

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
2021	3.2%	2.3%	1.1%										6.8%
2020	0.7%	-0.4%	-21.3%	4.8%	4.0%	4.1%	0.9%	1.8%	0.5%	-0.2%	2.9%	2.3%	-3.0%
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	31.3%
3-years	3.8%
5-years	8.5%
10-years	3.8%
Since inception	5.6%

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 1.1% in March and is up 6.8% YTD (institutional IC NOK share class: LU0840158496).

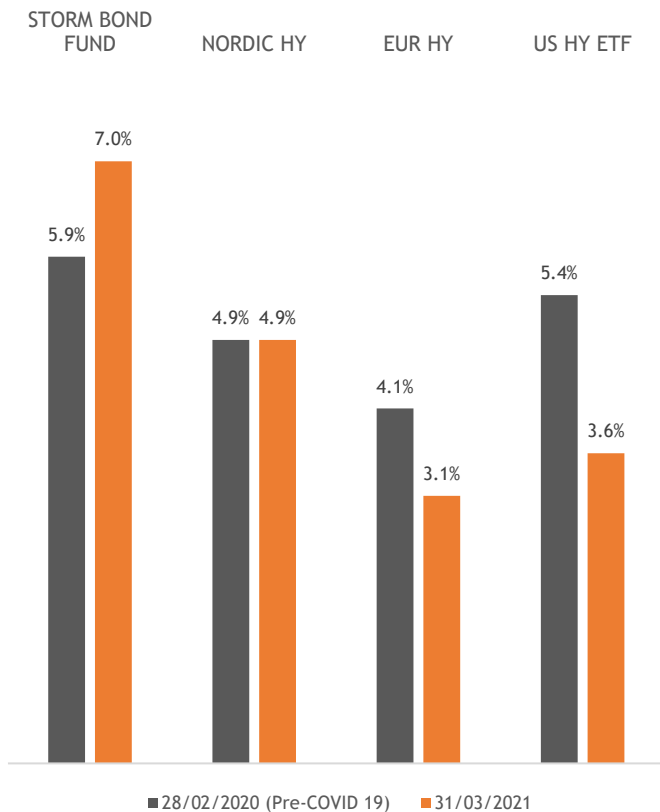
The markets had another relatively strong month in March. In the European equity markets, the improving sentiment regarding an economic recovery outweighed further lockdowns in the region resulting in strong monthly returns with the MSCI Europe index gaining 6.1%. In the US, the improved economic conditions and the accelerating vaccination programme pushed stocks higher. US treasury yields closed at 1.75% up from 1.46% by end-February which further strengthened the rotation from growth to value with the Dow Jones gaining 6.6% vs. Nasdaq at +0.4% during the month. In the credit markets, the rising bond yields continued to weigh on longer duration fixed rate bonds with global investment grade bonds declining by another 1.9%. US and European high yield markets gained 0.15% and 0.7% respectively during the month. Storm Bond Fund, which have both short maturity and modified duration, delivered another solid month generating +1.1%.

The fund's performance was driven by continued spread compression in addition to coupon carry. Our largest positive contribution came from our 1st lien healthcare exposure in Unicare. The bond was trading below par reflecting maturity extension risk. With bondholders and main owner not agreeing on the way forward the main owner decided to pay down the bond at par at maturity in March.

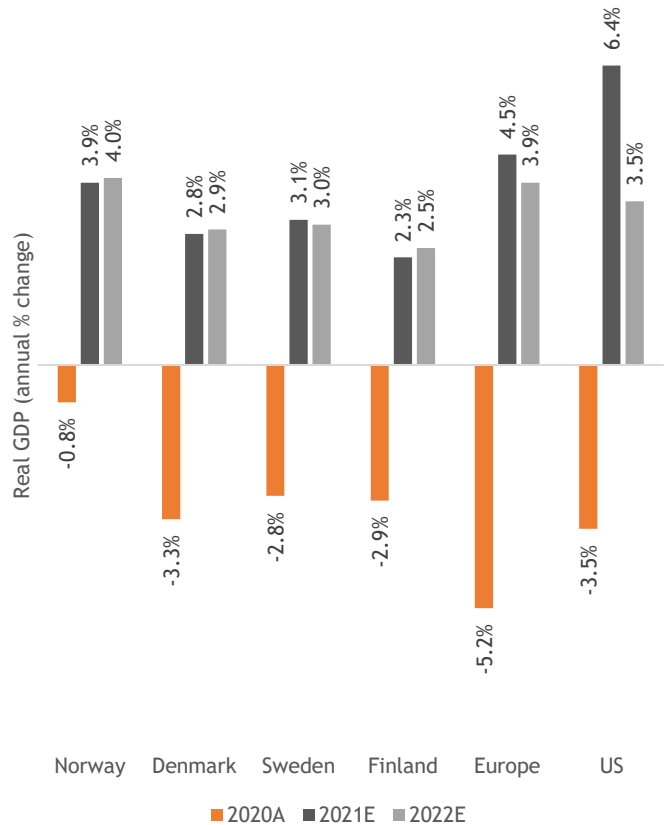
During the month we increased our exposure in the Nordic e-commerce company FNG Nordic (Ellos Group AB) at around par value corresponding to STIBOR + 675bps with ~3 years to maturity. The company is performing very well with strong revenue growth and cash conversion on a diversified product offering. Per end-20 NIBD/EBITDA was reported at 3.4x which compares favourably to listed peers. We believe the bonds offers very good risk reward given its low leverage, strong cash flows and 1st lien security on very low implied valuation.

