

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
2020	0.6%												0.6%
2019	1.0%	0.9%	0.8%	0.9%	-0.1%	0.1%	0.7%	-0.2%	-0.1%	0.3%	0.4%	0.8%	5.7%
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%

1-year	5.3%
3-years (ann.)	6.3%
5-years (ann.)	6.3%
10-years (ann.)	5.2%
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 0.6% in January 2020 (retail NOK share class: LU0740578702).

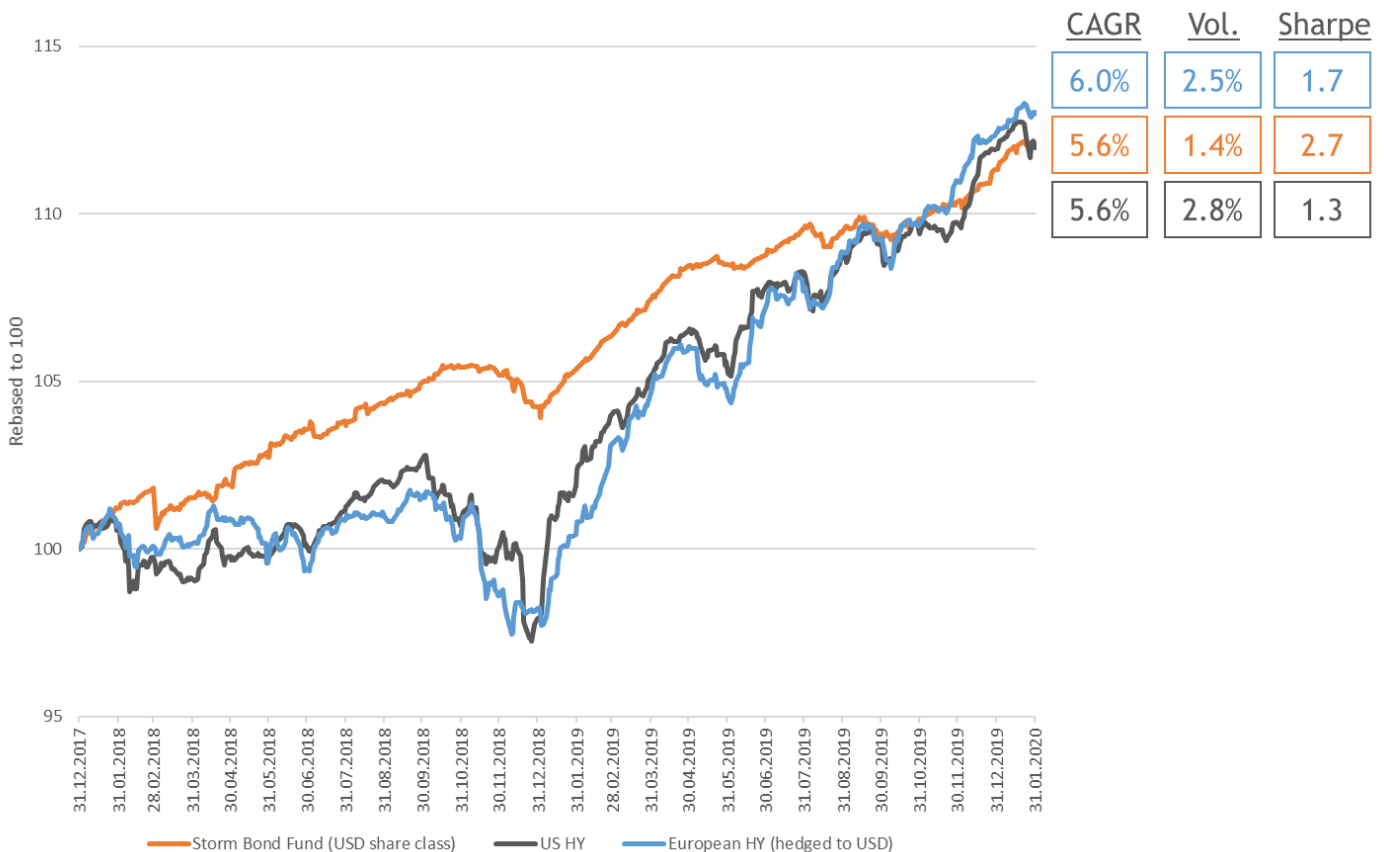
The markets continued its strong trend into the new decade before the outbreak of the Corona virus triggered turmoil and volatility in the markets. The outbreak of the virus revived concerns about stretched valuations and the potential negative impact on the Chinese and the world economy. US and European equity markets measured by the S&P 500 and the German DAX index lost 0.2% and 2.0% respectively during the month. In the global credit markets, the shift in sentiment resulted in solid performance for safe haven investments with investment grade bonds in the US and Europe gaining +2.4% and 1.1% respectively. With the increased demand for investment grade bonds US high yield experienced its largest monthly outflow since August last year resulting in 0.04% performance during the month. The Nordic high yield market and Storm Bond fund, which has higher credit spreads and lower credit and modified duration, was less impacted by the volatility and gained -0.64% during the month. Brent and WTI oil prices came under pressure and declined by -14% and -15.5% respectively on the back of increased demand worries as a consequence of the virus outbreak. As a result, The Philadelphia Oil Service Index lost 20% and the US Energy high yield index lost 1.7% during the first month of the year.

