

# PERFORMANCE REPORT

NOVEMBER 2014

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2014</b>	1.1%	1.0%	0.9%	0.7%	0.7%	0.8%	0.6%	0.1%	-1.3%	-5.5%	<b>-0.3%</b>		<b>-1.3%</b>
<b>2013</b>	1.1%	0.8%	1.0%	1.0%	1.5%	0.0%	1.1%	1.2%	1.1%	-0.1%	1.1%	0.8%	<b>11.0%</b>
<b>2012</b>	2.7%**	1.7%	1.1%	1.0%	0.2%	1.0%	0.8%	1.2%	0.7%	-1.0%	1.5%	1.6%	<b>13.0%**</b>
<b>2011</b>	1.9%	2.3%	2.0%	1.4%	-1.7%	-2.4%	1.0%	-2.3%	-2.6%	1.4%	0.0%	0.6%	<b>1.5%</b>
<b>2010</b>	6.2%*	0.8%	2.0%	3.8%	-3.4%	1.3%	1.4%	2.2%	2.8%	1.5%	1.1%	-1.0%	<b>19.9%</b>
<b>2009</b>	8.9%	0.3%	-4.2%	2.1%	1.2%	7.9%	6.8%	3.0%	5.7%	2.6%	1.4%	4.1%	<b>46.8%</b>
<b>2008</b>									-2.6%	-3.2%	-10.4%	-13.5%	<b>-26.9%</b>

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2014</b>	121.5	122.6	123.7	124.6	125.5	126.5	127.3	127.4	125.7	118.8	<b>118.5</b>		<b>-1.3%</b>
<b>2013</b>	109.5	110.3	111.3	112.5	114.2	114.2	115.4	116.8	118.0	117.9	119.2	120.1	<b>11.0%</b>
<b>2012</b>	131.0**	137.5	101.1***	102.1	102.3	103.3	104.1	105.4	106.2	105.0	106.6	108.3	<b>13.0%**</b>
<b>2011</b>	126.9	129.9	132.4	134.4	132.1	128.9	130.2	127.2	123.9	125.6	125.7	126.4	<b>1.5%</b>
<b>2010</b>	110.3*	111.3	113.4	117.7	113.6	115.1	116.8	119.3	122.6	124.4	125.8	124.54	<b>19.9%</b>
<b>2009</b>	79.6	79.8	76.5	78.1	79.0	85.2	91.1	93.8	99.2	101.8	103.1	107.3	<b>46.8%</b>
<b>2008</b>								100.0	97.5	94.3	84.5	73.1	<b>-26.9%</b>

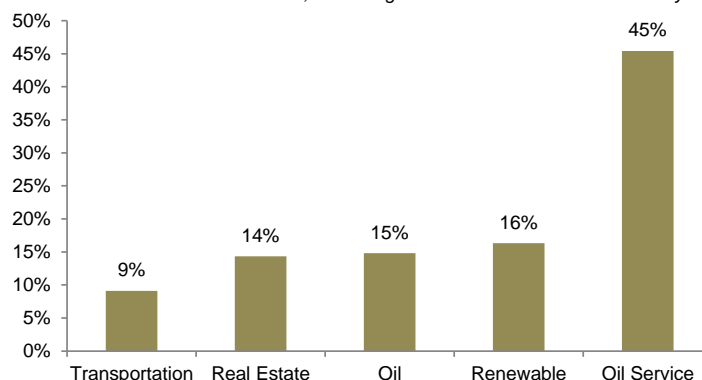
\*From January 2010, performance and NAV are reported based on the EC share class. EC share class 31. December 2009: 103.9  
Past performance is no guarantee for future performance

\*\*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 November 2014, Net of fees (RC NOK)	-0.3%
Performance YTD 2014 (RC NOK shareclass)	-1.3%
Performance since inception	61.5%
Number of positions 30/11/2014	37
Number of issuers	34
Interest rate duration	2.0 years



