

PERFORMANCE REPORT

OCTOBER 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%	-3.7%	-2.8%	1.3%			-5.0%
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	98.4	99.6			-5.0%
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%

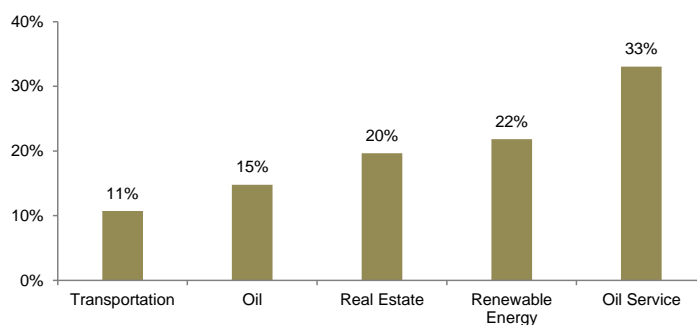
*From January 2010, performance and NAV are reported based on the EC share class. EC share class 31.December 2009: 103.9
Past performance is no guarantee for future performance

**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 October 2015, Net of fees (RC NOK)	1.3%
Performance YTD 2015 (RC NOK shareclass)	-5.0%
Performance since inception	35.9%
Number of positions 31/10/2015	30
Number of issuers	29
Interest rate duration	1.5 years



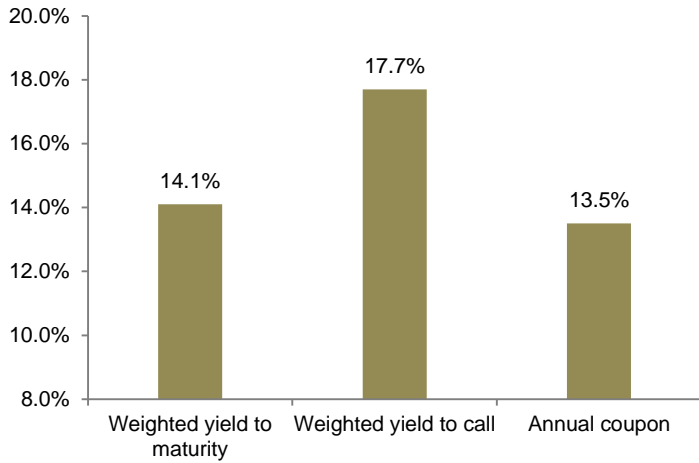
Currency	NOK
Domicile	Luxembourg
Investment Manager	Storm Capital Management Ltd
Prime Broker	Oppenheim Asset Management Services
Administrator	Deutsche Fund Platforms

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

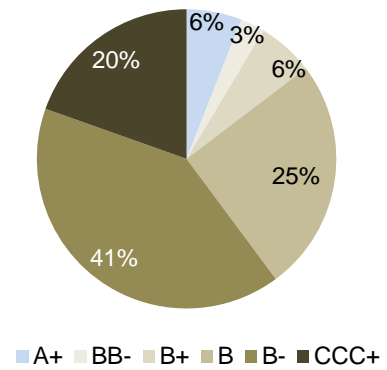
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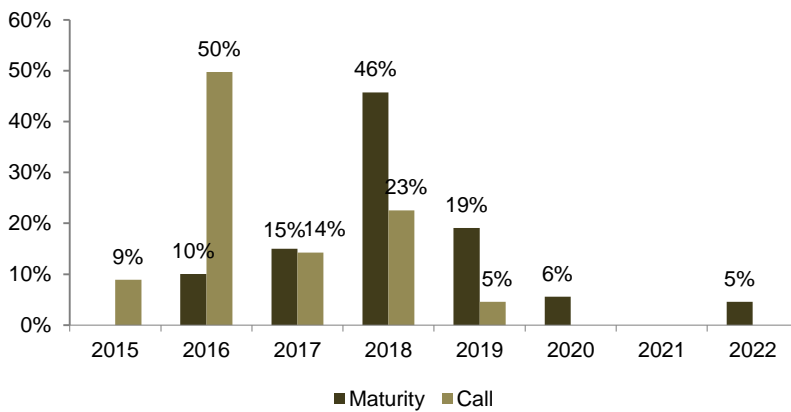
Yield to maturity, yield to call, ann. coupon



