

PERFORMANCE REPORT

MAY 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%	-0.2%	1.5%	2.1%								-0.5%
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	100.6	102.1	104.3								-0.5%
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%

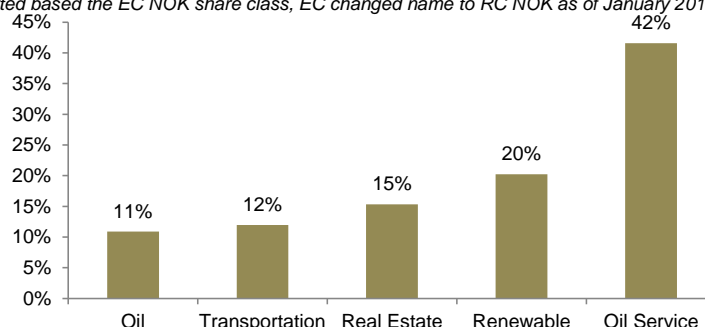
*From January 2010, performance and NAV are reported based on the EC share class. EC share class 31. December 2009: 103.9
Past performance is no guarantee for future performance

**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 May 2015, Net of fees (RC NOK)	2.1%
Performance YTD 2015 (RC NOK shareclass)	-0.5%
Performance since inception	42.1%
Number of positions 31/05/2015	35
Number of issuers	34
Interest rate duration	2.0 years



Fund terms

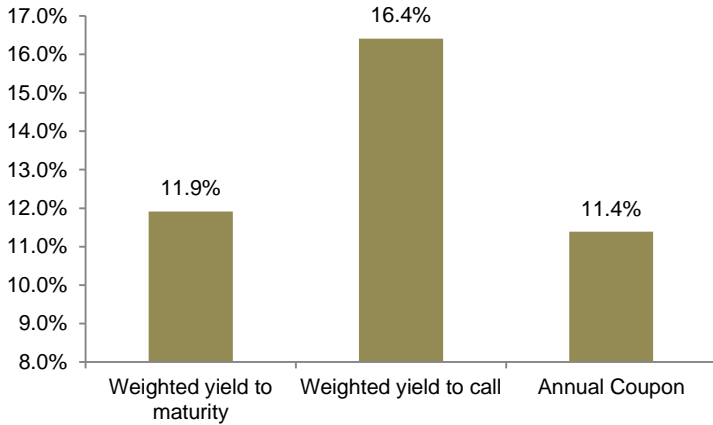
Currency	NOK
Domicile	Luxembourg
Investment Manager	Storm Capital Management Ltd
Prime Broker	Oppenheim Asset Management Services
Administrator	Deutsche Fund Platforms

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

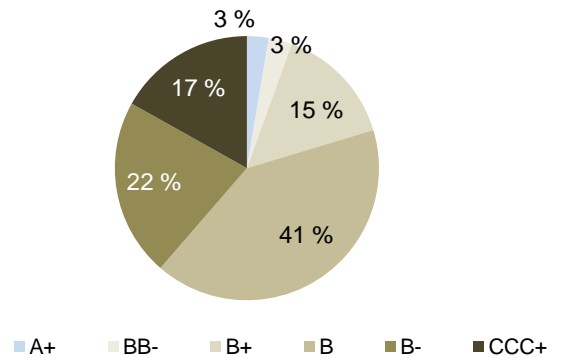
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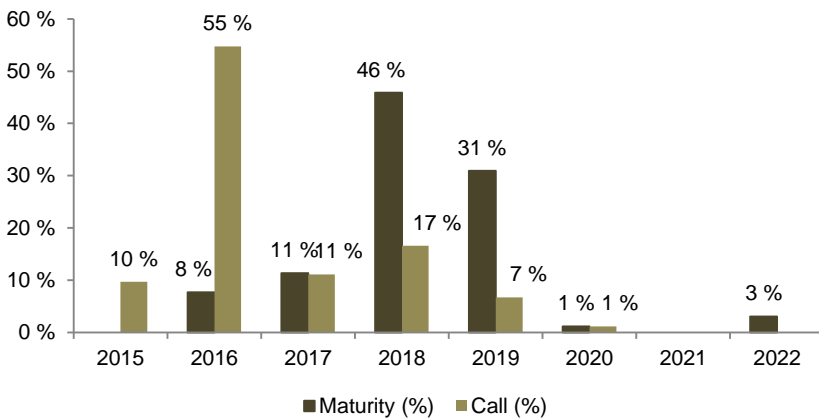
Yield to maturity, yield to call ann. coupon



