

PERFORMANCE REPORT

AUGUST 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%	0.4%	0.4%	-3.8%					-3.5%
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	104.7	105.1	101.2					-3.5%
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%

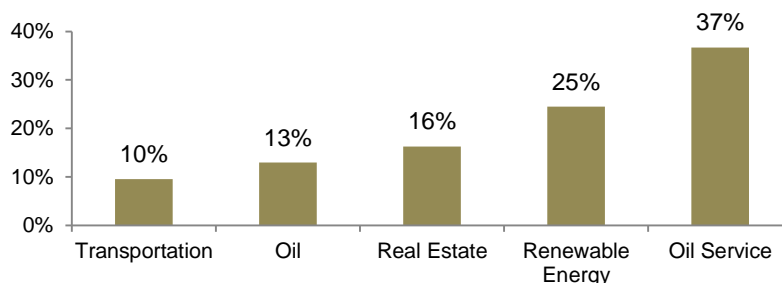
*From January 2010, performance and NAV are reported based on the EC share class. EC share class 31.December 2009: 103.9
Past performance is no guarantee for future performance

**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 August 2015, Net of fees (RC NOK)	-3.8%
Performance YTD 2015 (RC NOK shareclass)	-3.5%
Performance since inception	37.9%
Number of positions 31/08/2015	33
Number of issuers	32
Interest rate duration	1.8 years



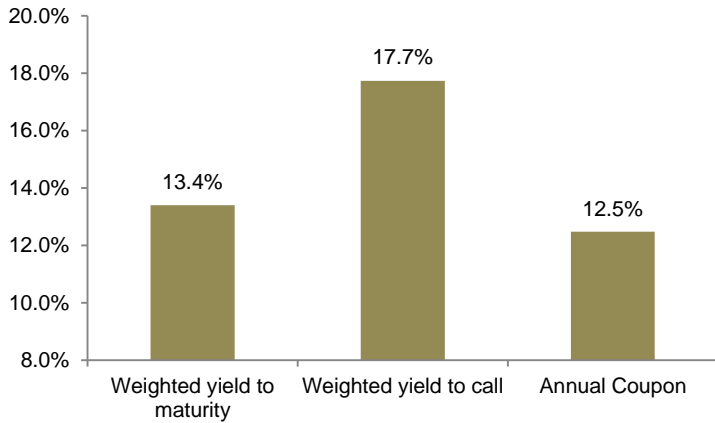
Fund terms

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

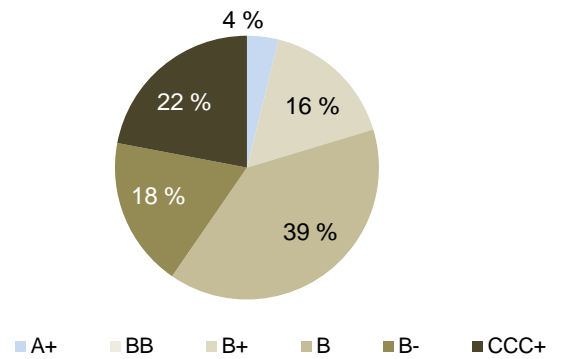
PERFORMANCE REPORT

AUGUST 2015

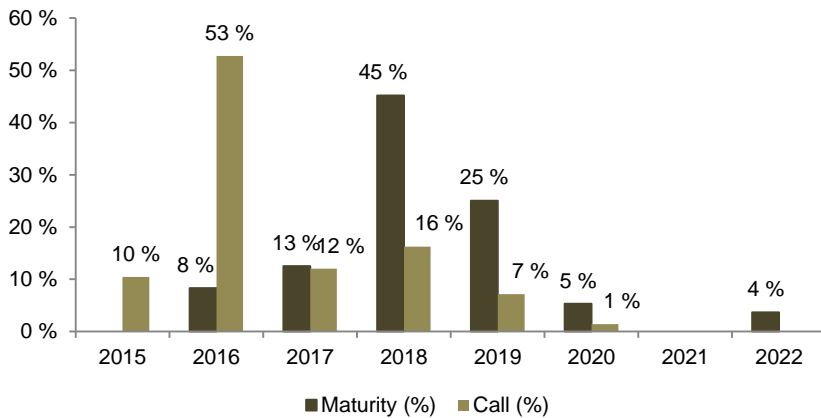
Yield to maturity, yield to call ann. coupon



