

PERFORMANCE REPORT

MAY 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%	0.7%								4.4%
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	125.5								4.4%
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%

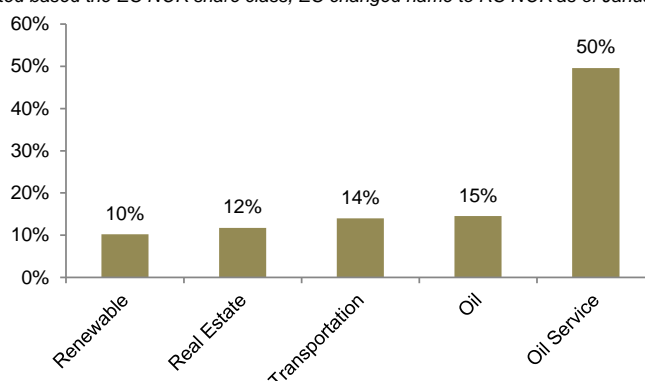
*From January 2010, performance and NAV are reported based on the EC share class. EC share class 31. December 2009: 103.9
Past performance is no guarantee for future performance

**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 May 2014, Net of fees (RC NOK)	0.7%
Performance YTD 2014 (RC NOK shareclass)	4.4%
Performance since inception	71.0%
Number of positions 31/05/2014	38
Number of issuers	33



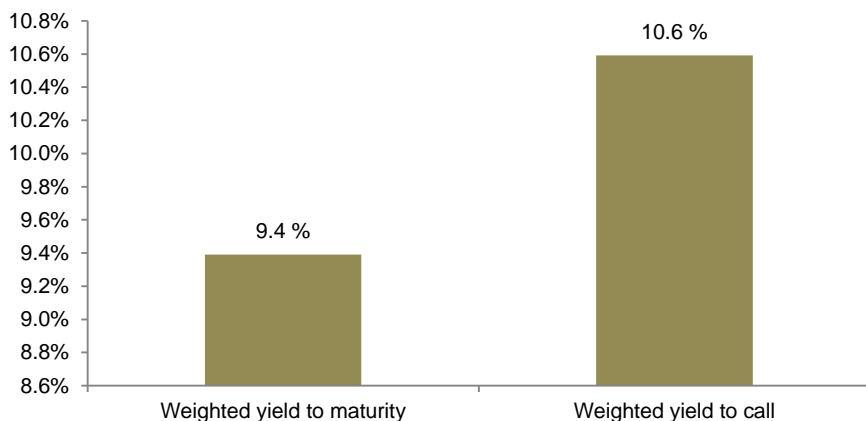
Fund terms

Currency	NOK	Management Fee	Retail: 0.75%, Institutional: 0.5%
Domicile	Luxembourg	Performance Fee	10%
Investment Manager	Storm Capital Management Ltd	Liquidity	Weekly
Prime Broker	Oppenheim Asset Management Services	Auditor	PriceWaterhouseCoopers
Administrator	Deutsche Fund Platforms		