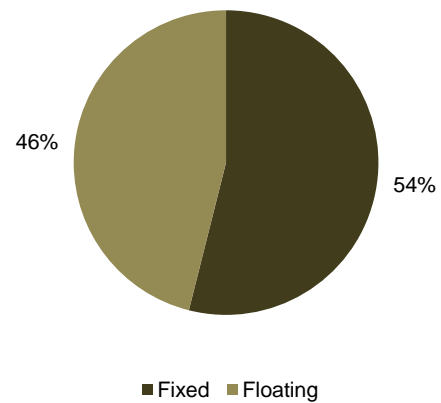
Credit rating



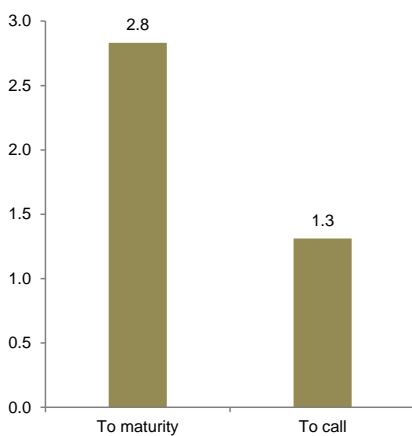
Maturity profile



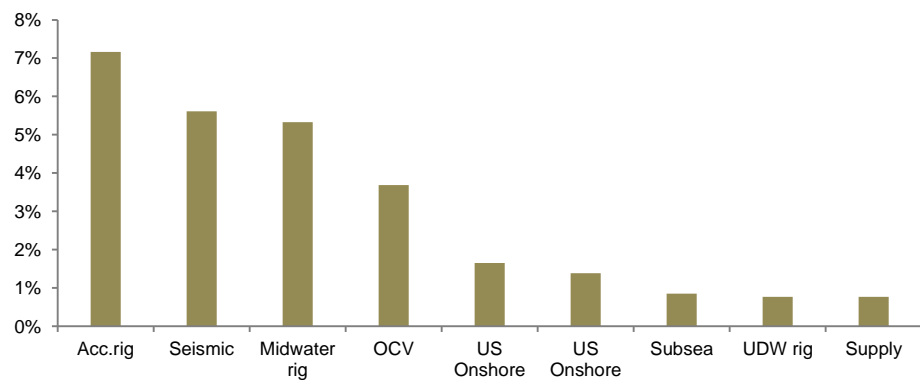
Coupon allocation



Duration, years



Oil service exposure



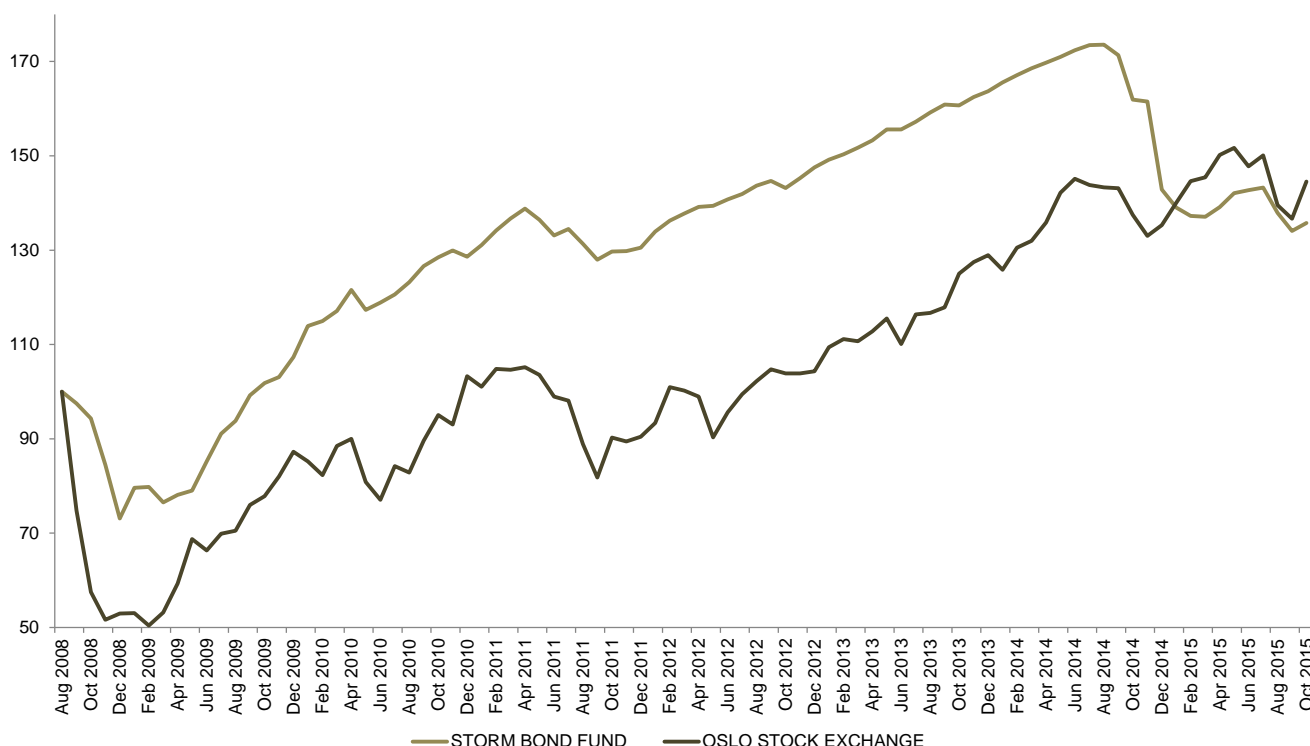
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Top 20 positions

