

PERFORMANCE REPORT

DECEMBER 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%	0.8%	0.6%	0.1%	-1.3%	-5.5%	-0.3%	-11.5%	-12.7%
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	125.5	126.5	127.3	127.4	125.7	118.8	118.5	104.8	-12.7%
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%

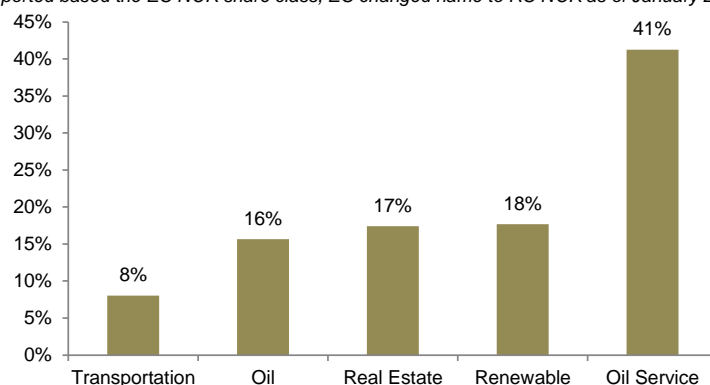
*From January 2010, performance and NAV are reported based on the EC share class. EC share class 31. December 2009: 103.9
Past performance is no guarantee for future performance

**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 December 2014, Net of fees (RC NOK)	-11.5%
Performance YTD 2014 (RC NOK shareclass)	-12.7%
Performance since inception	42.9%
Number of positions 31/12/2014	34
Number of issuers	32
Interest rate duration	1.9 years



Fund terms

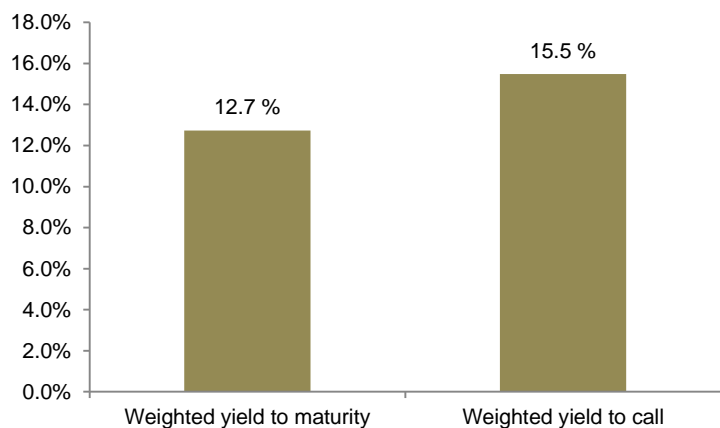
Currency	NOK
Domicile	Luxembourg
Investment Manager	Storm Capital Management Ltd
Prime Broker	Oppenheim Asset Management Services
Administrator	Deutsche Fund Platforms

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

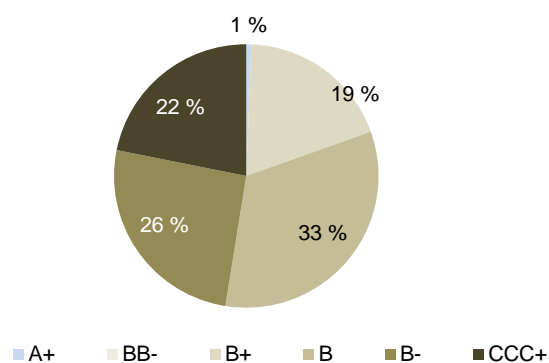
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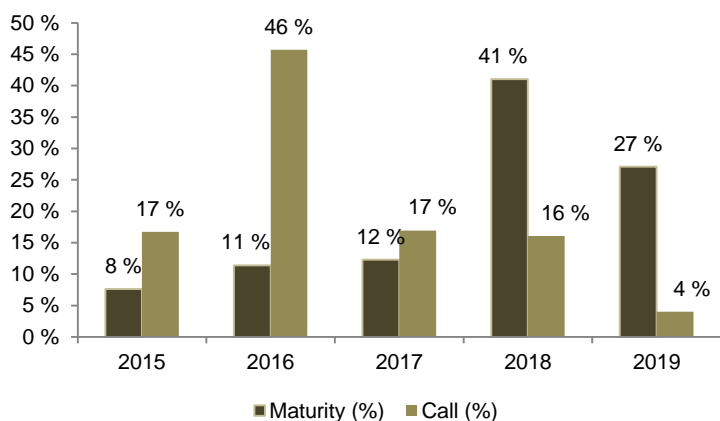
Yield to maturity and yield to call



