

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 MONTHLY RETURN HISTORY (INSTITUTIONAL IC NOK SHARECLASS³, NET OF FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	0.7%	-0.4%	-21.3%	4.8%	4.0%								-14.1%
2019	1.0%	0.9%	0.8%	0.9%	-0.1%	0.1%	0.7%	-0.2%	-0.1%	0.3%	0.4%	0.9%	5.9%
2018	1.0%	0.5%	-0.4%	0.4%	0.7%	0.7%	0.1%	0.6%	0.4%	0.5%	-0.4%	-1.1%	3.1%
2017	3.4%	3.0%	2.1%	1.3%	0.6%	-1.0%	0.8%	1.2%	1.1%	0.3%	-0.2%	0.4%	13.6%
2016	-1.8%	-3.1%	6.0%	4.1%	-0.4%	0.6%	1.8%	3.3%	-0.4%	1.2%	0.1%	5.8%	18.1%
2015	-2.7%	-1.2%	-0.1%	1.5%	2.2%	0.4%	0.4%	-3.7%	-2.7%	1.3%	-0.7%	-4.2%	-9.4%
2014	1.2%	1.0%	1.0%	0.7%	0.7%	0.9%	0.7%	0.1%	-1.3%	-5.5%	-0.3%	-11.2%	-12.4%
2013	1.5% ³	0.6%	1.0%	1.0%	1.6%	0.2%	1.1%	1.0%	1.2%	0.1%	1.4%	0.9%	12.1%
2012	2.7% ²	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% ¹	0.8%	2.0%	3.8%	-3.4%	1.3%	1.4%	2.2%	2.8%	1.5%	1.1%	-1.0%	19.9%

Annualised returns (net of fees)

1-year	-12.2%
3-years	-1.3%
5-years	2.8%
10-years	3.5%
Since inception	4.4%

From 1 Sep 2008 to 31 Dec 2009, base currency EUR (unhedged).

1) From 1 Jan 2010, base currency EUR (hedged).

2) From 1 Jan 2012, base currency NOK (hedged).

3) From 1 Jan 2013, base currency NOK (hedged), based on institutional IC NOK share class (LU0840158496).

Past performance is no guarantee for future performance.

COMMENT BY PORTFOLIO MANAGERS

Dear investor,

Storm Bond Fund posted a positive return of 4.0% in May and is down 14.1% YTD (institutional IC NOK share class: LU0840158496).

The market rebound continued in May on optimism that the worst from the pandemic is now behind us. Markets have looked past increased US-China tension and soft economic data, and instead focused on the declining infection rates in many countries and the reopening of their economies. Furthermore, governments and central banks' powerful stimulus measures and support has helped boost confidence for risk assets. In the energy markets, Brent oil prices gained more than 40% during the month on the back of improved inventories, expectations of extended production cuts and improved confidence in the demand recovery. The NOK strengthened significantly against USD and EUR during the month on the back of improved risk sentiment, promising macroeconomic data and higher oil prices.

In the Nordic countries infection rates and death tolls have remained low also after the reopening of the economies. Daily number of deaths have dropped in Sweden, although aggregate numbers are still at higher levels than its neighbouring countries. As a consequence of the satisfactory reopening, Norway and Denmark are set to open borders between the two countries on June 15th.