## Fund terms

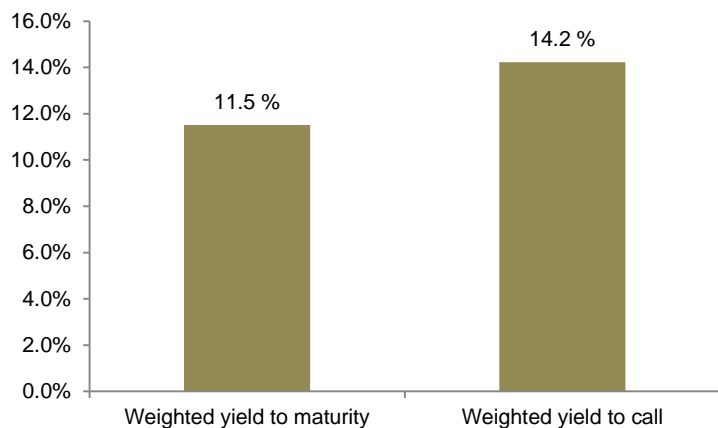
<b>Currency</b>	NOK
<b>Domicile</b>	Luxembourg
<b>Investment Manager</b>	Storm Capital Management Ltd
<b>Prime Broker</b>	Oppenheim Asset Management Services
<b>Administrator</b>	Deutsche Fund Platforms

<b>Management Fee</b>	Retail: 0.75%, Institutional: 0.5%
<b>Performance Fee</b>	10%
<b>Liquidity</b>	Weekly
<b>Auditor</b>	PriceWaterhouseCoopers

