

PERFORMANCE REPORT

FEBRUARY 2015

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	-2.7%	-1.3%											-3.9%
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
2015	102.0	100.7											-3.9%
2014	121.5	122.6	123.7	124.6	125.5	126.5	127.3	127.4	125.7	118.8	118.	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%

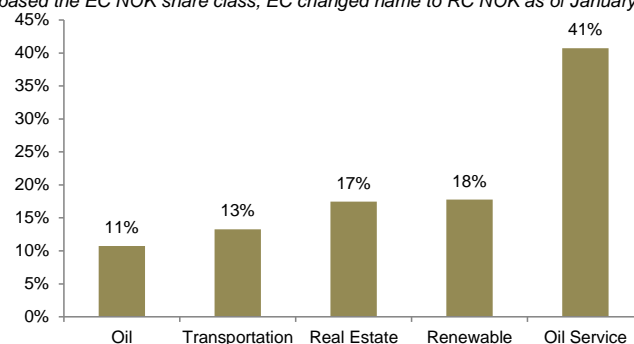
*From January 2010, performance and NAV are reported based on the EC share class. EC share class 31. December 2009: 103.9
Past performance is no guarantee for future performance

**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 February 2015, Net of fees (RC NOK)	-1.3%
Performance YTD 2015 (RC NOK shareclass)	-3.9%
Performance since inception	37.3%
Number of positions 28/02/2015	35
Number of issuers	33
Interest rate duration	1.9 years



Fund terms

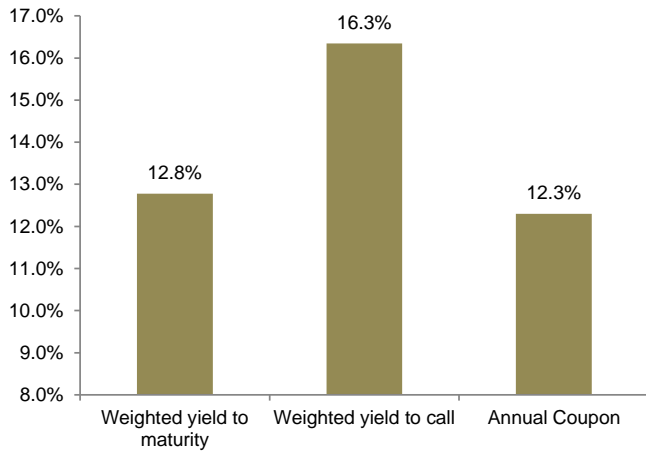
Currency	NOK
Domicile	Luxembourg
Investment Manager	Storm Capital Management Ltd
Prime Broker	Oppenheim Asset Management Services
Administrator	Deutsche Fund Platforms