The liquidity and the primary activity in the Nordic high yield market remains high with USD ~1bn being raised during the month. We remain very selective when it comes to new issues and continue to focus on shorter dated bonds with a solid value proposition. During the month we initiated a new position in Bonheur ASA' 2022 bond which is yielding 4.2% to maturity. The company has very solid outlook and an extremely strong balance sheet. Furthermore, we increased our position in Teekay Shuttle Tankers' 2022 bond yielding 7% to maturity. The credit benefits from having strong earnings visibility, a solid sponsor in Brookfield (USD 500bn under management), sound leverage prospects and a leading market

position. During the month, Höegh LNG raised new 5 year unsecured bond debt and bank debt in order to refinance the 2020 maturity we are currently holding. We decided not to participate in the new bond issue as earnings visibility remains low and leverage outlook demanding.

We continue to stick to our strategy by protecting capital and remaining conservative by being exposed to a diversified portfolio of solid Nordic high yield bonds with shorter credit duration (2.2 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 (6%). The yield to maturity in the portfolio is 7.3% in NOK (including cash).

TOTAL RETURN - STORM BOND FUND VS. US & EUROPEAN HIGH YIELD (2018-2020)

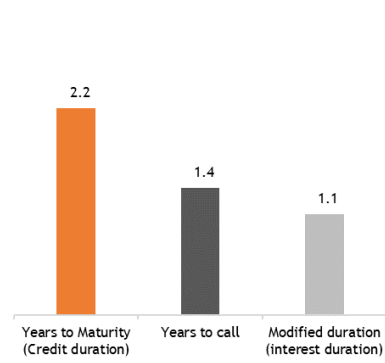
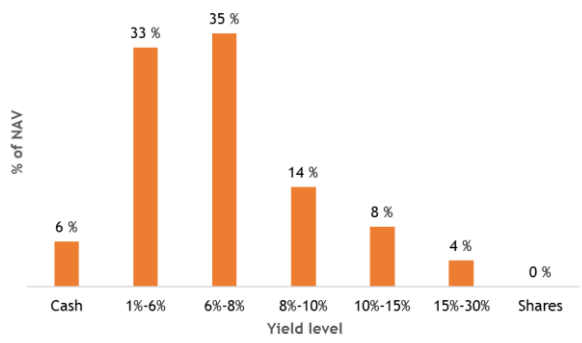
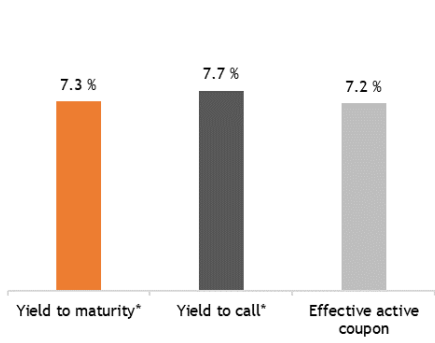


Source: Bloomberg, as of 31.01.2020.