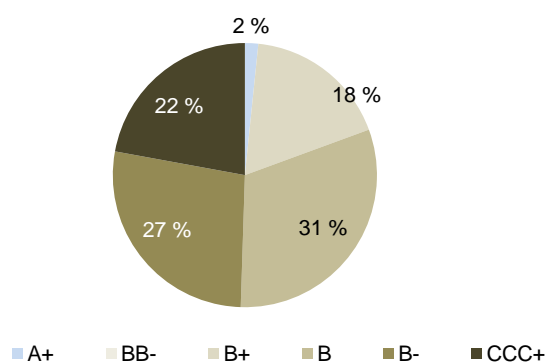
# PERFORMANCE REPORT

NOVEMBER 2014

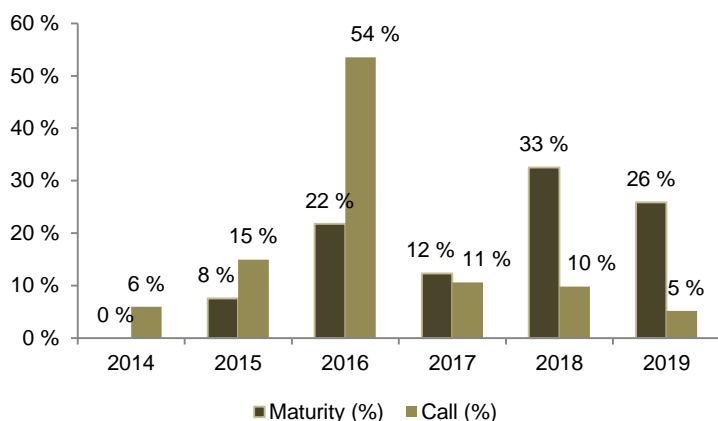
## Yield to maturity and yield to call



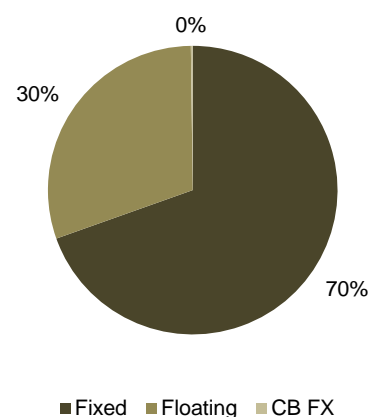
## Credit rating



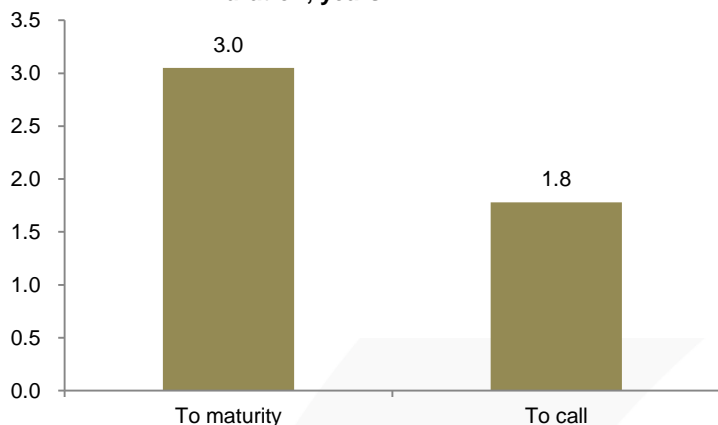
## Maturity profile



## Coupon allocation



## Duration, years

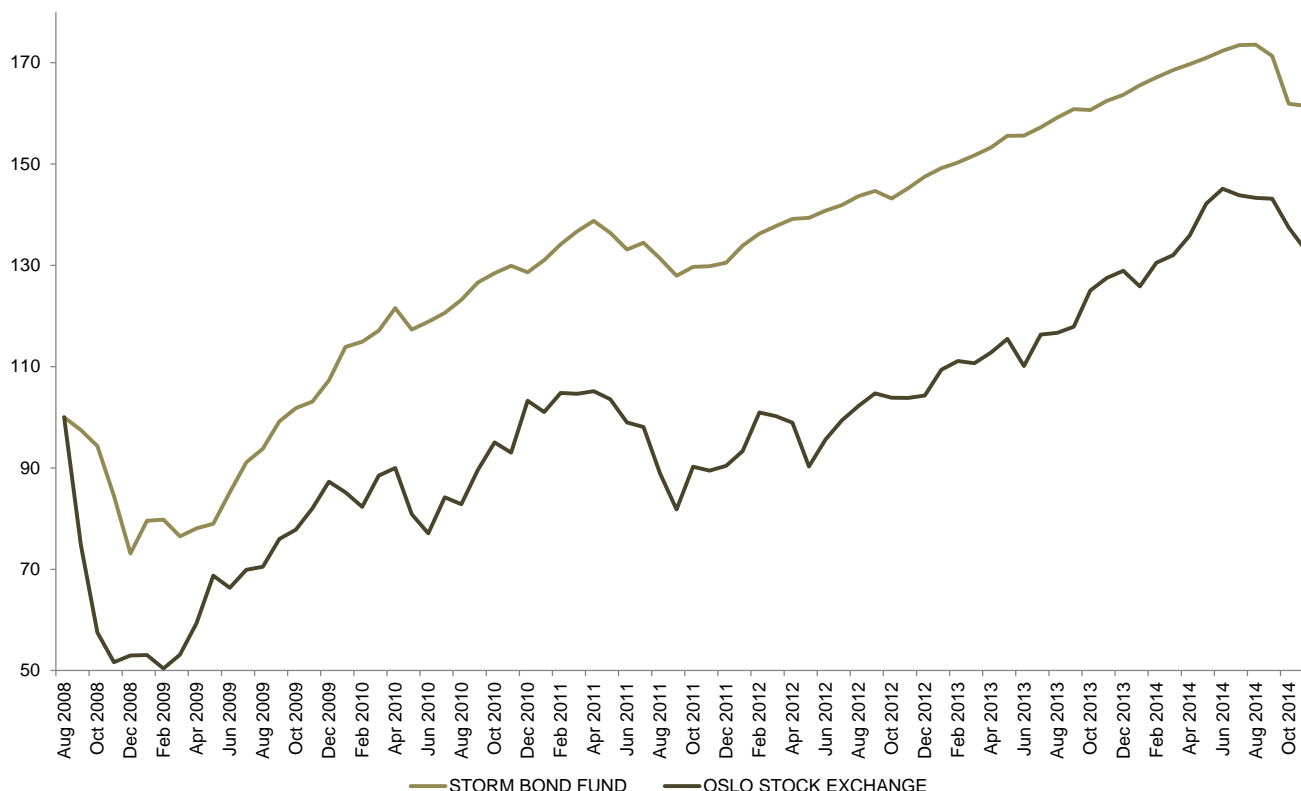


## Top 10 positions

Name	% NAV
1 LM Group Holding	5.6%
2 Etrion Corp. 14-19	5.2%
3 Borgestad ASA 14-17 FRN	4.9%
4 Oceanteam Shipping ASA 12-17 FRN	4.7%
5 REC Silicon ASA 11-18	4.6%
6 Metro Exploration Holding Corp. 14/16 Step-up	4.5%
7 Kistefos AS 13-16 FRN	4.3%
8 Fjord Line AS 13-16	4.2%
9 Bluewater Holding B.V. 13-19	4.1%
10 Oro Negro Drilling Pte. Ltd. 14-19	3.8%

### Storm Bond Fund

Storm Bond Fund was down 0.3% in November and is down 1.3% year to date. The Oslo Stock Exchange was down 3.2% in November and is up 3.2% year to date. Since inception, the fund is up 61.5% vs 33.0% for the Oslo Stock Exchange.



