

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%	4.1%							-10.5%
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	-8.6%
3-years	0.4%
5-years	3.5%
10-years	3.8%
Since inception	4.7%

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 4.1% in June and is down 10.5% YTD (institutional IC NOK share class: LU0840158496).

Equity and credit markets ended the second quarter on a strong note due to declining infection rates in many countries, the reopening of their economies and more importantly due to the strong fiscal and monetary stimulus from governments and central banks. U.S and European equity markets measured by the S&P 500 and the MSCI Europe index gained 1.8% and 2.8% respectively. In the global credit markets, US and European investment grade gained approx. 0.5%, while as US and European high yield extended the recovery by another ~1% and ~2% gain during the month. The Nordic high yield market measured by Storm Bond Fund gained 4.1% during June. Oil prices continued to recover during the month with Brent oil increasing by 15% mainly due to increased demand conviction and OPEC production discipline.

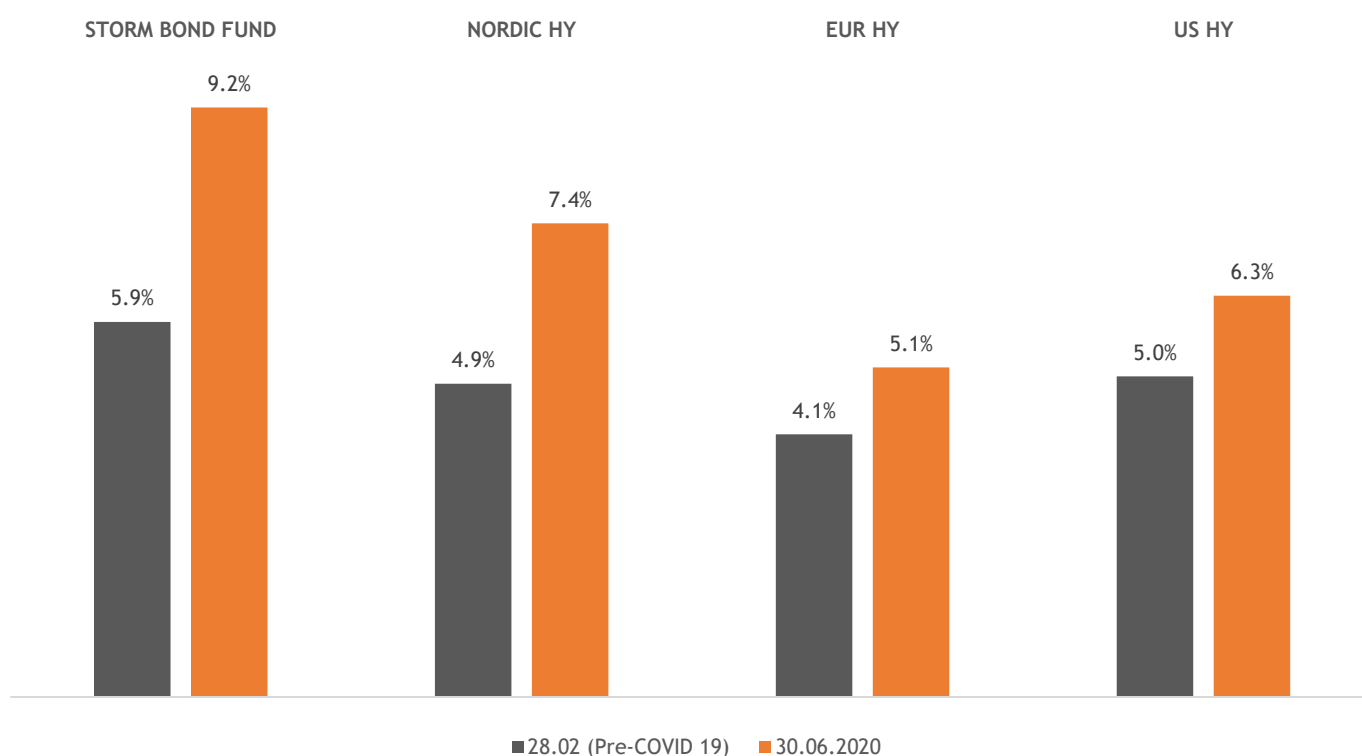
Global COVID-19 cases and deaths have climbed since the beginning of June. The centre of attention has moved to Latin America, while the US is forced to postpone easing of lockdown measures due to continued high numbers in many states. Meanwhile in Asia and Europe, authorities believe infections have peaked in many countries, urging countries to ease lockdown measures. In the Nordics, societies are more or less back to normal and travel restrictions will be lifted to the majority of Europe from 15th July.

