

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%	0.1%	0.7%	-0.2%	-0.1%	0.3%	0.4%		4.8%
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	4.8%
1-year	3.6%
3-years (ann.)	9.0%
10-years (ann.)	6.1%
Since inception (ann.)	5.7%

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,

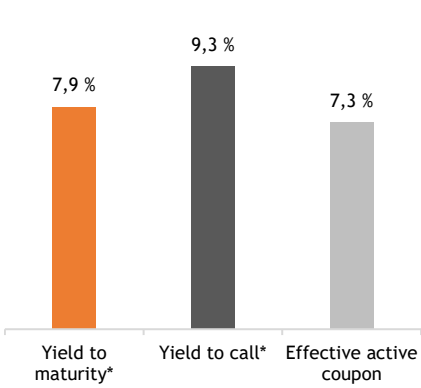
Storm Bond Fund was up 0.4% in November and is up 4.8% YTD (retail NOK share class: LU0740578702).

Equity markets was pushed even higher in November on the back of improved macro sentiment in Europe and the US combined with hopes of China and the U.S to reach agreement on “phase one” trade deal before the tariffs are scheduled to increase in mid-December. US and European equity markets measured by the S&P 500 and the MSCI Europe index gained +3.4% and 2.5% respectively. In the global credit markets, European investment grade index lost another 0.25% during the month, while as US investment grade bonds gained 0.2%. US and European high yield markets gained 0.3% and +1% respectively. The Nordic high yield market and Storm Bond fund, which has lower credit and modified duration, gained on average -0.4% during the month. Brent and WTI oil prices gained +3.6% and +1.8% during the month on expectations of maintaining the existing production cuts ahead of this week’s OPEC meeting. The Philadelphia Oil Service Index gained 4.3% and the US Energy high yield index lost 0.2% during November.

In November, BW Offshore improved its maturity schedule through the issue of a USD ~300m convertible bond and a NOK 900m 4-year unsecured bond. These proceeds were utilised to refinance the USD 393m (incl. swaps) bonds due 2020-22. We decided to roll over parts of our exposure into the unsecured bond at NIBOR+450bps as we believe the credit benefits from the solid cash flow visibility, sound liquidity position and the low leverage metrics. Furthermore, we participated in the refinancing of Host Property and its new 3-year SEK 500m 1st lien bond. The bond carries a coupon of STIBOR + 650bps and has pledge in nine Swedish hotel properties with an estimated LTV below 50%. During the month we increased our position in the Stockmann’2022 senior secured bond currently priced EURIBOR + 580bps. We see very solid asset coverage on the collateral real estate and that the ongoing sale process of Lindex could trigger an early refinancing of the capital structure at attractive call prices.

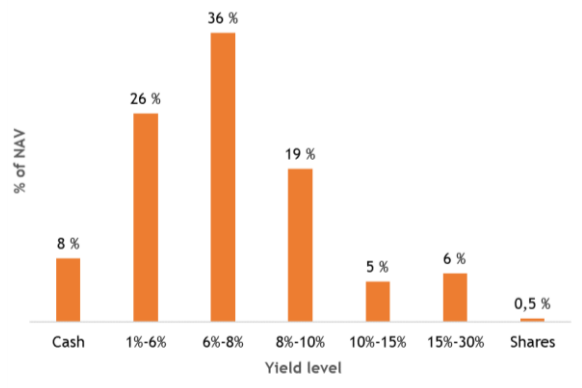
We continue our aim to protect capital and remain conservative by being exposed to a diversified portfolio of solid Nordic high yield bonds with shorter credit duration (2.3 years), lower modified duration (1.1 years) and uncorrelated to that of European and US High Yield markets. This in combination with having access to liquidity through a solid cash position (~8%). The yield to maturity in the portfolio is 7.9% in NOK (including cash).

YIELD LEVELS (NOK)

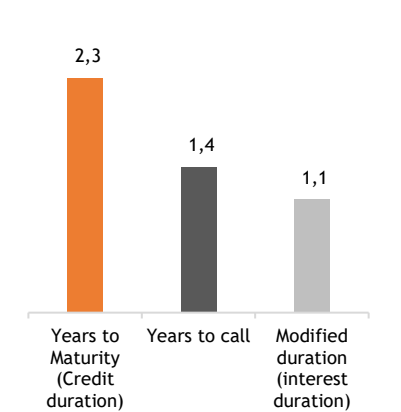


* individual bonds capped at 30% in calculation.