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

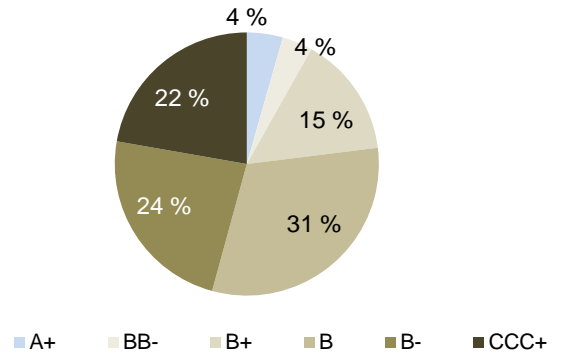
PERFORMANCE REPORT

FEBRUARY 2015

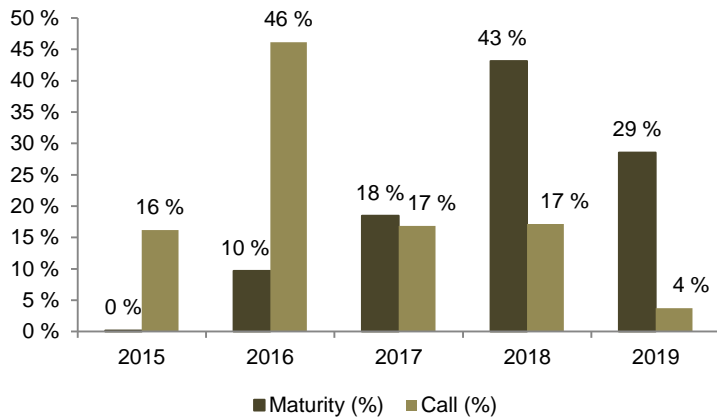
Yield to maturity, yield to call ann. coupon