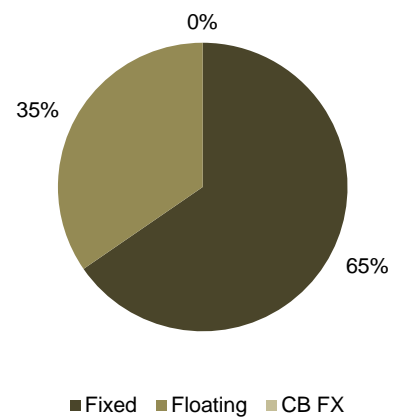
Credit rating



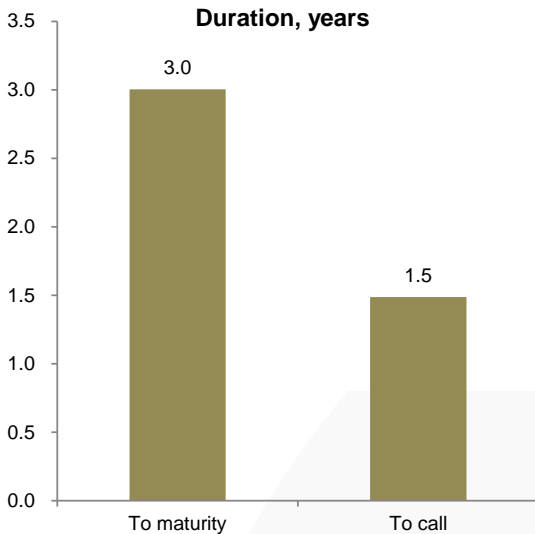
Maturity profile



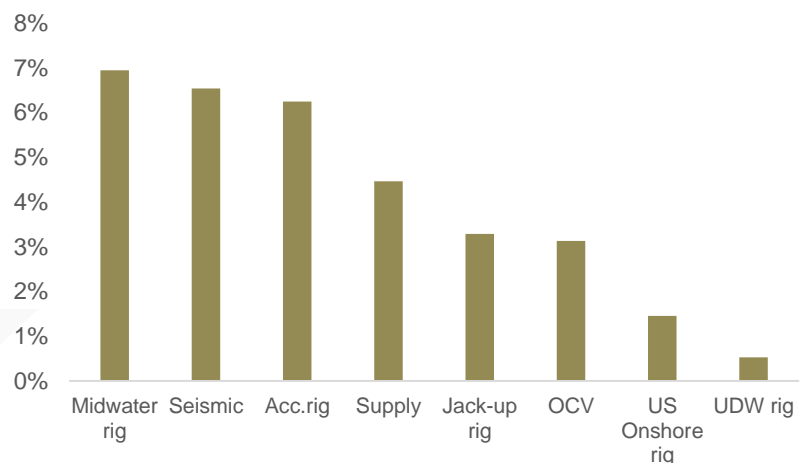
Coupon allocation



Duration, years



Oil service exposure

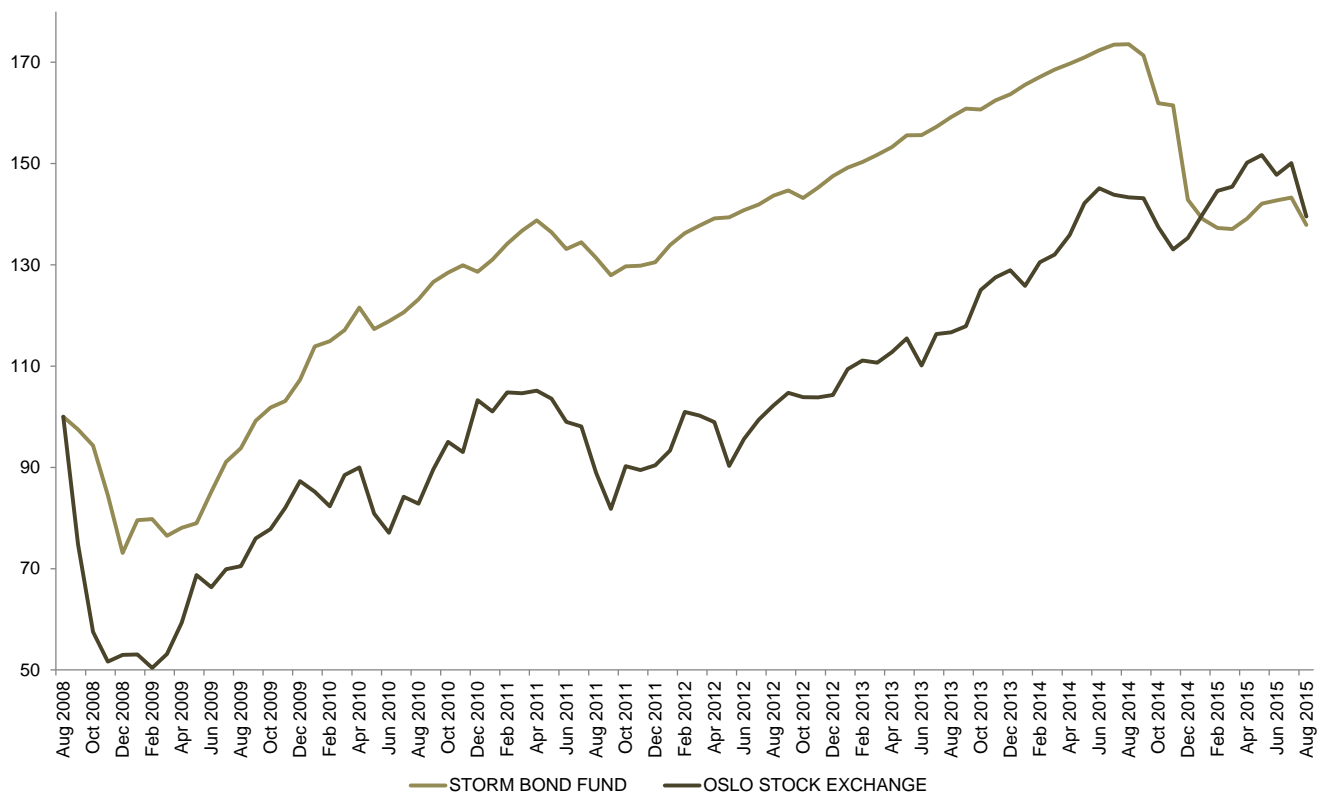


Top 20 positions

Name	Price	Yield %	NAV %	Information
1 Jacktel 14-19	78.00	15%	6.2%	1st lien pledge in a jack-up built for the Norwegian continental shelf currently awaiting contract for Maersk Oil with LTV ~30%. Stockholm listed Lundin-family owned company installing, owning and producing solar power on long contracts. High leverage, but long term secured cash flow.
2 Etrion Corp. 14-19	93.00	11%	6.1%	Loan to value at ~60-70% with 1st and 2nd priority pledge in real estate in Poland and Grenland, Norway.
3 Borgestad ASA 14-17 FRN	100.50	8%	5.5%	Private equity owned Danish company with global production of wind blades. Below 1.5x levered on EBITDA.
4 LM Group Holding	100.75	8%	5.4%	The leading contract seismic company. Robust balance sheet with ~50% LTV and access to financing.
5 Petroleum Geo- Services 7,375% 12/15/18	84.00	14%	5.3%	Developing and owning wind- and solar power generating assets and has about 40% EBITDA margin.
6 European Energy AS Float 18	96.75	9%	5.2%	Norwegian holding company with ~50% loan to value on assets. Owned 100% by Christen Sveaas.
7 Kistefos AS 13-16 FRN	96.00	12%	5.0%	Unsecured bond in a company with NOK 800m net debt and market cap of NOK ~3.5bn
8 REC Silicon ASA 11-18	91.97	13%	4.7%	Recently Norwegian restructured ferry operator with ~80% loan to value on brand new ferries running on gas.
