

PERFORMANCE REPORT

MARCH 2016

ABOUT THE FUND

Storm Bond Fund is a Nordic High Yield fund specialising in energy, transport and real estate. The investment process is based on a top down market screening of the universe and a detailed bottom up analysis of the individual companies. The fund invests across various credit ratings based on a detailed risk/reward analysis. The management team is the largest investor in the fund.

NET RETURN HISTORY (SHARECLASS RC NOK***, NET OF FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016	-1,9%	-3,2%	6,0%										0,7%
2015	-2.7%	-1.3%	-0.2%	1.5%	2.1%	0.4%	0.4%	-3.7%	-2.8%	1.3%	-0.7%	-4,2%	-9.6%
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%

*From January 2010, performance and NAV are reported based on the EC share class. EC share class 31.December 2009: 103.9. **From 1 Jan 2012, performance and NAV are reported on return in NOK. ***From March 2012, performance and NAV are reported based on the EC NOK share class, EC changed name to RC NOK as of January 2013. Past performance is no guarantee for future performance.

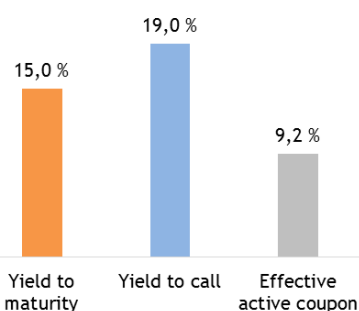
MARKET COMMENT - MORTEN E. ASTRUP (CHIEF INVESTMENT OFFICER)

Dear investors,

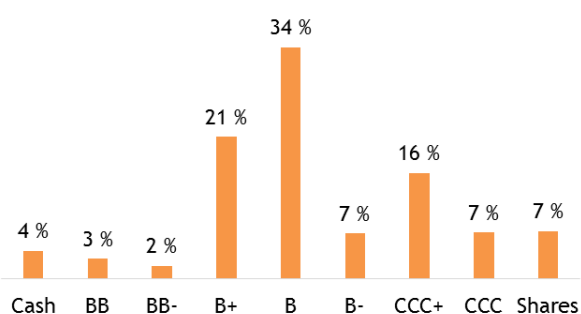
Finally we are starting to see the results of all the hard work. During March the portfolio was up 6%. The large mover was as expected the restructuring of Polarcus, but as money has come back in to the high yield funds again, the spreads are set to come in. At the end of March a dividend from our position in Metro Exploration went through. We estimate the cash pay-out will lift the portfolio 0.8% the first week of April. European Energy and Index AB both announced asset sales on April 1st and at first sight they look credit positive, although we need more information to conclude. The oil price is still low at 40, but there seems to be consensus within OPEC and Russia that it is too low, and the producers are now talking to each other again which is a huge step forward between all the other irrelevant weekly noise. Historically oil prices have turned up before a reduction in inventories has happened. All in all a more exciting market where the money on the side line is piling up. Let's hope we have turned the corner.

The effective active portfolio coupon is currently 9.2%, while the yield to maturity is 15.0% and yield to call is 19.0%. Yields above 30% are regarded inflated and therefore not recorded in full.

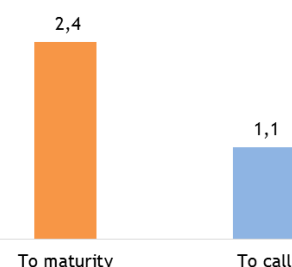
YIELD LEVELS



CREDIT RATINGS

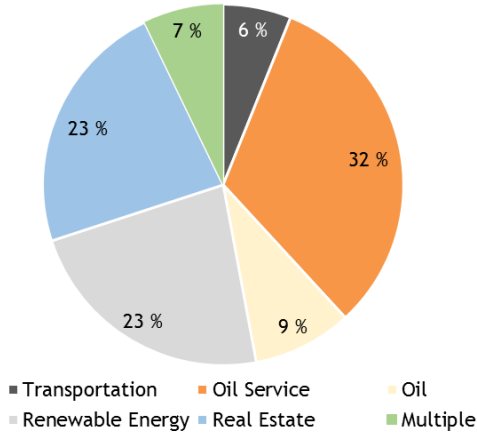


DURATION (YEARS)