In June, the fund was positively impacted by the continued market recovery and the increased demand for USD and EUR denominated bonds. Our largest positive contribution came from Golar LNG, Stockmann and Stena. During the month

American Shipping Company completed the refinancing of its 2022 maturity with a new bond maturing in 2025. The Company’s credit profile benefits from having strong cash flow visibility and being well capitalized. The company will buy back the 2022 maturity at 104% of par during July and we rolled-over approx. 50% of our 2022 exposure into the new 2025 bond. Furthermore, we increased our position in FNG Nordic/Ellos AB (Nordic e-commerce) and participated in the new issue of ABAX (Nordic telematic solutions). Both credits benefits from being exposed to strong underlying market growth (limited impact from the pandemic), solid cash conversion and strong balance sheets (1st lien).

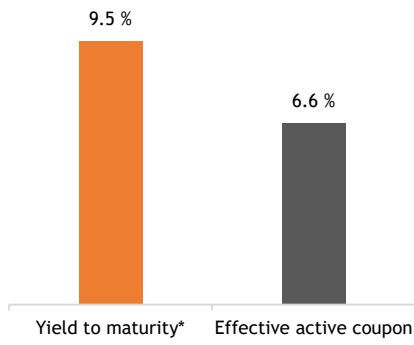
We continue to argue that Nordic High Yield offers attractive risk/reward characteristics in the years to come due to i) short interest and credit duration, iii) exposure to a stable and diversified region, iii) lack of ETFs, iiiii) and significantly higher credit spreads than in Europe and the US. The credit spread in the fund is currently 9.2% (incl. cash) significantly higher than US and European HY markets at 6.3% and 5.1%, respectively. Current spread differential is materially higher than pre-COVID levels (illustrated below). The mechanical recovery (pull to par effect) is in our view inescapable as our short-dated bonds progresses closer to maturity (2.3 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. JUNE)



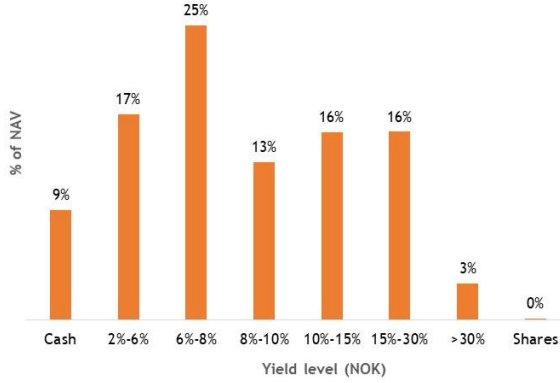
Source: Bloomberg, Storm Capital Management as of 30.06.2020.
 Storm Bond Fund: Includes cash and spreads on individual bonds capped at 30%.
 European HY (Bloomberg Barclays Pan-European High Yield TR Index, Bloomberg ticker: LP02TREU). US HY (Bloomberg Barclays US Corporate High Yield TR Index, Bloomberg ticker: LF98TRUU).

YIELD LEVELS (NOK)

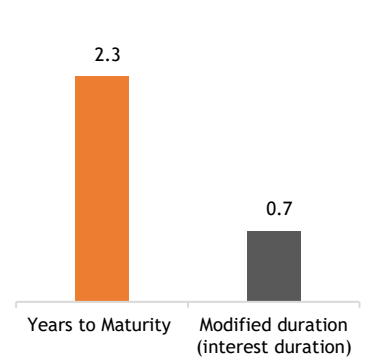


* individual bonds capped at 30% in calculation.

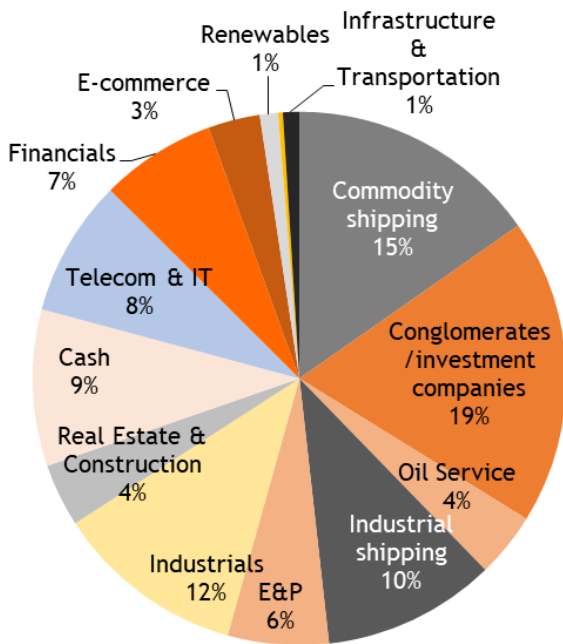
YIELD DISTRIBUTION (NOK)