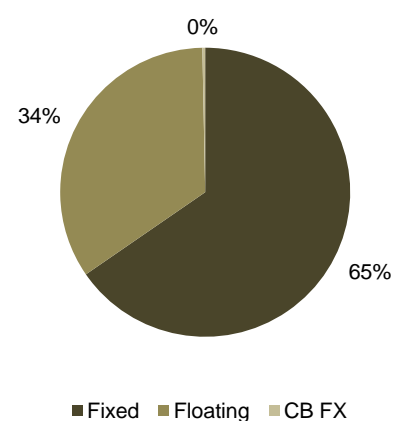
Credit rating



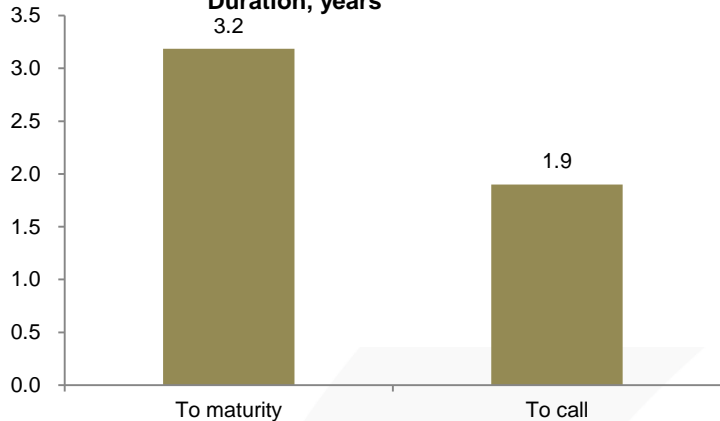
Maturity profile



Coupon allocation



Duration, years

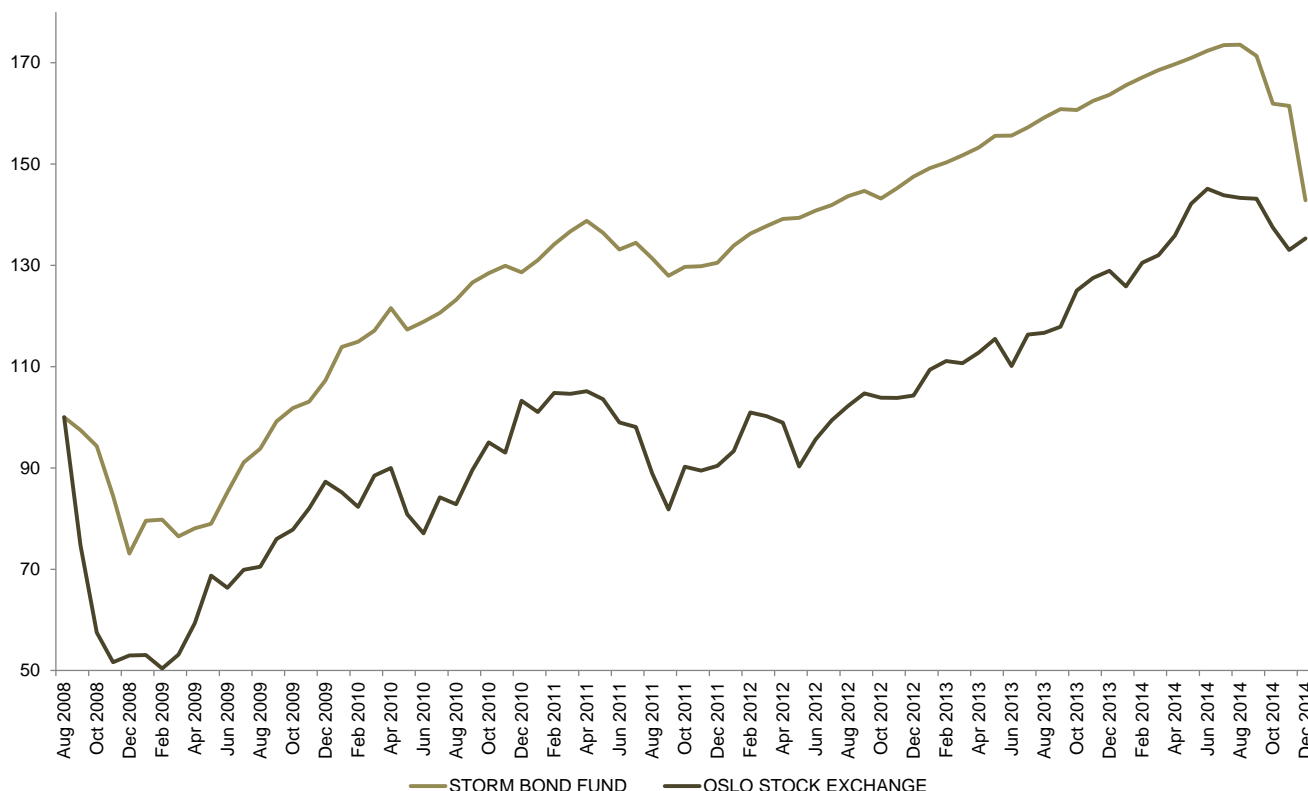


Top 10 positions

Name	% NAV
1 Oceanteam Shipping ASA 12-17 FRN	6.3%
2 Etrion Corp. 14-19	6.1%
3 Borgestad ASA 14-17 FRN	5.8%
4 LM Group Holding	5.2%
5 REC Silicon ASA 11-18	5.1%
6 Kistefos AS 13-16 FRN	5.0%
7 Bluewater Holding B.V. 13-19	5.0%
8 Fjord Line AS 13-18	4.9%
9 Global RiG Co. ASA 14-19	4.6%
10 Oro Negro Drilling Pte. Ltd. 14-19	3.9%

Storm Bond Fund

Storm Bond Fund was down 11.5% in December and ended 2014 down 12.7%. The Oslo Stock Exchange was up 1.7% in December and ended the year up 5.0%. Since inception, the fund is up 42.9% vs 35.3% for the Oslo Stock Exchange.



Dear fellow investors,

The year of 2014 was, as you all know challenging for Storm Bond Fund. We are not happy with a fall of 12.7%. However, considering the harsh macro environment in high yield and our core sectors in particular is in our view a proof of concept. Long term the portfolio is still up 43% since pre Lehman against the Oslo Benchmark index that is up 35% with a much higher volatility. Actually, this may well be the best time for many years to invest in high yield and the energy sector in particular. In these times, it is important to revisit the long-term charts showing that over the last 30 years a 2-year horizon in high yield has given a good positive return. Whereas we need to remind that, the Nasdaq is still below the record levels seen in March 2000, almost 15 years ago. Japan is 60% below the peak around 1990. No one knows what the future will bring, but what we do know is that apart from a small minority in the portfolio we still receive coupons at the same levels as before. It is just the implied yield that has increased. A large number of companies need to go bankrupt if there is to be any reality in the current downturn. We think 2015 will look like 2009 for high yield within energy where we will see several restructurings that already is accounted for in the 2014 write-downs.

