

ABOUT THE FUND

Storm Bond Fund (UCITS) is a Nordic High Yield fund. The fund seeks to hold 30-40 of the best risk-adjusted high yield bonds in the Nordics at all times. 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 management team has extensive experience in Nordic High Yield and 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
2017	3,3%	3,0%	2,1%										8,7%
2016	-1,9%	-3,2%	6,0%	4,1%	-0,5%	0,6%	1,8%	3,3%	-0,4%	1,2%	0,1%	5,8%	17,8%
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.

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

Dear investors,

Storm Bond Fund delivered 2.1% return in March and is now up 8.7% YTD. We are proud and humble that Storm Bond Fund received the prestigious Allocator/CNBC Investors Choice Awards in the category: Long Only Credit Fund of 2016 in the EMEA & APAC. This gives us even more motivation to work hard in order to continue delivering good risk adjusted returns to our clients.

March was another eventful month for the Nordic HY market with continued spread tightening and several new bond issues entering the market. However, the Norwegian high yield market in particular is still trading at an historic premium to international markets.

In general, we continue the de-risking of the portfolio and keep the interest rate exposure at a minimum as well as having a close eye on duration. Currently we still see a significant upside in several companies in the Nordic region due to continued historic spread premiums and positive sector specific outlook after the challenging high yield market in 2014-2016. However, we expect more moderate returns for 2017 than we had in 2016. We hold 3% of the portfolio in shares received in restructurings, and these stocks contributed negatively in March after the rally earlier in the year.

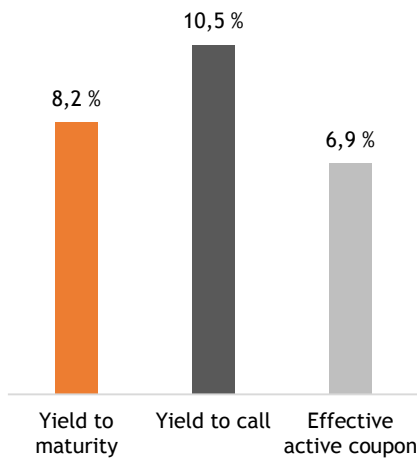
The international LNG carrier GasLog issued a new 5 year USD 250m bond loan with a coupon of 8.875%. The Company is very solid from a credit perspective due to its strong contract backlog with oil majors, fully financed newbuilding program and exposure to the improving LNGC market. In our view, GasLog is still the clear outlier among the LNG shipping players currently trading at 102% which offers a spread of ~640bps vs. peers such as Teekay and Höegh trading at ~450-500bps. We decided to take part in the issue as we see further yield compression in GasLog 2022 going forward.

Two of our portfolio companies were refinanced/restructured during the month. Solør Bio summoned the bondholders in both the NOK 2017 and SEK 2019 bonds respectively, proposing to include an early redemption at 100% of par value. The proposal is subject to refinancing with alternative financing sources. Hence, we decided to sell our NOK bonds close to par as they are subordinated to the secured SEK bonds. Furthermore, IGas underwent a financial restructuring resulting in fresh equity from new investors and a mix of bond buyback and conversion of bonds to equity at 100% of face value for the secured notes and a conversion of bonds at 62.5% of face value for the unsecured notes. Both Solør and IGas Energy was our top performers during the month due to the positive outcome of both refinancing's.

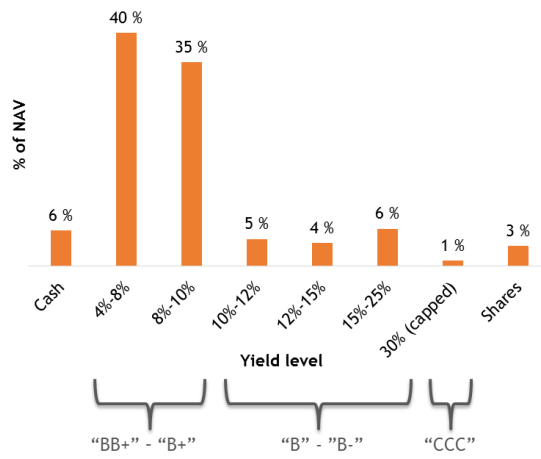
Yield to maturity is currently 8.2%*, while the yield to call is 10.5%*. The effective active portfolio coupon is 6.9%.