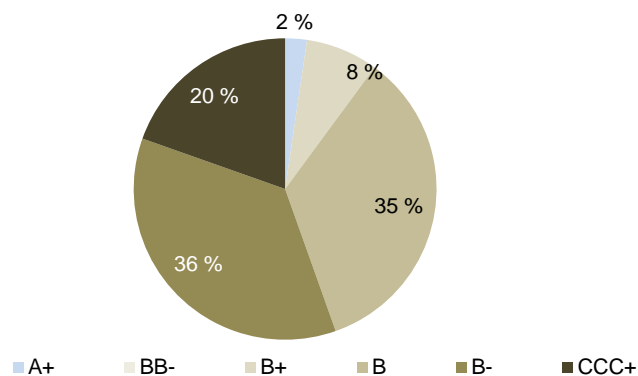
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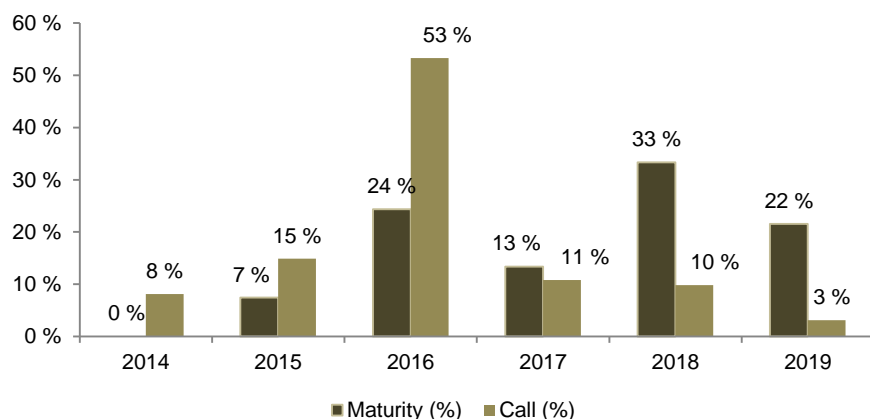
Yield to maturity and yield to call