The Nordic countries performed satisfactory in 2020 and are set to recover favourably in the years to come (illustrated below by real GDP growth published by IMF recently). We are exposed to a diversified portfolio of solid Nordic High Yield bonds characterised by attractive implied valuations, solid contract coverage and robust balance sheets. The valuation of our portfolio remains attractive with the credit spread at 700 bps - above the historical average and pre-pandemic level. Furthermore, the fund is well protected should inflation expectation change throughout the year with majority of bonds featuring floating rates translating to a modified duration of comfortable 0.6 years.

CREDIT SPREAD - STORM BOND FUND VS. NORDIC, EUROPEAN & US HIGH YIELD (PRE-COVID VS. MARCH'21)



REAL GDP (ANNUAL % CHANGE)



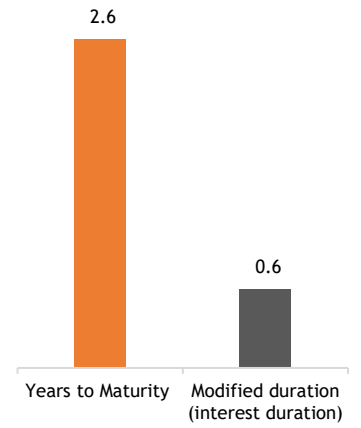
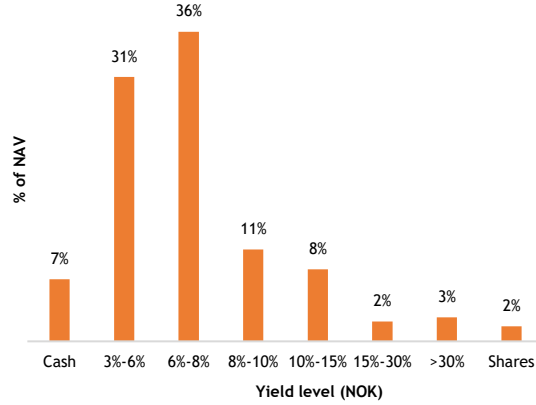
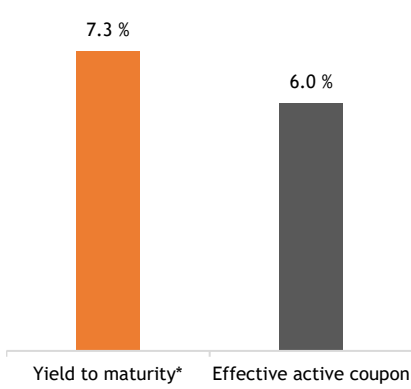
Source: Bloomberg, Storm Capital Management as of 31.03.2021. Storm Bond Fund: Includes cash and spreads on individual bonds capped at 30%. European HY (Bloomberg Barclays Pan-European High Yield TR Index, Bloomberg ticker: LP02TREU). US HY ETF (iShares iBoxx, Bloomberg ticker: IBOXHY).

Source: IMF World Economic Outlook, April 2021.

YIELD LEVELS (NOK)

YIELD DISTRIBUTION (NOK)

