

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%	0.9%	1.8%					-8.1%
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	-6.7%
3-years	0.6%
5-years	4.7%
10-years	3.7%
Since inception	4.9%

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 1.8% in August and is down 8.1% YTD (institutional IC NOK share class: LU0840158496).

Stock markets extended its positive momentum into August on the back of continued monetary support, macro data indicating that economic recovery is underway and better than expected quarterly corporate earnings. In terms of monetary policy, the Fed announced a shift to average inflation targeting, meaning interest rates will likely stay lower for longer, which is a tailwind for equities and corporate credits. U.S and European equity markets measured by the S&P 500 and the MSCI Europe Index gained 7.0% and 2.7%. In the global credit markets, U.S treasuries posted negative returns together with European and U.S investment grade bonds. In the high yield market U.S and European indices extended its recovery by another 0.95% and 1.5% increase, respectively. Brent oil prices advanced by 4.5% during the month due to lower inventory levels, a weakening dollar and better than expected macro data driving demand side expectations. The Nordic high yield market delivered positive returns with Storm Bond Fund yielding +1.8% during the month. The second wave of COVID-19 cases in the Nordic region has been relatively short lived as of now, with shy of 20 people in the Nordic region currently in intensive care (lowest figure since end of April). Furthermore, testing capacity across the region has been ramped up over the summer and as such should be far better prepared should the virus get a solid foothold.

The fund's performance was in addition to carried interest positively impacted by a modest appreciation in bond prices across several of our holdings. The majority of our portfolio companies have now reported their Q2 earnings report, which in sum has exceeded our expectations. Wallenius Wilhelmsen (3.0% of NAV) reported 50% better than expected earnings, strong free cash flow and improved guidance for H2/20. The balance sheet improved on the back of the report and the company is in our view well capitalized to bridge through a challenging year. Post the report, the company issued a new 4 year bond which further tightened the credit curve. We see continued spread tightening potential especially in the USD PIK 2022 bond and the newly issued 4 year bond. Siccar Point (4.1% of NAV) was the only company that reported Q2/20 earnings significantly below expectations due to lower than expected production partly due to reduced operating efficiency on the Schiehallion field and slower than expected ramp-up (due to Covid-19) on the Mariner field. We met with the management post the report and remain confident that the credit case is intact despite weaker than expected Q2

