

ABOUT THE FUND

Storm Bond Fund (UCITS) is a Nordic High Yield fund inceptioned in September 2008. The fund seeks to hold a diversified portfolio of the best risk-adjusted high yield bonds in the Nordics. 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 among the largest investors 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
2019	1.0%	0.9%	0.8%	0.9%	-0.1%								3.6%
2018	1.1%	0.5%	-0.4%	0.4%	0.8%	0.6%	0.1%	0.5%	0.4%	0.5%	-0.4%	-1.1%	2.9%
2017	3.3%	3.0%	2.1%	1.3%	0.6%	-1.1%	0.8%	1.1%	1.1%	0.3%	-0.2%	0.3%	13.3%
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%

YTD	3.6%
1-year	4.1%
3-years (ann.)	10.7%
10-years (ann.)	8.8%
Since inception (ann.)	5.8%

From inception (September 2008) to end of 2009, the fund was EUR-denominated (unhedged). *From January 2010, performance and NAV are reported based on the EC share class, EUR-denominated (hedged). **From 1 Jan 2012, the fund has been a hedged NOK-denominated fund. ***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.

COMMENT BY PORTFOLIO MANAGERS

Dear investor,

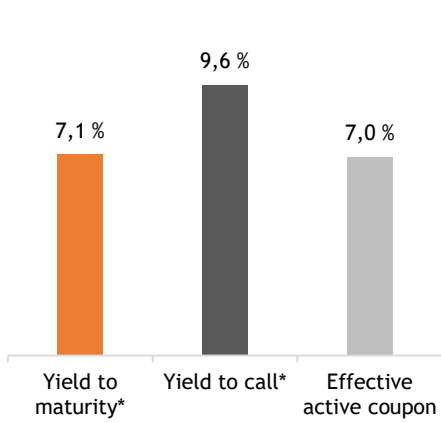
Storm Bond Fund was down 0.1% in May and is up 3.6% YTD.

For the first part of the year financial markets in general performed well supported by the possibility of a trade deal between China and the U.S combined with a more dovish monetary policy. As we entered into May, it became evident that the U.S is moving forward with the trade-war by increasing tariffs on US import from China. The Chinese responded with retaliation by increasing tariffs as well. Consequently, risk assets took a beating in May with the S&P 500 trading down 6% and the MSCI Europe index losing close to 6% as investors are increasingly worried about the implications of a prolonged trade-war. U.S and European high yield markets which has enjoyed a strong rebound earlier in the year came under pressure again due to the market turmoil which resulted in negative returns of -1.2% and -1.6% respectively during the month. Oil prices experienced their largest monthly fall since November as the trade conflicts continue to create uncertainty around demand prospects. The decline in oil prices had a negative impact on oil and oil services related risk assets with the Philadelphia Oil Service Index trading down -20% and the US high yield energy index trading down nearly -4% during the month.

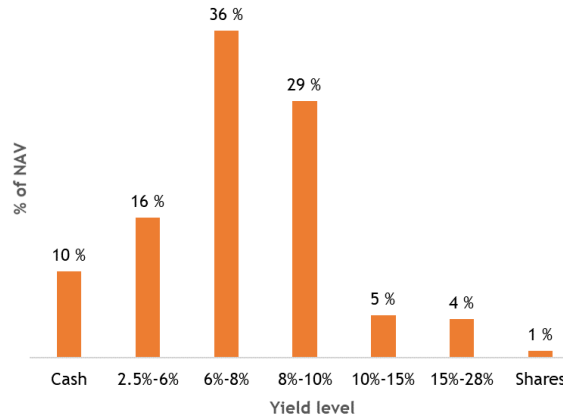
The Nordic high yield market performed well on a relative basis during the month with limited draw-down despite the increased volatility. We believe this is mainly due to the characteristics of the market having lower credit duration, in general higher spread levels and limited ETF effects. Nevertheless, Storm Bond Fund was somewhat negatively affected by the softer market sentiment and in particular within oil services related bonds which resulted in a negative return of -0.1% in May. During the month we have initiated a position in Green Cube Innovation's 3-year secured bond at NIBOR + 800bps. The company is a distributor of fossil fuel and biofuel in Norway and Sweden and the credit benefits from having a strong asset backing which provides with downside protection and solid recurring cash flow.