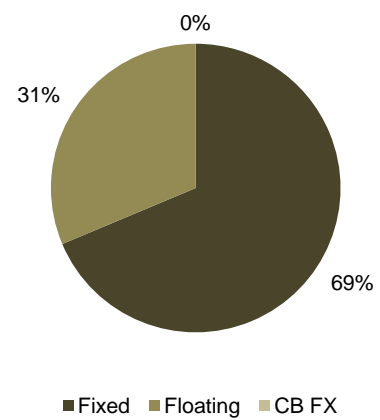
Credit rating



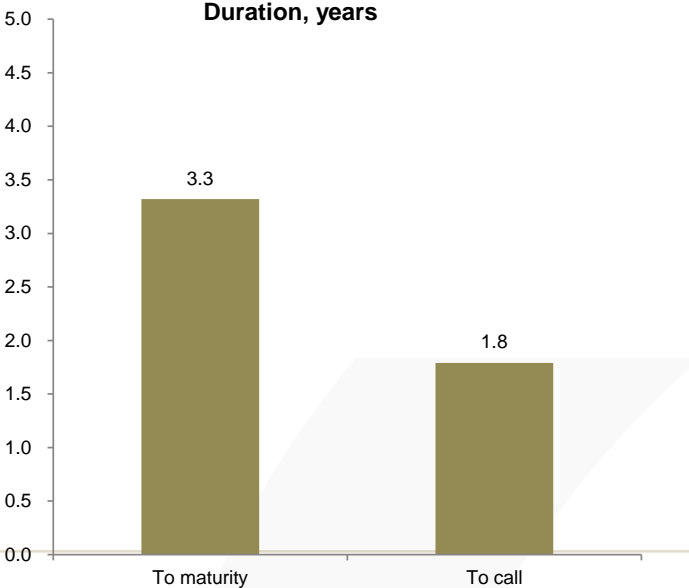
Maturity profile



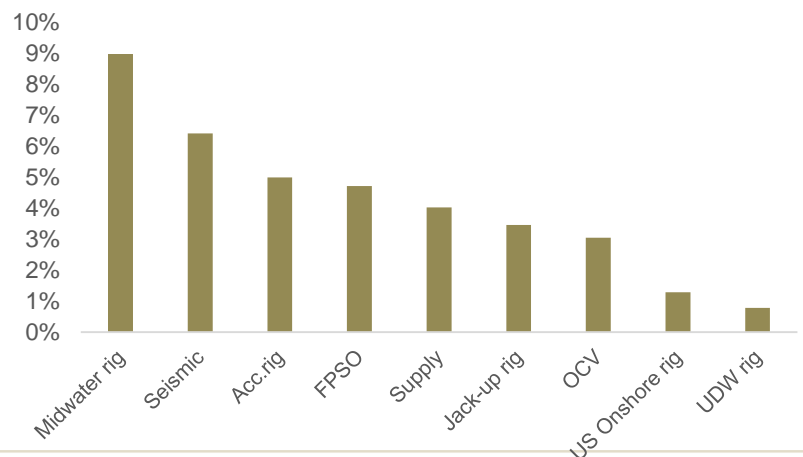
Coupon allocation



Duration, years



Oil service exposure

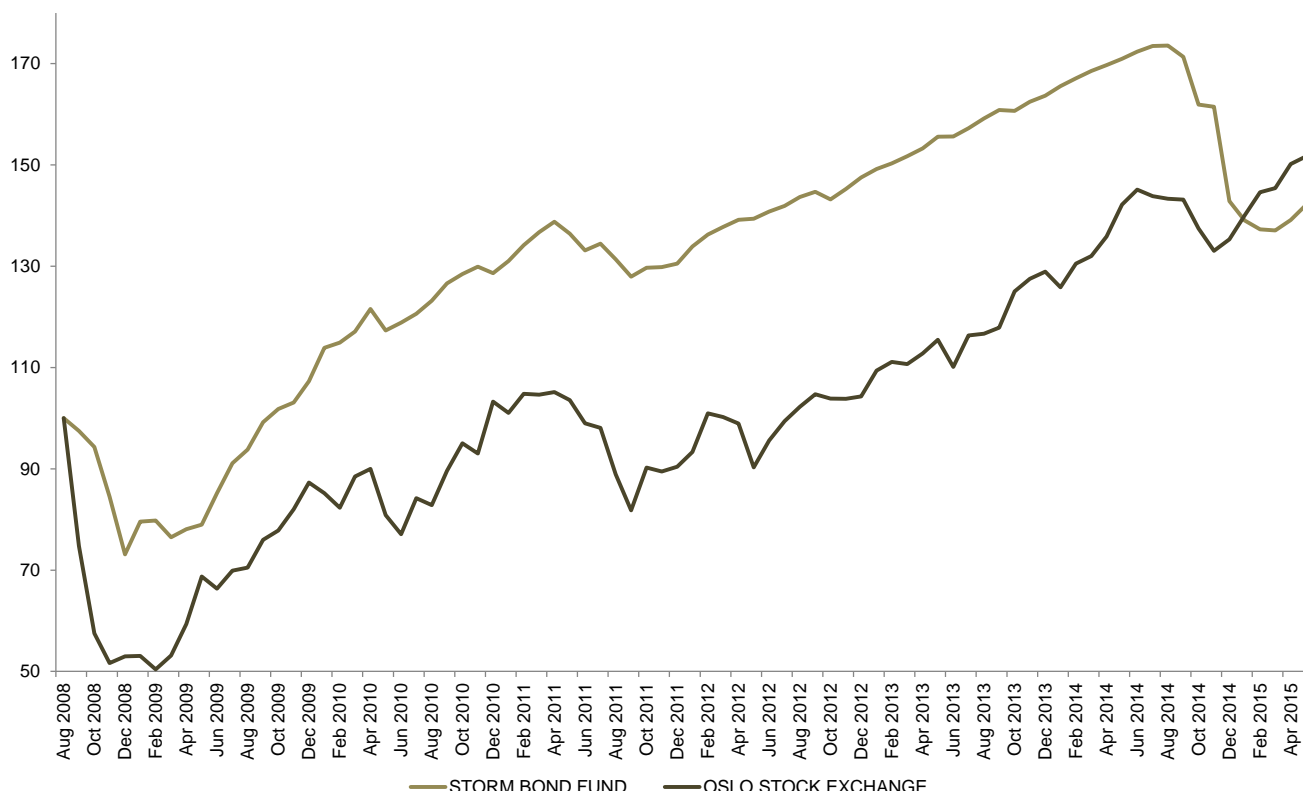


Top 20 positions

Name	Price	Yield %	NAV %	Information
1 Etrion Corp. 14-19	95.00	10%	5.3%	Stockholm listed Lundin-family owned company installing, owning and producing solar power on long contracts. High leverage, but long term secured cash flow.
2 Jacktel 14-19	80.00	14%	5.0%	1 st lien pledge in a jack-up built for the Norwegian continental shelf currently operating for Conoco Phillips with LTV ~30%.
3 Borgestad ASA 14-17 FRN	100.50	8%	5.0%	Loan to value at ~60-70% with 1st and 2nd priority pledge in real estate in Poland and Grenland, Norway.
4 Petroleum Geo- Services 7,375% 12/15/18	95.25	9%	4.7%	The leading contract seismic company. Robust balance sheet with ~50% LTV and access to financing.
5 Bluewater Holding B.V. 13-19	95.25	11%	4.6%	Privately owned Dutch FPSO company with long contracts producing oil. Loan to value ~70-80% and de-levering over life.
6 LM Group Holding	101.00	8%	4.5%	Private equity owned Danish company with global production of wind blades. Below 1.5x levered on EBITDA.
7 REC Silicon ASA 11-18	95.50	12%	4.4%	Unsecured bond in a company with NOK 800m net debt and market cap of NOK ~3.8bn