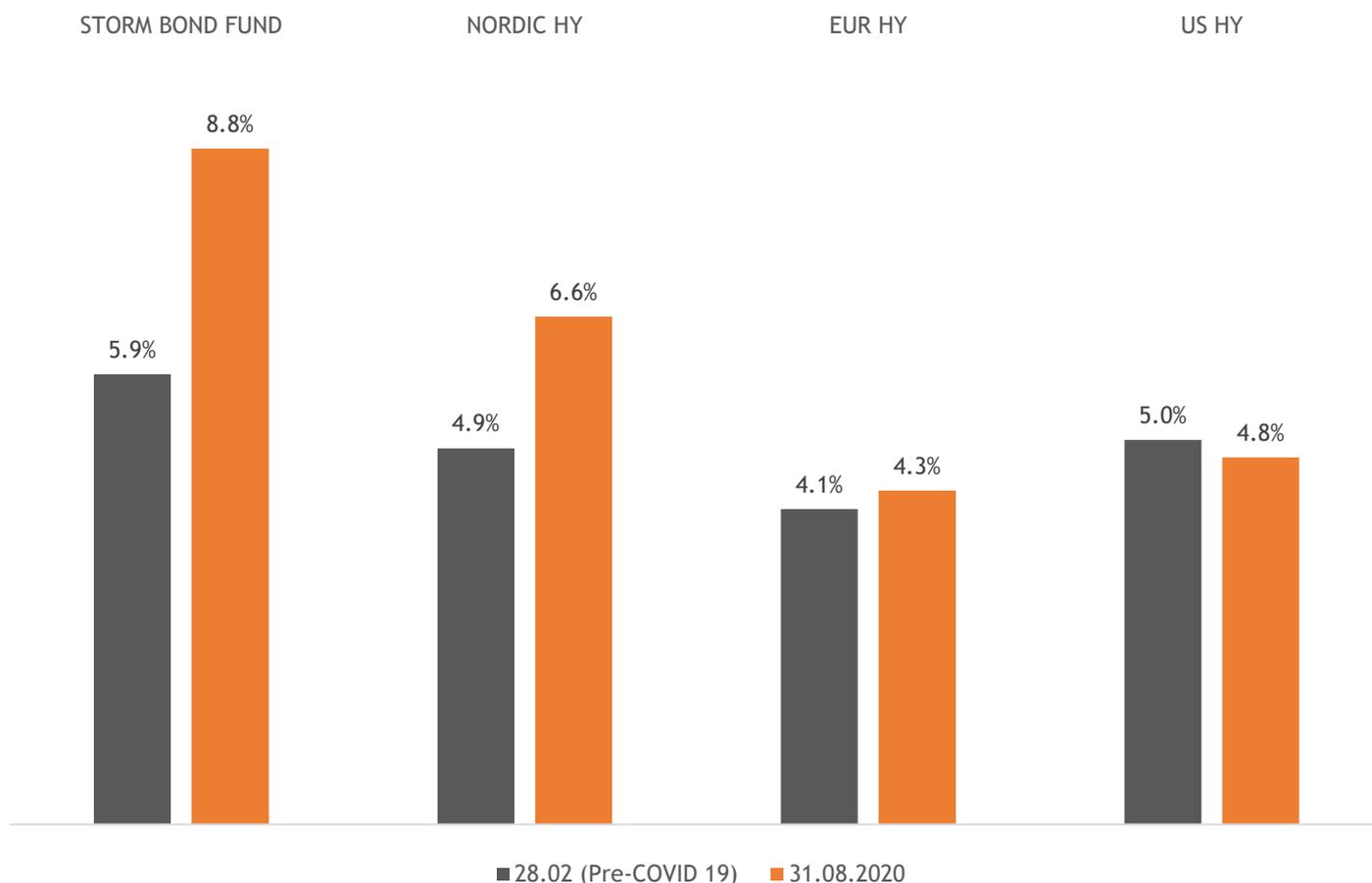
earnings. The balance sheet remains strong with a NIBD/EBITDA of 3.9x (LTV of 45%) and the company enjoys a strong hedging book over the coming years making them less vulnerable for lower oil prices. On the back of this, we deem the yield to maturity of 11.4%, to be attractive.

Ice Group (3.6% of NAV) announced in August that they will issue a new convertible bond backed by the main shareholders which in our view has materially lowered the financial risk in the company. The funding gap has been bridged and the company is now fully funded. Ice Group, which is Norway’s third largest telecom company, would benefit from a further strengthening of the balance sheet. We believe the company would address the bond structure in H2/20 or H1/21 which would potentially be a strong positive trigger for our 2023 bond currently yielding 8% to maturity. In order to further illustrate some of the opportunities in the market and the re-pricing potential in our portfolio, our holding in the Swedish e-commerce company FNG Nordic AB (3.1% of NAV) reported 120% year over year growth in earnings and beat our estimate with close to 90%. The company is now en route in exceeding our full year estimates by a very safe margin. The implied valuation corresponds to -4.5x EBITDA to secured bondholders which compares to listed peers trading at 20-30x EV/EBITDA. Post the report we bought more bonds under par at 800bps, which in our view is clearly disconnected to fundamentals.

As discussed in previous reports, the Norwegian Government established a corporate bond fund in response to support the bond market during the pandemic. The fund recently reported that they have utilized less than 10% of the committed NOK 50bn, which bodes well for continued market support in the event of further turmoil. In contrast to the U.S and European markets which are close to Pre-COVID peaks and now trades at record low spreads the Nordic high yield market is still yielding well above historical averages with significantly shorter maturity (2.4 years) and lower modified duration (0.8 years). We believe that the current lag may be short lived as the market is experiencing positive fund flow, strengthening of local currency which is unwinding collateral liquidity and high coupons in combination with limited supply of new bonds.

Our main objective is to create a portfolio that offers solid return prospect, but at the same time provides our investors with downside protection in the event of further market turmoil. We are executing the strategy by being selective and to focus on credits with attractive implied valuations, strong market positions, quality assets and most importantly stronger balance sheets. This in combination with having access to liquidity through a comfortable cash position (7%). The yield to maturity in the portfolio is 9.0% in NOK (including cash).