While the US and European high yield markets are trading close to all time low spreads, the Nordic High Yield market is still trading above historical averages with both significantly lower credit and modified duration. We continue to argue that being exposed to a concentrated but well diversified portfolio of solid Nordic High Yield credits with short credit duration (2.3 years) and low modified duration (1.2 years) going forward remains as an attractive investment proposition. The yield to maturity in the portfolio is 7.1%.

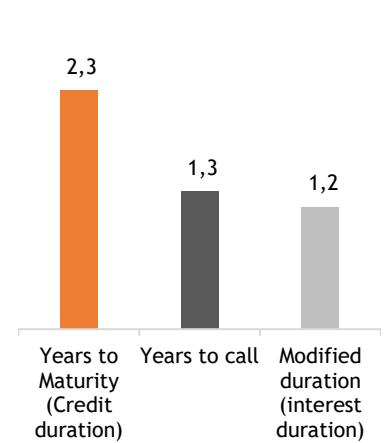
YIELD LEVELS



YIELD DISTRIBUTION

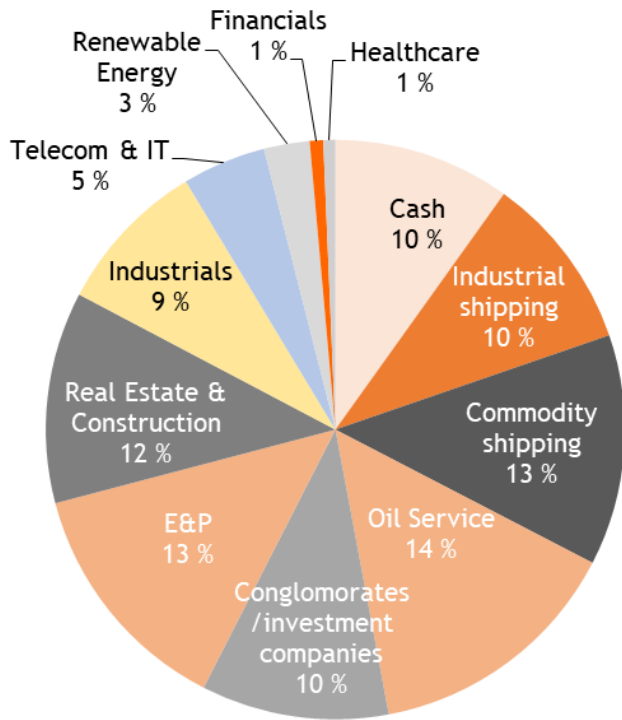


MATURITY / DURATION (YEARS)

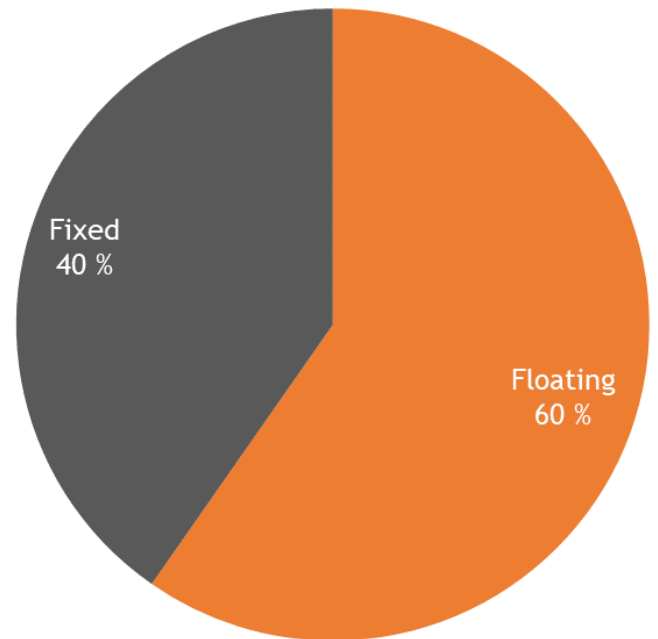


* individual bonds capped at 30% in calculation.

