

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%	0.5%	-0.2%			-7.9%
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	0.2%
5-years	5.1%
10-years	3.3%
Since inception	4.8%

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 negative return of 0.2% in October and is down 7.9% YTD (institutional IC NOK share class: LU0840158496).

The markets came under pressure again towards the end of October with the resurgence of COVID-19 in Europe and the U.S election being in focus. The increased infection rates in Europe has been met with number of countries re-imposing national restrictions potentially slowing down the economic recovery in the region. In the U.S, uncertainties related to the presidential election combined with the timing and the power of the stimulus package became more dominant towards the end of the month and consequently weighed on markets. U.S equities measured by the S&P500 lost close to 3% during the month, while in Europe the markets were harder hit with the German DAX and the MSCI Europe index shaving off -9.5% and 5% respectively. In the global credit markets, both US/EU high yield and investment grade sold off approx. 1% in the last week of the month. Global investment grade bonds ended the month flat, while U.S and European high yield ended the month in positive territory (0.4% and 0.3%) due to a solid start to the month. The Nordic credit market and Storm Bond fund was also negatively impacted by the market volatility and delivered -0.2% return in October. In the Nordics, the resurgence of the virus has been evident and the governments across the region has responded with re-imposing several restrictions. However, hospitalisations are under control and the second wave (both in terms of the number of deaths and new cases) are modest in most Nordic countries compared to other parts of Europe.

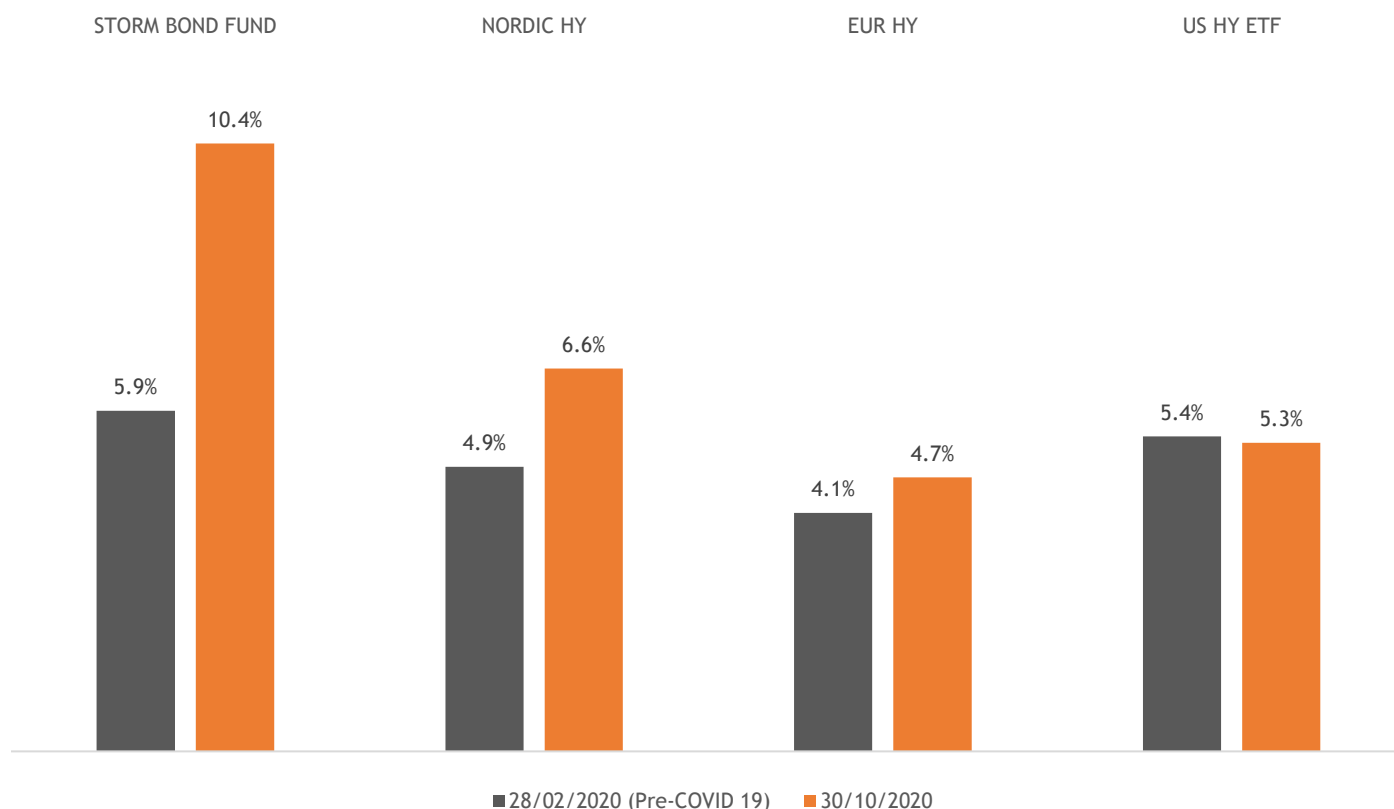
The fund's performance in October was negatively impacted by credit spread expansion across the portfolio due to the aforementioned market volatility. Several of our holding companies have reported Q3/20 earnings which in sum have exceeded our expectations. Stockmann (~5% of NAV), owning prime location retail properties in Helsinki and the Baltic's and the fashion retailer Lindex, experienced sharp decline in earnings in March and April due to the lock-down. Activity has since picked up significantly and the company has reported strong set of Q2 and Q3 figures with better than expected earnings, cash flow and liquidity position. Stockmann's 100% ownership in Lindex has in particular exceeded our expectations and is now evidently adding additional comfort to