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

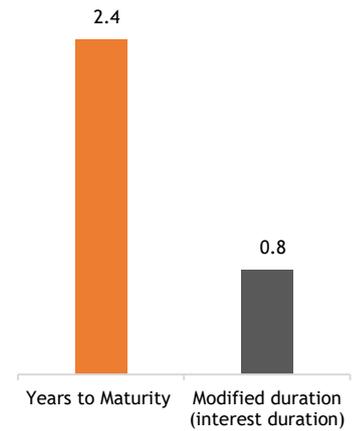
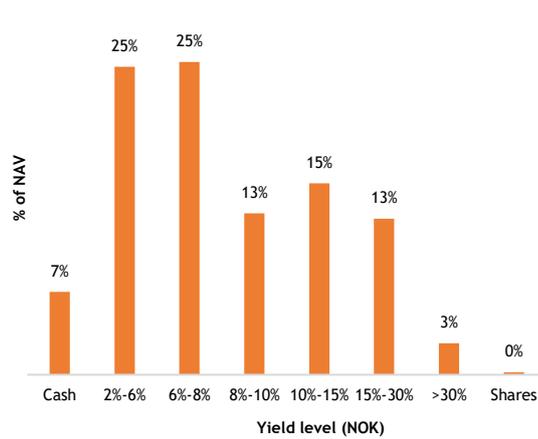
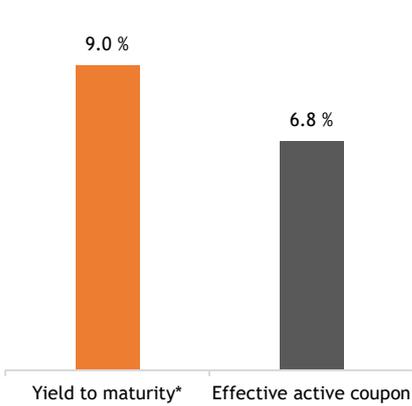


Source: Bloomberg, Storm Capital Management as of 31.08.2020.
 Storm Bond Fund: Includes cash and spreads on individual bonds capped at 30%.
 European HY (Bloomberg Barclays Pan-European High Yield TR Index, Bloomberg ticker: LP02TRUJ). US HY (Bloomberg Barclays US Corporate High Yield TR Index, Bloomberg ticker: LF98TRUU).

YIELD LEVELS (NOK)

YIELD DISTRIBUTION (NOK)

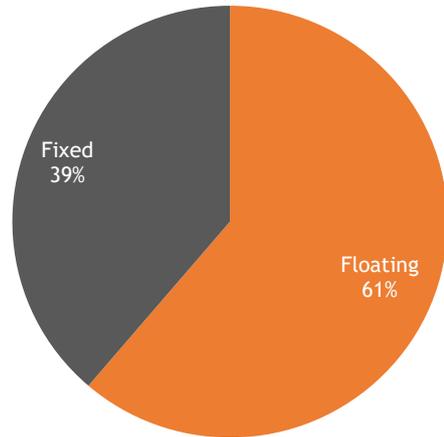
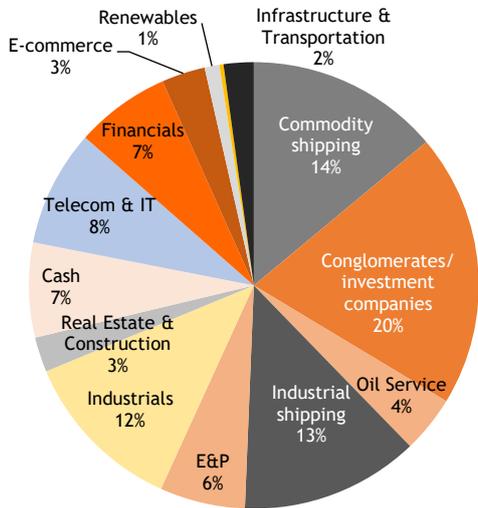
MATURITY / DURATION (YEARS)



* individual bonds capped at 30% in calculation.