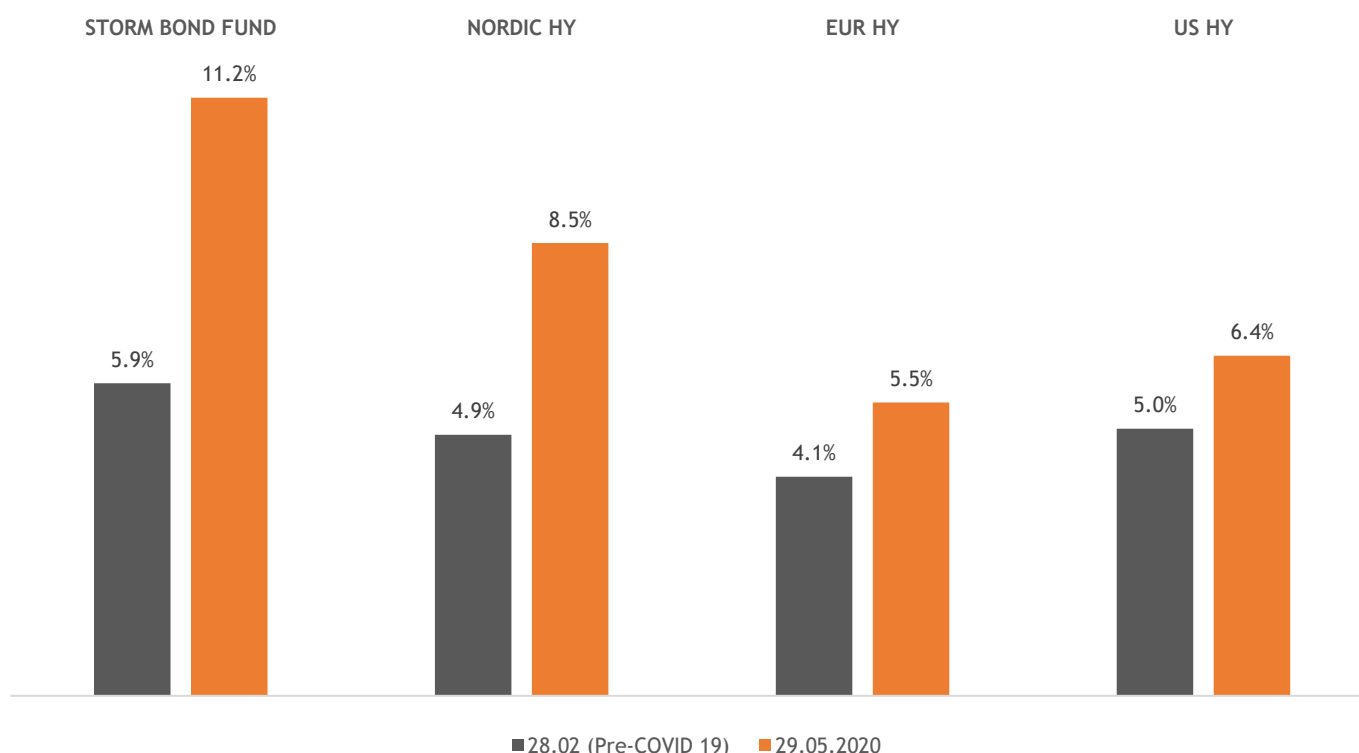
In May, the fund was positively impacted by the general market recovery and the increased demand for USD and EUR denominated bonds due to the aforementioned strengthening of NOK. The largest positive contribution came from our holding in Siccar Point (E&P). The company is well capitalized and more or less fully hedged at oil prices above USD

60/bbl for 2020 and parts of 2021. The second largest positive contribution came from Norwegian Air Shuttle after the company completed a comprehensive restructuring during the month. Furthermore, our position in Norway’s third largest telecom operator, Ice Group, contributed positively during the month. The company continues to receive support from the Norwegian government lastly in postponement of spectrum payments which will improve cash flows and reduce pressure on refinancing going forward. The largest negative contributors were in the healthcare, real estate, finance and oil service sectors, mainly driven by reduced earnings visibility related to COVID-19.