8 Kistefos AS 13-16 FRN	92.00	14%	4.4%	Norwegian holding company with ~50% loan to value on assets. Owned 100% by Christen Sveaas.
9 Fjord Line AS 13-18	86.00	17%	3.8%	Recently Norwegian restructured ferry operator with ~80% loan to value on brand new ferries running on gas.
10 European Energy AS Float 18	99.50	8%	3.7%	Developing and owning wind- and solar power generating assets and has about 40% EBITDA margin.
11 Nobina AB 14-19	107.75	5%	3.4%	Nobina provides local bus services in Sweden, Norway, Denmark and Finland. Nobina has ~20% market share and is levered ~4.5x. The company was restructured in 2012.
12 Oro Negro Drilling Pte. Ltd. 14-19	79.50	15%	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.
13 North Atlantic Drilling 13-18 FRN	83.00	12%	3.3%	NADL is 70% owned by Seadrill and among the leading drilling companies in harsh environments. This NOK bond is guaranteed by Seadrill implying similar credit risk as Seadrill.
14 Oceanteam Shipping ASA 12-17 FRN	90.00	17%	3.0%	LTV 80% on a contracted OCV fleet. 50% of the EBITDA from an unleveraged asset light business.
15 Songa Offshore ASA 11-18 FRN	82.17	18%	3.0%	Norwegian rig company with market cap of NOK 1,5bn and 4x brand new rigs on 8Y contracts to Statoil.
16 Index International AB 14-18 FRN	90.00	11%	2.9%	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 Det Norske Olje 15-22	100.50	10%	2.8%	Mr Kjell Inge Røkke backed exploration & production co' producing 60k boe/d. 12% ownership in Johan Sverdrup and fully funded.