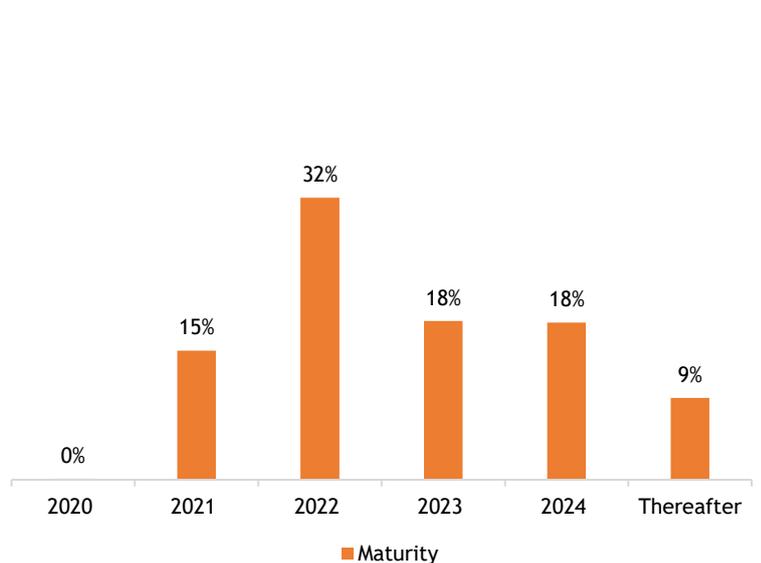
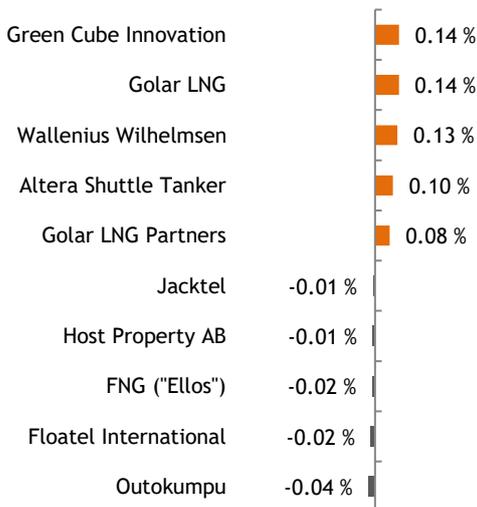
SECTOR ALLOCATION

FLOATING VS. FIXED RATES



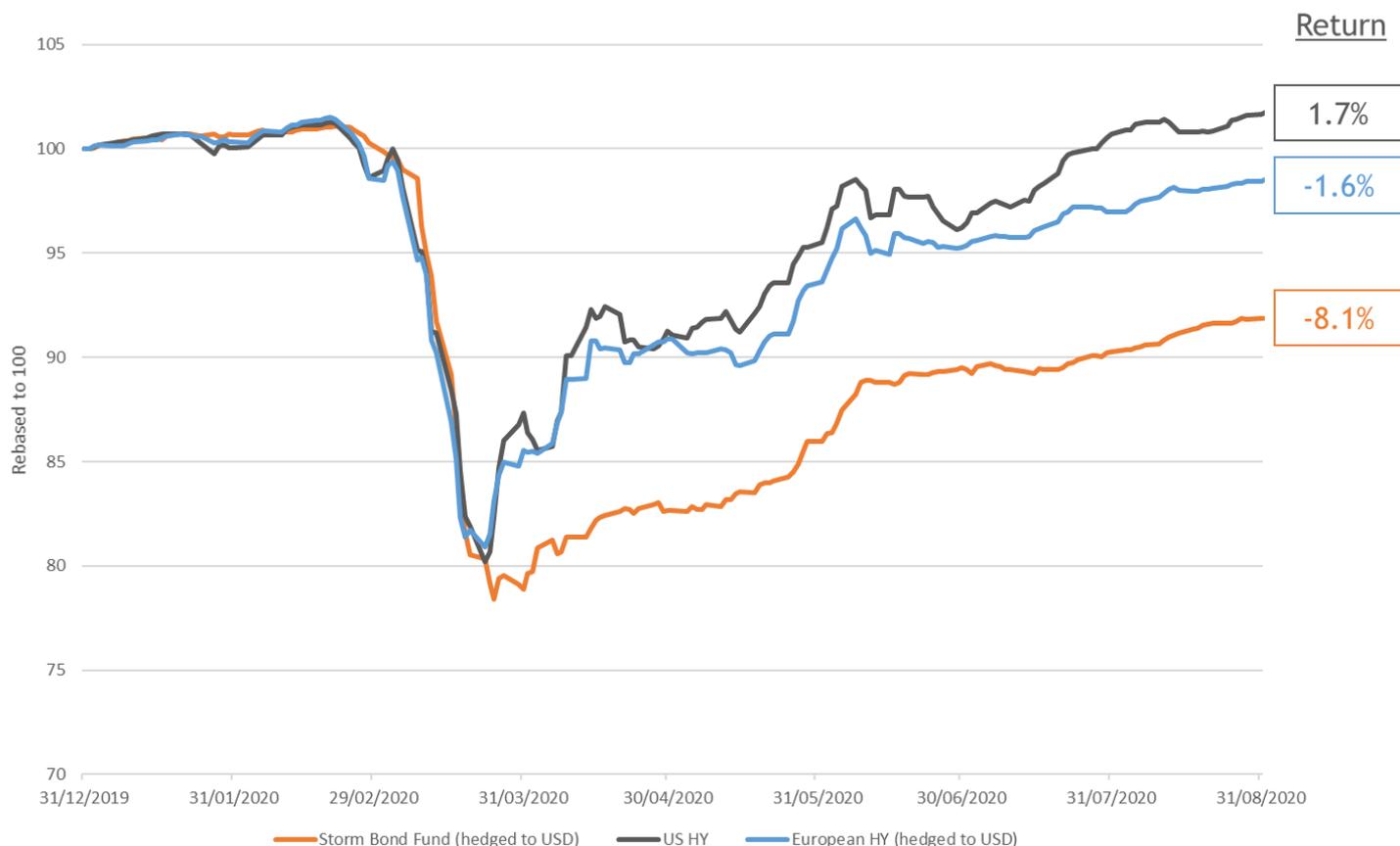
CONTRIBUTION ANALYSIS (top 5 / bottom 5)*