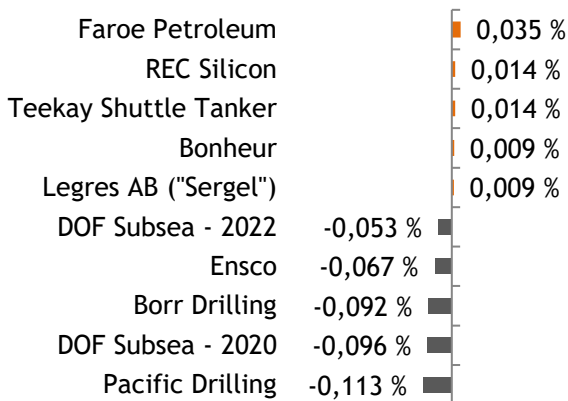
SECTOR ALLOCATION



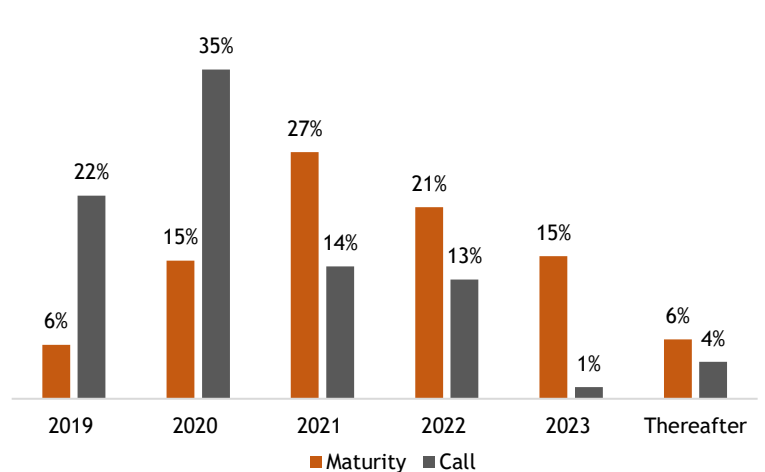
FLOATING VS. FIXED RATES



CONTRIBUTION ANALYSIS (top 5 / bottom 5)*



MATURITY PROFILE



*based on market prices (interest/acrued not included)

SPREAD PREMIUM IN B+ COMPARED TO INTERNATIONAL MARKETS



Source: Sparebank 1 Markets, as of 31.05.2019.

Note (1): Spread tightening impacted by changes to the index in April (some of the riskier issuers excluded and some new issuers included). Total number of issuers in the index has increased by 47% and overall credit quality has improved.

PRICES FOR DIFFERENT SHARE CLASSES

SHARE CLASSES	ISIN	PRICE
ACCUMULATION SHARE CLASSES		
Retail NOK (soft closed)	LU0740578702	134.79
Institutional NOK (soft closed)	LU0840158496	127.62
Retail NOK (RCN)	LU1382364633	134.01
Institutional NOK (ICN)	LU1382364716	127.76
Institutional USD	LU0840159387	110.07
Retail SEK	LU0840159460	105.26
Institutional SEK	LU0840159544	109.11
Retail GBP	LU0840159890	110.67
Institutional GBP	LU0840159973	100.00*
Retail EUR	LU0840158819	105.05
Institutional EUR	LU0840158900	101.69
Retail CHF	LU1428000985	100.00*
Institutional CHF	LU1076701652	97.61

DISTRIBUTION SHARE CLASSES**

Institutional NOK	LU1915698069	101.91
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*to be opened with first investment in share class.