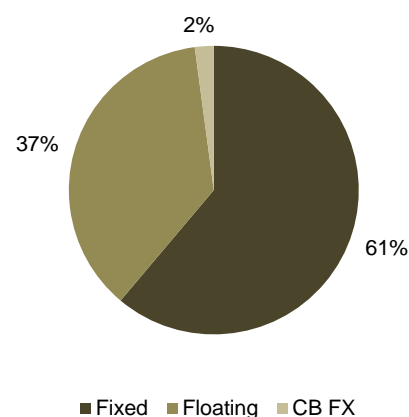
Credit rating



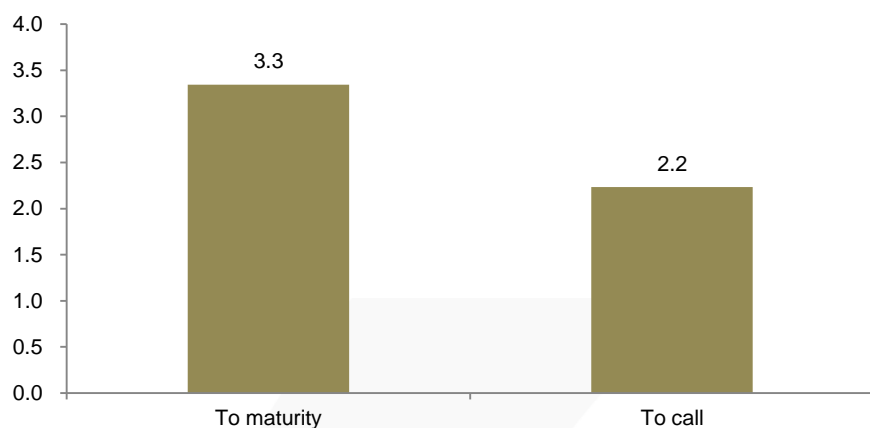
Maturity profile



Coupon allocation



Duration, years

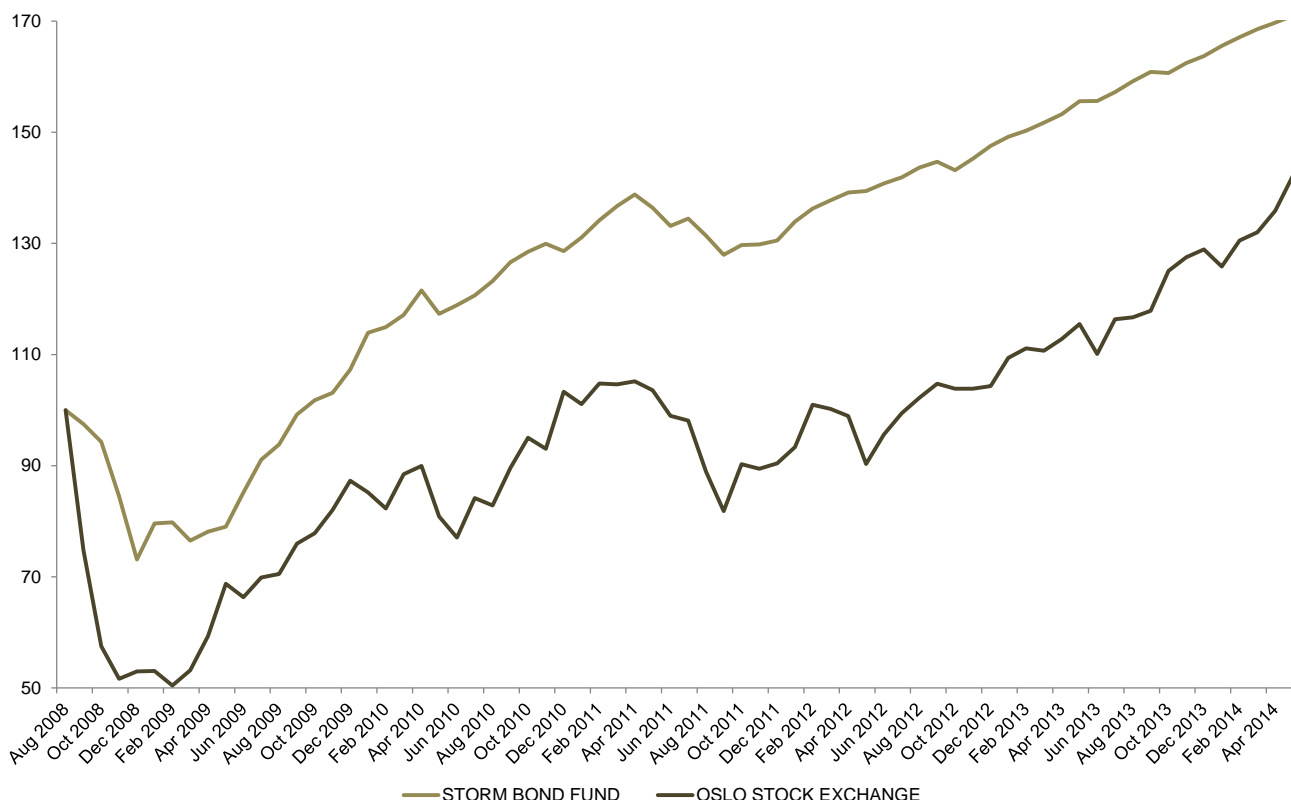


Top 10 positions

Name	% NAV
1 Kistefos AS 13-16 FRN	5.0%
2 LM Group Holding	4.8%
3 J.Lauritzen Holding 12-17 FRN	4.7%
4 REC Silicon ASA 11-18	4.3%
5 Bluewater Holding B.V. 13-19	4.2%
6 Oceanteam Shipping ASA 12-17 FRN	4.1%
7 Boa Offshore AS 13-18 FRN	4.0%
8 Fjord Line AS 13-16	4.0%
9 Songa Offshore ASA 11-18 FRN	3.5%
10 Elematic Oy Ab 2014/2018 Fixed Secured	3.5%

Storm Bond Fund

Storm Bond Fund was up 0.7% in May and is up 4.4% year to date. The Oslo Stock Exchange was up 4.6% in May and is up 10.3% year to date. Since inception, the fund is up 71.0% vs 42.2% for the Oslo Stock Exchange.