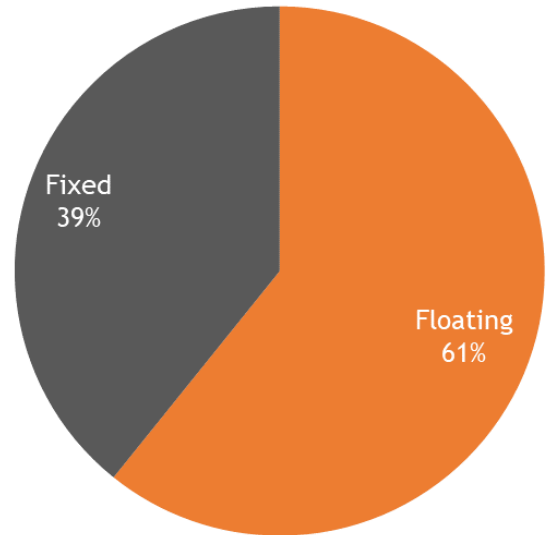
MATURITY / DURATION (YEARS)



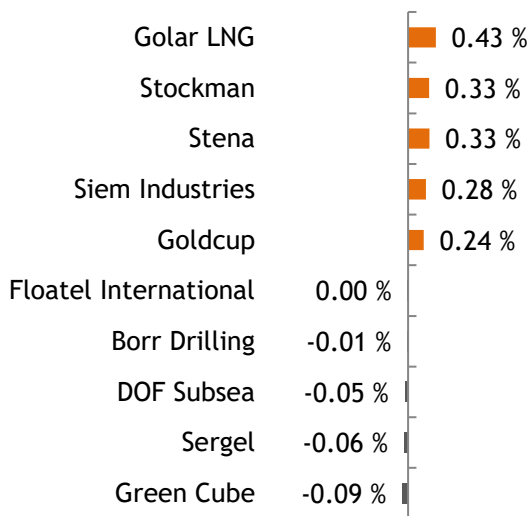
SECTOR ALLOCATION



FLOATING VS. FIXED RATES

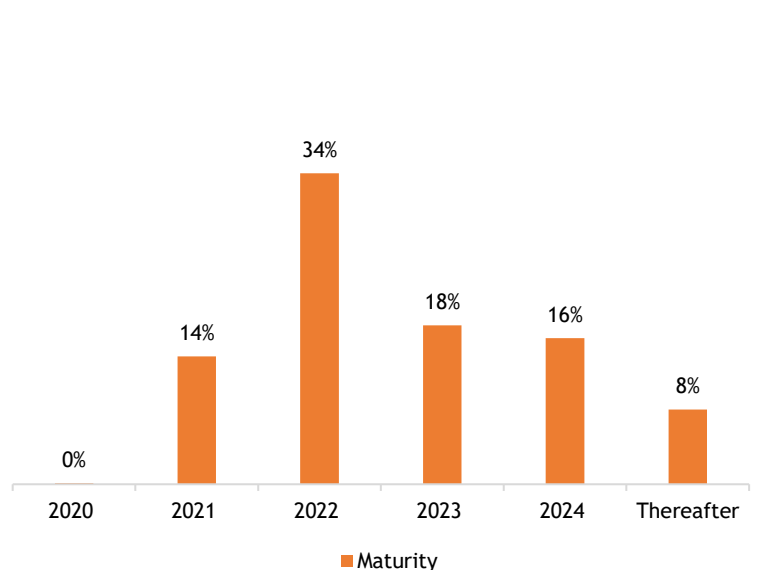


CONTRIBUTION ANALYSIS (top 5 / bottom 5)*

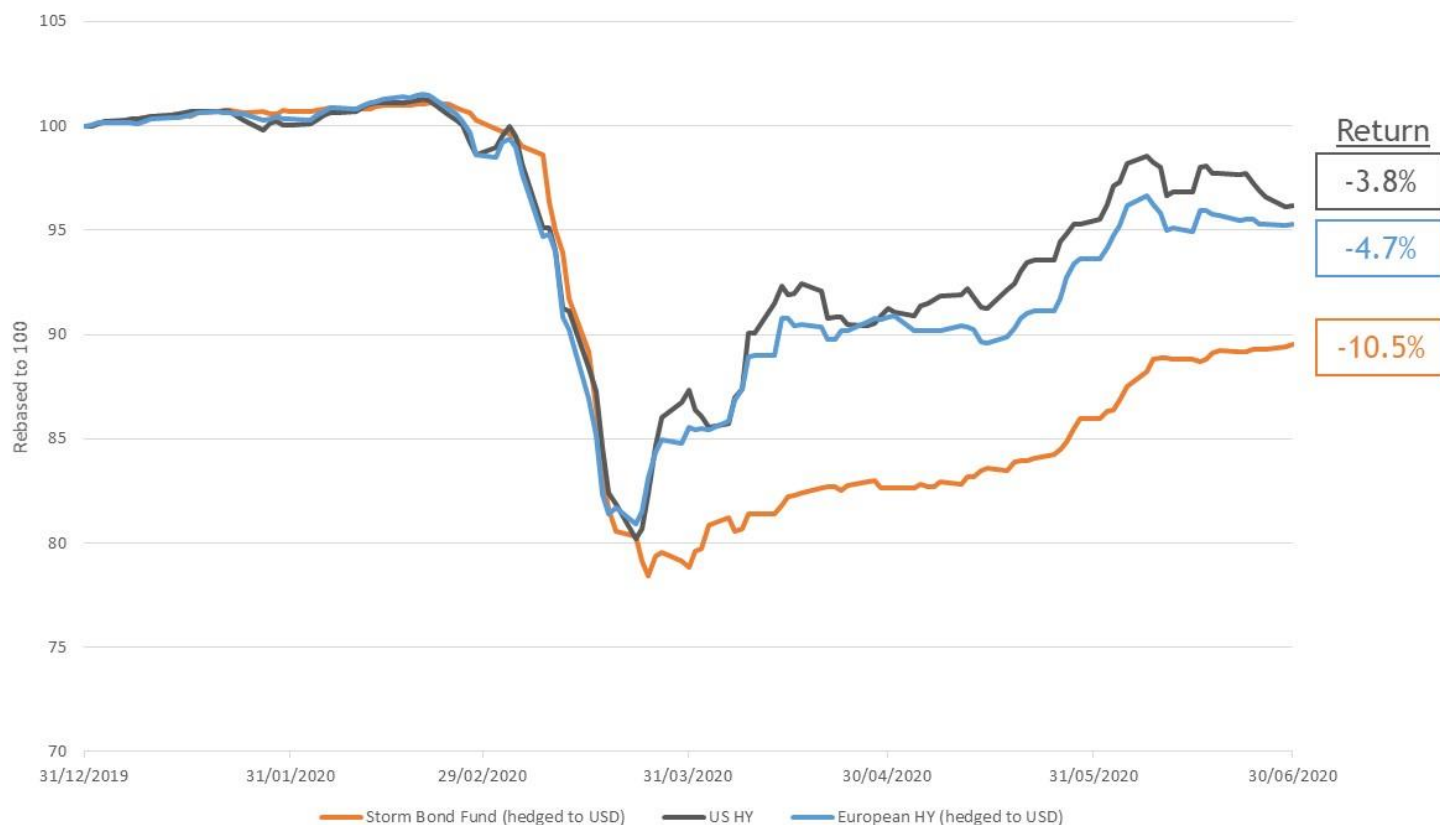


*based on market prices (interest/accrued not included)

MATURITY PROFILE



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



Source: Bloomberg as of 30.06.2020. Hedged to USD.

Storm Bond Fund IC NOK (ISIN: LU0840158496, Bloomberg ticker: STBONIC 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	117.01
Institutional NOK	LU0840158496	116.71
Institutional USD	LU0840159387	105.19
Institutional EUR	LU0840158900	96.42
Institutional SEK	LU0840159544	100.97
Institutional CHF	LU1076701652	90.84
Institutional GBP	LU0840159973	100.00*
Retail NOK (RCN)	LU1382364633	122.25
Retail NOK	LU0740578702	122.98
Retail SEK	LU0840159460	96.95
Retail GBP	LU0840159890	102.72
Retail EUR	LU0840158819	97.83
Retail CHF	LU1428000985	100.00*
DISTRIBUTION SHARE CLASSES**		
Institutional NOK	LU1915698069	87.47