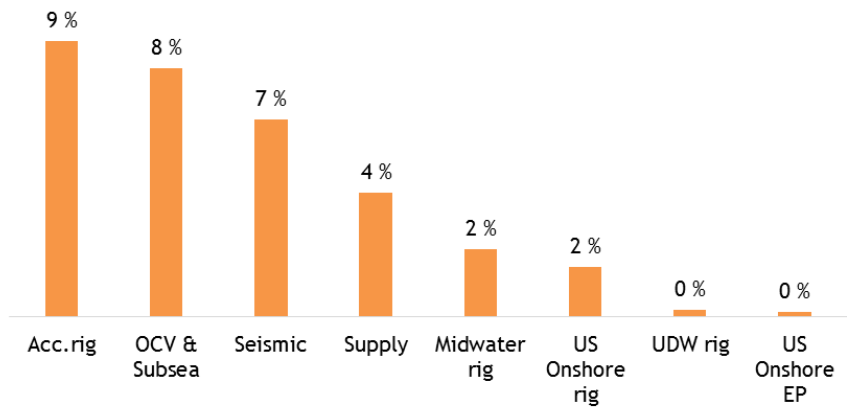


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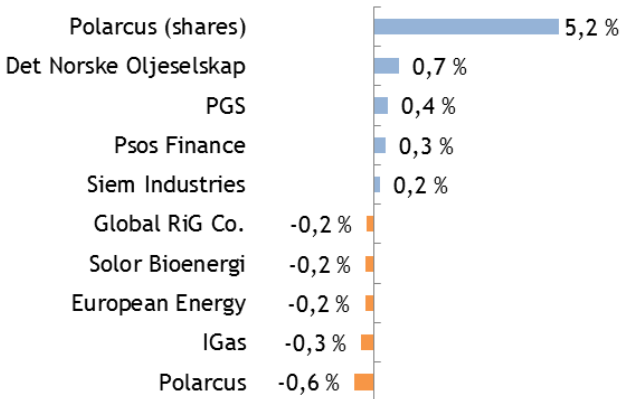
OVERALL INDUSTRY EXPOSURE