the credit case. The bonds which are currently yielding ~19% are secured in the company’s assets and provide bondholders with substantial asset backing. This in combination with improving company fundamentals are making us increasingly confident that the bonds will pull to par in good time before maturity in 2022. Our holding in the oil service company Beerenberg (~1% of NAV / ~20% of oil services exposure) positively announced their intention to refinance its outstanding bond maturing in February 2021 which was trading at low 90s earlier in the month. While the company benefits from having strong earnings visibility and low leverage we decided to not participate in the refinancing as we find better risk/reward elsewhere.

As highlighted in previous reports, Norwegian Government established a corporate bond fund in response to support the bond market at the end of March. The fund recently reported that they have utilized north of 10% of the committed NOK 50bn (per end of September). The fund’s mandate is dually to support the secondary and primary markets and they can take up to 50% of an individual bond issue, proving to function as an important backstop in terms of continued market turmoil. The government launched a similar fund in the financial crisis, which was kept active for more than five years. Furthermore, Sweden’s central bank have added SEK 10bn of corporate bonds (IG only) to their QE program effective until mid-2021.

We currently hold a balanced portfolio of high-quality Nordic high yield bonds with on average strong balance sheets, improving fundamentals and solid asset/backlog backing. As such we argue that the portfolio is well protected on the downside, an important characteristic especially with the resurgence of the virus, while also having significant upside potential as the portfolio is trading at a discount to par. The weighted maturity of the portfolio is 2.5 years and as we have argued in previous reports the pull to par effect is inevitable. Furthermore, we observe significant dispersion in yield levels across sectors and issuers. As a bottom up research-intensive credit investor this enables us to discover deep value. The spread level in Nordic High Yield and to a larger extent our fund offers attractive yields relatively to that of European and US High Yield. Furthermore, an economic recovery could potentially drive interest rates higher and in a reflationary environment the portfolio is well positioned with a modified duration of 0.7 years.

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

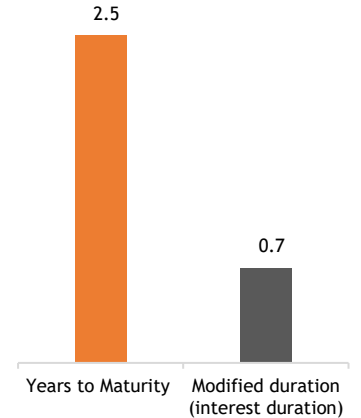
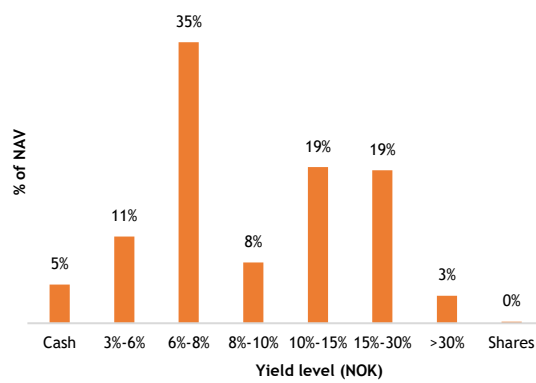
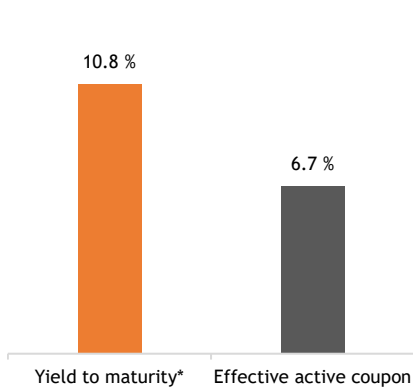


Source: Bloomberg, Storm Capital Management as of 30.10.2020.
 Storm Bond Fund: Includes cash and spreads on individual bonds capped at 30%.
 European HY (Bloomberg Barclays Pan-European High Yield TR Index, Bloomberg ticker: LP02TREU). US HY ETF (iShares iBoxx, Bloomberg ticker: IBOXHY).

