

PERFORMANCE REPORT

APRIL 2014

Net return history (shareclass RC NOK***, net of fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	1.1%	1.0%	0.9%	0.7%									3.7%
2013	1.1%	0.8%	1.0%	1.0%	1.5%	0.0%	1.1%	1.2%	1.1%	-0.1%	1.1%	0.8%	11.0%
2012	2.7%**	1.7%	1.1%	1.0%	0.2%	1.0%	0.8%	1.2%	0.7%	-1.0%	1.5%	1.6%	13.0%**
2011	1.9%	2.3%	2.0%	1.4%	-1.7%	-2.4%	1.0%	-2.3%	-2.6%	1.4%	0.0%	0.6%	1.5%
2010	6.2%*	0.8%	2.0%	3.8%	-3.4%	1.3%	1.4%	2.2%	2.8%	1.5%	1.1%	-1.0%	19.9%
2009	8.9%	0.3%	-4.2%	2.1%	1.2%	7.9%	6.8%	3.0%	5.7%	2.6%	1.4%	4.1%	46.8%
2008									-2.6%	-3.2%	-10.4%	-13.5%	-26.9%

Net asset value (shareclass RC NOK***, net of fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	121.5	122.6	123.7	124.6									3.7%
2013	109.5	110.3	111.3	112.5	114.2	114.2	115.4	116.8	118.0	117.9	119.2	120.1	11.0%
2012	131.0**	137.5	101.1***	102.1	102.3	103.3	104.1	105.4	106.2	105.0	106.6	108.3	13.0%**
2011	126.9	129.9	132.4	134.4	132.1	128.9	130.2	127.2	123.9	125.6	125.7	126.4	1.5%
2010	110.3*	111.3	113.4	117.7	113.6	115.1	116.8	119.3	122.6	124.4	125.8	124.54	19.9%
2009	79.6	79.8	76.5	78.1	79.0	85.2	91.1	93.8	99.2	101.8	103.1	107.3	46.8%
2008								100.0	97.5	94.3	84.5	73.1	-26.9%

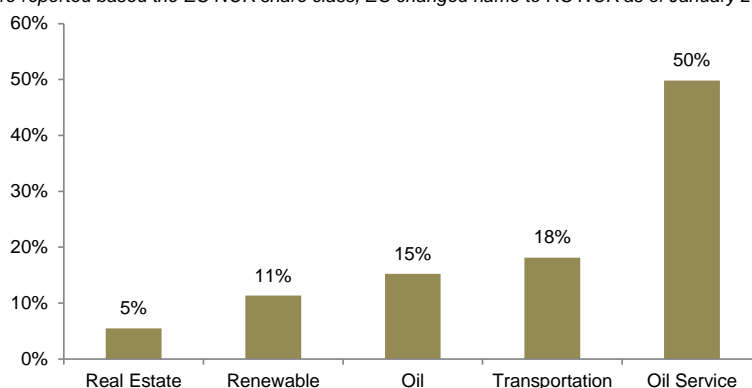
*From January 2010, performance and NAV are reported based on the EC share class. EC share class 31 December 2009: 103.9
Past performance is no guarantee for future performance

**From 1 Jan 2012, performance and NAV are reported on return in NOK

***From March 2012, performance and NAV are reported based the EC NOK share class, EC changed name to RC NOK as of January 2013

Key statistics

Performance per April 2014, Net of fees (RC NOK)	0.7%
Performance YTD 2014 (RC NOK shareclass)	3.7%
Performance since inception	69.7%
Number of positions 30/04/2014	36
Number of issuers	31



Fund terms

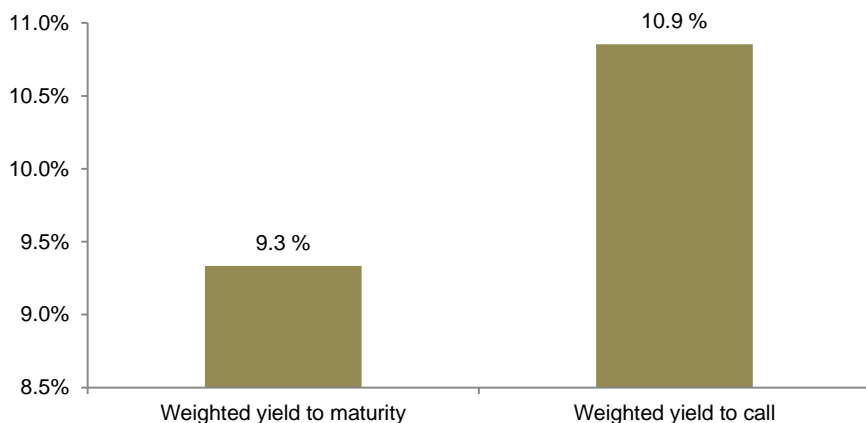
Currency	NOK
Domicile	Luxembourg
Investment Manager	Storm Capital Management Ltd
Prime Broker	Oppenheim Asset Management Services
Administrator	Deutsche Fund Platforms