In early May we initiated a new position in Siem Industries (investment company controlled by Mr. Kristian Siem) exchangeable bond maturing in 2021 at below 80% of par (yielding ~30%). The bond has an unsecured claim in Siem Industries, but the right to convert into Subsea7 (SUBC NO) shares at EUR 9 p/s. In addition, bondholders have also 1st lien security over two accounts holding approx. 50m shares of Subsea7. At current share price of Subsea7 (-40% YTD) the bond is well covered by the 1st lien pledge alone. Subsea7 is a very well capitalized offshore company, having a significant contracted earnings backlog and exposure to both renewables and oil and gas. Furthermore, we have initiated new positions in Norsk Hydro’s (NHY NO, mcap USD 6bn, BBB- rated by S&P) 2023 and 2026 bonds at ~300bps. The company has a leading position in the global aluminium market and is partly state-owned by the Norwegian government. Prior to COVID-19, their shorter dated bonds were trading below 100bps. Hence, we see significant re-pricing potential as we gradually return towards normalization. In the meantime, the credit is backed by a very strong balance sheet and a significant liquidity position.

The credit spread in the fund is currently 11.2% (incl. cash) significantly higher than US and European HY markets at 6.4% and 5.5%, respectively. Current spread differential is materially higher than pre-COVID levels (illustrated in the graph below). The pull to par effect is in our view inevitable in the short term given the weighted maturity in the fund of 2.2 years. Additionally, the fund is well positioned in the event of inflation ever coming back with majority of bonds featuring floating rates translating to a modified duration on the fund level of a modest 0.7 years.

CREDIT SPREAD - STORM BOND FUND VS. NORDIC, EUROPEAN & US HIGH YIELD (PRE-COVID VS. MAY)

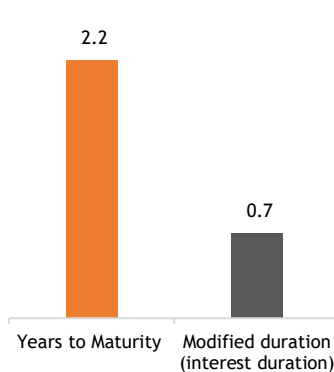
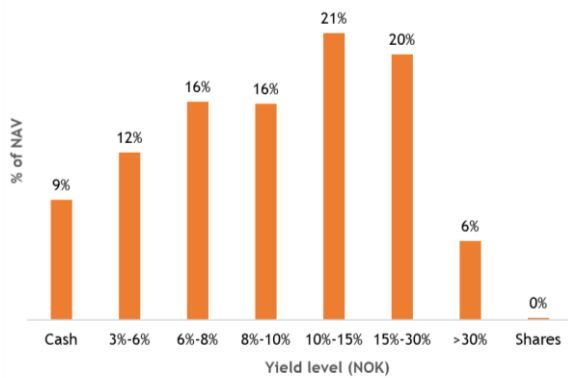
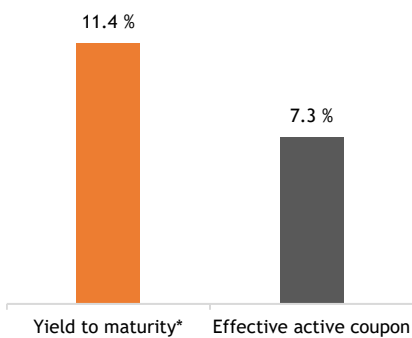


Source: Bloomberg, Storm Capital Management as of 29.05.2020.
 Storm Bond Fund: Includes cash and spreads on individual bonds capped at 30%.
 European HY (Bloomberg Barclays Pan-European High Yield TR Index, Bloomberg ticker: LP02TRUU). US HY (Bloomberg Barclays US Corporate High Yield TR Index, Bloomberg ticker: LF98TRUU).