YIELD LEVELS (NOK)

YIELD DISTRIBUTION (NOK)

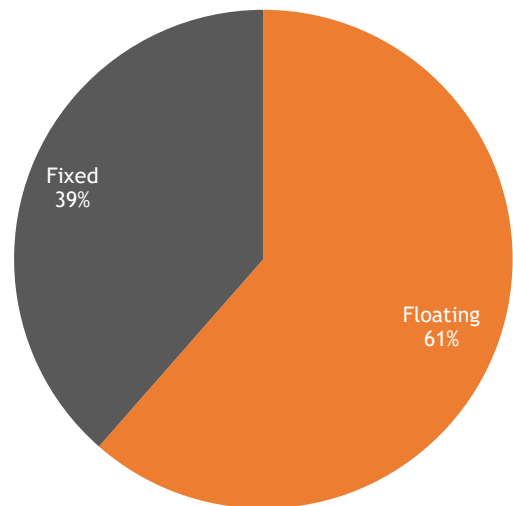
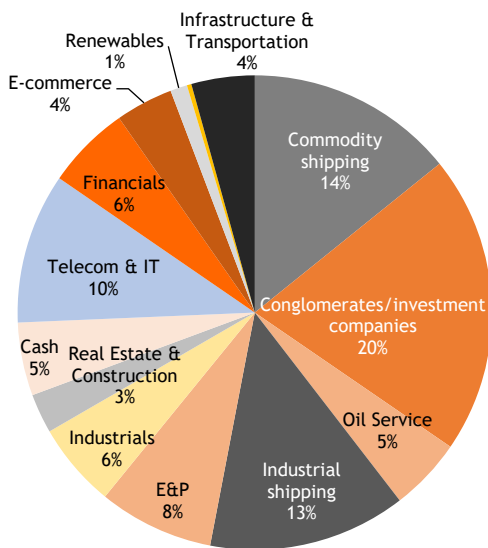
MATURITY / DURATION (YEARS)



* individual bonds capped at 30% in calculation.

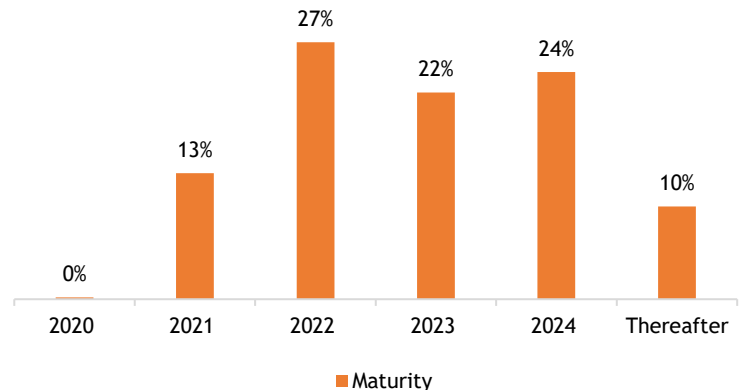
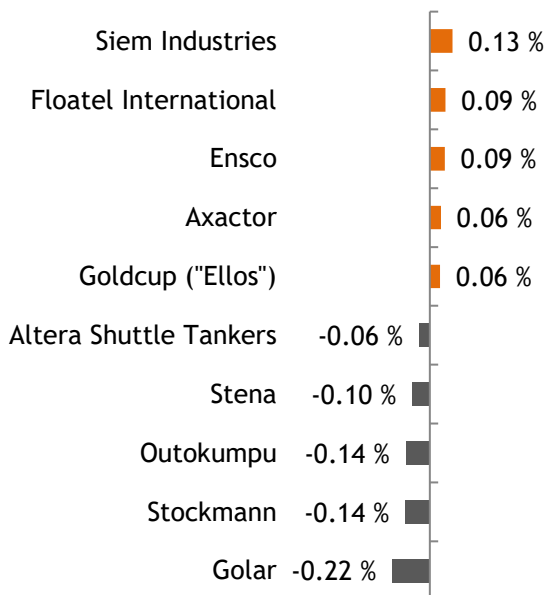
SECTOR ALLOCATION