Management Fee	Retail: 0.75%, Institutional: 0.5%
Performance Fee	10%
Liquidity	Weekly
Auditor	PriceWaterhouseCoopers

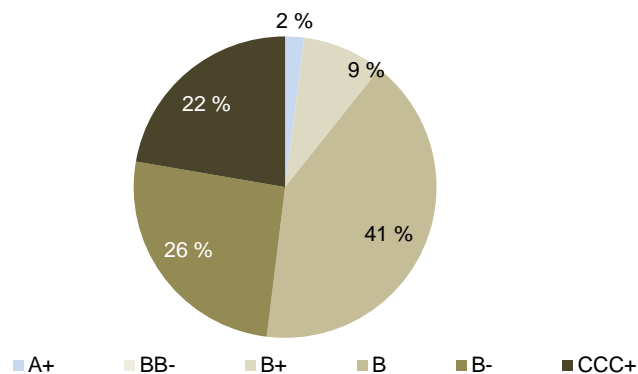
PERFORMANCE REPORT

APRIL 2014

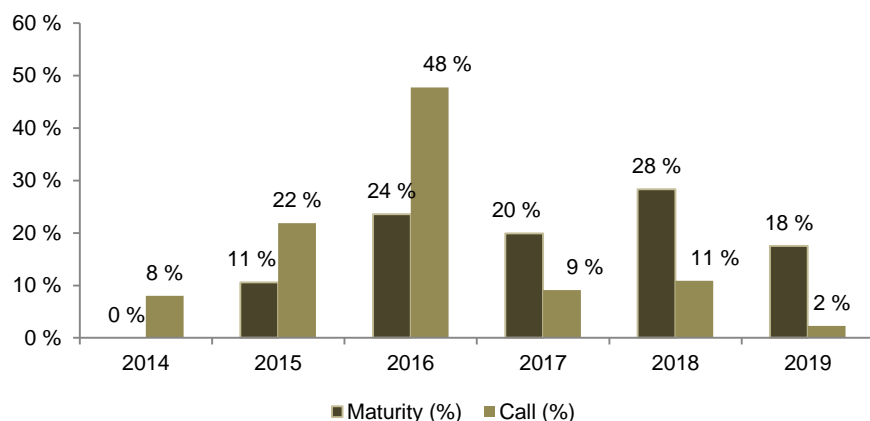
Yield to maturity and yield to call



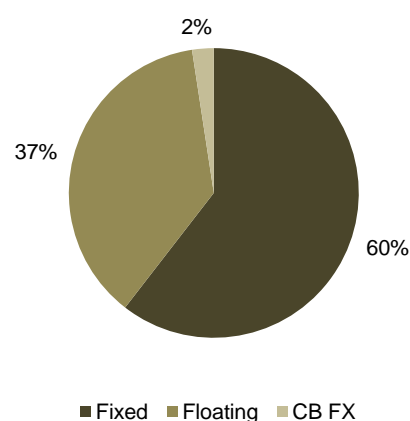
Credit rating



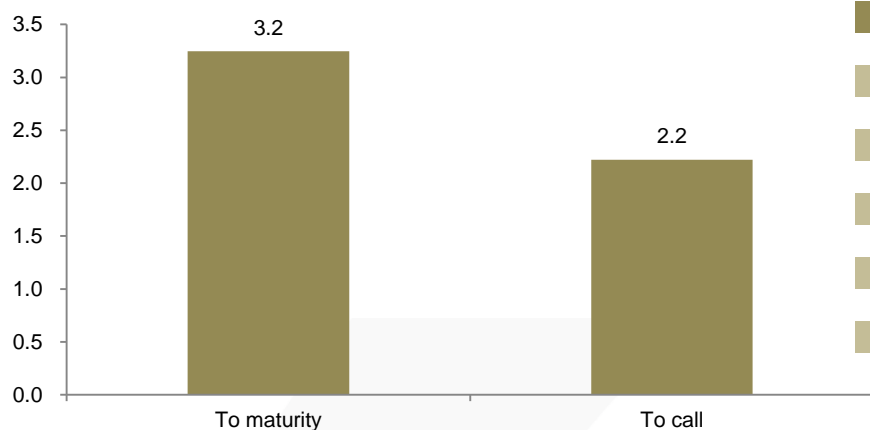
Maturity profile



Coupon allocation



Duration, years

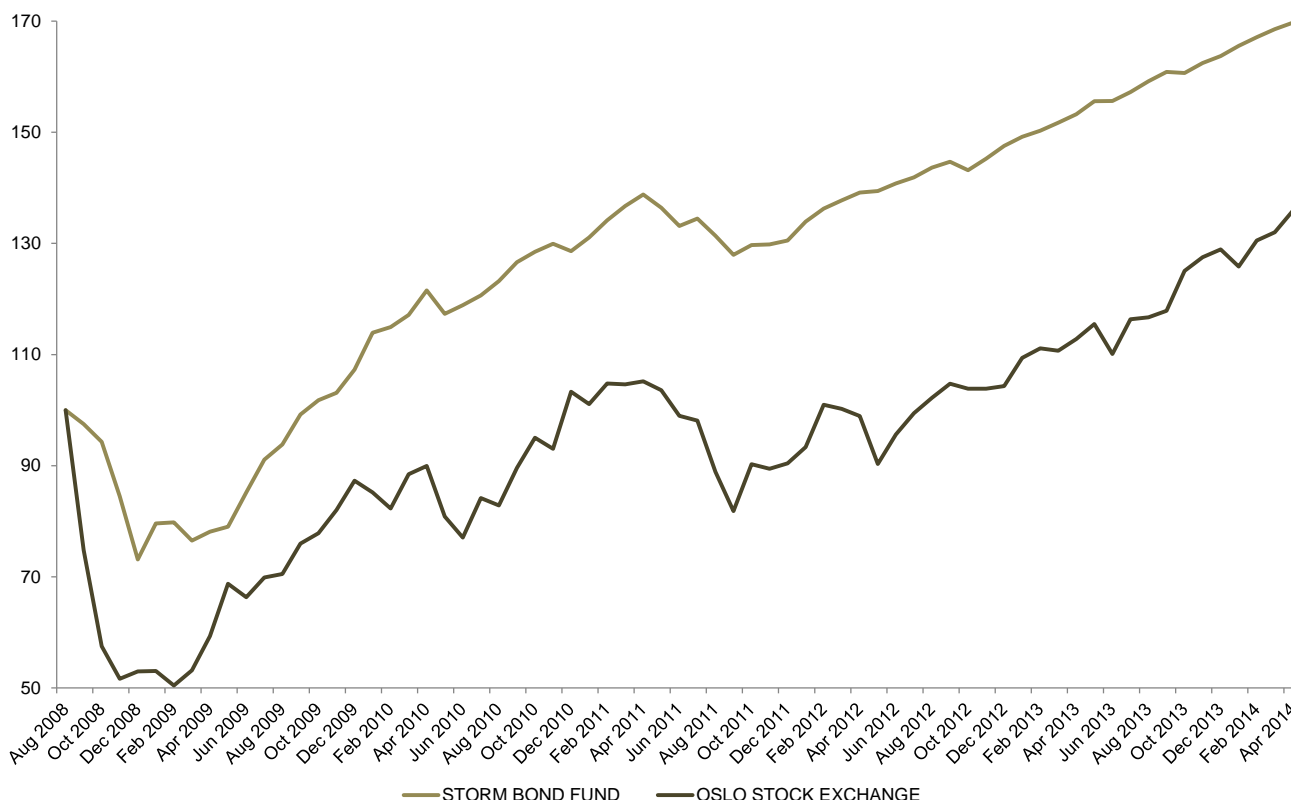


Top 10 positions

Name	% NAV
1 LM Group Holding	5.4%
2 J.Lauritzen Holding 12-17 FRN	5.2%
3 REC Silicon ASA 11-18	4.8%
4 Oceanteam Shipping ASA 12-17 FRN	4.6%
5 Kistefos AS 13-16 FRN	4.4%
6 Boa Offshore AS 13-18 FRN	4.4%
7 Bluewater Holding B.V. 13-19	4.3%
8 Polarcus Ltd (Cayman Islands) 8 07.06.2018	3.8%
9 Chloe Marine Corp. Ltd. 11-16	3.5%
10 Dolphin Group ASA 13-17 FRN	3.3%

Storm Bond Fund

Storm Bond Fund was up 0.7% in April and is up 3.7% year to date. The Oslo Stock Exchange was up 2.9% in April and is up 5.4% year to date. Since inception, the fund is up 69.7% vs 35.9% for the Oslo Stock Exchange.