YIELD LEVELS (NOK)

YIELD DISTRIBUTION (NOK)

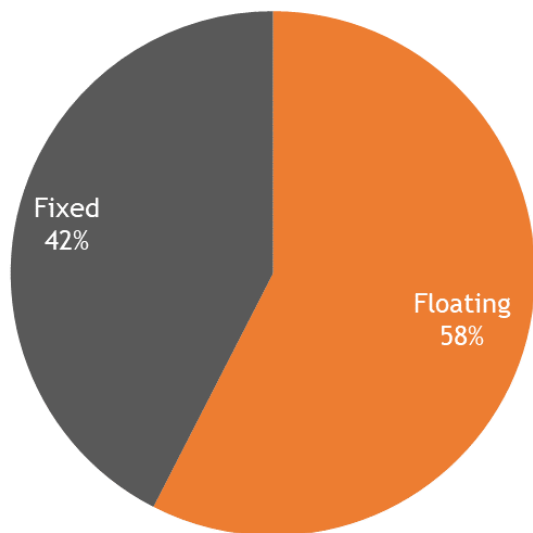
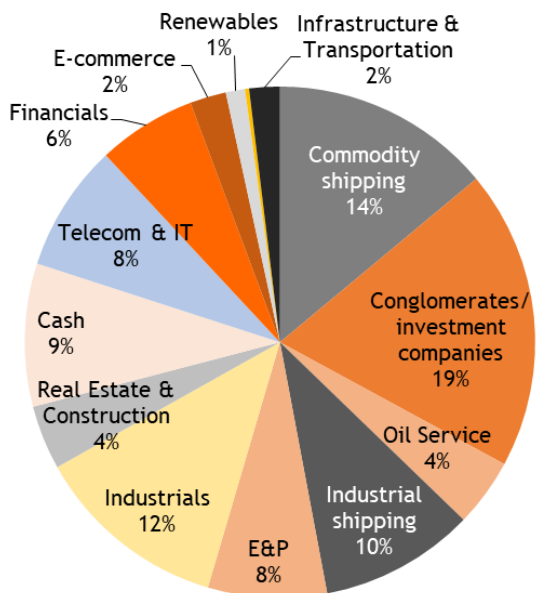
MATURITY / DURATION (YEARS)



* individual bonds capped at 30% in calculation.

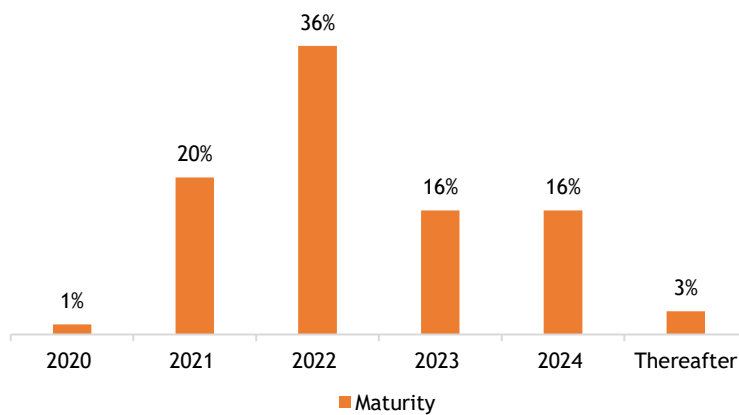
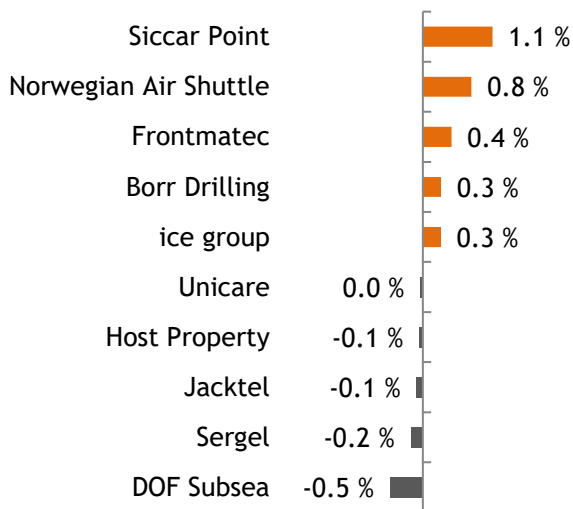
SECTOR ALLOCATION