	Name	Price	Yield %	NAV %	Information
1	Jacktel A/S 14-19	82.31	13.8%	7.2%	1st lien pledge in a jack-up built for the Norwegian continental shelf. Currently working for Maersk and won a contract on Johan Sverdrup in November with STL that secures work until 2020. We expect the company to obtain bank financing before the bond expires.
2	Etrion Corp. 14-19	91.81	11.2%	6.6%	Stockholm listed Lundin-family owned company installing, owning and producing solar power on long contracts. High leverage, but long term secured cash flow.
3	Borgestad ASA 14-17 FRN	100.13	8.0%	6.0%	Loan to value at ~60-70% with 1st and 2nd priority pledge in real estate in Poland and Grenland, Norway.
4	Kistefos AS 13-16 FRN	95.29	12.9%	5.4%	Norwegian holding company with ~50% loan to value on assets. Owned 100% by Christen Sveaas.
5	European Energy A/S 14-18 FRN	89.25	12.4%	5.2%	Developing and owning wind- and solar power generating assets and has about 40% EBITDA margin.
6	Fjord Line AS 13-18 FRN	89.25	15.5%	4.7%	Recently Norwegian restructured ferry operator with ~80% loan to value on brand new ferries running on gas.
7	REC Silicon ASA 11-18	91.42	14.0%	4.2%	Unsecured bond in a company with NOK 800m net debt and market cap of NOK ~3.5bn
8	Hoegh LNG Holding Ltd. 15-20 FRN	97.50	6.0%	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.
9	Det Norske Oljeselskap ASA 15-22	91.00	12.3%	4.0%	Mr Kjell Inge Røkke backed exploration & production co' producing 60k boe/d. 12% ownership in Johan Sverdrup and fully funded.
10	Index International AB 14-18 FRN	91.50	10.8%	3.8%	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.
11	Oceanteam Shipping ASA 12-17 FRN	83.80	21.8%	3.7%	LTV 80% on a contracted OCV fleet. 50% of the EBITDA from an unleveraged asset light business.
12	Petroleum Geo-Services ASA 11-18 - 144A-	81.13	15.2%	3.6%	The leading contract seismic company. Robust balance sheet with ~50% LTV and access to financing.
13	IGas Energy PLC 13-18	77.50	22.8%	2.8%	London-listed company producing oil and gas onshore UK. Backed by Blackstone. The company has hedged a significant portion of the oil production. Secured bond.
14	Songa Offshore ASA 11-18 FRN	72.50	25.0%	2.7%	Norwegian rig company with market cap of NOK 1.5bn and 4x brand new rigs on 8Y contracts to Statoil.
15	IGas Energy PLC 13-18	62.50	25.0%	2.7%	Please see above. Unsecured.
16	Psos Finance Ltd. 14-18	89.25	17.3%	2.6%	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.
17	Elematic Oy AB 14-18	77.00	23.5%	2.5%	Finnish private equity owned company-producing modules for precast concrete. Founded in 1959.
18	Host Hoteleierendom AS 13-16 FRN	99.00	9.0%	2.5%	1st and 2nd priority in three hotels in Oslo and Lillehammer (Breiseth, Millennium and Grims Grenka)
19	Solor Bioenergi Holding AB 12-17 FRN	87.25	14.9%	2.1%	Producer of wood-based bioenergy with diversified business in entire value chain.
20	Polarcus Ltd. 13-18 -144A-	12.71	25.0%	2.0%	Seismic company with top modern fleet. Positive development in recent quarter. High risk/reward.

Storm Bond Fund

Storm Bond Fund increased 1.3% in October and is down 5.0% year to date. The Oslo Stock Exchange increased 5.7% in October and is up 6.8% year to date. Since inception, the fund is up 35.9% vs 44.5% for the Oslo Stock Exchange.