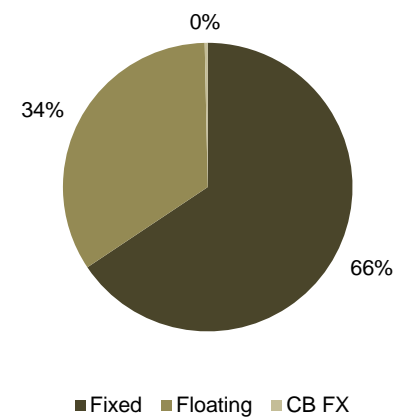
Credit rating



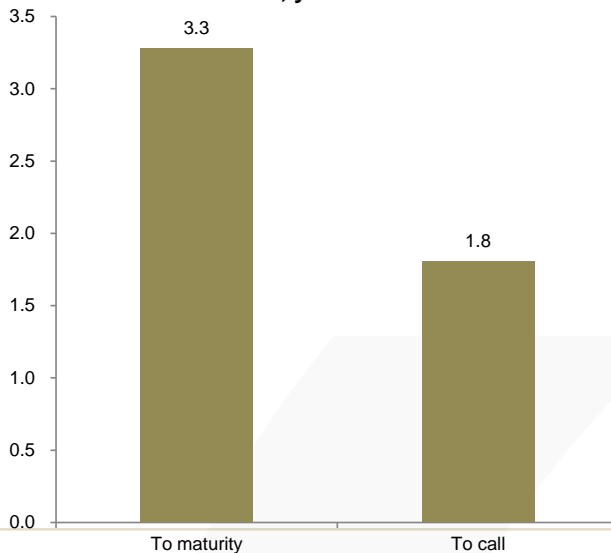
Maturity profile



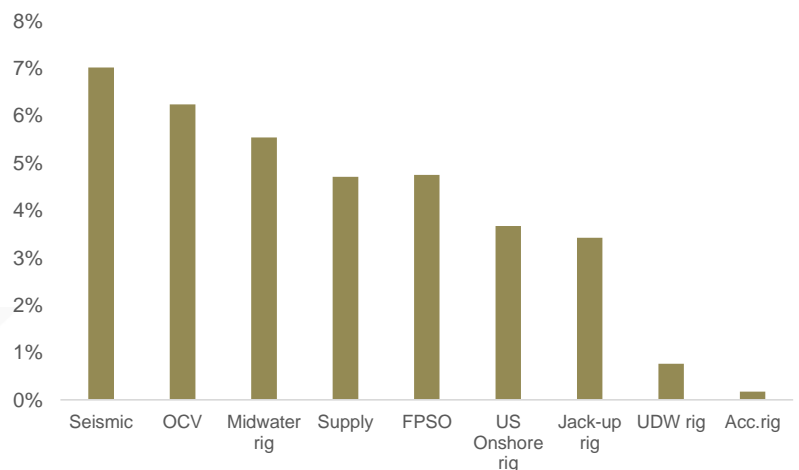
Coupon allocation



Duration, years



Oil service exposure

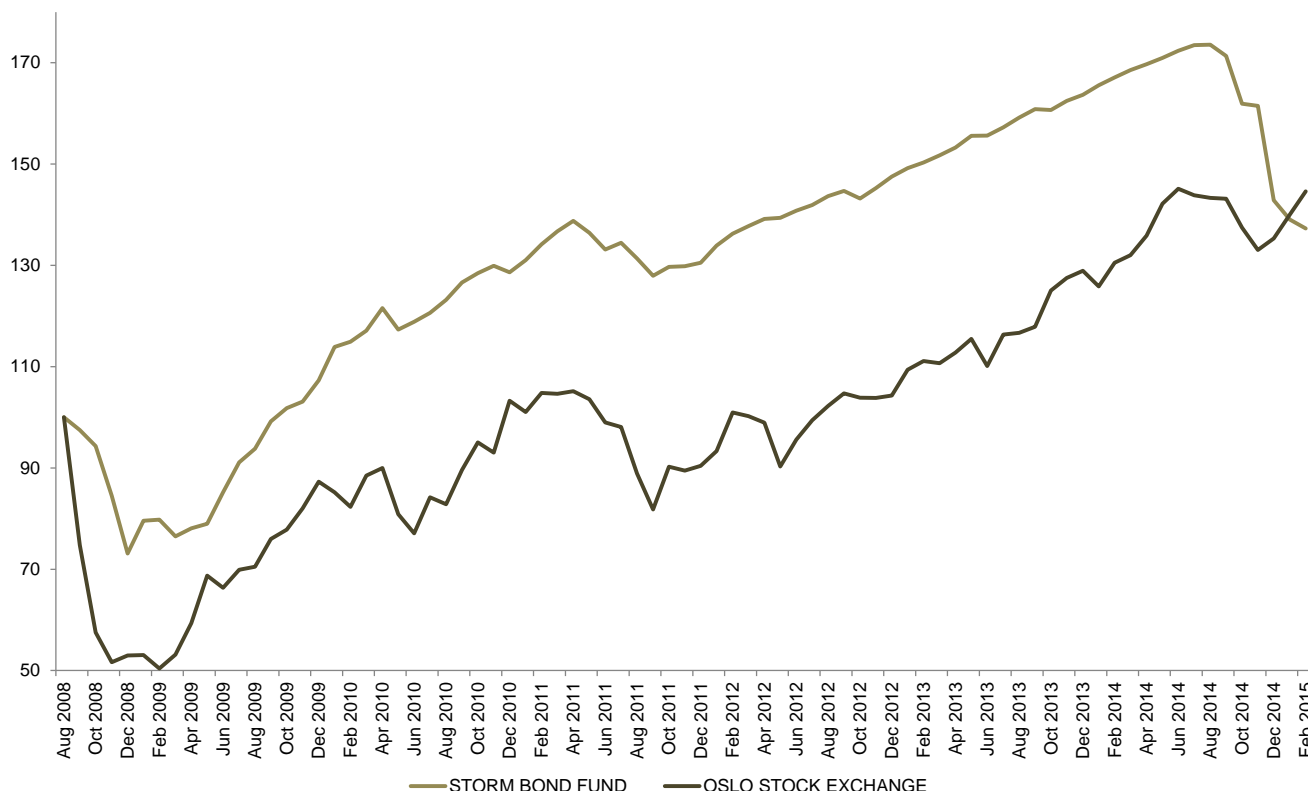


Top 20 positions

Name	Price	Yield %	NAV %	Information
1 Oceanteam Shipping ASA 12-17 FRN	102.00	10%	6.2%	35% to be repaid at 100 in April. LTV 80% on a contracted OCV fleet. 50% of the EBITDA from an unleveraged asset light business.
2 Borgestad ASA 14-17 FRN	100.00	8%	5.8%	Loan to value at ~60-70% with 1st and 2nd priority pledge in real estate in Poland and Grenland, Norway.
3 Etrion Corp. 14-19	88.50	12%	5.6%	Stockholm listed Lundin-family owned company installing, owning and producing solar power on long contracts. High leverage, but long term secured cash flow
4 REC Silicon ASA 11-18	96.00	11%	5.2%	Unsecured bond in a company with NOK 300m net cash and market cap of NOK 5bn
5 LM Group Holding	95.00	10%	4.9%	Private equity owned Danish company with global production of wind blades. Below 1.5x levered on EBITDA
6 Fjord Line AS 13-18	95.00	12%	4.8%	Recently Norwegian restructured ferry operator with ~80% loan to value on brand new ferries running on gas. Has among the world's most environmental ferries.
7 Bluewater Holding B.V. 13-19	85.00	14%	4.7%	Privately owned Dutch FPSO company with long contracts producing oil. Loan to value ~70-80% and de-levering over life. Reported strong Q4 figures.
8 Kistefos AS 13-16 FRN	84.00	19%	4.5%	Norwegian holding company with ~50% loan to value on assets. Owned 100% by Christen Sveaas.
9 Global RiG Co. ASA 14-19	96.00	9%	3.7%	1 st priority pledge in 9 land rigs (2 under construction) on 18-month contracts in the USA. ~60-70% loan to value. Fredriksen Group largest shareholder.
10 Tallink Grupp AS 13-18 FRN -144A-	100.50	6%	3.6%	Tallink is the leading ferry operator in the Baltics with significant earnings potential from a lower oil price
11 Oro Negro Drilling Pte. Ltd. 14-19	70.00	19%	3.4%	1 st pri pledge in 4 state of the art jack-ups on contracts with Pemex. Mexican and Singaporean pension money is invested in this company.
12 Songa Offshore ASA 11-18 FRN	80.91	18%	3.4%	Norwegian rig company with market cap of NOK 1,5bn and 4x brand new rigs on 8Y contracts to Statoil.
