:

- Diversification from traditional fixed income.
- Predictable cash flows due to short duration.
- Potential protection in inflationary environments, as invoice values move with prices.

At the same time, investors should carefully assess liquidity factors, such as the fund's redemption terms and the potential difficulty of exiting positions in times of market stress. They also need to evaluate counterparty risk, since returns ultimately depend on the creditworthiness of the underlying debtors as well as the operational strength of the factoring manager. Finally, it is important to recognize the niche scale of the factoring market—while this can provide diversification benefits and relatively uncorrelated returns, it also limits overall capacity and may restrict how much capital can be effectively deployed without diluting returns.

Conclusion

The listing of Finserve Nordic's capital certificate on Nasdaq Stockholm reflects a broader trend of making alternative credit strategies more accessible to institutional investors. By focusing on short-duration, high-quality Nordic receivables, the Finserve Nordic Factoring Fund aims to provide stability, diversification, and predictable cash flows. Combined with increased liquidity through exchange listing, the strategy may appeal to institutions looking for complementary fixed-income exposure in today's uncertain environment.

Joakim Stenberg

Head of Sales & Portfolio Manager

Tuesday, September 22, 2025

Neither Nasdaq Stockholm AB nor any of its affiliates or subsidiaries (collectively "Nasdaq") assume any responsibility for any errors or omission in this material. The information is for information and education purposes only. It does not constitute an offer to sell, or the solicitation of an order to buy, any of the securities referred to therein. Nasdaq makes no recommendation to buy or sell any financial instrument or any representation about the financial condition of any company. None of the information should be construed as investment, legal or tax advice, nor is it intended to be comprehensive. All information is provided "as is" without warranty of any kind. Nasdaq accepts no liability for decisions taken by any party based on this information. Past performance is not indicative of future results. Investors should undertake their own due diligence and carefully evaluate companies or financial instruments before investing.

© Copyright 2024. All rights reserved. Nasdaq is a registered trademark of Nasdaq, Inc. 1374-25