*Yields above 30% are regarded inflated and therefore capped at 30%.

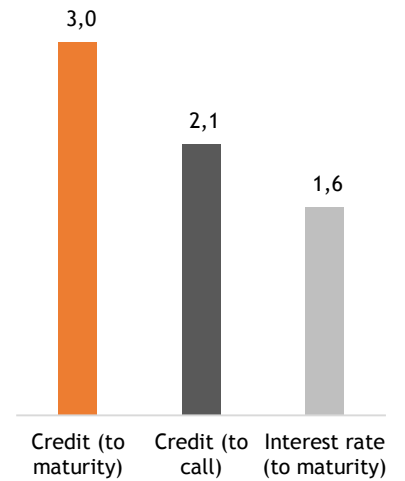
YIELD LEVELS



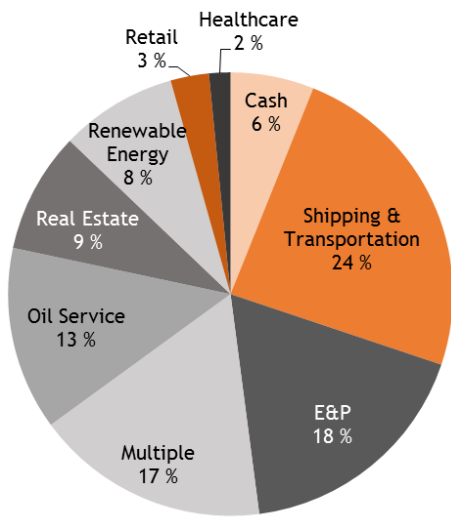
YIELD DISTRIBUTION ("CREDIT RATINGS")



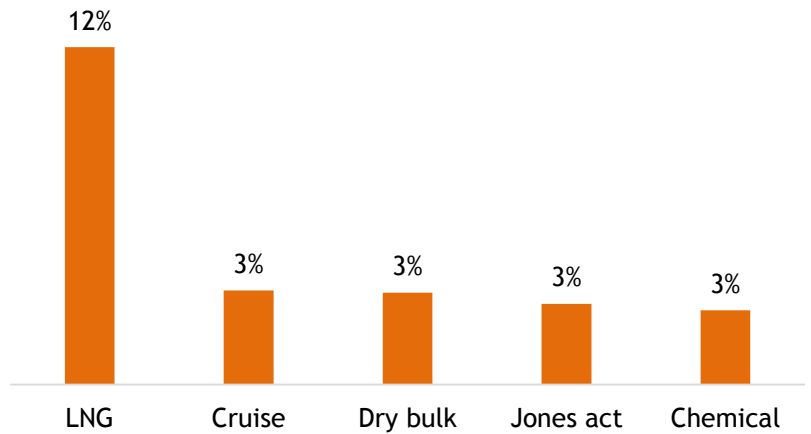
DURATION (YEARS)