YIELD LEVELS (NOK)

YIELD DISTRIBUTION

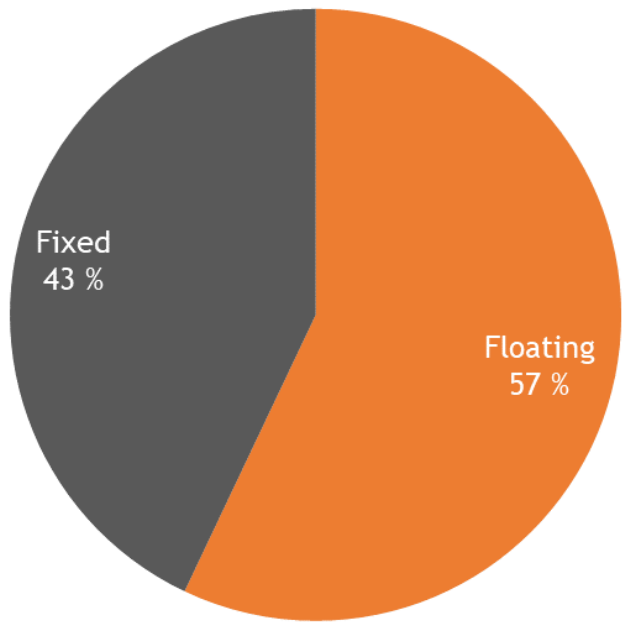
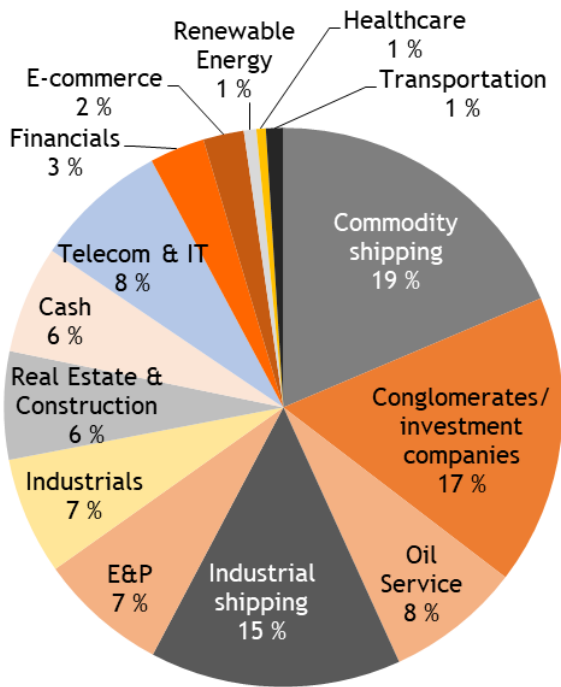
MATURITY / DURATION (YEARS)



* individual bonds capped at 30% in calculation.