9 Fjord Line AS 13-18	86.00	17%	4.1%	The Company has a leading market position within the FSRU and FLNG industry and firm backlog of ~USD 3.5bn. Average contract length is 13 years.
10 Hoegh LNG Holding Ltd. 15-20 FRN	98.00	6%	3.7%	Mr Kjell Inge Røkke backed exploration & production co' producing 60k boe/d. 12% ownership in Johan Sverdrup and fully funded.
11 Det Norske Oljeselskap ASA 15-22	88.00	13%	3.5%	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.
12 Index International AB 14-18 FRN	89.50	11%	3.3%	Norwegian rig company with market cap of NOK 1.5bn and 4x brand new rigs on 8Y contracts to Statoil.
13 Songa Offshore ASA 11-18 FRN	83.00	18%	3.3%	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. Recently extended contracts.
14 Oro Negro Drilling Pte. Ltd. 14-19	67.50	21%	3.3%	LTV 80% on a contracted OCV fleet. 50% of the EBITDA from an unleveraged asset light business.
15 Oceanteam Shipping ASA 12-17 FRN	80.00	24%	3.1%	London-listed company producing oil and gas onshore UK. Backed by Blackstone. The company has hedged a significant portion of the oil production. Unsecured bond.
16 IGas Energy PLC 13-18	79.00	19%	3.0%	Please see above. Secured.
17 IGas Energy PLC 13-18	90.00	15%	3.0%	1 st priority pledge in a drillship operating for PdVSA in Venezuela. Owned and backed by Petro Saudi. Banco Espirito Santo has issued a letter of credit of USD 130m that covers the bond.
18 Psos Finance Ltd. 14-18	93.00	15%	2.9%	Finnish private equity owned company-producing modules for precast concrete. Founded in 1959.
19 Elematic Oy AB 14-18	78.50	22%	2.4%	1st and 2nd priority in three hotels in Oslo and Lillehammer (Breiseth, Millennium and Grims Grenka)
20 Host Hoteleendom AS 13-16 FRN	98.00	10%	2.2%	