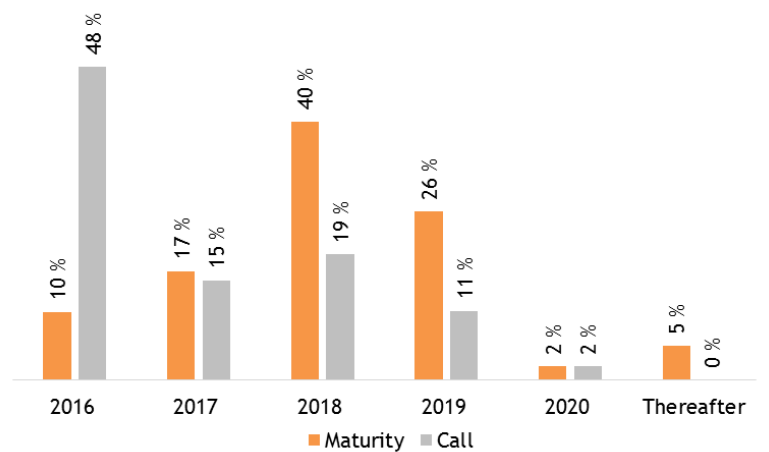
BREAKDOWN OF OIL SERVICE EXPOSURE



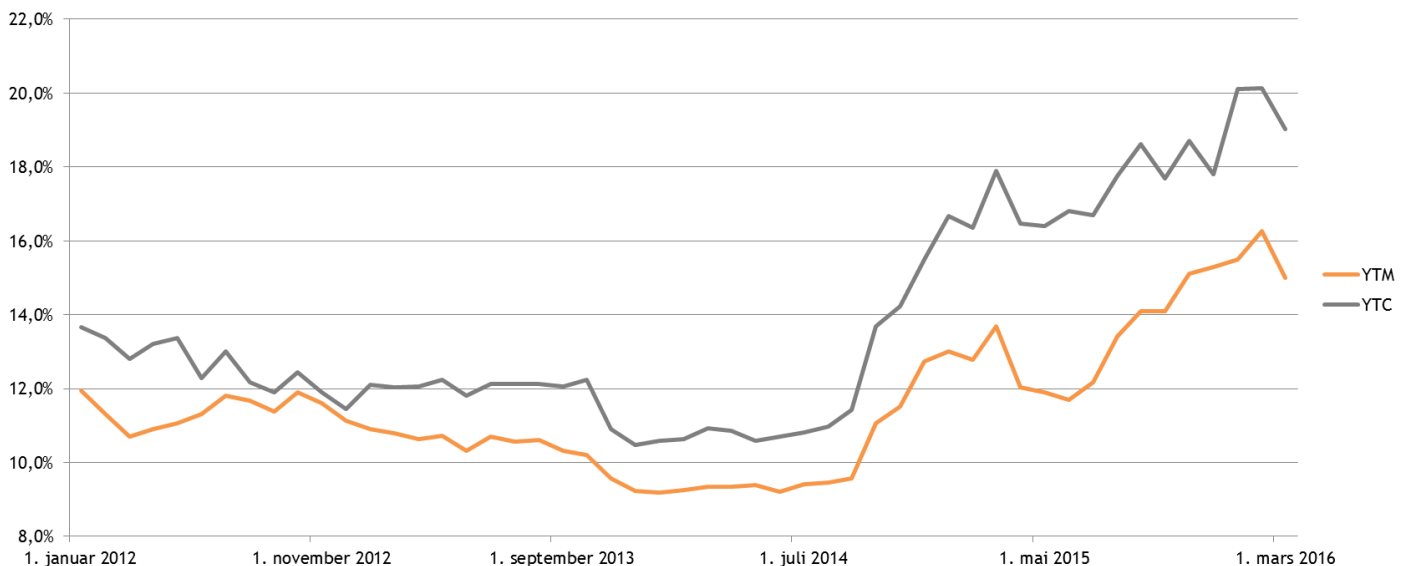
CONTRIBUTION ANALYSIS (top 5 / bottom 5)



MATURITY PROFILE



YIELD DEVELOPMENT



PERFORMANCE REPORT

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Etrion Corp. 14-19	NO0010709272	83,13	15,7 %	6,9 %	Stockholm listed Lundin-family owned company installing, owning and producing solar power on long contracts. High leverage, but long term secured cash flow.
2 Borgestad ASA 14-17 FRN	NO0010720766	98,00	9,4 %	6,8 %	Loan to value at -60-70% with 1st and 2nd priority pledge in real estate in Poland and Grenland, Norway.
3 Kistefos AS 13-16 FRN	NO0010699200	96,83	13,0 %	6,4 %	Norwegian holding company with -50% loan to value on assets. Owned 100% by Christen Sveaas.
4 Jacktel A/S 14-19	NO0010714561	88,63	11,7 %	6,0 %	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.
5 European Energy A/S 14-18 FRN	SE0005677796	81,38	17,9 %	5,5 %	Developing and owning wind- and solar power generating assets and has about 40% EBITDA margin.
6 Fjord Line AS 13-18 FRN	NO0010671084	98,58	10,6 %	5,4 %	Recently Norwegian restructured ferry operator with -80% loan to value on brand new ferries running on gas.
7 Det Norske Oljeselskap ASA 15-22	NO0010736382	93,15	11,8 %	4,6 %	Mr Kjell Inge Røkke backed exploration & production co' producing 60k boe/d. 12% ownership in Johan Sverdrup and fully funded.
8 Index International AB 14-18 FRN	SE0005797537	91,50	11,5 %	4,5 %	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.
9 REC Silicon ASA 11-18	NO0010607476	87,27	17,5 %	4,4 %	Unsecured bond in a company with NOK 800m net debt and market cap of NOK -2.6bn.
10 Petroleum Geo-Services ASA 11-18 -144A-	US716599AC95	68,00	24,2 %	4,1 %	The leading contract seismic company. Robust balance sheet with -50% LTV and access to financing.
11 Siem Industries Inc. 12-19 Conv.	NO0010657968	93,75	2,9 %	3,7 %	1 st lien pledge in Siem Industries' 20.4% stake in Subsea 7 with put on par in September 2016. Siem Industries is Kristian Siem's private investment company which holds a diversified portfolio of industrial and financial holdings.
12 Solor Bioenergi Holding AB 12-17 FRN	NO0010662356	76,00	26,3 %	3,5 %	Producer of wood-based bioenergy with diversified business in entire value chain.
13 Host Hoteleierdom AS 13-16 FRN	NO0010699721	99,50	8,7 %	2,9 %	1st and 2nd priority in three hotels in Oslo and Lillehammer (Breiseth, Millennium and Grims Grenka).
14 Elematic Oy AB 14-18	FI4000096821	71,00	31,1 %	2,7 %	Finnish private equity owned company-producing modules for precast concrete. Founded in 1959.
15 DOF ASA 12/19 FRN	NO0010657802	51,10	31,7 %	2,7 %	The group has a diverse portfolio of vessels, a modern fleet and a solid backlog. Brazilian built vessels shields it from blockings in Brazil.
16 Oceanteam Shipping ASA 12-17 FRN	NO0010662018	53,38	59,3 %	2,6 %	LTV 80% on a contracted OCV fleet. 50% of the EBITDA from an unleveraged asset light business.
17 Prosafe SE 14-19 FRN	NO0010717473	54,33	23,8 %	2,1 %	The #1 accommodation company in the world in terms of size and operational excellence. Solid banking relations and a strong equity sponsor in Hitecvision, hence access to capital markets.
18 Psos Finance Ltd. 14-18	NO0010705296	59,25	43,8 %	2,0 %	Owens and operates the PSOS Saturn drillship under a firm contract until Nov-17. Solid cash collateralization with USD 130m letter of credit + USD 66m cash balance end-Feb'16. Limited refinancing risk as only USD 20m is outstanding in the bond at maturity.
19 Stockmann Oyj Abp 15-perpetual VAR	FI4000188776	101,00	11,5 %	1,8 %	Finnish company engaged in retail trade and real estate. In 2015 the Company recorded sales of EUR -1.43bn. The company is listed on the Finnish stock exchange with a market cap of EUR -470m.
20 IGas Energy PLC 13-18	NO0010673791	45,00	62,1 %	1,8 %	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.
Sum				80,5 %	