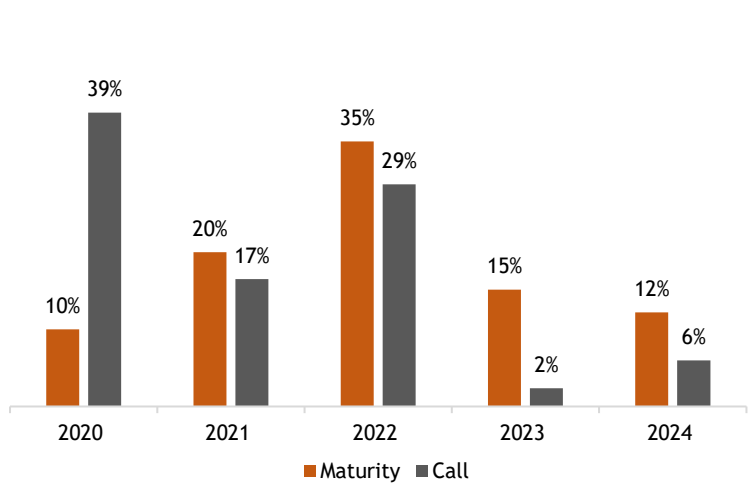
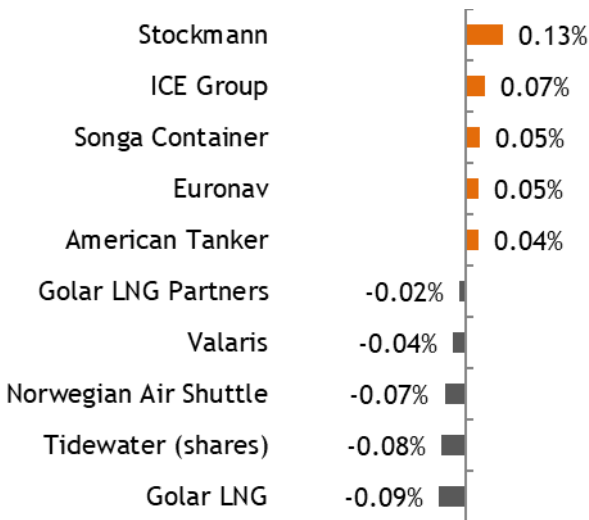
SECTOR ALLOCATION

FLOATING VS. FIXED RATES



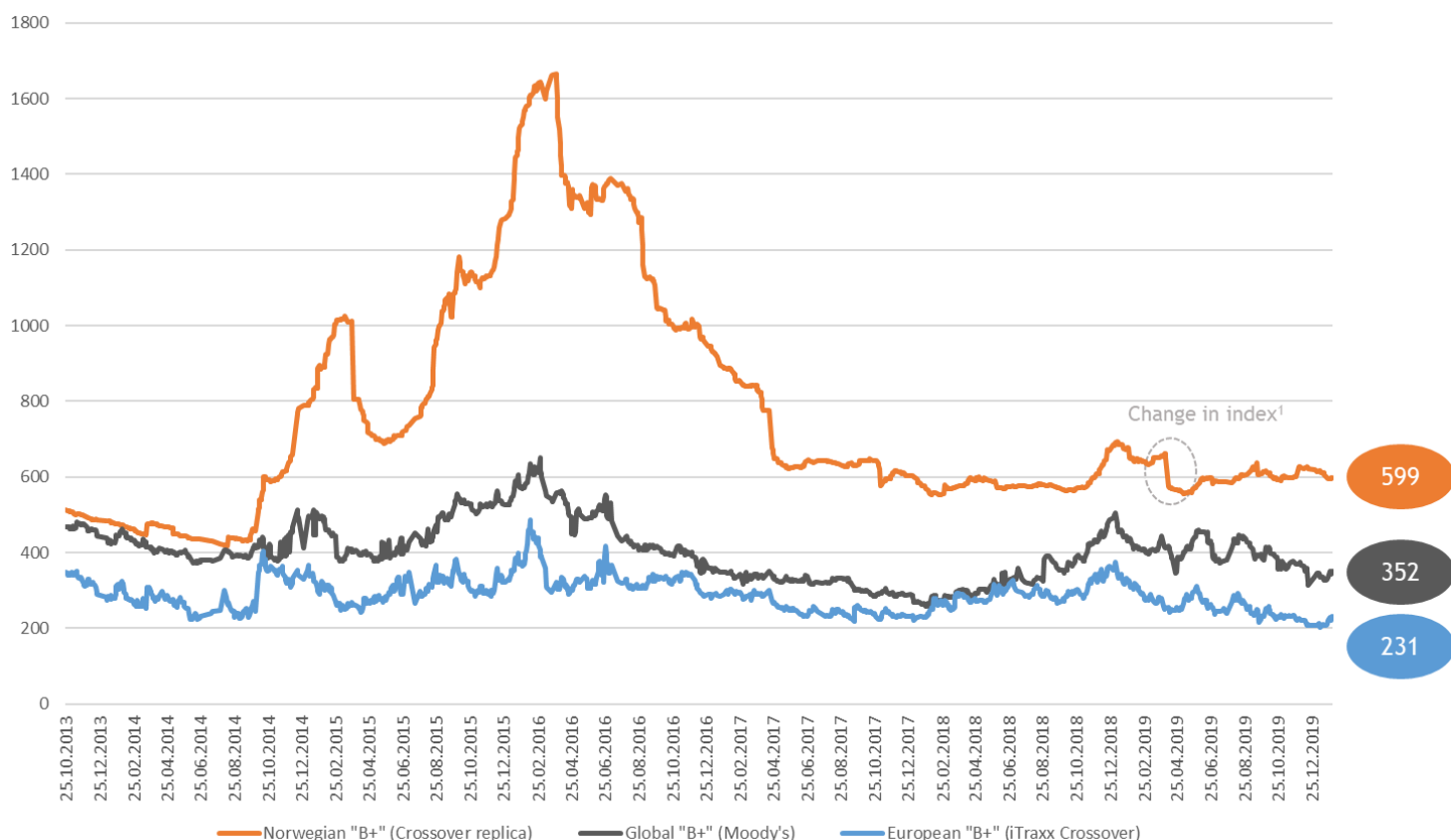
CONTRIBUTION ANALYSIS (top 5 / bottom 5)*