18 Tallink Grupp AS 13-18 FRN -144A-	101.85	6%	2.8%	The leading ferry operator in the Baltics with significant earnings potential from a lower oil price.
19 Elematic Oy AB 14-18	85.00	17%	2.8%	Finnish private equity owned company- producing modules for precast concrete. Founded in 1959.
20 IGas Energy PLC 13-18	79.00	18%	2.5%	London-listed company producing oil and gas onshore UK. Backed by Blackstone. The company has hedged a significant portion of the oil production.

Storm Bond Fund

Storm Bond Fund was up 2.1% in May and is down 0.5% year to date. The Oslo Stock Exchange was up 1.0% in May and is up 12.1% year to date. Since inception, the fund is up 42.1% vs 51.7% for the Oslo Stock Exchange.



Also in May, the positive sentiment from April continued. Especially for primary deals within BB segment, the market has been red hot with Aker, Color Group, Det Norske Oljeselskap, Exmar, Golar LNG and Teekay LNG as a few active players. Storm Bond was only active within one of the deals; Det Norske Oljeselskap issuing a subordinated USD 300m bond with a 10.25% coupon. We like this bond as the company has solid oil production and oil reserve figures. Det Norske Oljeselskap is purely exposed to the Norwegian Continental Shelf taking the full benefit of a stable Norwegian political system as well as the beneficial tax regime.