April was a very quiet month in the primary market with only GasLog tapping their NOK 500m bond by another NOK 500m. The main reason for the quiet April market was Easter with several bank holidays. However, activity in the secondary market picked somewhat up. We continue to believe that 2014 will be a very active year in both primary- and secondary market and expect to see more deals coming out from especially Sweden denominated in SEK. Pre-sound activity is high and we expect some deals to close by the first week of May.

In April, Storm Bond Fund was active in the secondary market and we increased exposure to J. Lauritzen and Bluewater. New exposures in the portfolio include Polarcus and Fjord Line. Polarcus is a seismic company amortizing their bank debt rapidly and even in a low case credit scenario, we find cash flows sufficient to service creditors. The company is de-levering and credit metrics will improve. Fjord Line is an operator of ferries on the West coast of Norway to Denmark, more precisely Bergen and Stavanger. The company has two brand new vessels build at Bergen Group Fosen, of where both are financed by the Export Credit Norway. The company is private and Frode (64.4%) and Ole Teigen (10%) own the majority of shares. We have now exited our exposure to Scandinavian Airlines (SAS) as the bond reached our yield target. Our total return on that trade since end of September 2013 was 11%.

The yield to maturity in Storm Bond Fund is now 9.3% and yield to call is 10.9% leading to a realistic yield of ~10.0%.

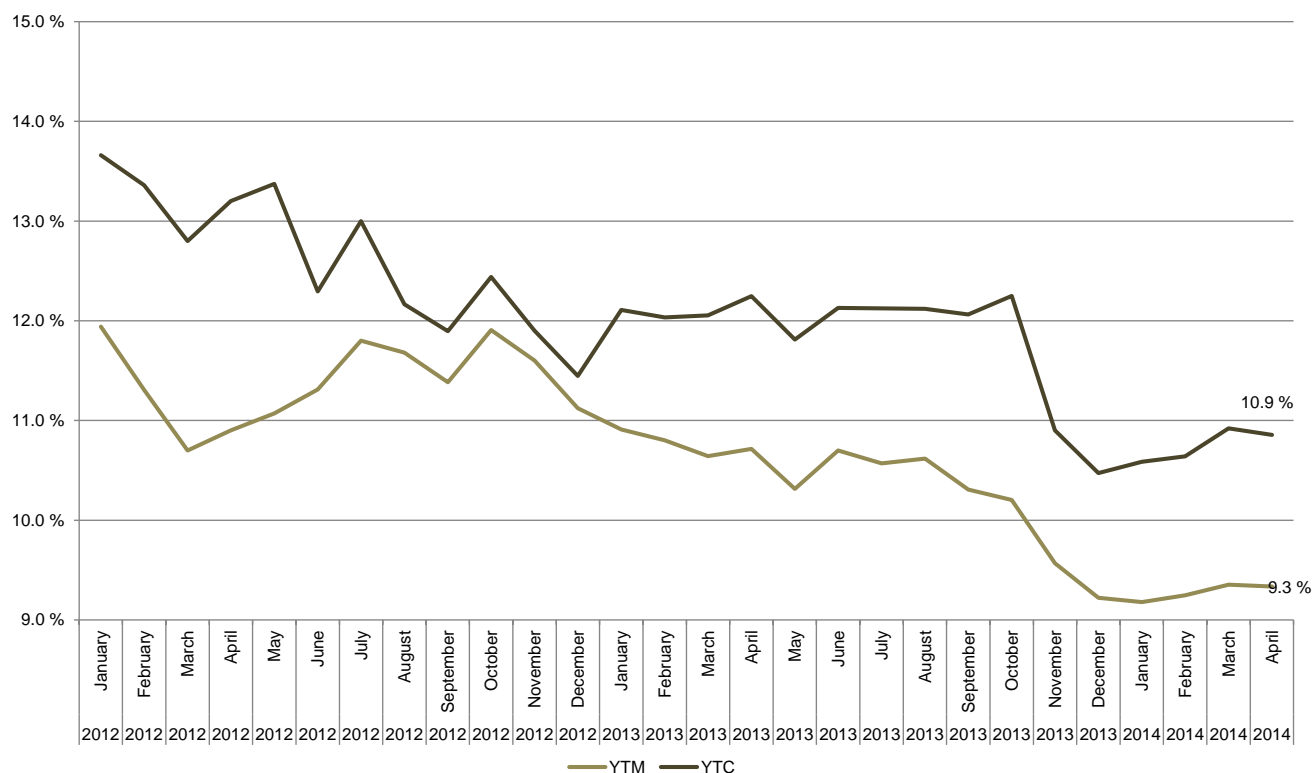
Credit duration is unchanged and stable with 3.2 years to maturity and 2.2 years to call, meaning that the theoretical duration is ~2.7 years. The interest duration is now ~1.8 years maintaining the relatively small interest rate exposure. The exposure to fixed papers is slightly up but we have left the interest rate duration unchanged.