The bond market within our segment is starting to wake up again as a lot of bad news is now discounted. That showed particularly well at the end of the month when Polarcus delivered results in compliance with covenants at the same time as we were able to buy a significant amount of one of the loans at 90% below par just a few weeks earlier.

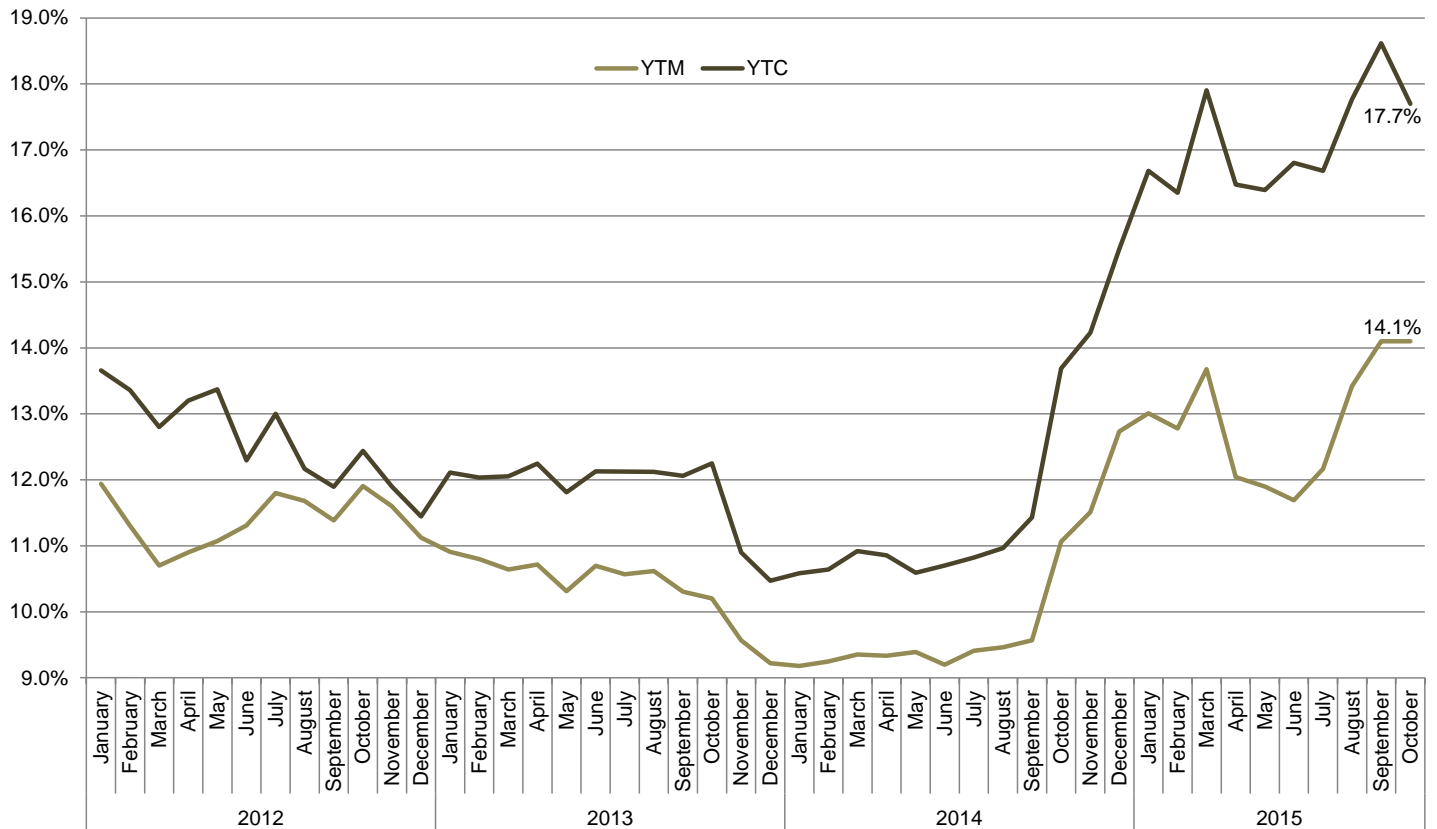
November has kicked off with Fjord Line raising equity from Ferd, one of Norway's largest family offices. Fjord Line was trading 20% below par just a month ago. Jacktel, our largest investment, trading 18% below par got a contract with Statoil on Johan Sverdrup early November that saves the company through the next 5 years. We believe there is a good chance they will replace the loan with bank financing or sell the company to a stronger player.