In November, the stability in the Nordic high yield market improved from October. During the month, we also saw increased liquidity. Activity in the primary market is still limited and most issuers are sitting at the sideline waiting for improved market conditions and investor demand.

Last week of November, the members of OPEC met to discuss the oil price and future production. The forum decided not to cut production and the 30mm/b of oil remains unchanged. In the days following the meeting, the market experienced a drop in the oil price, most likely triggered by speculation. For oil companies the outcome of the meeting means they have to increase focus on cost control, investment more selectively and possible cuts in dividends.

The declining oil price has had a negative effect and deteriorated the market outlook for the oil- and oil service sectors. In our view, 2015 will be the year for service providers to adapt and adjust to a lower oil price regime. That said, it is however important to bear in mind that this is not the first time in history that the oil price has declined rapidly. The super cycle is now over for the equity holders and it is time to cut costs and become cost efficient again. The current cycle will separate the quality players / credits from the rest.

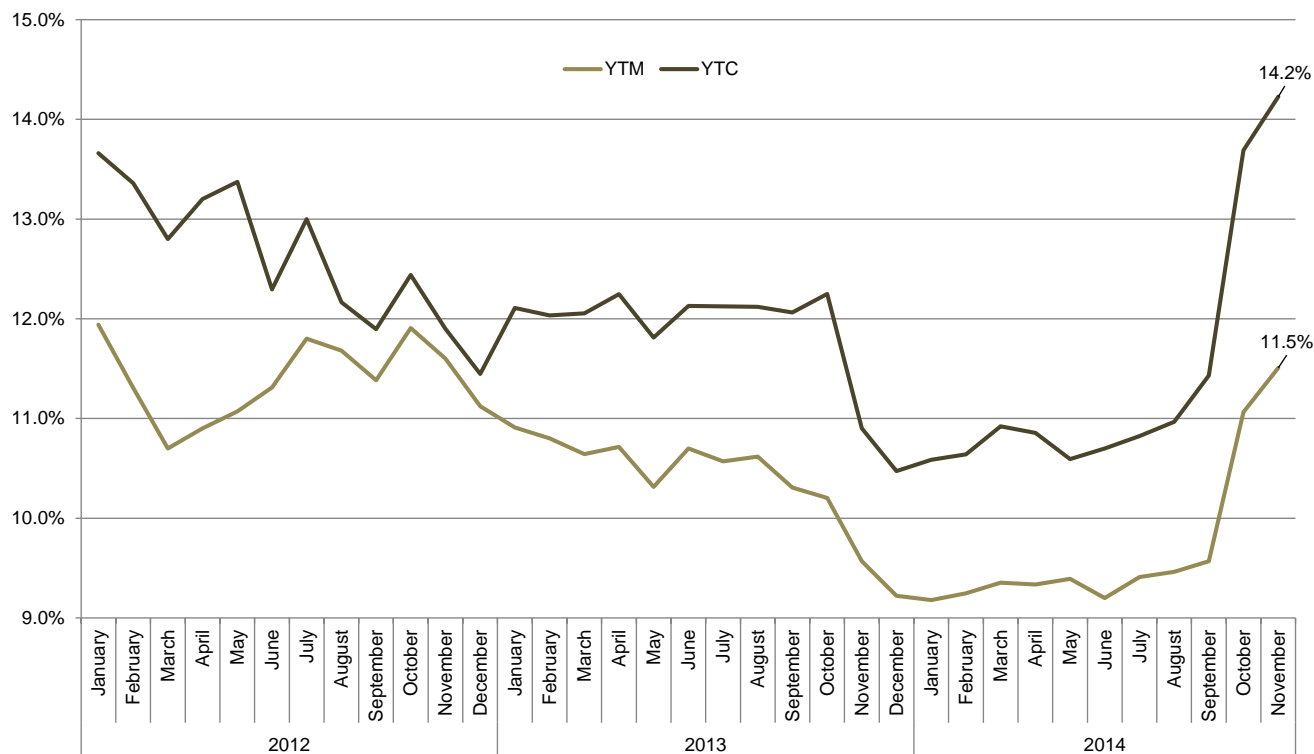
In the current market climate, we highlight our long-term investment strategy. The credit metrics have not been significantly worsened over the past two months and our counter parties are contractually obligated to meet their debt obligations – we do not see many corporates folding right now. It is important to bear in mind that many companies are now trading to higher interest rates (i.e. at discount to face value) which over time means that the running yield will contribute positively to investors with a mid- to long- term view on the market. The risk / reward has improved materially the last 4-6 weeks.