Storm Bond Fund

Storm Bond Fund decreased 3.8% in August and is down 3.5% year to date. The Oslo Stock Exchange decreased 7.0% in August and is up 3.1% year to date. Since inception, the fund is up 37.9% vs 39.5% for the Oslo Stock Exchange.



August was a turbulent month for the world markets and this affected the credit spreads negatively, meaning that long term, everything else equal; high yield bonds are now more attractive than at the end of July. We did only minor changes in the portfolio. Amongst the positive performers was the bus company Nobina, which called its bonds at a very attractive level. On the other side, we find the oil service sector that was down due to a declining oil price. During the month, the oil price was very volatile and we are now back to price levels observed in July. Oil related companies have been cutting costs for more than a year now and we are starting to see results with almost everyone reporting lower costs than expected. Although the yield in the fund is higher than last year, the credit quality is better due to the market, reducing the default rate and increasing the chance of a quicker recovery in the pricing.

Amongst our largest positions, we find Jacktel, Det Norske Oljeselskap, PGS, REC Silicon, and Kistefos AS. All of these bonds are either widely traded with a multibillion NOK market cap or have a solid diversified balance sheet compared to the outstanding debt.

Our top picks for September are Kistefos, PGS and Det Norske.

Case: Det Norske

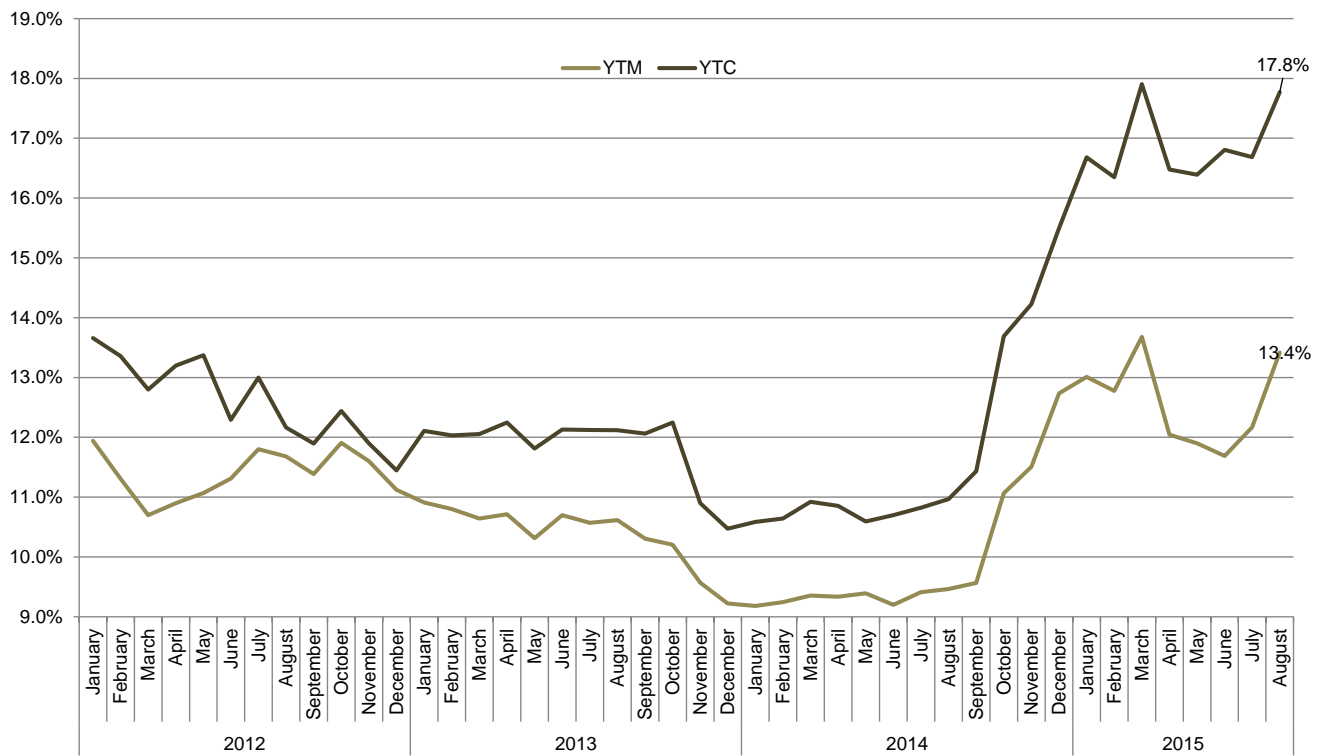
- Break even for the Johan Sverdrup field is falling every day as the oil service industry is in need of long contracts even at low EBITDA levels
- Market Cap NOK 10bn
- Supportive main shareholder in Kjell Inge Røkke
- Potential takeover by another company is highly likely to be regarded credit positive
- The loan is large enough to get the attention from large players.
- Loan is trading at 13% YTM