FLOATING VS. FIXED RATES



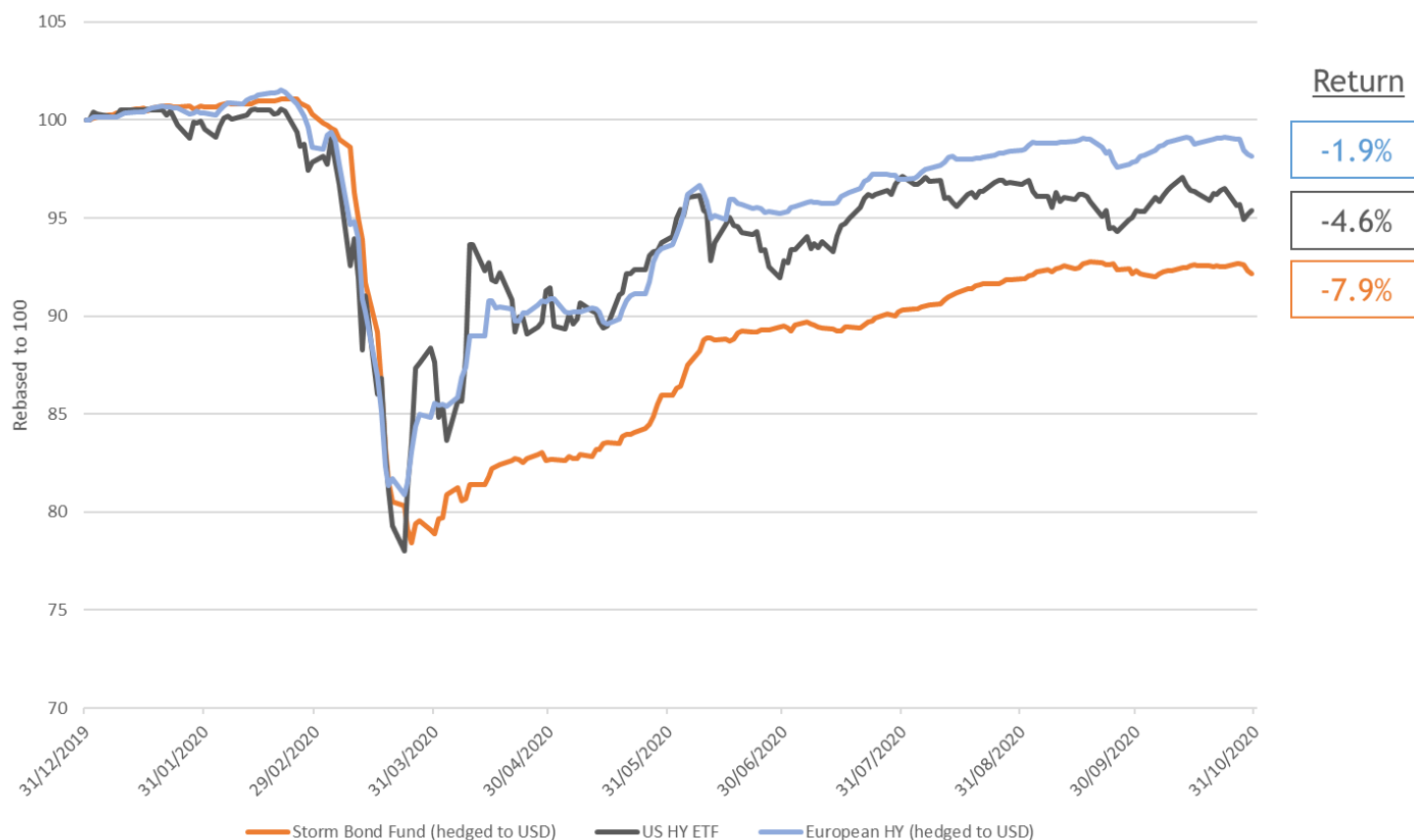
CONTRIBUTION ANALYSIS (top 5 / bottom 5)*

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 30.10.2020. Hedged to USD.

Storm Bond Fund IC NOK (ISIN: LU0840158496, Bloomberg ticker: STBONIC LX equity).