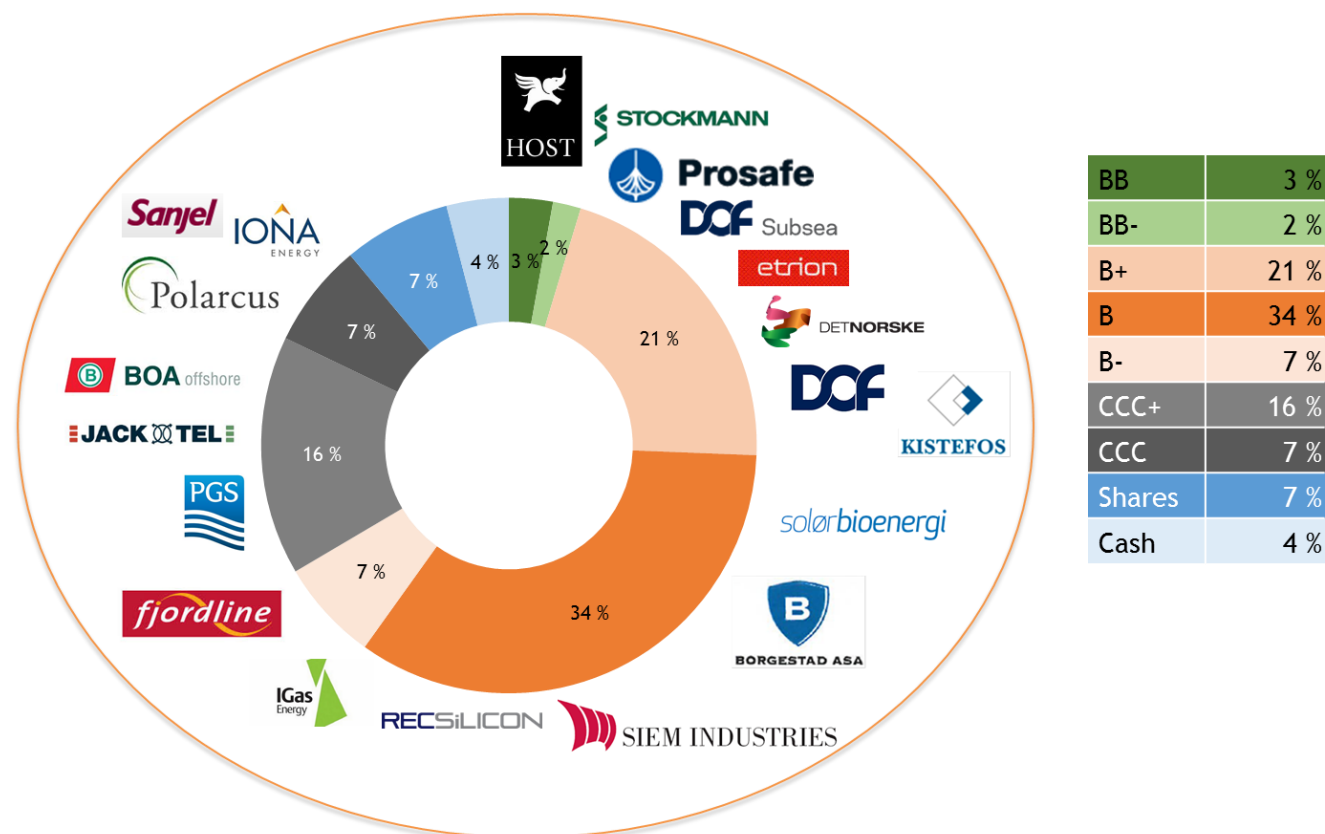
Total number of positions in portfolio: 30