13 Elematic Oy AB 14-18	88.00	15%	3.3%	Finnish private equity owned company-producing modules for precast concrete. Founded in 1959.
14 Dolphin Group ASA 13-17 FRN	79.97	18%	2.9%	Dolphin has among the best marine seismic fleets in the market and has secured a backlog of USD 340m with a flexible asset base.
15 IGas Energy PLC 13-18 Secured	87.00	16%	2.9%	Igas is a listed London company producing oil and gas onshore UK. Backed by Blackstone. The company has hedged a significant portion of the oil production. This bond has 1 st priority pledge in all assets.
16 Index International AB 14-18 FRN	91.53	10%	2.9%	The company is a Swedish real estate company with net assets above SEK 2bn. Over the past 5 years annual ROI is more than 60% and is yielding significantly above peers
17 IGas Energy PLC 13-18 Unsecured	76.00	19%	2.8%	Please see above
18 Nobina AB 14-19	102.25	7%	2.6%	Nobina provides local bus services in Sweden, Norway, Denmark and Finalnd. Nobina has ~20% market share and is levered ~4.5x. The Company was restructured in 2012.
19 Iona Energy Company (UK) 13/18 9,50% USD	48.00	25%	2.6%	UK and Canada listed E&P company with 1 st pri pledge in Huntington, Orlando and Trent & Tyne.
20 Host Hoteleindom AS 13-16 FRN	97.00	10%	2.3%	1 st and 2 nd priority in three hotels in Oslo and Lillehammer (Breiseth, Millennium and Grims Grenka)

Storm Bond Fund

Storm Bond Fund was down 1.3% in February and is down 3.9% year to date. The Oslo Stock Exchange was up 3.3% in February and is up 6.9% year to date. Since inception, the fund is up 37.3% vs 44.6% for the Oslo Stock Exchange.



On a positive note, February was a more active month in the secondary market compared to January. The daily traded volumes on the Nordic exchanges picked up during the month. A liquid high yield market, is generally leading to spread tightening across all rating categories as there has been inflow to high yield funds and investors are receiving coupons from their investments. Hedge funds, distressed funds and new investors are also entering the market after the yield uptick in the Nordic high yield market. Even for global fixed income investors, this market is currently where most investors find best risk adjusted returns.