As highlighted previous month, more BB- and B rated companies have started to enter the market as 1) the positive sentiment has turned to inflow to high yield and 2) more stable energy prices. Within the shipping segment, gas related companies have been active. The strong crude- and product markets could also trigger some primary deals here. Primary market within real estate and oil service has so far been relatively quiet however, this could quickly pick up.

In May it was announced that Nobina Europe AB will do an IPO (initial public offering) which has a positive effect on the pricing of outstanding bonds. The bonds traded up from 104% to 109%, as it is very likely that the bonds will be called due to dividend restrictions. Storm Bond Fund has exposure to Nobina Europe AB.

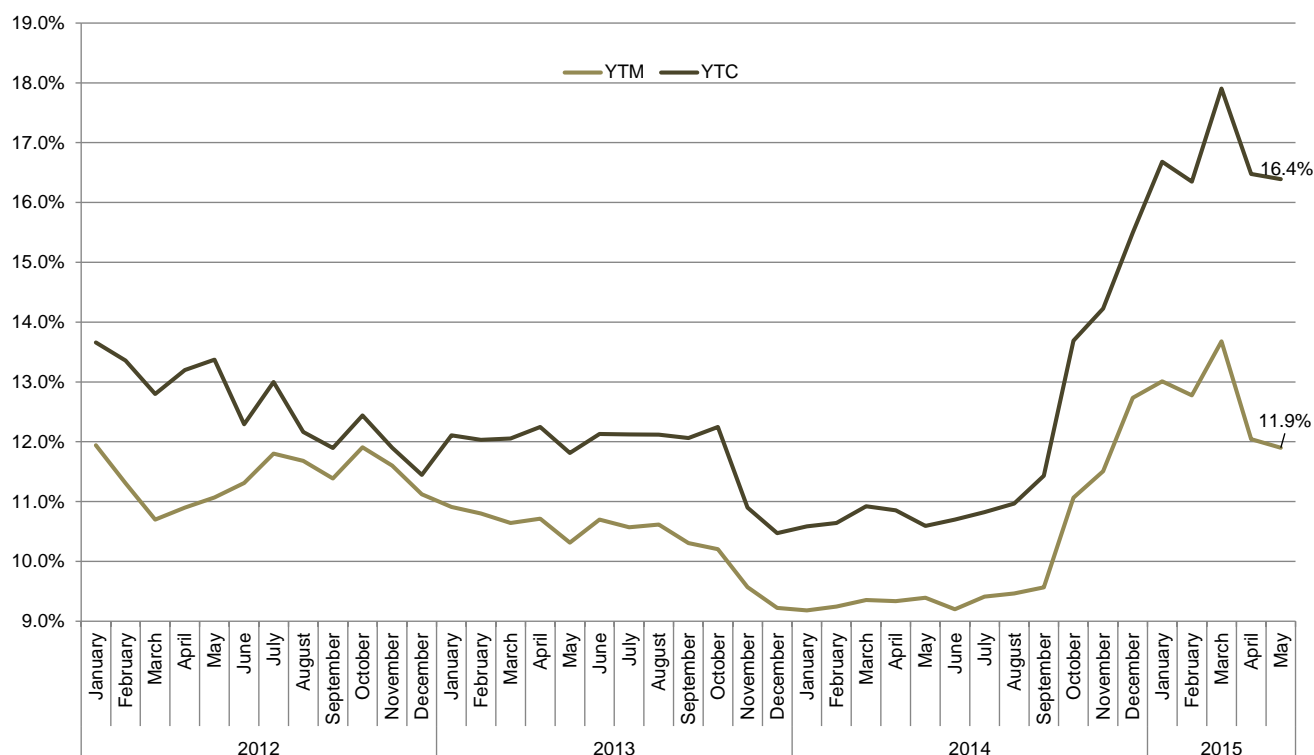
During May, Storm Bond Fund added bonds in North Atlantic Drilling, Solør Bioenergi, PGS and Nobina. Bonds issued by Jacktel, Nobina, LM Wind, Etrion and PGS contributed positively, while Oro Negro and REC Silicon where among the laggards. The effective portfolio coupon is currently 11.4%, while the yield to maturity is 11.9% and yield to call is 16.4%.