MATURITY PROFILE



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

SPREAD PREMIUM IN B+ COMPARED TO INTERNATIONAL MARKETS



Source: Sparebank 1 Markets, as of 31.01.2020.

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	131.44
Institutional NOK	LU0840158496	131.25
Institutional USD	LU0840159387	113.72
Institutional EUR	LU0840158900	103.13
Institutional SEK	LU0840159544	111.16
Institutional CHF	LU1076701652	98.98
Institutional GBP	LU0840159973	100.00*
Retail NOK (RCN)	LU1382364633	137.63
Retail NOK	LU0740578702	138.46
Retail SEK	LU0840159460	107.03
Retail GBP	LU0840159890	112.87
Retail EUR	LU0840158819	106.68
Retail CHF	LU1428000985	100.00*

DISTRIBUTION SHARE CLASSES**

Institutional NOK	LU1915698069	100.50
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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)	2 207

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Stena Ab 14-24	USW8758PAK22	103.13	6.1 %	4.5 %	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.
2 Siccar Point Energy Bonds PLC DL-Not N00010815053		107.20	6.4 %	4.5 %	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.
3 Euronav Luxembourg S.A. 17-22	N00010793888	104.48	5.5 %	4.4 %	Largest publicly listed tanker company in the world with a market cap of EUR 1.9bn. Conservative financial strategy with target to keep a minimum of 2 year operational liquidity runway. Available liquidity per end-Q2/19 was USD 860m.
4 Teekay Shuttle Tankers LLC 17-22	N00010801707	101.23	7.1 %	4.3 %	Established in Jul 17 as a carve out from Teekay Offshore, TST is the world's largest owner and operator of shuttle tankers. TST operate a fleet of 26 shuttle tankers mostly under time charters, CoAs, bareboat charters with limited exposure to spot markets. TST remains 100% owned by Teekay Offshore, which now is fully controlled by Brookfield Asset Management. TST holds a revenue backlog of approx. USD 2.5bn, most of which stem from counterparties with investment grade ratings. The backlog. TST' NIBD/ EBITDA was 3.8x per Q3/19. However, as TST over the next couple of years, will take delivery of 7 newbuilds with a relatively high degree of debt financing attached, we foresee that the company's NIBD/ EBITDA will increase to a range between 4 to 5.5x. The credit benefit from having a leading market position, strong earnings visibility and solid owner backing.
5 Stockmann Oyj Abp EO-Notes 2017(17FH4000292719		102.00	3.7 %	4.0 %	Stockmann was established in 1862 and is a Finnish listed company with a market cap of EUR 190m. 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.
6 Ice Group Scandinavia Holdings AS 19-N00010864002		101.47	9.3 %	3.6 %	Ice Group Scandinavian Holdings ("ICE") is the third largest telecom company in Norway. The company is listed on the Oslo Stock Exchange with a market cap of NOK 3.5bn, 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.
7 American Tanker Inc. 17-22 -144A-	N00010777519	104.33	7.0 %	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 1.9bn. 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.
8 Kistefos AS 17-21 FRN	N00010809700	104.22	5.3 %	3.1 %	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%.
9 Hoegh LNG Holding Ltd. 15-20 FRN	N00010739683	101.13	3.2 %	3.0 %	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 1.7bn. 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.