Oil Services and E&P

Alternative energy sources are increasing every year, but the oil price demand is not likely to fluctuate by more than a maximum of 1-2% whatever happens. The price of producing oil is also decreasing rapidly due to the collapse in the service sector, and hence the profitability in E&P companies that already have found oil is likely to improve significantly when the oil price returns. We have said for many years that from time to time we will have shocks in the oil price where USD 40 per barrel is not unrealistic. Short-term oil producers will produce all the way, until they reach their marginal cost level, which is much below the break-even level. We already see a significant reduction in the oil production pipeline, which will kick in slowly over

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the next two years clearing the ground for a new oil price upturn with a more healthy cost efficient industry ready to meet the competition from renewables.

Shipping

All shipping segments profit from lower fuel prices and Large Crude Carriers increase their ton mileage and seaborne oil storage when the oil price falls. On the margin, that is credit positive.

Real Estate

We are exposed to yielding real estate in several Northern European countries through Storm Bond Fund. All our real estate exposure is helped out by the low long-term interest rates in their core markets.

Overall, we see another exciting year ahead with large challenges when it comes to all the sectors we are exposed to. It is important to remember that it is when everyone hates a market it has a tendency to turn....

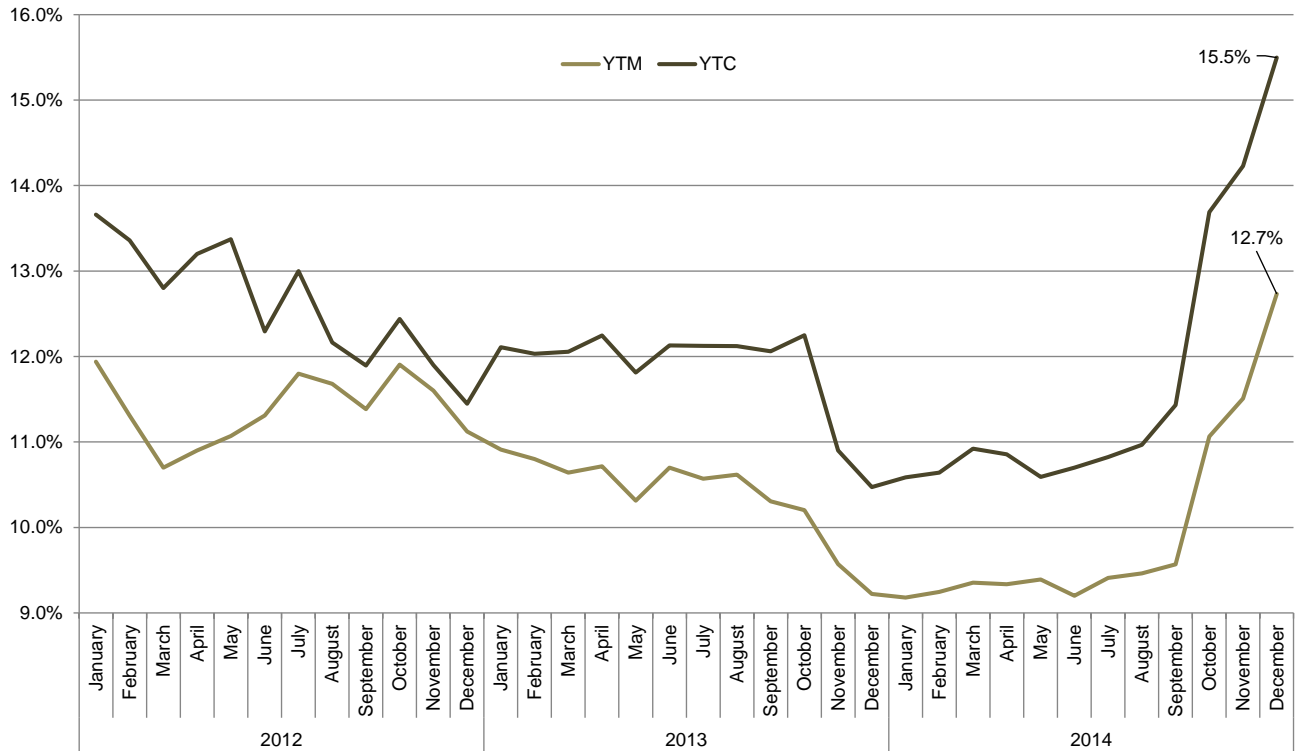
Happy New Year!