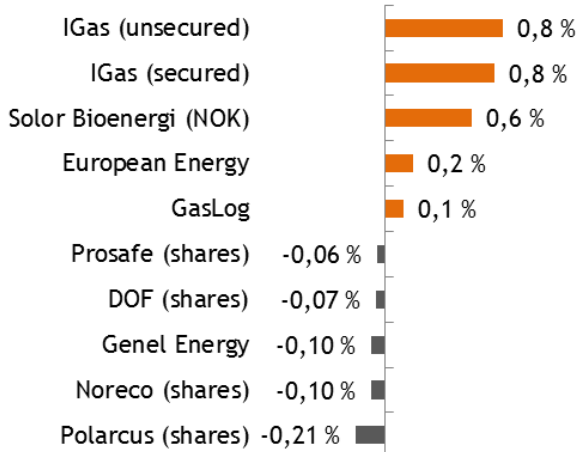
OVERALL INDUSTRY EXPOSURE



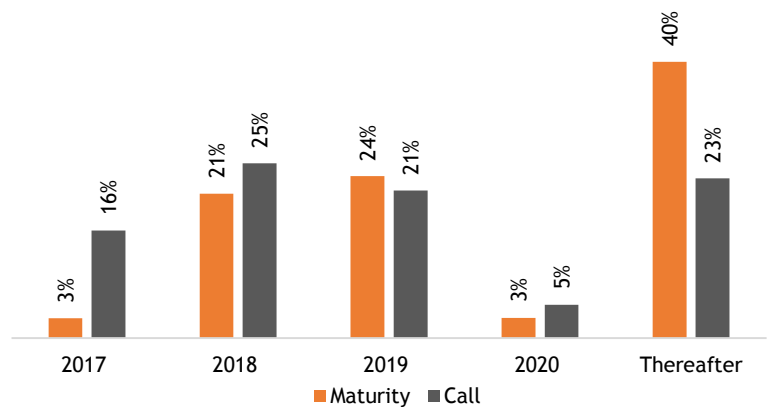
BREAKDOWN OF SHIPPING & TRANSPORTATION



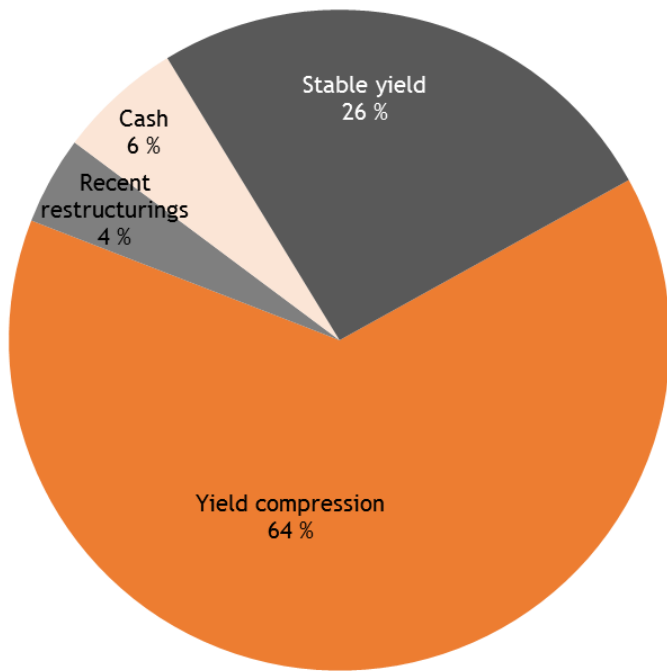
CONTRIBUTION ANALYSIS (top 5 / bottom 5)