May continued the active primary market so far in 2014 with issuers such as Genel Energy, Prospector Offshore, TiZir and Global Rig Company. The Genel Energy transaction is a good example of why the Nordic bond market is known worldwide among issuers and investors. Genel is a UK listed company with assets in Turkey and Kurdistan and one can argue that a Norwegian style of transaction is not efficient. DNB Markets and Pareto Securities proved this to be wrong and placed a USD 400m bond. We are expecting global issuers to use the Nordic bond market going forward. Storm Bond Fund participated in funding Elematic Oy (real estate), Index AB (real estate) and Global Rig Company ASA (US onshore oil service) during the month.

Activity in the secondary market slowed somewhat down in May due several public holidays as well as an active primary market. Storm Bond Fund was active in the secondary market and added in Kistefos, Bluewater and Songa. We realised our exposure Odfjell SE, Ridgebury Tankers and World Wide Supply as these bonds reached our yield targets.

The yield to maturity in Storm Bond Fund is now 9.4% and yield to call is 10.6% leading to a realistic yield of ~10.0%.

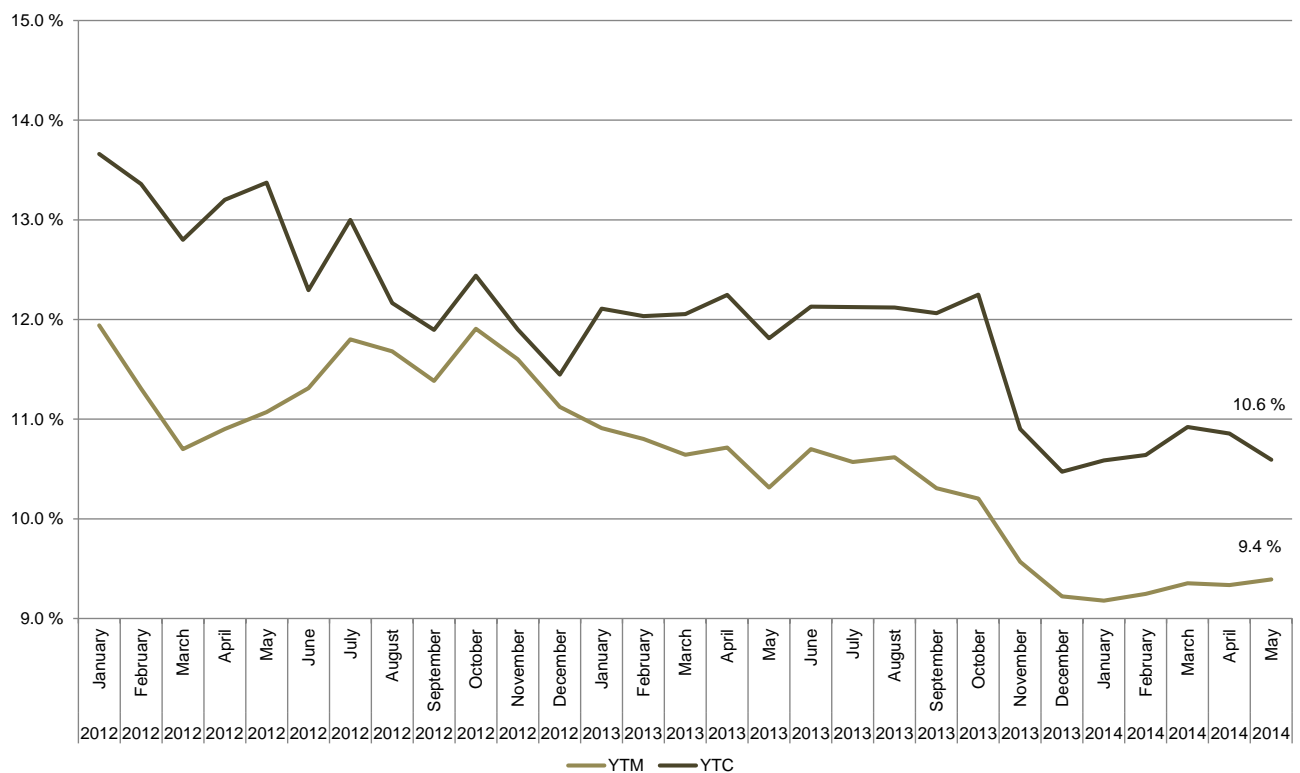
Credit duration is unchanged and stable with 3.3 years to maturity and 2.2 years to call, meaning that the theoretical duration is ~2.7 years. The interest duration is now ~1.9 years maintaining the relatively small interest rate exposure. We continue to maintain low credit- and interest rate duration.