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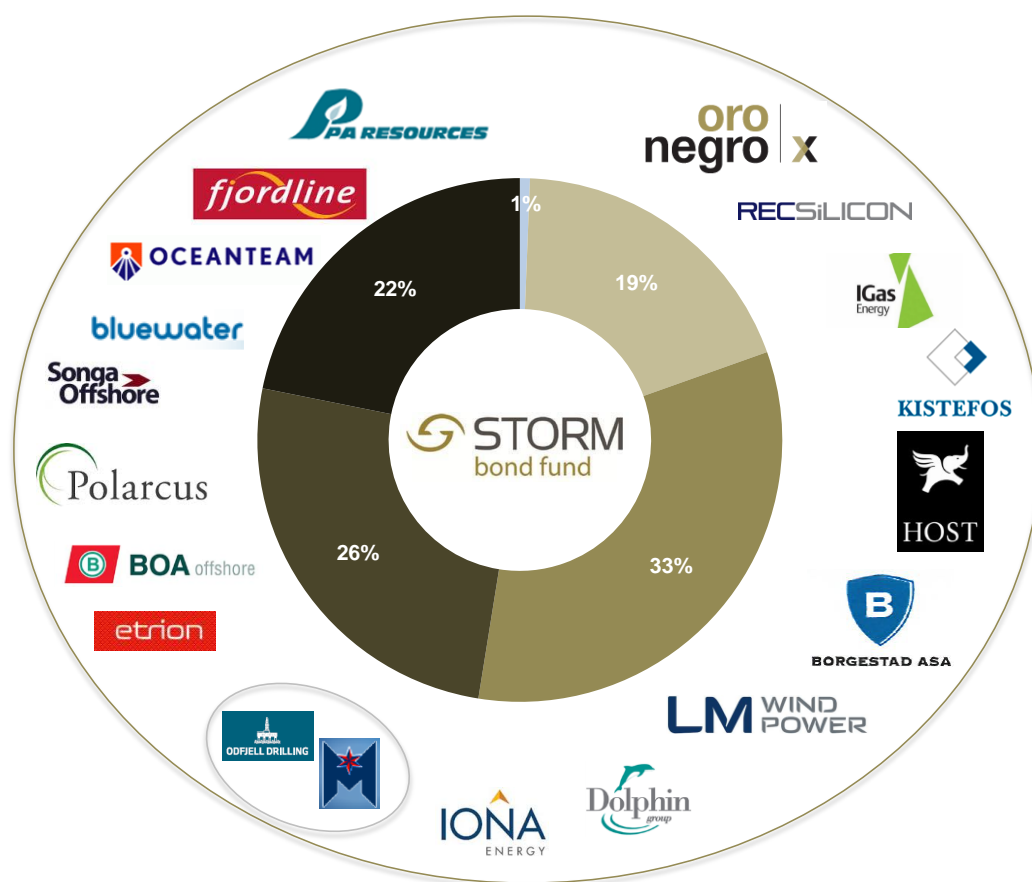
The iTraxx 5-year Crossover Index averaged at 335bps in December that was slight tightening from November (348bps). During December the international high yield market remained relatively quiet.

The graph below shows historical yields in Storm Bond Fund – there has been a 100-year wave within oil- and oil service.



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

A+	1%
BB-	0%
B+	19%
B	33%
B-	26%
CCC+	22%



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