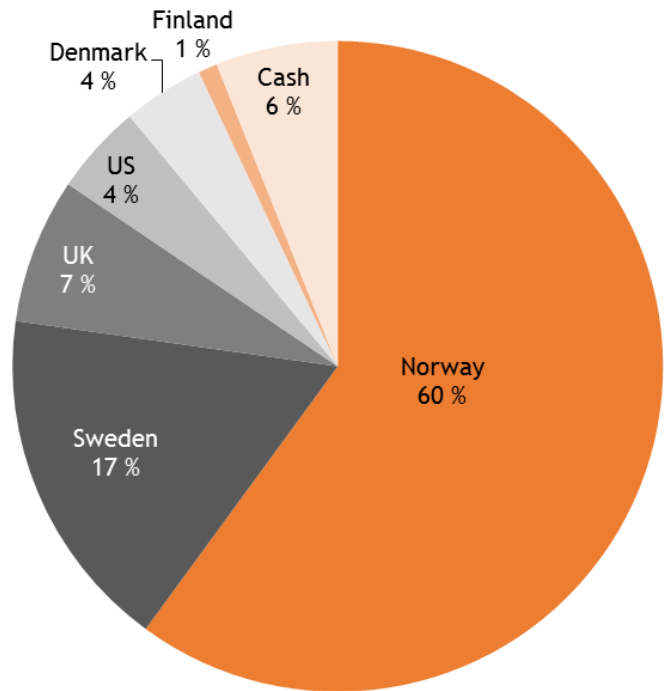
MATURITY PROFILE



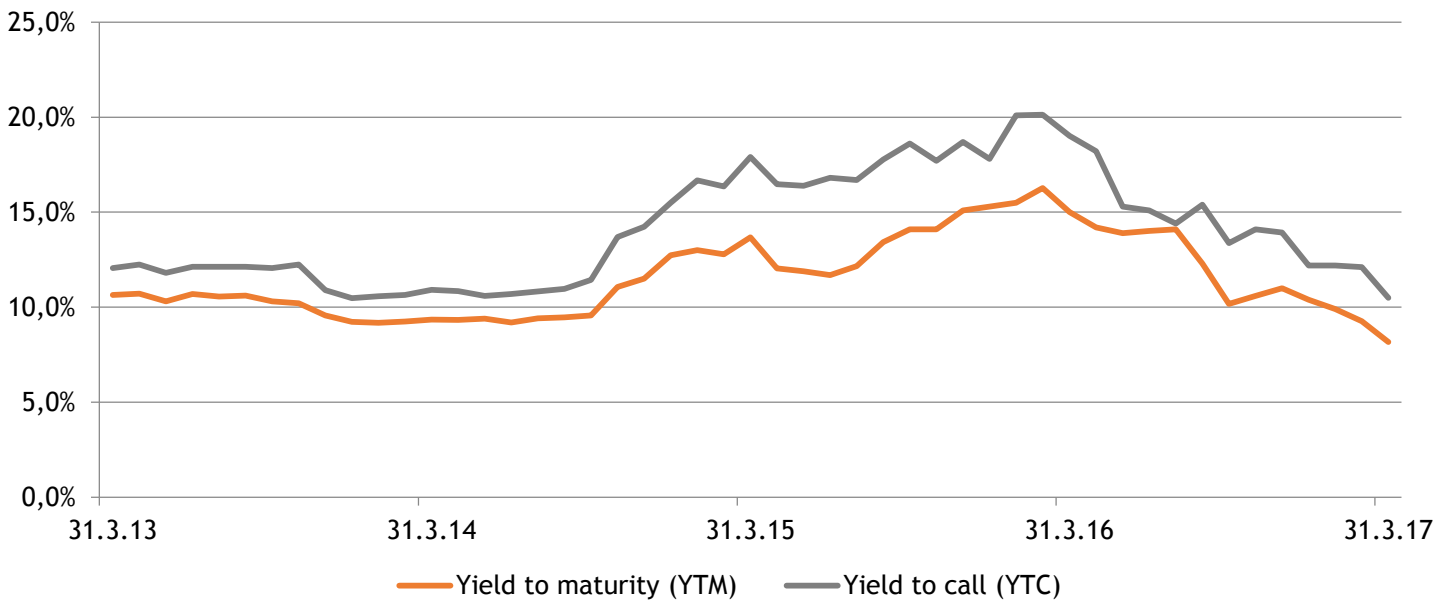
PORTFOLIO OVERVIEW



INVESTMENT BY COUNTRY



YIELD DEVELOPMENT



BOND PORTFOLIO - TOP 20

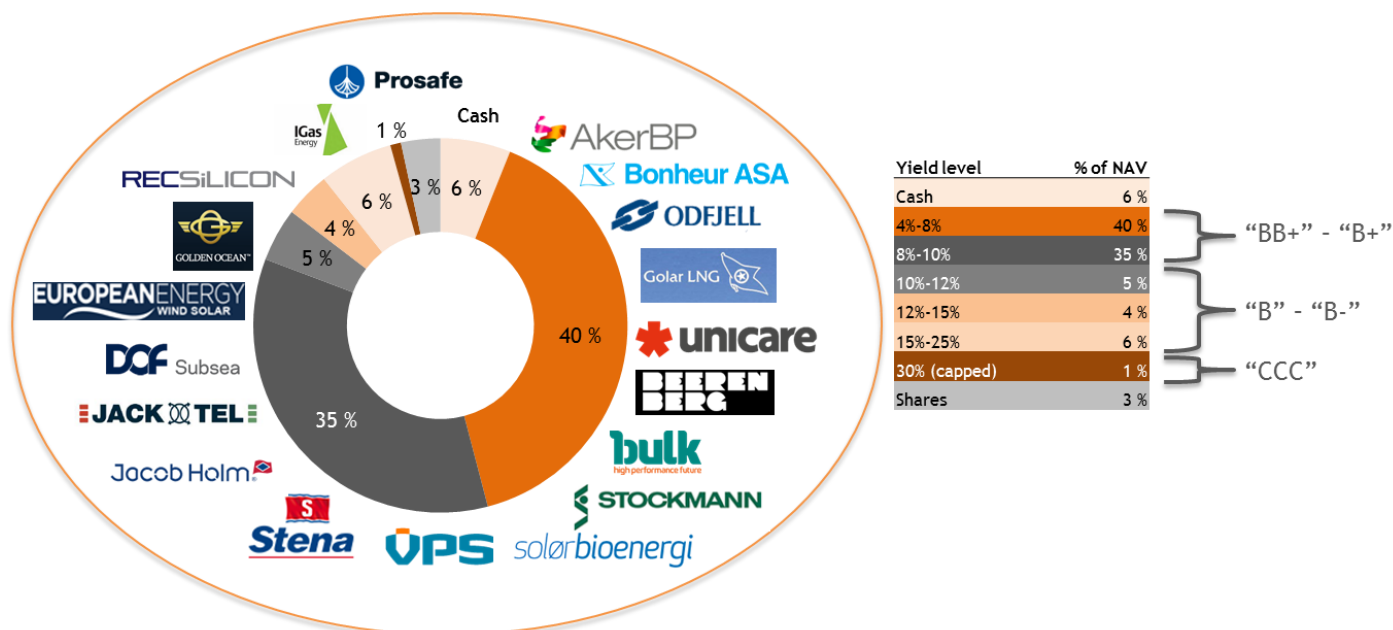
NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 AKER BP ASA 15-22	NO0010736382	112,21	7,5 %	8,5 %	Aker BP is a Norwegian E&P company with operations in Norway. The Company has grown substantially through M&A with the acquisition of Marathon Oil Norway and the merger with BP Norway. The cash flow is strong with a low cost production base. Given Aker BP's growth ambitions we do not believe they will call the 2022 bond due to i) no financial covenants and no potential dilution for Aker ASA vs. equity issue.
2 Stena Ab 14-24	USW8758PAK22	93,50	8,3 %	5,4 %	Swedish conglomerate 100% controlled by Sten Olsson family. Rated BB- by S&P. Total assets of SEK 120bn. Diversified revenue and asset base with strong market position. Per end-Q3/16 liquidity reserves stood at SEK -19.2bn, which we deem sufficient to weather a difficult market within its drilling operations.
3 GasLog Ltd. 17-22	USG37585AC37	102,55	8,2 %	5,0 %	Gaslog is an international owner and operator of LNG carriers listed at NYC stock exchange with a market cap of USD 1.2bn (+MLP Gaslog Partners mcap at USD -900m). The company controls a fleet of 28 LNG carriers including newbuilds and vessels organised in 27.7% owned Gaslog Partners. We find the GLOG'22 bonds to offer very attractive risk/reward prospects due to its strong contract backlog with oil majors and the fully financed newbuilding programme.
4 Golar LNG Partners LP 17-21 FRN	NO0010786056	100,19	7,3 %	4,4 %	The credit is supported by the Company's contract backlog with solid counterparties such as BG, ENI, State of Kuwait etc. Leverage prospects is deemed modest and with bonds lagging peers we expect to see further yield compression over the next 12 months.
5 IGas Energy PLC 13-18	NO0010673791	92,50	19,7 %	4,1 %	London-listed company producing oil and gas onshore UK. Stable production of -2,600boepd at an operating cost of USD -30/boe. The Company has recently been restructured with bondholders receiving a mix of cash, stocks and a new bond (stub - meaning low gearing) in the near term future. With the current pricing of the equity, cash and new bond at par the recovery looks to be close to 100% for bondholders. The new equity investor is Kerrogan private equity, while the largest bondholder was KKR.
6 European Energy A/S 14-18 FRN	SE0005677796	98,88	8,7 %	4,0 %	Developing and owning wind- and solar power generating assets. Steady development of projects at approx. 100MW on average over the last 5 years. Strong development pipeline suggests solid financial performance in the years to come. Financial metrics is deemed strong compared to peers - especially with ICR of -2.9x.
7 Jacktel A/S 14-19	NO0010714561	96,50	9,0 %	3,8 %	1st lien pledge in a jack-up built for the Norwegian continental shelf. Won a contract on Johan Sverdrup in November 2015 with STL that secures work until 2020. We expect the company to obtain bank financing before the bond expires.