FLOATING VS. FIXED RATES



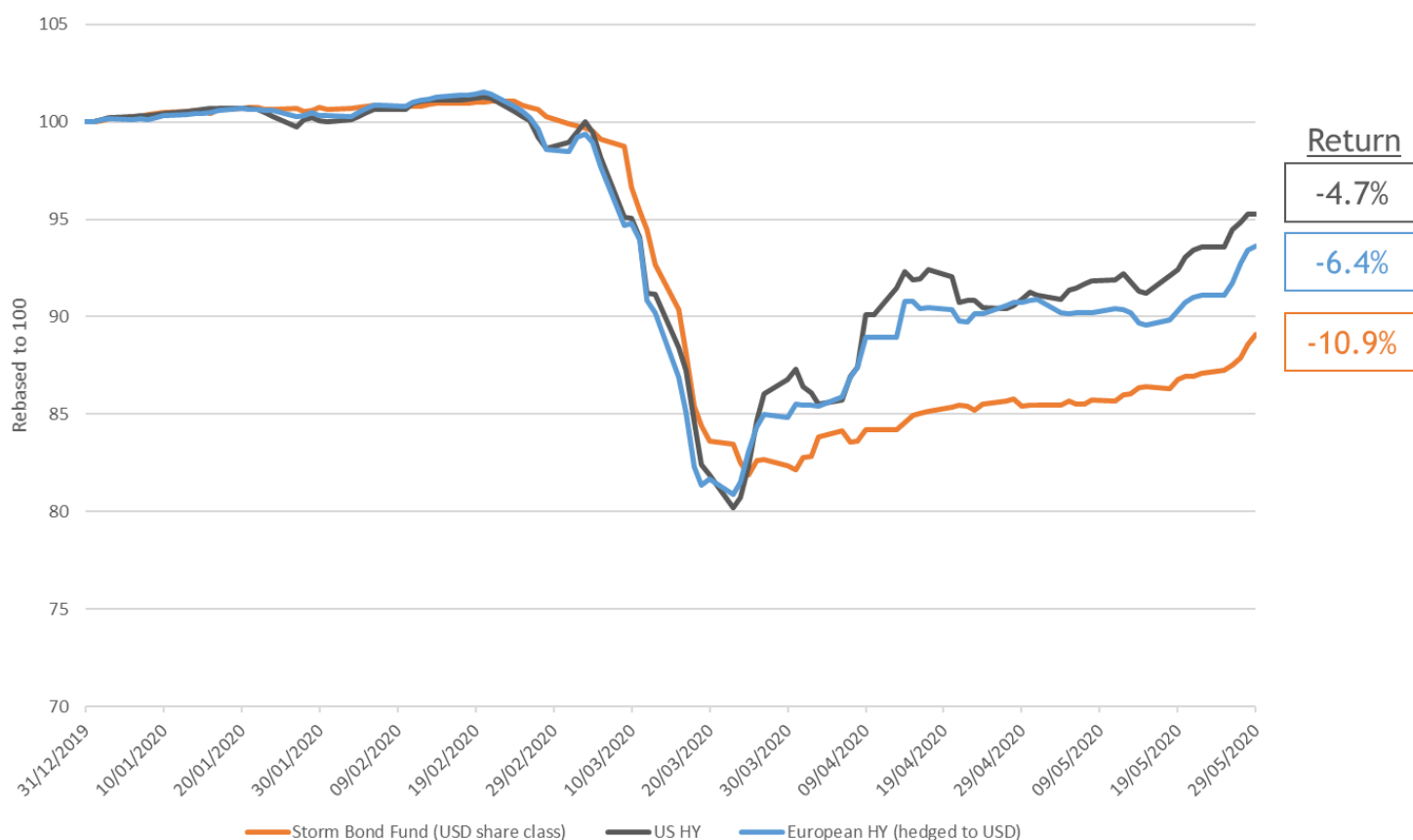
CONTRIBUTION ANALYSIS (top 5 / bottom 5)*

MATURITY PROFILE



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

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



Source: Bloomberg as of 29.05.2020. Hedged to USD.