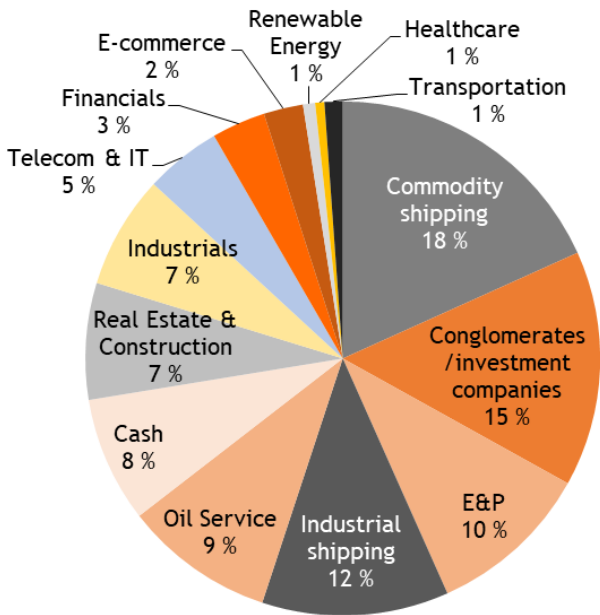
YIELD DISTRIBUTION



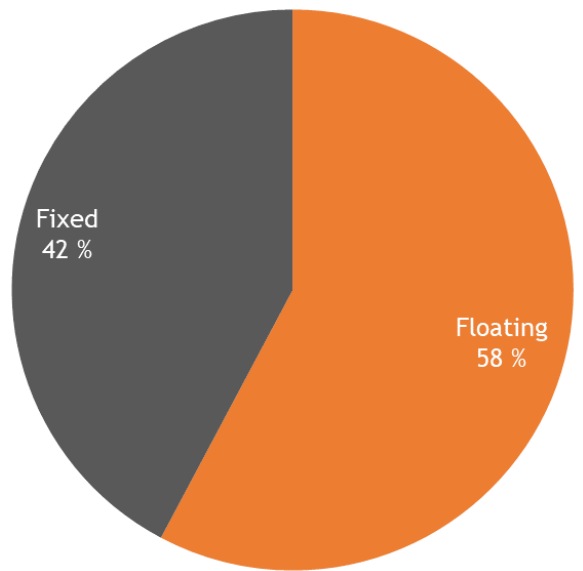
MATURITY / DURATION (YEARS)