Total number of issuers in portfolio: 29

Interest rate duration: 1.4 years

PERFORMANCE REPORT

CREDIT RATINGS AND EXAMPLES OF PORTFOLIO COMPANIES AT VARIOUS RATINGS



PRICES FOR DIFFERENT SHARE CLASSES

SHARE CLASS	ISIN	PRICE
Retail NOK	LU0740578702	95,45
Institutional NOK	LU0840158496	89,77
Retail USD	LU0840159114	81,42
Institutional USD	LU0840159387	75,99
Retail SEK	LU0840159460	78,81
Retail GBP	LU0840159890	79,21
Retail EUR	LU0840158819	78,12
Institutional CHF	LU1076701652	72,76

OTHER INFORMATION

Share classes	NOK, SEK, EUR, USD, GBP, CHF (all hedged)
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% (high water mark)
Liquidity	Daily
Auditor	KPMG
VPS-registered	For Norwegian clients

PERFORMANCE REPORT

TEAM

PORTFOLIO MANAGEMENT



MORTEN E. ASTRUP

Chief Investment Officer / Founding Partner

- He has over 20 years of financial and asset management experience including several board positions
- Morten is responsible for:
 - Portfolio management
 - Restructuring processes
- He holds a Master in Business and Economics from the Norwegian School of Management/City University London and is authorised and regulated by the FCA



MORTEN VENOLD

Portfolio Manager/ Analyst

- He has over 8 years' experience from research and brokerage
- Before Storm he worked as an credit analyst, covering the offshore high yield space, at Arctic Securities in Oslo and before that in ABG Sundal Collier and DNB in London
- Morten is responsible for:
 - Portfolio management
 - Research and daily monitoring of investment universe
- He holds a BSc in Business & Economics from the Norwegian School of Management and a MSc in Finance from Cass Business School in London



ERIK M. MATHIESEN

Corporate Finance / Restructurings / Founding Partner

- He has over 20 years of investment banking and asset management experience and prior to Storm he was an investment banker with Hambros Bank in London
- Erik is responsible for:
 - Corporate Finance related issues
 - Restructuring processes
- He holds a bachelor in Finance & Economics from University of Edinburgh and is authorised and regulated by the FCA

INVESTOR RELATIONS / SALES



TORE ANDERSEN

Sales and Marketing Director

- He has over 20 years of experience in financial advisory and sales. Before he joined Storm he founded Axir ASA (1995), which was sold in 2010
- Tore is responsible for:
 - Sales and marketing activity
 - Investor relations
- Tore holds a bachelor in Business and Economics from the Norwegian School of Management and is authorized as a financial advisor, AFR and is also authorized through Norwegian Securities Dealers Association

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MARCUS S. MOHR

Sales Manager

- He has over 6 years of experience from investment banking and sales. Before he joined Storm he worked in the investment banking division at Citigroup in London
- Marcus is responsible for:
 - Sales and marketing activity
 - Investor relations
- Marcus holds a Master in Finance and Economics from the University of Strathclyde (Scotland) with distinction

Contact details: +47 951 35 853 or marcus@stormcapital.no