# PERFORMANCE REPORT

## NOVEMBER 2014

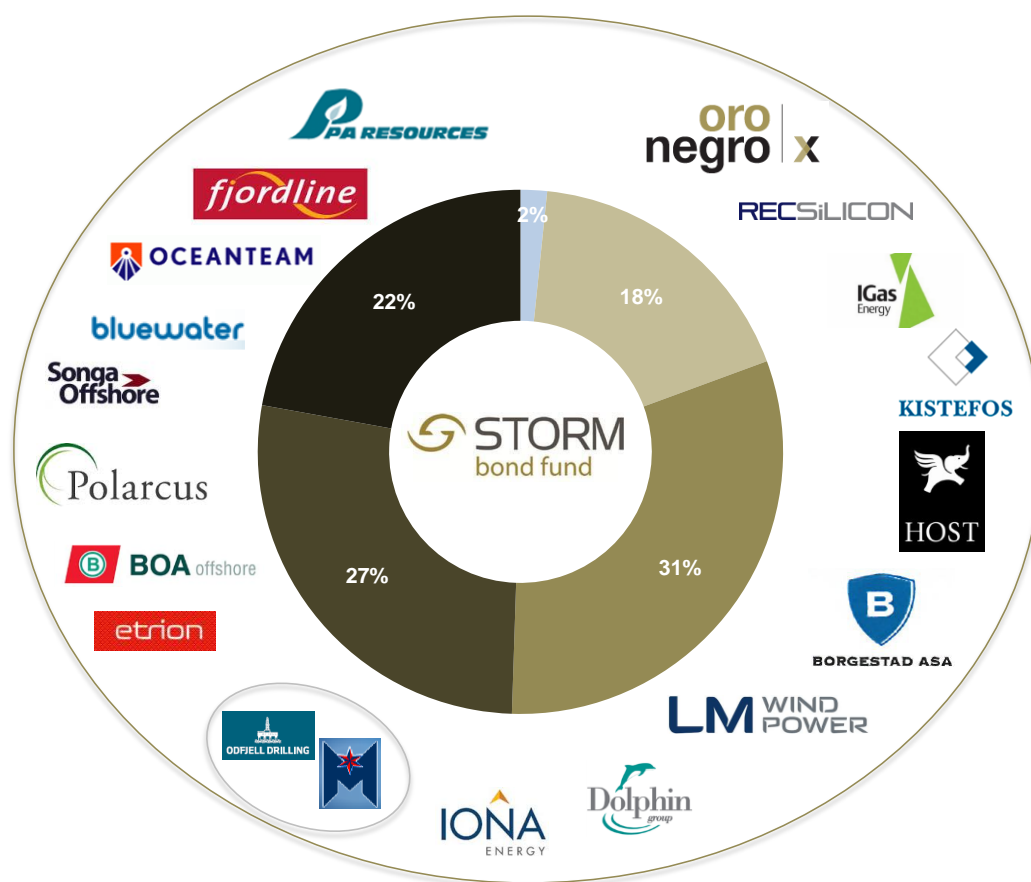
The iTraxx 5-year Crossover Index averaged at 348bps in November that was unchanged from October (346bps). On a global basis, the high yield markets is getting slightly more active and we see net inflow to global high yield again.

The graph below shows historical yields in Storm Bond Fund – back to more favourable levels



Selected investments in Storm Bond Fund with credit- or shadow credit ratings

A+	2%
BB-	0%
B+	18%
B	31%
B-	27%
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

Please call +44 207 409 3378 or send an email to [info@stormcapital.co.uk](mailto:info@stormcapital.co.uk)

Oslo office:



Tore Andersen +47 920 35 908 or [tore@stormcapital.no](mailto:tore@stormcapital.no)



Marcus Johannessen +47 951 35 853 or [marcus@stormcapital.no](mailto:marcus@stormcapital.no)