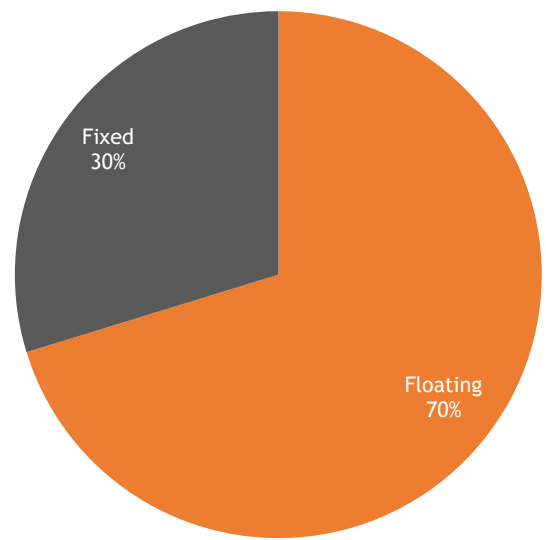
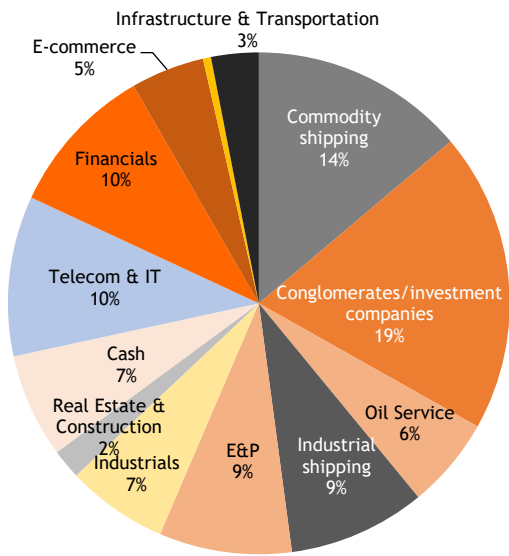
MATURITY / DURATION (YEARS)



* individual bonds capped at 30% in calculation.

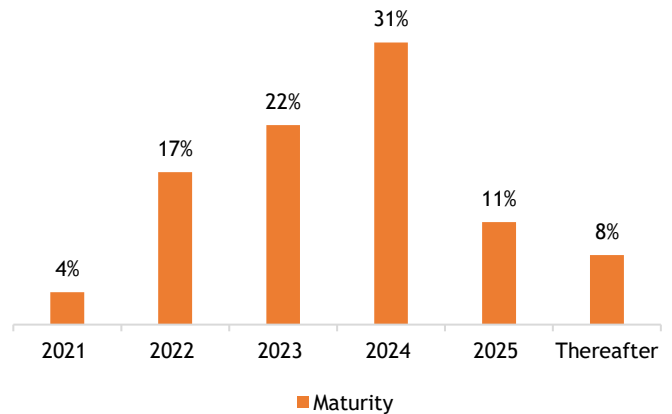
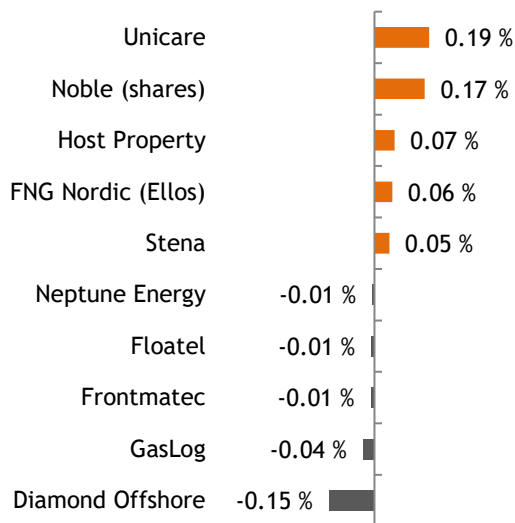
SECTOR ALLOCATION

FLOATING VS. FIXED RATES



CONTRIBUTION ANALYSIS (top 5 / bottom 5)*

MATURITY PROFILE



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

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



Source: Bloomberg as of 31.03.2021. 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	135.50
Institutional NOK	LU0840158496	135.08
Institutional USD	LU0840159387	121.94
Institutional EUR	LU0840158900	110.90
Institutional SEK	LU0840159544	117.11
Institutional CHF	LU1076701652	104.51
Institutional GBP	LU0840159973	100.00*
Retail NOK (RCN)	LU1382364633	142.00
Retail NOK	LU0740578702	142.13
Retail SEK	LU0840159460	111.35
Retail GBP	LU0840159890	118.19
Retail EUR	LU0840158819	112.49
Retail CHF	LU1428000985	100.00*

DISTRIBUTION SHARE CLASSES**

Institutional NOK	LU1915698069	97.61
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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)	2 330