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The iTraxx 5-year Crossover Index averaged at 278bps in May that was a 7% widening from April (260bps). The European high yield slowed slightly down during May as the first four months was extremely hectic. Liquidity fell somewhat back and the market experienced some volatility mainly as also the Bund has turned North.

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.

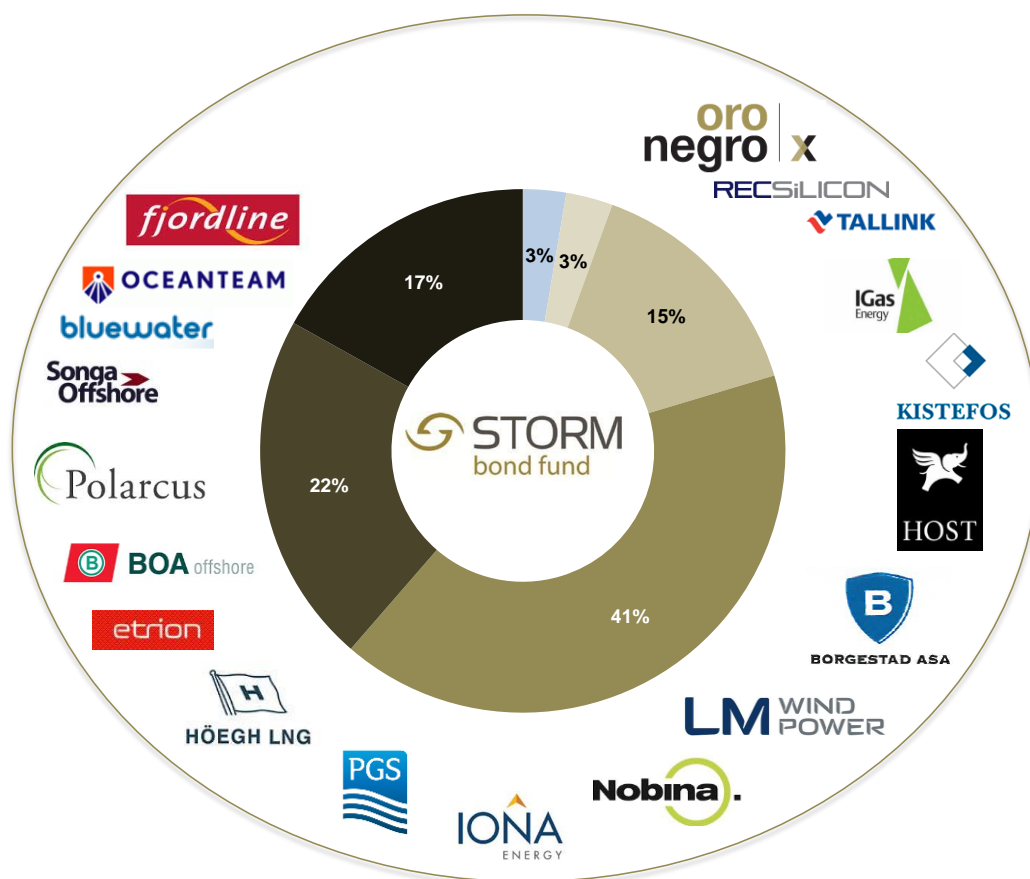


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Selected investments in Storm Bond Fund with credit- or shadow credit ratings

A+	3%
BB-	3%
B+	15%
B	41%
B-	22%
CCC+	17%



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

Oslo office:



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



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