8 Bonheur Asa 14-21 FRN	NO0010714538	97,79	5,0 %	3,4 %	Fred. Olsen controlled conglomerate with focus mainly on renewable energy. Has a strong balance sheet and a devoted main owner with a long term view on all investments.
9 Fjord Line AS 13-18 FRN	NO0010671084	100,84	8,7 %	3,3 %	Norwegian ferry operator which has been through an operational turnaround. Balance sheet improved. Strong equity sponsor in Ferd.
10 Golden Ocean Group Ltd. 14-19 ConvNO0010701055		88,25	10,6 %	3,3 %	Golden Ocean is a leading international dry bulk shipping company based in Bermuda, mainly operating in the Capesize, Panamax and Supramax segments. GOGL is listed on NASDAQ and the Oslo Stock Exchange with a market cap of NOK -4.8bn. Mr. John Fredriksen is the largest shareholder through Hemen Holding, owning 14.5% of the company. GOGL owns and controls a fleet of 70 vessels including newbuildings and vessels chartered in on long term time charter contracts. The value of a 5-year old capesize vessel is at a 30-year low. We expect asset values to move higher into 2017 once the seasonally low Q1 is behind us which should further strengthen the credit case.
11 DOF Subsea AS 17-22	NO0010788177	99,50	9,8 %	3,2 %	Provider of subsea tonnage, subsea construction and IMR services. 51% owned by DOF ASA and 49% owned by First Reserve. Strong order backlog of NOK 21bn with tier-1 counterparties (or approx. 3.3x 2016e revenues). Firm backlog equates to -1.4x NIBD and remaining capex. Unique position in Brazil with local built vessels.
12 Kistefos AS 16-19 FRN	NO0010779291	101,88	7,7 %	2,9 %	Norwegian holding company, which is 100% owned by Christen Sveeas. Strong value support in portfolio companies such as Advanzia Bank and 1881 Opplýsingin. Kistefos recently announced that it has sold Bergmoen AS and Gardemoen Forum AS releasing NOK 210m in cash, hence supporting the credit case and reducing refinancing risk.
13 American Tanker Inc. 17-22	NO0010777501	101,48	9,1 %	2,9 %	AMSC is an owner and operator of nine modern product tankers. The Company is listed on the Oslo Stock Exchange with a market cap of NOK 1.7bn. All of AMSC's fleet is on long-term bareboat charter contracts with OSG providing the Company with good cash flow visibility. AMSC's vessels was acquired at an average build cost of 107m vs. an average newbuild cost today of USD 135-150m, which means that the bareboat level would break even significantly lower than a newbuild today supporting the credit case going forward.
14 Jacob Holm & Sonner 14-19 FRN	NO0010708332	103,81	8,3 %	2,8 %	Jacob Holm produces wipes for various applications such as personal care, homecare and industrial use. The Company has a strong market position with the second largest market share globally within its market. The '19 bonds has been refinanced with a new bond and will therefore be called at 104 in late april.