** other currencies to be opened on demand from investors.

OTHER INFORMATION

Share classes	NOK, SEK, EUR, USD, GBP, CHF (all hedged)
Anticipated	
Distribution yield (current quarter)	5.0%-5.5% p.a. (in NOK)
Domicile	Luxembourg
Investment Manager	Storm Capital Management AS
Administrator	Hauck & Aufhäuser Asset Management Services
Custodian Bank	Hauck & Aufhäuser Fund Platforms S.A.
Management Fee	Retail: 0.75%
	Institutional: 0.5%
Performance Fee	10% (high water mark)
Redemption Fee	0.25% (accrues to the fund)
Minimum Investment	Retail (50,000 NOK)
	Institutional (15,000,000 NOK)
Liquidity	Daily
Auditor	KPMG
VPS-registered	For Norwegian clients
Ethical guidelines	Follow the ethical guidelines as defined by Norway's sovereign wealth fund (formal name: Government Pension Fund Global) and a signatory of United Nation's Principles of Responsible Investments (UNRPI)
AUM (NOKm)	1 778

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Siccar Point Energy Bonds PLC DL-NotN00010815053		101,63	8,7 %	4,0 %	Siccar Point holds stakes in some of the largest oilfields in the UK sector. The company have significant production today with very long production profiles. The operating cash flow is deemed to be very solid due to low lifting cost and limited tax payables due to inherited tax losses. The company is well capitalized with an estimated LTV of ~35% based on 60/bbl oil price. The company has solid equity sponsors in Blackstone and BlueWater Energy.
2 Kistefos AS 17-21 FRN	N00010809700	104,00	5,7 %	3,8 %	Norwegian investment company, which is 100% owned by Christen Sveeas. Kistefos holds investments within financial services, Telecom & IT, commercial real estate, offshore services and other financial investments. GAV is estimated to be Nok -6bn, which implies LTV of less than 50%.
3 VV Holding AS 14-19 144A FRN	N00010714033	100,36	3,0 %	3,6 %	Norsk Gjenvinning is Norway's largest waste management company with a market share of ~25%, which is around 4x the closest peer in terms of revenue. VVH benefits from having a diversified customer base with low churn and a high share of recurring customers. Adjusted for operating leases, we estimate leverage of ~5x. The Company was acquired last year by Summa PE from Altor PE, with an estimated acquisition price of NOK -4bn vs. bond at that time of NOK 2.2bn. We expect the bond to be refinanced with bonds or bank prior to maturity this summer.
4 American Tanker Inc. 17-22 -144A-	N00010777519	101,50	8,8 %	3,5 %	American Shipping company owns 10x modern US Jones Act Tankers. The Company is listed on the Oslo Stock Exchange with an mcap of NOK 2.1bn. All vessels chartered out on bareboat contracts to OSG. These rates are sufficient to cover debt service and dividends. The counterpart risk in OSG is reduced through improved market fundamentals and newly refinanced balance sheet. Strong financial sponsor in Aker ASA.
5 Golar LNG Partners LP DL-FLR Notes 2N00010786056		101,40	8,0 %	3,5 %	Golar LNG Partners is an international owner of LNG and FSRU tonnage listed at the NYSE stock exchange with a market cap of USD 790m. The credit benefits from more than USD 2bn in firm backlog, a strong LNGC market, solid liquidity prospects and moderate financial gearing of ~5x NIBD/EBITDA. Further MLP dropdowns and FSRU contract awards would further improve the credit story.
6 Euronav Luxembourg S.A. 17-22	N00010793888	101,59	7,0 %	3,1 %	Largest publicly listed tanker company in the world with a market cap of EUR 1.7bn. Conservative financial strategy with target to keep a minimum of 2 year operational liquidity runway. Available liquidity per end-Q1/19 was USD 785m.
7 Ice Group Scandinavia Holdings AS 17-N00010789035		95,97	8,3 %	3,0 %	Ice Group Scandinavian Holdings ("ICE") is the third largest telecom company in Norway. The company is wholly owned by subsidiary of Ice Group AS (OTC listed), which is 64% owned by Access Industries (owned by Leonard Blavatnik). The credit benefits from strong asset backing, increasing market share in Norway and solid owners. We estimate that the company's Norwegian telecom licenses, nationwide infrastructure and customer base to be sufficient to cover the bond.