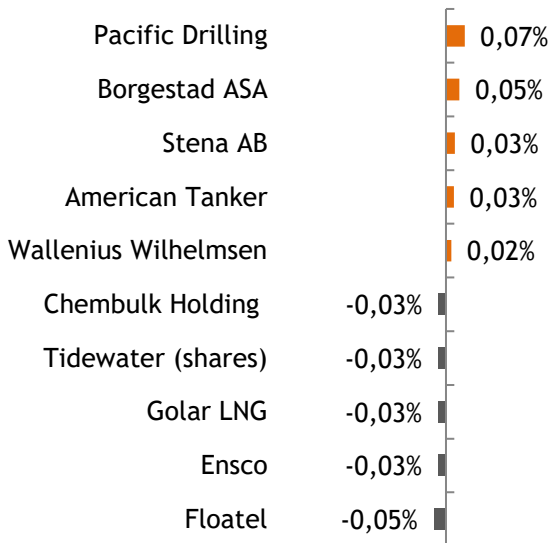
SECTOR ALLOCATION



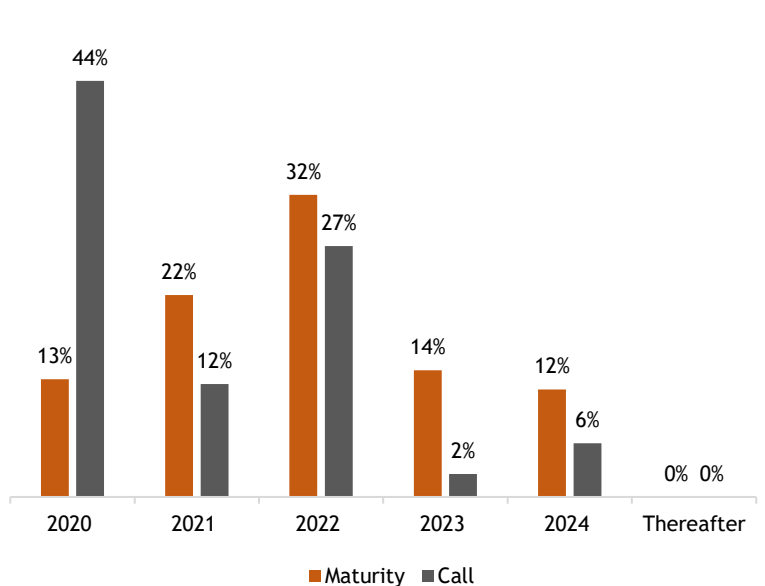
FLOATING VS. FIXED RATES



CONTRIBUTION ANALYSIS (top 5 / bottom 5)*

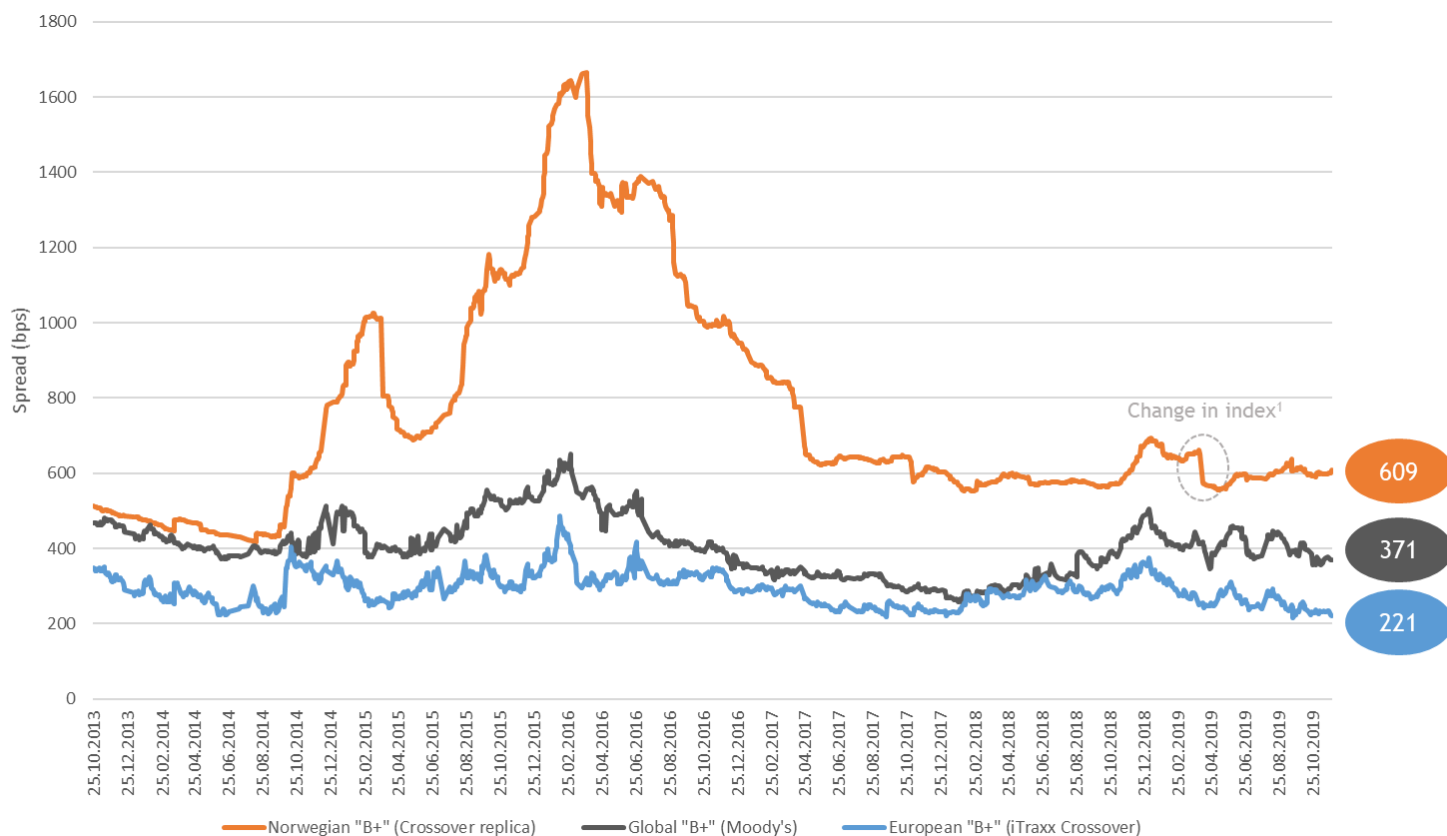


MATURITY PROFILE



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

SPREAD PREMIUM IN B+ COMPARED TO INTERNATIONAL MARKETS



Source: Sparebank 1 Markets, as of 29.11.2019.

Note (1): Spread tightening impacted by changes to the index in April 2019 (some of the riskier issuers excluded and some new issuers added). 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		
Institutional NOK (ICN)	LU1382364716	129.44
Institutional NOK	LU0840158496	129.28
Institutional USD	LU0840159387	111.97
Institutional EUR	LU0840158900	102.00
Institutional SEK	LU0840159544	109.63
Institutional CHF	LU1076701652	97.77
Institutional GBP	LU0840159973	100.00*
Retail NOK (RCN)	LU1382364633	135.63
Retail NOK	LU0740578702	136.44
Retail SEK	LU0840159460	105.65
Retail GBP	LU0840159890	111.54
Retail EUR	LU0840158819	105.33
Retail CHF	LU1428000985	100.00*

DISTRIBUTION SHARE CLASSES**

Institutional NOK	LU1915698069	100.33
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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)	6.0%-6.5% 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)	2 052