*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)	2 280

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Stockmann Oyj Abp EO-Notes 2017(1:FI4000292719		89.8	13.1%	4.7%	Stockmann was established in 1862 and is a Finnish listed company with a market cap of EUR 86m. 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 bond maturing in 2022 is pari passu with the bank debt. On our estimates, the secured debt is covered by the real estate assets alone.
2 Stena Ab 14-24	USW8758PAK22	99.9	7.1%	4.6%	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 strenghts are substantial asset backing combined with a solid liquidity position.
3 Teekay Shuttle Tankers LLC 17-22	NO0010801707	99.5	8.0%	4.4%	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. TST is 100% controlled by Brookfield Asset Management. The credit benefit from having a leading market position, strong earnings visibility and solid owner backing.
4 Siccar Point Energy Bonds PLC DL-NoNO0010815053		94.1	12.1%	4.2%	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 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	89.3	16.6%	4.2%	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 19bn). At current share price of Subsea7 (-38% YTD) the bond is well covered by the 1st lien pledge alone.
6 Norske Skog AS 19-22 FRN	NO0010856123	103.8	4.8%	3.6%	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. The credit benefits from having low leverage and solid cash conversion.
7 Ice Group Scandinavia Holdings AS 1 NO0010864002		98.7	8.8%	3.5%	Ice Group Scandinavian Holdings ("ICE") is the third largest telecom company in Norway. The company is listed on the Oslo Stock Exchange with an mcap 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.
8 FNG Nordic AB 19-24	SE0012827996	95.0	8.6%	3.1%	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.
9 Norsk Hydro ASA 20-26 FRN	NO0010882343	104.1	2.9%	2.8%	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 Golar LNG Partners LP 17-22 FRN	NO0010786056	81.6	19.9%	2.5%	Golar LNG Partners is an international owner of LNG and FSRU tonnage listed at the NYC stock exchange with a market cap of USD 200m. The credit benefits from having decent revenue visibility, potential to cut dividend and a fairly strong backlog. The company needs to address dividends and the upcoming bond maturity in order to see improved bond pricing.
11 Abax Group AS 20-25	NO0010885312	100.6	6.4%	2.5%	ABAX is a leading provider of telematics solutions primarily focusing on the SMB segment. Its clients subscribe to vehicle tracking systems, including hardware and software for fleet management and equipment control. Investcorp acutired the company from Norvestor in 2017 for NOK 1.8bn (or -18 EV/EBITDA). The credit benefits from strong underlying market growth, balance sheet being well capitalized and a strong cash conversion.
12 Euronav Luxembourg S.A. 17-22	NO0010793888	102.3	6.4%	2.4%	Largest publicly listed tanker company in the world with a market cap of EUR 1.6bn. Conservative financial strategy with target to keep a minimum of 2 year operational liquidity runway.
13 American Tanker Inc. 20-25	NO0010886336	100.2	7.9%	2.2%	American Shipping company owns 10x modern US Jones Act Tankers. The Company is listed on the Oslo Stock Exchange with an mcap of NOK 1.7bn. 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.
14 Kistefos AS 19-23 FRN	NO0010850654	94.3	7.6%	2.2%	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 Golar LNG Ltd. 2018/2022	US38046YAB74	76.5	20.7%	2.2%	Shipping and infrastructure company listed on the New York Stock Exchange with a market cap of USD 700m. The company has a complex capital structure, but credit benefits from solid earnings visibility. We believe the capital structure have additional debt capacity which reduce refinancing risk of the unsecured out of the money CB.
16 Host Property AB 19-22	SE0013486057	87.3	13.0%	2.1%	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 Frontmatec Group FRN 19-24	DK0030452263	95.5	7.7%	2.0%	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.
18 Songa Container AS 18/21	NO0010837248	75.5	17.8%	1.9%	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. The Company is backed by experienced ship-owner Arne Blstad which is deemed to be a strong sponsor. The bond is senior secured.
19 MPC Container Ships Invest B.V. 17-2NO0010805872		75.5	18.7%	1.9%	Pure play container shipping company with 39 vessels under the bond silo. Listed on the Oslo Stock Exchange with an mcap of NOK 550m. Senior secured bond with 1st priority in the fleet.
20 DNB Bank ASA 16-21 FRN	NO0010767957	103.1	5.4%	1.9%	DNB is Norway's largest bank with a market capitalization of NOK 212bn 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.
Sum				58.8 %	

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

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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.