8 Stena Ab 14-24	USW8758PAK22	96,27	8,0 %	2,9 %	Swedish conglomerate which is 100% controlled by Sten Olsson family. Stena is peaking leverage wise by end-18 and is expected to deleveraging the balance sheet going forward through debt amortization and improved earnings particularly from the drilling and tanker segment. Stena has a strong liquidity position which was reported at SEK 15.3bn by end Q1/19. Based on our estimates we see substantial equity cushions for bondholders. Stena has a B+ rating by S&P.
9 Ekornes QM Holding AS 2019(19/23)	N00010848401	103,13	7,7 %	2,8 %	Ekornes is Norway's largest furniture producer. In May 2018 the Company was acquired by the Chinese furniture group Qumei Home Furnishing Group. Qumei's acquisition of Ekornes valued the EV to NOK 5.9bn. The acquisition is expected to open up new growth opportunities for Ekornes in China. The NOK 2.0bn senior secured Ekornes bond benefits from resilient cash flow and a long history of profitability. NIBD/EBITDA for FY/19e is estimated to be ~3.7x and LTV estimated to be roughly 50%.
10 Songa Container AS 18/21	N00010837248	100,42	8,3 %	2,8 %	Songa Container AS was established in 2017 and is an asset play focusing on the recovery of the container feeder market. The Company has acquired a fleet of 15 feeder vessels with an average age of 9 years, with sizes ranging from 1,000 TEU -5,000 TEU. All of the vessels will be fitted with scrubbers within IMO2020. The fleet is cash flow positive at current rates and gross loan to value including the scrubber investment is estimated to be ~55%. The Company is backed by experienced ship-owner Arne Blystad which is deemed to be a strong sponsor. The bond is senior secured.
11 Hoegh LNG Holding Ltd. 15-20 FRN	N00010739683	101,13	6,4 %	2,8 %	HLNG is an owner and operator of floating storage and regasification units and has a leading position within this market. The Company is listed on the Oslo Stock Exchange with a market cap of NOK 2.5bn. The main owner Leif Höegh & Co owns ~40% of the Company. The majority of the fleet is on long-term contracts with solid counterparts providing the company with solid cash flow visibility going forward. We believe the '2020 bonds offers strong risk/reward as we see limited risk of liquidity shortfall ahead of the bond maturity.
12 DNO ASA 2020	N00010740392	103,69	5,1 %	2,4 %	DNO is an oil and gas company listed on the Oslo Stock Exchange with a market cap of NOK 16.3bn. Although the Company is operating in regions with political risk the credit benefits from low lifting cost, a strong balance sheet and now more regular and stable cash flows from the authorities (KRG). Per end-Q3/18 the cash position was reported at USD 640m vs. outstanding 2020 bond of USD 200m. DNO has made a bid on the remaining shares in Faroe, the transaction would in our view improve the overall risk profile.
13 Stockmann Oyj Abp EO-Notes 2017(17FI4000292719		96,55	6,2 %	2,4 %	Stockmann: Stockmann was established in 1862 and is a Finnish listed company with a market cap of EUR 150m. The company is owner of shopping malls in Finland and in the Baltics and is engaged in retail through Lindex and Stockmann department stores. The secured part of the capital structure consists of; i) EUR 180m senior secured bank debt and ii) EUR 250m senior secured bond maturing in 2022 which is pari passu with the bank debt. On our estimates, the secured debt is covered by the real estate assets alone.
14 GasLog Ltd 16-21 FRN	N00010767858	104,25	6,1 %	2,3 %	Gaslog is an international owner and operator of LNG carriers listed at NYC stock exchange with a market cap of USD 1.2bn (gaslog partners: USD 1bn). The Company is benefitting from the improving LNG spot rates and has a strong MLP entity which has contributed with USD ~270m in 2017. This has resulted in a very strong liquidity position of USD ~420m per end-Q1/19. Despite the somewhat high leverage, we find the 2021 bonds to offer solid risk/reward as contracted newbuilds entering the fleet as well as aggressive amortization on bonds combined with an improving LNG market.