15 Odfjell SE 16-19 FRN	NO0010774276	103,66	5,4 %	2,6 %	Diversified operations within chemical tankers, terminals and gas carriers with a long track-record and a strong market position. Company been successful in increasing cost competitiveness by more than 20% compared to FY/14. Strong liquidity position, limited refinancing risk in 2016 and 2017 combined with moderate capex commitments will reduce leverage going forward.
16 Host Property AB 16-19 FRN	SE0009357676	100,63	5,7 %	2,5 %	1st lien pledge in 8 hotel properties in Sweden with a total value of SEK 680m. Prime locations in their respective regional cities. Gross LTV of approx. 50% and average lease maturity of 13 years.
17 IB Bostad 18 AB 16-18 FRN	NO0010777162	105,00	4,6 %	2,4 %	Secured bond with pledge in a well-diversified portfolio consisting of 111 properties and 700 apartments (no development risk), valued to SEK 568m. Stable and predictable earnings from a regulated tenant base with low vacancy. Parent guarantee from large, diversified and solid owner with properties valued at SEK 7.8bn. The bond structure is deemed attractive with share pledge, parent guarantee and no distributions out of group (ring-fence structure).
18 Veritas Petroleum Services B.V. 14-1NO0010708506		97,75	8,4 %	2,3 %	VPS is the global market leader in Fuel Quality Testing, having an estimated global market share of -50%. The Company was previously owned by Det Norske Veritas before it was sold to the private equity company IK Investment Partners. The client base consist of -900 companies with more than 9,000 vessels, meaning a high degree of diversification. The bond is secured and by end-Q4/16 NIBD/EBITDA 3.8x, which provides bondholders with good valuation support.
19 Hoegh LNG Holding Ltd. 17-22 FRN	NO0010782949	101,67	5,6 %	2,3 %	Höegh has had presence in the LNG shipping market since 1969 and is listed on the Oslo Stock Exchange with a market cap of NOK -7.4bn. The Höegh family is the largest owner with 41.5% of the shares outstanding. The company focuses solely on floating storage and regasification of LNG (FSRU), which in its nature is more credit friendly than LNG and LPG due to the long-term contracts with solid counterparties often being governments and/or strong energy companies. HLNG is expected to have lower leverage than peers as newbuilds is coming on contracts. Furthermore, HLNG has the strongest backlog in the industry amounting to USD 6.2bn or with 14 years average contract length which should reduce refinancing risk at maturity.
20 Genel Energy Finance Ltd. 14-19	NO0010710882	78,75	21,4 %	2,2 %	Genel is an Anglo-Turkish private E&P company listed on the London Stock Exchange with a market cap of GBP -180m. Genel's primary activities are in the KRI with a blend of producing, development and exploration assets. The Company has experienced more regular payments from the KRI, and with a strong cash position of USD -400m the Company has just recently initiated the process to buy back a minimum of USD 50m of bonds, which we find supportive in terms of refinancing in 2019.