Storm Bond Fund IC USD (ISIN: LU0840159387, Bloomberg ticker: ST2BDIC LX equity).

US HY (Bloomberg Barclays US Corporate High Yield TR Index, Bloomberg ticker: LF98TRUU). European HY (Bloomberg Barclays Pan-European High Yield TR Index, Bloomberg ticker: LP02TREU).

PRICES FOR DIFFERENT SHARE CLASSES

SHARE CLASSES	ISIN	PRICE
ACCUMULATION SHARE CLASSES		
Institutional NOK (ICN)	LU1382364716	112.34
Institutional NOK	LU0840158496	112.06
Institutional USD	LU0840159387	100.67
Institutional EUR	LU0840158900	92.40
Institutional SEK	LU0840159544	96.96
Institutional CHF	LU1076701652	86.99
Institutional GBP	LU0840159973	100.00*
Retail NOK (RCN)	LU1382364633	117.40
Retail NOK	LU0740578702	118.10
Retail SEK	LU0840159460	92.85
Retail GBP	LU0840159890	98.33
Retail EUR	LU0840158819	93.83
Retail CHF	LU1428000985	100.00*

DISTRIBUTION SHARE CLASSES**

Institutional NOK	LU1915698069	83.98
-------------------	--------------	-------

*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)	7.0%-7.5% 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)	2 080