The effective portfolio coupon is currently 12.5%, while the yield to maturity is 13.4% and yield to call is 17.7%.

PERFORMANCE REPORT

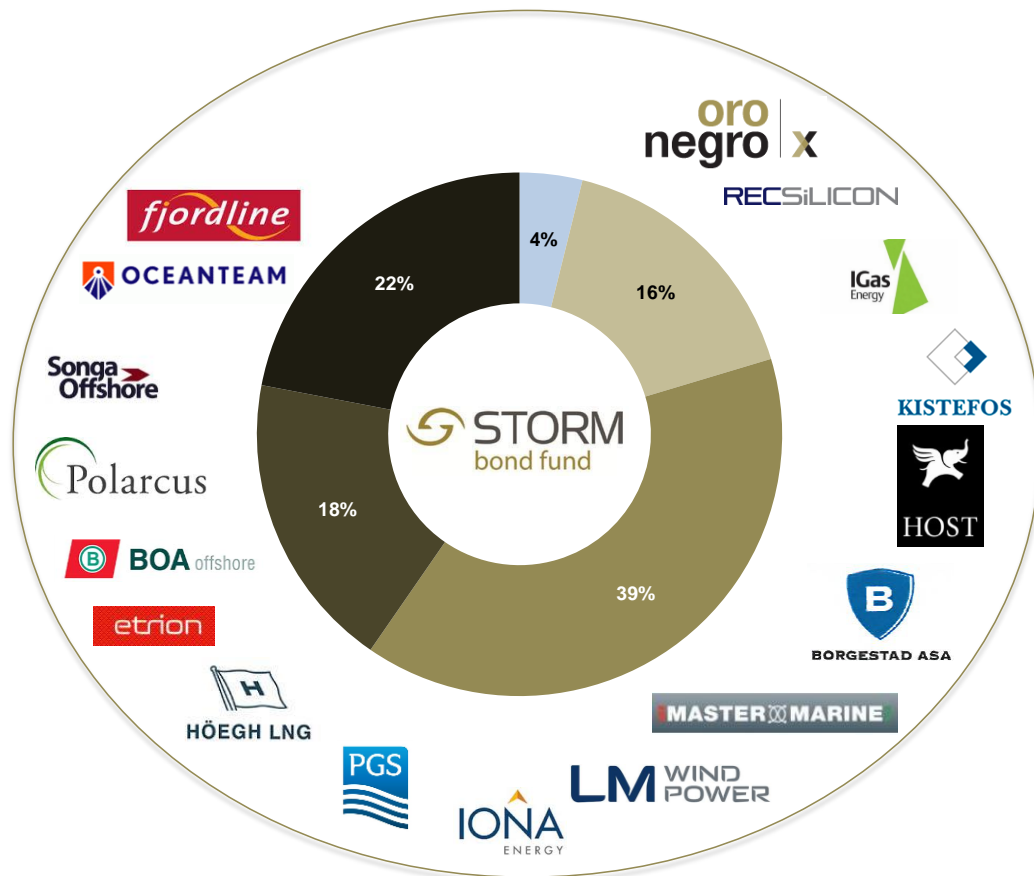
AUGUST 2015

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	0%
B+	16%
B	39%
B-	18%
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

Oslo office:



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



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