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 31.08.2020. 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	120.19
Institutional NOK	LU0840158496	119.81
Institutional USD	LU0840159387	108.12
Institutional EUR	LU0840158900	98.89
Institutional SEK	LU0840159544	103.62
Institutional CHF	LU1076701652	93.14
Institutional GBP	LU0840159973	100.00*
Retail NOK (RCN)	LU1382364633	125.44
Retail NOK	LU0740578702	126.19
Retail SEK	LU0840159460	99.39
Retail GBP	LU0840159890	105.38
Retail EUR	LU0840158819	100.35
Retail CHF	LU1428000985	100.00*

DISTRIBUTION SHARE CLASSES**

Institutional NOK	LU1915698069	88.57
-------------------	--------------	-------

*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)	2 271

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Stockmann Oyj Abp EO-Notes 2017(1:FI4000292719		89.0	14.6%	4.5%	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 Siem Industries Inc. 16-21	NO0010766546	95.9	8.9%	4.3%	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.
3 Siccar Point Energy Bonds PLC DL-NoNO0010815053		95.5	11.4%	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.
4 Stena Ab 14-24	USW8758PAK22	99.5	7.2%	4.1%	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.
5 Teekay Shuttle Tankers LLC 17-22	NO0010801707	102.4	6.4%	4.1%	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.
6 Ice Group Scandinavia Holdings AS 1	NO0010864002	100.2	8.2%	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 an 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.
7 Norske Skog AS 19-22 FRN	NO0010856123	104.0	4.4%	3.5%	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 FNG Nordic AB 19-24	SE0012827996	95.3	8.4%	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	107.3	2.1%	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 Golar LNG Partners LP 17-22 FRN	NO0010786056	85.0	18.5%	2.7%	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	100.8	6.2%	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 acquired 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 Kistefos AS 19-23 FRN	NO0010850654	99.4	5.5%	2.5%	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%.
13 Teekay Shuttle Tankers LLC 19-24	NO0010891641	96.7	7.7%	2.4%	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.
14 Golar LNG Ltd. 2018/2022	US38046YAB74	87.7	12.2%	2.3%	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.
15 Euronav Luxembourg S.A. 17-22	NO0010793888	104.0	5.1%	2.2%	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.
16 MPC Container Ships Invest B.V. 17-2	NO0010805872	82.0	15.2%	2.1%	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.
17 American Tanker Inc. 20-25	NO0010886328	100.8	7.7%	2.0%	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.
18 Outokumpu Oyj EO-Conv.-Bonds 2020XS2200501653		96.9	6.4%	2.0%	Leading producer of stainless-steel in Europe. The company is listed on the Helsinki Stock Exchange with a market cap of EUR 1bn. The Finnish state is the largest shareholder.
19 Frontmatec Group FRN 19-24	DK0030452263	96.0	7.6%	2.0%	Frontmatec is owned by the PE firm Axelcel 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.
20 DNB Bank ASA 16-21 FRN	NO0010767957	102.8	5.3%	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				58.9%	

Total number of bond positions: 56 (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 Vlls 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.