PERFORMANCE REPORT

APRIL 2014

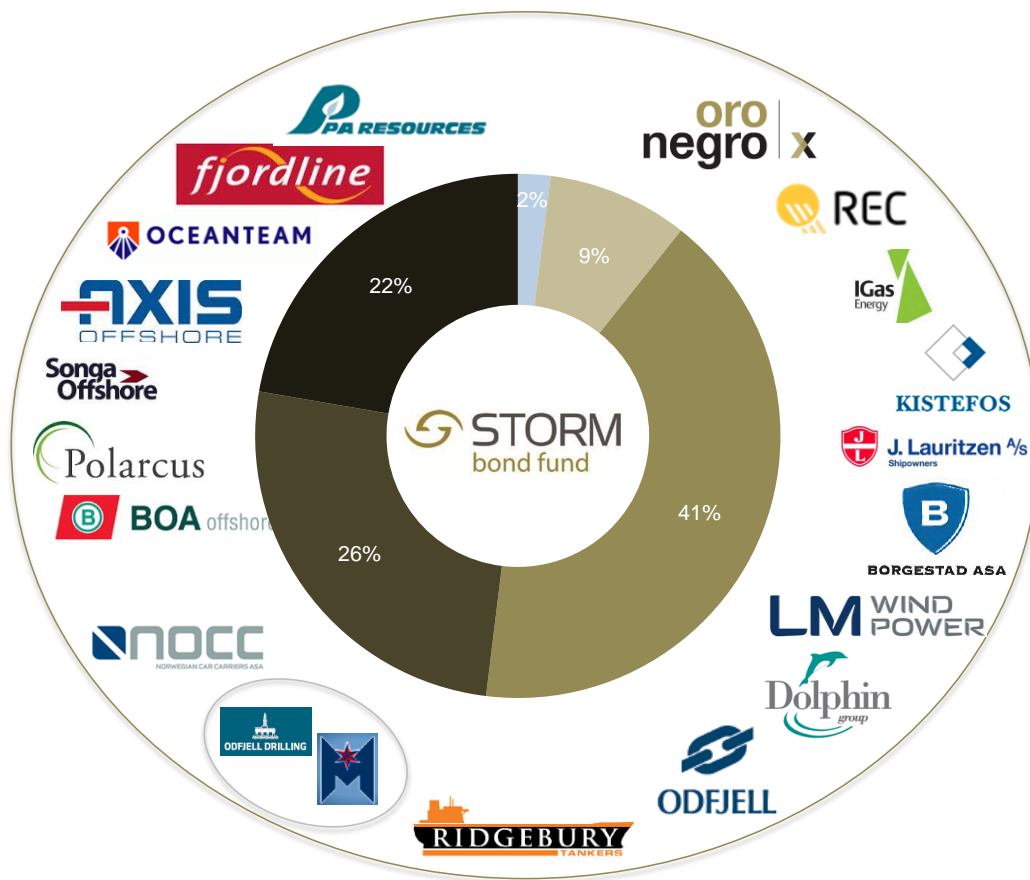
According to S&P and Nordea, the 12 months trailing global high yield default rate is at ~2% compared to the long term average at 4.1%. 18 public global rated high yield issuers have defaulted so far in 2014, in 2013 this figure was 78. Global credit spreads widened marginally on average (5-10bps) in April leaving the credit spreads at relatively tight levels in a historical perspective.

The chart below shows the development of yield to maturity and yield to call in Storm Bond Fund.



Selected investments in Storm Bond Fund

A+	2%
BB-	0%
B+	9%
B	41%
B-	26%
CCC+	22%



Team

Portfolio Managers / Trading



Morten E. Astrup



Kim Johanson

Research / Corporate Finance



Erik M. Mathiesen



Christian G. Ståhl

Compliance



Einar Pedersen

How to invest in Storm Bond Fund

International/UK: London office

Scott Smith +44 207 409 3378 or scott@stormcapital.co.uk

Oslo office:



Tore Andersen +47 920 35 908 or tore@stormcapital.no



Marcus Johannessen +47 951 35 853 or marcus@stormcapital.no