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Stockmann Oyj Abp EO-Notes 2017(17/22)	FI4000292719	94.6	11.6%	5.2%	Stockmann was established in 1862 and is a Finnish listed company with a market cap of EUR -90m. 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 FNG Nordic AB 19-24	SE0012827996	101.3	6.7%	4.7%	FNG Nordic is a Swedish e-commerce company. 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, sound LTV levels and the nature of the business being less cyclical. The financial performance in 2020 has exceed expectations.
3 Kistefos AS 20-25 FRN	NO0010911845	101.9	6.9%	4.4%	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 -9bn, which implies LTV of less than 50%.
4 MPC Container Ships Invest B.V. 17-22 FRN	NO0010805872	101.4	7.7%	3.8%	Pure play container shipping company with 39 vessels under the bond silo. Listed on the Oslo Stock Exchange with an mcap of NOK 4.0bn. Senior secured bond with 1st priority in the fleet.
5 Altera Shuttle Tankers LLC 19-24	NO0010866163	98.0	7.5%	3.4%	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. Altera is 100% controlled by Brookfield Asset Management. The credit benefit from having a leading market position, strong earnings visibility and solid owner backing.
6 Stena Ab 14-24	USW8758PAK22	100.7	6.9%	3.4%	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.
7 Ice Group Scandinavia Holdings AS 19-23 FRN	NO0010864002	106.4	5.7%	3.3%	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 3.8bn, 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 Havilafjord AS 18-23 FRN	NO0010825284	101.5	4.7%	3.1%	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.
9 Siccar Point Energy Ltd 21-26	NO0010937501	99.0	9.4%	3.0%	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 significant hedging program, hence near to medium term protection against volatile oil prices.
10 Ocean Yield ASA 19-24 Perp	NO0010861594	99.2	6.9%	2.9%	Ocean Yield is an owner of maritime assets with long-term contracts to solid counterparties. The company has a strong and diversified contract backlog which provides the credit with solid visibility. Ocean Yield is listed on the Oslo Stock Exchange with a market capitalization of NOK 5.1bn. Aker ASA (market cap NOK 37.5bn) is the largest shareholder holding 61.6% of the company.
11 Seaspan Corp 21-24	NO0010920952	103.8	5.2%	2.7%	Seaspan is the world largest provider of container vessels with a market share of -8%. The parent company is listed on the New York Stock Exchange with a market cap of USD 3.5bn. The company targets investment grade rating which coupled with a strong credit profile and the non-call bond structure calls for a solid yield compression potential in our view.
12 Frontmatec Group FRN 19-24	DK0030452263	94.5	8.4%	2.5%	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.
13 Abax Group AS 20-25	NO0010885312	102.6	5.8%	2.4%	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 Songa Container AS 18/21	NO0010837248	100.3	7.3%	2.4%	Songa Container AS was established in 2017 and is an asset play focusing on the recovery of the container feeder market. The Company has acquired a fleet of 15 feeder vessels with an average age of 9 years, with sizes ranging from 1,000 TEU - 5,000 TEU. The Company is backed by experienced ship-owner Arne Blystad which is deemed to be a strong sponsor. The bond is senior secured.
15 Norske Skog ASA FRN 21-26	NO0010936065	100.5	6.3%	2.3%	Norske Skog is one of the leading global producers of newsprint and magazine paper. The group has about 8% market share for newsprint and -3-5% for magazine paper. The Company is listed on the Oslo Stock Exchange with an mcap of NOK 3.2bn. 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.
16 Wallenius Wilhelmsen ASA 20-24 FRN	NO0010891971	105.2	4.5%	2.3%	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 -12bn. The company has flexibility on their fleet and a strong liquidity position in order to navigate through current challenging market.
17 Chip Bidco (Cegal) AS 19-24	NO0010869761	100.8	5.7%	2.3%	Cegal is the leading provider of cloud services to the oil & gas sector. The credit benefits from having strong backlog protection, low churn and solid cash conversion. The bond is secured and implied valuation offers bondholders with substantial asset backing.
18 Altera Shuttle Tankers LLC 17-22	NO0010801707	101.7	6.8%	2.3%	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 is 100% controlled by Brookfield Asset Management. The credit benefit from having a leading market position, strong earnings visibility and solid owner backing.
19 Norwegian Energy Co. ASA 19-26	NO0010870900	100.3	9.3%	2.3%	Noreco is a Nordic-based E&P company with producing assets offshore Denmark. The company is listed on the Oslo Stock Exchange with a market cap of NOK -4bn. The credit benefits from having moderate LTV and a strong hedging profile.
20 BW Offshore Ltd. FRN 19-23 FRN	NO0010869019	100.0	4.9%	2.2%	BW Offshore is a leading provider of floating production services. The company is listed on the Oslo Stock Exchange with a market cap of NOK 6.3bn. The credit benefits from a strong backlog with solid counterparties, low leverage and strong free cash flow.
Sum				60.6%	

Total number of bond positions: 50 (from 42 issuers). Total number of shares: 2.

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 14 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 12 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.