With an oil price stabilising around USD 60 per barrel combined with a relatively “strong” reporting season, investor confidence is starting to come back to the market. However, within oil service, it looks to be good opportunities within the distressed space as credit spreads are continuing to widen here. The primary market is shut down and there has been no new deals in February.

In Europe, money continues to pour into high yield and with Mr Draghi starting QE this is positive outlook for future inflow. With interest rates at 0% or even with negative interest rates, the hunt for yield continues.

Storm Bond Fund was down ~0.3% last part of February and for many bonds, it looks that prices are flattening out creating some price floor. On a portfolio level, yields are kept relatively stable, however with Tallink, Nobina and PGS as new portfolio holdings, these investments have diluted the running yield marginally.

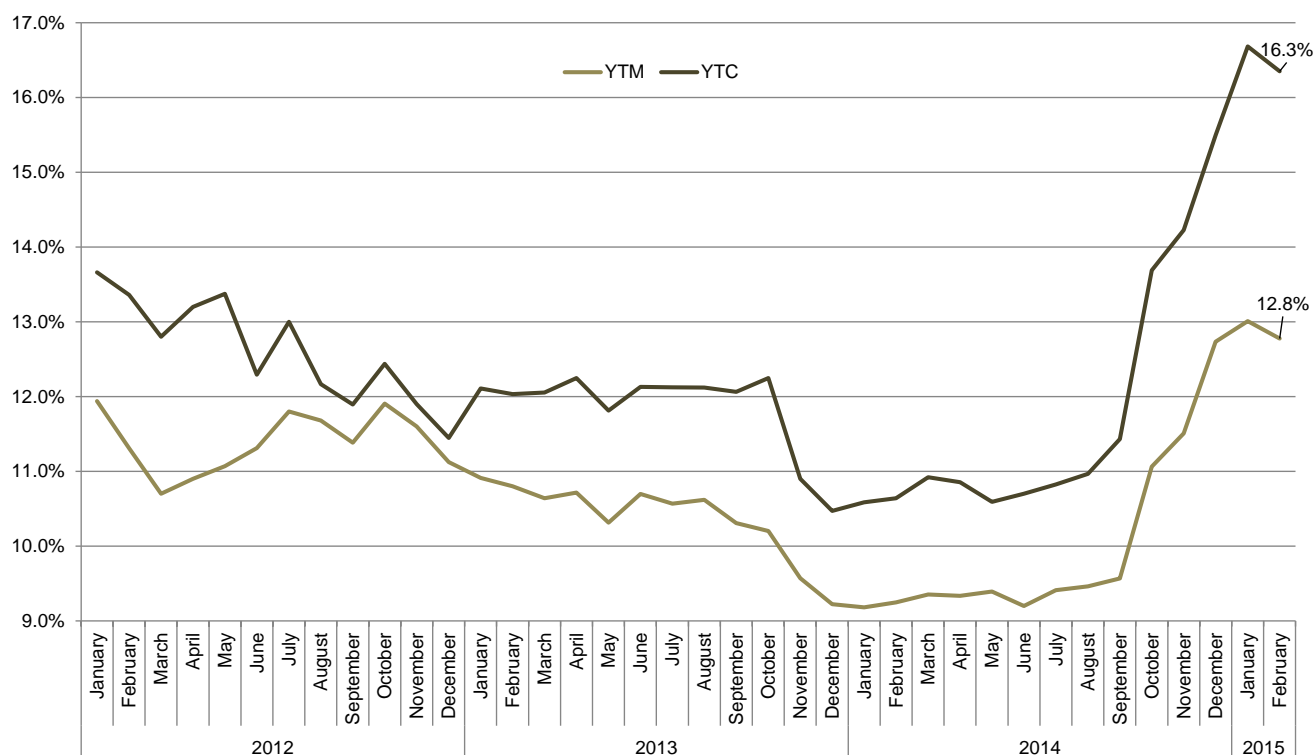
On a general note, there has been limited news flow from the oil service portfolio companies. Portfolio companies such as Kistefos, Bluewater, REC Silicon, LM Wind, Oceanteam, Tallink and BOA Offshore all reported good operating figures and we have seen many companies cutting or even scrapping dividends. We expect Polarcus to enter a restructuring during 2015, however this company is set to be part of the seismic industry for many new years.