15 MPC Container Ships Invest B.V. 17-22N00010805872		99,95	7,3 %	2,3 %	Pure play container shipping company. Close to USD 500m in equity raised, listed on the Oslo Stock Exchange with an mcap of NOK 2.3bn. Senior secured bond with 1st priority in the fleet. Bond with significant downside protection with LTV of ~50% on historical low valuations.
16 Jacktel A.S. 18/23	N00010836778	92,37	12,8 %	2,3 %	1st lien pledge in a jack-up built for the Norwegian continental shelf. Currently working for Statoil on the Johan Sverdrup field until 2020. The Company recently announced that STL is not calling the options. The company has runway through 2020 to find new work for the vessel.
17 Green Cube Innovation	N00010852973	100,00	9,5 %	2,2 %	Green Cube Innovation: Green Cube Innovation ("GCI") is a privately owned company based in Norway which operates as a distributor of both biofuel and fossil fuel through their two brands Eco-1 and Automat 1. The bond would be secured with pledges in the five petrol station properties located in Blue Property AS, and share pledges in the issuer and all its subsidiaries. The credit benefits from having a strong asset backing which provides with downside protection and solid recurring cash flow.
18 Bonheur Asa 14-21 FRN	N00010714538	102,95	3,6 %	2,0 %	Fred. Olsen controlled conglomerate listed on the Oslo Stock Exchange with a market cap of NOK 6.6bn. Bonheur has investments within shipping, offshore, renewable energy and cruise. Bonheur consolidated IBD amounts to NOK ~14bn, but only NOK 3.1bn is recourse to parent. Bonheur has NOK 3.3bn of cash vs. NOK 2.4m of bonds. In addition the company has sidelined another NOK 2.2m of cash in 100% owned entities that management noted will be streamed up to parent. Hence, we view asset backing in bonds to be sufficient.
19 Noram Drilling Company AS 14-19	N00010711948	100,31	9,1 %	1,9 %	Noram Drilling is an onshore drilling company owning nine drilling rigs, all of which operate in the Permian Basin. The largest shareholder is John Fredriksen's Gevean, owning 58%. We view Noram as a solid credit due to its strong cash flow, solid asset backing which in its turn reduces the refinancing risk, positive market outlook and a strong and industrial owner.
20 Okea AS 17-20	N00010810062	103,65	6,9 %	1,9 %	Okea is an independent E&P company focused on small field developments on the NCS. Okea recently acquired Shell Norway's 44% interest in Draugen and 12% interest in Gjøa for NOK 4.5bn. The recent acquisition increased Okea's asset base substantially. The bond is secured and offers significant asset backing for bondholders.
Sum				55,8 %	

Total number of bond positions: 51 (from 46 issuers). Total number of shares: 1.

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 11 years of experience from research and finance
- Before Storm he worked as a credit research analyst, covering the Nordic high yield market 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

BUSINESS DEVELOPMENT / SALES

**TORE ANDERSEN***CEO*

- 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***Business Development*

- He has over 10 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.

IMPORTANT INFORMATION

The material contained in this document is not to be regarded as an offer to buy or sell fund shares. The information in this document is general in nature and does not constitute legal, tax, or investment advice. Potential investors are urged to consult their professional advisers on the implications of making an investment in, holding or disposing of shares of, and the receipt of distribution from any investment. Past performance is not indicative of future results. This document has been prepared by Storm Capital Management AS and should not be considered impartial research and the views expressed may not be supported by independent analysis. The author of this document may be remunerated as a result of transactions generated by this information. Storm Capital Management AS is regulated by the Financial Supervisory Authority of Norway (org. number: 989 309 439). Its registered office is: Haakon VIIs gate 5, 0161 Oslo, Norway.