10 Norske Skog AS 19-22 FRN	N00010856123	104.29	4.1 %	2.9 %	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 3.5bn. 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.
11 Golar LNG Partners LP DL-FLR Notes 20N00010786056		98.37	9.3 %	2.9 %	Golar LNG Partners is an international owner of LNG and FSRU tonnage listed at the NYC stock exchange with a market cap of USD 360m. 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.
12 Vizrt Group AS 15-21 FRN	N00010732811	100.91	8.0 %	2.4 %	Vizrt provides advanced graphical solutions enabling broadcasters to create high-end graphics for live TV, primarily news, sport and weather. The company has customers in more than 100 countries worldwide, including companies such as CNN, CBS, Fox, BBC. Vizrt was listed on the Oslo Stock Exchange when acquired by Nordic Capital Fund VIII in March 2015 and has subsequently been de-listed. Nordic Capital took Vizrt private at NOK 37 per share, valuing mkt cap at NOK 2.5bn. The only debt in the company is the USD 100m outstanding senior secured bond which has share pledge over all shares in the company. Per-end Q3/19, the company's leverage was 2.2x NIBD/EBITDA adj. for NewTek acquisition.
13 Songa Container AS 18/21	N00010837248	99.75	7.9 %	2.4 %	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.
14 Eagle Bulk Shipco LLC 17-22	N00010810872	102.60	7.3 %	2.4 %	Eagle Bulk Shipping is a US listed dry bulk shipping company with a market cap of USD 230m. 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%.
15 FNG Nordic AB 19-24	SE0012827996	102.88	6.2 %	2.4 %	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.
16 Host Property AB 19-22	SE0013486057	100.38	6.5 %	2.2 %	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 CHEMBULK HOLDING LLC 18-23	N00010814593	92.00	11.5 %	2.1 %	Chembulk operates 21 Chemical Tankers (10-33,000 dwt) 7 of which are on chartered-in while the others are 100% owned. The company is owned by funds managed by KKR (43.4%), York Capital (42.6%) and other institutions. On the back of elevated ordering as well as a poor crude and product tanker market, the chemical tanker market has been at trough levels over the past couple of years. With supply demand prospects improving and net LTV is estimated to be in the range of 50-60% on trough valuations we deem that asset backing is sufficient to cover the bond in a bear case scenario.
18 DNB Bank ASA 15-20	N00010730708	100.14	2.9 %	2.1 %	DNB is Norway's largest bank with a market capitalization of NOK 275bn 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 early January 2020.
19 Frontmatec Group FRN 19-24	DK0030452263	102.25	5.2 %	2.1 %	Frontmatec is owned by the PE firm Axcet 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 cyclicality.
20 Bonheur Asa 17-22 FRN	N00010793565	103.42	4.2 %	2.0 %	Fred. Olsen controlled conglomerate listed on the Oslo Stock Exchange with a market cap of NOK 9.4bn. 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.
Sum				60.9 %	

Total number of bond positions: 50 (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 & Partner*

- He has 12 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 & Partner*

- 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 & Partner*

- He has over 11 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 Vils gate 5, 0161 Oslo, Norway.

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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.