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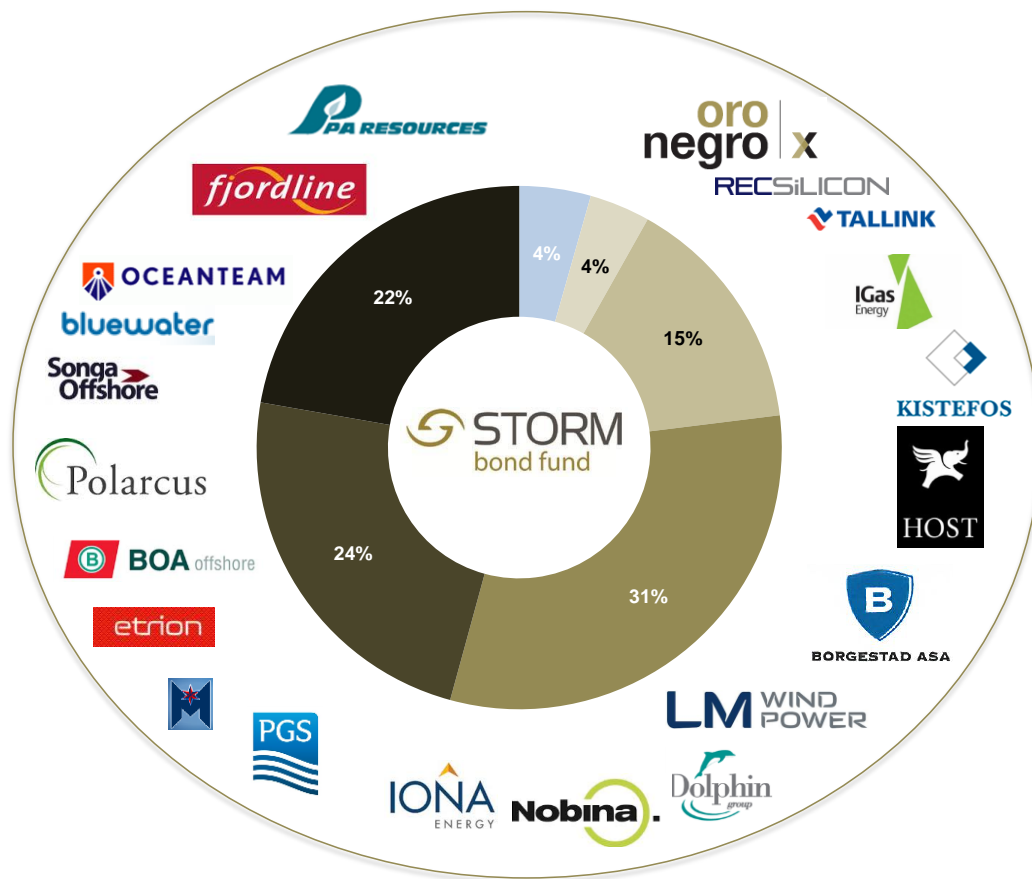
The iTraxx 5-year Crossover Index averaged at 295bps in February that was a 10% tightening from January (327bps). The US high yield market is, as the Euro high yield market, very strong and we expect this to trend to shift over to the Nordic high yield market during 2015.

The graph below shows historical yields in Storm Bond Fund. In order not to inflate yields, we have capped the yields at 25% in this graph and in all other figures in the newsletter.



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

A+	4%
BB-	4%
B+	15%
B	31%
B-	24%
CCC+	22%



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