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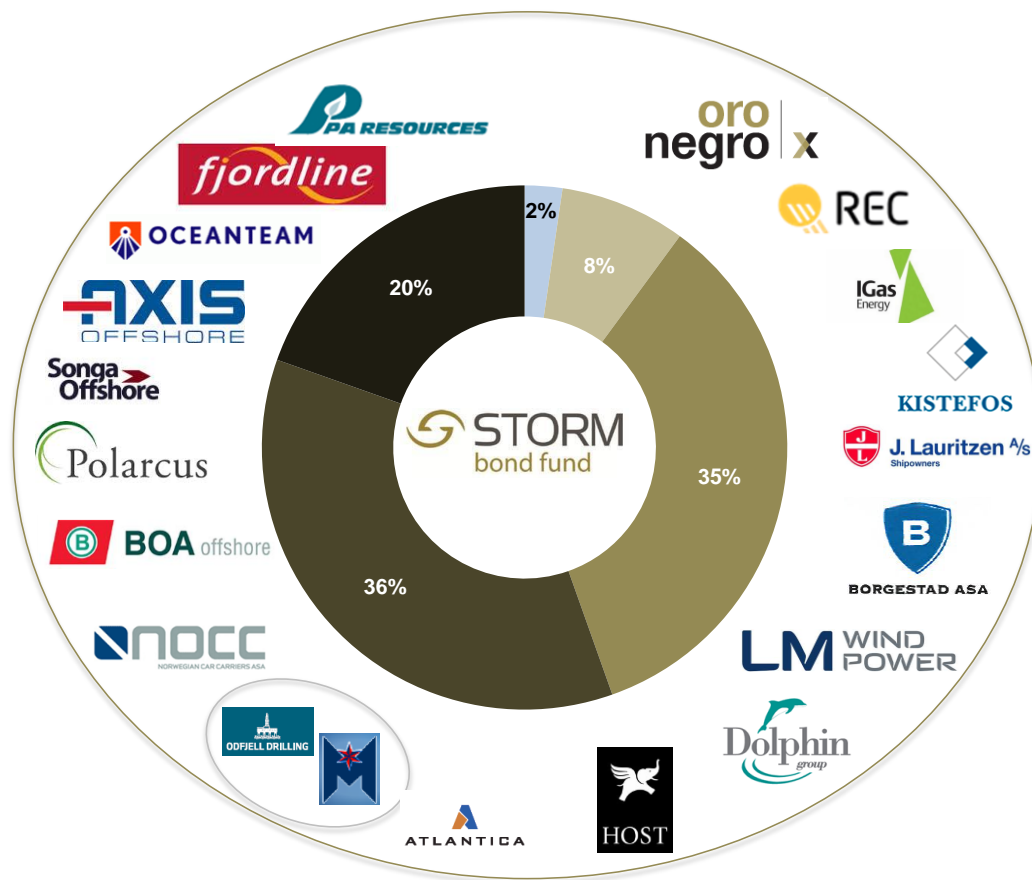
Both the global- and European high yield market remains strong and credit spreads in all areas continue to tighten. Both the investment grade- and high yield markets are open globally and several new issuers are coming to the market. Global high yield default rates remain unchanged with the 12-month trailing rate at ~2% and the long term (1981-2013) average at ~4% (S&P / Nordea Markets).

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+	8%
B	35%
B-	36%
CCC+	20%



Team

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