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Euronav Luxembourg S.A. 17-22	NO0010793888	103,45	6,1 %	4,6 %	Largest publicly listed tanker company in the world with a market cap of EUR 2.3bn. Conservative financial strategy with target to keep a minimum of 2 year operational liquidity runway. Available liquidity per end-Q2/19 was USD 860m.
2 Stena Ab 14-24	USW8758PAK22	102,12	6,4 %	4,1 %	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.
3 Siccar Point Energy Bonds PLC DL-NoNO0010815053		106,90	6,6 %	3,8 %	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.
4 Ice Group Scandinavia Holdings AS 1 NO0010864002		99,54	10,0 %	3,8 %	Ice Group Scandinavian Holdings ("ICE") is the third largest telecom company in Norway. The company is listed on the Oslo Stock Exchange with an market cap of NOK 4bn, majority 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.
5 American Tanker Inc. 17-22 -144A-	NO0010777519	102,28	8,2 %	3,7 %	American Shipping company owns 10x modern US Jones Act Tankers. The Company is listed on the Oslo Stock Exchange with an mcap of NOK 2bn. 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.
6 Stockmann Oyj Abp EO-Notes 2017(1:FI4000292719		99,25	5,1 %	3,5 %	Stockmann was established in 1862 and is a Finnish listed company with a market cap of EUR 164m. 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.
7 Kistefos AS 17-21 FRN	NO0010809700	103,92	5,7 %	3,3 %	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%.
8 Golar LNG Partners LP DL-FLR Notes NO0010786056		99,31	8,7 %	3,1 %	Golar LNG Partners is an international owner of LNG and FSRU tonnage listed at the NYC stock exchange with a market cap of USD 682m. 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.
9 Norske Skog AS 19-22 FRN	NO0010856123	103,19	4,7 %	3,0 %	Norske Skog is one of the leading global producers of newsprint and magazine paper. The group has about 8% market share for newsprint and ~3-5% for magazine paper. The Company is listed on the Oslo Stock Exchange with an mcap of NOK 3.4bn. Norske Skog has one EUR 125m senior secured bond outstanding maturing in 2022 which is carrying a coupon of EURIBOR + 600bps. The credit benefits from having low leverage and solid cash conversion.
10 Eagle Bulk Shipco LLC 17-22	NO0010810872	102,25	7,5 %	2,6 %	Eagle Bulk Shipping is a US listed dry bulk shipping company with a market cap of USD 385m. The company has one USD 196m amortizing secured bond outstanding maturing in 2022 which is carrying a coupon of 8.25%. The bond has 1st lien pledge in 24 supramax vessels with an estimated net LTV of ~55%.
11 Hoegh LNG Holding Ltd. 15-20 FRN	NO0010739683	100,86	5,2 %	2,5 %	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 2.1bn. 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 Songa Container AS 18/21	NO0010837248	98,31	8,8 %	2,5 %	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.
13 FNG Nordic AB 19-24	SE0012827996	102,01	6,3 %	2,5 %	FNG NV acquired the Swedish e-commerce company Ellos Group AB in July 2019. In connection with the acquisition FNG NV partly financed the transaction with a senior secured 5 year SEK 1,500m bond at STIBOR + 675bps. The bond is secured in Ellos AB which is one of Sweden's retail e-commerce companies. The bond structure is ring-fenced with no leakage and has a 100% parent guarantee from FNG NV. The credit story is deemed to be attractive due to the company's solid market position, strong cash generation with no cash leakage, sound LTV levels and the nature of the business being less cyclical.
14 Host Property AB 19-22	SE0013486057	100,00	6,6 %	2,3 %	1st lien pledge in 9 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.
15 DNB Bank ASA 15-20	NO0010730708	100,46	5,1 %	2,2 %	DNB is Norway's largest bank with a market capitalization of NOK 245bn and a CET1 ratio per end-Q3/19 of 18.3%. The bonds are subordinated with call date on February 26th 2020. We see limited call risk and expect the call notice to be announced in December or early January 2020.
16 Frontmatec Group FRN 19-24	DK0030452263	101,84	5,3 %	2,2 %	Frontmatec is owned by the PE firm Axcel and is one of the leading manufacturers of red meat processing equipment globally. The bond carries a coupon of EURIBOR + 575bps and is senior secured through share pledges. The credit benefits from having sound leverage metrics, diversified cash flows and less cyclicity.
17 MPC Container Ships Invest B.V. 17-20NO0010805872		99,53	6,8 %	2,1 %	Pure play container shipping company. Close to USD 500m in equity raised, listed on the Oslo Stock Exchange with an mcap of NOK 1.6bn. Senior secured bond with 1st priority in the fleet. Bond with significant downside protection with LTV of ~50% on historical low valuations.
18 GasLog Ltd 16-21 FRN	NO0010767858	104,50	5,6 %	2,0 %	Gaslog is an international owner and operator of LNG carriers listed at NYC stock exchange with a market cap of USD 820m (gaslog partners: USD 730m). 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.
19 Golar LNG Ltd. 2018/2022	US38046YAB74	88,72	8,5 %	2,0 %	Golar LNG operates within LNG infrastructure and is listed on the New York Stock Exchange with a market cap of USD 1.4bn. The Golar LNG convertible unsecured bond maturing in 2022 is now the highest yielding LNG bond in the Nordic market with a yield of 9.3%. The credit benefits from being fully financed and having a strong contracted earnings backlog with solid counterparts amounting to USD 6.5bn vs. market cap of USD 1.2bn and EV of USD 3.5bn.
20 Green Cube Innovation AS 19-22 FRNNO0010852973		98,00	10,8 %	1,9 %	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.
Sum				57,7 %	

Total number of bond positions: 52 (from 48 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 VII's gate 5, 0161 Oslo, Norway.

Storm Fund II - Storm Bond Fund is domiciled in Luxembourg and in addition the fund is registered for distribution in Norway, Sweden, Finland, UK, Switzerland, Germany and Spain.

The fund may only be offered and this factsheet may only be distributed in Switzerland to qualified investors. Home country of the fund: Luxembourg. The representative in Switzerland is 1741 Fund Solutions AG, Burggraben 16, CH-9000 St. Gallen. Swiss Paying Agent in Switzerland is Telco AG, Bahnhofstrasse 4, CH-6430 Schwyz. The prospectus, the Key Investor Information Document, the articles of association as well as the annual [and semi-annual] reports may be obtained free of charge from the representative. In respect of the units distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the Representative.