Sum 71,5 %

Total number of bond positions: 35 (from 31 issuers).

Total number of shares: 4.

EXAMPLES OF PORTFOLIO COMPANIES AT RESPECTIVE YIELD LEVELS (“CREDIT RATINGS”)



PRICES FOR DIFFERENT SHARE CLASSES

SHARE CLASS	ISIN	PRICE
Retail NOK	LU0740578702	121,26
Institutional NOK	LU0840158496	114,37
RCN NOK	LU1382364633	121,19
ICN NOK	LU1382364716	114,94
Institutional USD	LU0840159387	96,76
Retail SEK	LU0840159460	97,61
Institutional SEK	LU0840159544	101,24
Retail GBP	LU0840159890	100,39
Retail EUR	LU0840158819	97,29
Institutional CHF	LU1076701652	90,62

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)
Redemption Fee	0,25% (accrues to the fund)
Liquidity	Daily
Auditor	KPMG
VPS-registered	For Norwegian clients

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 10 years of experience from research and finance
- Before Storm he worked as a credit analyst, covering the offshore high yield space at Arctic Securities in Oslo and before that he worked at 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

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

Contact details: +47 920 35 908 or tore@stormcapital.no

**MARCUS S. MOHR***Sales Manager*

- He has over 7 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

AWARDS



Winner of the Allocator/CNBC Investors Choice Awards as the Long Only Credit Fund of 2016 in the EMEA & APAC. The awards were judged by a distinguished panel of institutional investors in funds and they took into account a set of qualitative criteria covering the investment process, risk management framework and depth of research team, as well as a set of quantitative performance measures including annualized returns, volatility and maximum drawdown.