The effective portfolio coupon is currently 13.5%, while the yield to maturity is 14.1% and yield to call is 17.7%.

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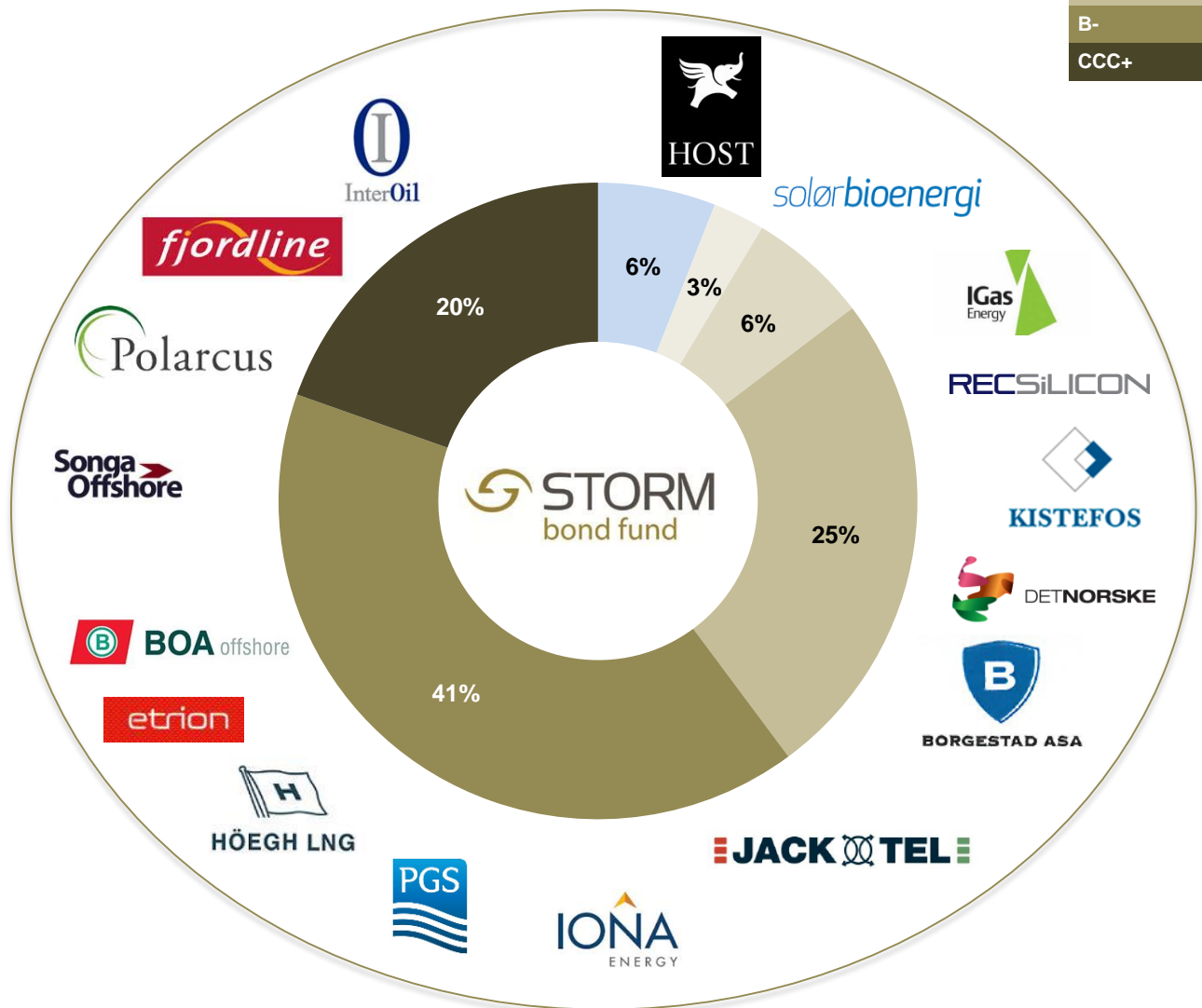
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The graph below shows historical yields in Storm Bond Fund. In order not to inflate yields, we have capped the yields at 25% in this graph and in all other figures in the newsletter.



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

A+	6%
BB-	3%
B+	6%
B	25%
B-	41%
CCC+	20%

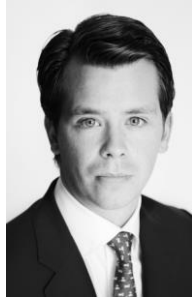


Team

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