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Stena Ab 14-24	USW8758PAK22	93.00	9.2%	4.7%	Swedish conglomerate which is 100% controlled by Sten Olsson family. Stena key operations are diversified and involve ferries, shipping, real estate, drilling and private equity investments. The key credit strengths are substantial asset backing combined with a solid liquidity position last reported at nearly SEK 14bn.
2 Stockmann Oyj Abp EO-Notes 2017(1:FI4000292719		82.50	18.3%	4.7%	Stockmann was established in 1862 and is a Finnish listed company with a market cap of EUR 100m. The company is owner of shopping malls in Finland and in the Baltics and is engaged in retail through Index and Stockmann department stores. The secured part of the capital structure consists of; i) EUR 170m 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.
3 Teekay Shuttle Tankers LLC 17-22	NO0010801707	94.87	10.4%	4.7%	Established in Jul 17 as a carve out from Teekay Offshore, Altera Shuttle Tankers is the world's largest owner and operator of shuttle tankers. Altera operates a fleet of 26 shuttle tankers mostly under time charters, CoAs, bareboat charters with limited exposure to spot markets. TST remains 100% controlled by Brookfield Asset Management. Altera holds a revenue backlog of approx. USD 2.5bn, most of which stem from counterparties with investment grade ratings. Altera's NIBD/ EBITDA was 4.1x per Q4/19. The credit benefit from having a leading market position, strong earnings visibility and solid owner backing.
4 Siccar Point Energy Bonds PLC DL-No NO0010815053		89.53	14.2%	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 and have solid sponsors in Blackstone and BlueWater Energy. The company has hedged approx 70% of 2020 production at -67/bbl and 1/3 of 2021 production at -62/bbl. Hence, the company has near term protection against volatile oil prices.
5 Siem Industries Inc. 16-21	NO0010766546	83.36	23.4%	3.9%	Siem Industries is an conglomerate/investment company founded by Mr. Kristian Siem in 1980. The Company currently holds a diversified portfolio of industrial and financial holdings. The bond features a 1st priority pledge in the company's shares in Subsea 7 (an energy services company listed on Oslo Stock Exchange with a market capitalisation of -NOK 17bn). At current share price of Subsea7 (-40% YTD) the bond is well covered by the 1st lien pledge alone.
6 American Tanker Inc. 17-22 -144A-	NO0010777519	100.18	9.3%	3.9%	American Shipping company owns 10x modern US Jones Act Tankers. The Company is listed on the Oslo Stock Exchange with an mcap of NOK 1.5bn. 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.
7 Norske Skog AS 19-22 FRN	NO0010856123	100.75	6.2%	3.8%	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 2.7bn. 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.
8 Ice Group Scandinavia Holdings AS 1 NO0010864002		95.00	10.1%	3.7%	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 3.1bn, 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.
9 Norsk Hydro ASA 20-26 FRN	NO0010882343	100.77	3.4%	2.9%	Norsk Hydro is a Norwegian industrial company founded in 1905. The company is listed on Oslo Stock Exchange with a market capitalisation of -NOK 55bn and are partial owned by the Norwegian state (-34%). The issuer is rated BBB by Standard & Poor. The company is among the largest aluminium producers worldwide and has a conservative financial structure that can weather the current turmoil related to COVID-19.
10 Vizrt Group AS 15-21 FRN	NO0010732811	100.29	3.4%	2.8%	Vizrt provides advanced graphical solutions enabling broadcasters to create high-end graphics for live TV, primarily news, sport and weather. 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 Q4/19, the company's leverage was -2.5x NIBD/EBITDA adj. for NewTek acquisition. The bond has been called with settlement date on 22th of June 2020
11 Euronav Luxembourg S.A. 17-22	NO0010793888	102.21	6.3%	2.7%	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. Per end-Q4/19 NIBD/EBITDA stood at 2.6x
12 Golar LNG Partners LP DL-FLR Notes DK0030452263		78.81	21.1%	2.2%	Golar LNG Partners is an international owner of LNG and FSRU tonnage listed at the NYC stock exchange with a market cap of USD 190m. The credit benefits from having decent revenue visibility and a strong backlog. The company has recently cut dividends by 95%, introduced amortization on bonds and increased interest rate vs. extending bond maturities with one year in order to refinance when primary market opens. We found the solution creditor friendly and accretive for creditors.
13 FNG Nordic AB 19-24	SE0012827996	87.00	10.9%	2.3%	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 Kistefos AS 19-23 FRN	NO0010850654	90.00	9.2%	2.3%	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%.
15 Host Property AB 19-22	SE0013486057	86.25	13.3%	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.
16 Frontmatec Group FRN 19-24	DK0030452263	94.75	7.7%	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 DNB Bank ASA 16-21 FRN	NO0010767957	102.25	5.4%	2.0%	DNB is Norway's largest bank with a market capitalization of NOK 220bn and a CET1 ratio per end-Q1/20 of 17.7%. The bonds are subordinated with call date on June 27th 2021. We see limited call risk on the back of the strong balance sheet.
18 Songa Container AS 18/21	NO0010837248	73.29	28.0%	2.0%	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 Company is backed by experienced ship-owner Arne Blystad which is deemed to be a strong sponsor. The bond is senior secured.
19 Wallenius Wilhelmsen ASA 17-22	NO0010790645	92.55	9.4%	1.8%	The Wallenius Wilhelmsen group is a market leader in RoRo shipping and vehicle logistics, transporting cars, trucks, rolling equipment and breakbulk around the world. The company is listed on the Oslo Stock Exchange with a market cap of NOK -6.2bn. The company has flexibility on their fleet and a strong liquidity position in order to navigate through current challenging market
20 Norsk Hydro ASA 20-23 FRN	NO0010882327	100.43	3.0%	1.7%	Norsk Hydro is a Norwegian industrial company founded in 1905. The company is listed on Oslo Stock Exchange with a market capitalisation of -NOK 55bn and are partial owned by the Norwegian state (-34%). The issuer is rated BBB by Standard & Poor. The company is among the largest aluminium producers worldwide and has a conservative financial structure that can weather the current turmoil related to COVID-19.
Sum				61.1 %	

Total number of bond positions: 54 (from 50 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.

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.