US HY ETF (iShares iBoxx, Bloomberg ticker: IBOXHY). 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	120.53
Institutional NOK	LU0840158496	120.15
Institutional USD	LU0840159387	108.36
Institutional EUR	LU0840158900	99.09
Institutional SEK	LU0840159544	103.83
Institutional CHF	LU1076701652	93.27
Institutional GBP	LU0840159973	100.00*
Retail NOK (RCN)	LU1382364633	125.83
Retail NOK	LU0740578702	126.48
Retail SEK	LU0840159460	99.60
Retail GBP	LU0840159890	105.59
Retail EUR	LU0840158819	100.42
Retail CHF	LU1428000985	100.00*

DISTRIBUTION SHARE CLASSES**

Institutional NOK	LU1915698069	87.70
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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)	2 205

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Stockmann Oyj Abp EO-Notes 2017(1:FI4000292719		86.5	18.7%	5.0%	Stockmann was established in 1862 and is a Finnish listed company with a market cap of EUR 72m. 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 Siccar Point Energy Bonds PLC DL-No NO0010815053		95.3	11.9%	4.7%	Siccar Point holds stakes in some of the largest oilfields in the UK sector. The company has significant production today with very long production profiles. The company is well capitalized and has 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.
3 Siem Industries Inc. 16-21	NO0010766546	94.8	12.8%	4.6%	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.
4 Altera Shuttle Tankers LLC 17-22	NO0010801707	100.8	7.4%	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.
5 Stena Ab 14-24	USW8758PAK22	95.7	8.7%	4.4%	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.
6 FNG Nordic AB 19-24	SE0012827996	98.3	7.8%	3.9%	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.
7 Wallenius Wilhelmsen ASA 20-24 FRN NO0010891971		100.3	6.1%	3.7%	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 -8.1bn. The company has flexibility on their fleet and a strong liquidity position in order to navigate through current challenging market
8 Ice Group Scandinavia Holdings AS 1 NO0010864002		102.2	7.6%	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 3.4bn, majority owned by Access Industries (owned by Leonard Blavatnik). The credit benefits from strong asset backing, increasing market share in Norway and solid owners. We estimate that the company's Norwegian telecom licenses, nationwide infrastructure and customer base to be sufficient to cover the bond.
9 Havilafjord AS 18-23 FRN	NO0010825284	99.5	5.6%	3.4%	The bond has 1st lien pledge in 50.1% of Fjord-1 which is a Norwegian ferry/infrastructure company which have multiple electrical ferries under construction and have long-term contracts with the Norwegian government. Havila and Vision Ridge owns 88.8% of the company and have expressed an interest in buying the remaining 11.2% share and de-list the company. A de-listing of Fjord-1 would trigger a mandatory prepayment event at an early redemption price of 106.9% of par according to the loan agreement.
10 MPC Container Ships Invest B.V. 17-2 NO0010805872		91.8	10.4%	3.0%	Pure play container shipping company with 39 vessels under the bond silo. Listed on the Oslo Stock Exchange with an mcap of NOK 1.2bn. Senior secured bond with 1st priority in the fleet.
11 Golar LNG Partners LP 17-22 FRN	NO0010786056	80.9	22.2%	2.8%	Golar LNG Partners is an international owner of LNG and FSRU tonnage listed at the NYC stock exchange with a market cap of USD 150m. 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.
12 Altera Shuttle Tankers LLC 19-24	NO0010891641	92.5	9.1%	2.5%	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.
13 Abax Group AS 20-25	NO0010885312	101.0	6.3%	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.
14 Kistefos AS 19-23 FRN	NO0010850654	98.7	6.0%	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%.
15 Golar LNG Ltd. 2018/2022	US38046YAB74	80.2	21.4%	2.3%	Shipping and infrastructure company listed on the New York Stock Exchange with a market cap of USD 760m. 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 Songa Container AS 18/21	NO0010837248	80.3	16.5%	2.2%	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 Blystad which is deemed to be a strong sponsor. The bond is senior secured.
17 American Tanker Inc. 20-25	NO0010886328	100.9	7.8%	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.
18 Frontmatec Group FRN 19-24	DK0030452263	97.0	7.5%	2.1%	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.
19 Outokumpu Oyj EO-Conv.-Bonds 202(XS2200501653		92.2	7.9%	2.0%	Leading producer of stainless-steel in Europe. The company is listed on the Helsinki Stock Exchange with a market cap of EUR 950m. The Finnish state is the largest shareholder.
20 Host Property AB 19-22	SE0013486057	82.0	17.2%	2.0%	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.
Sum				64.1%	

Total number of bond positions: 54 (from 49 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 VII's gate 5, 0161 Oslo, Norway.

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

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