

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%	0.8%	0.9%	1.1%	0.8%	1.0%	0.3%				12.1%
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	17.8%
3-years	4.4%
5-years	7.6%
10-years	5.0%
Since inception of fund	5.8%

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 positive return of 0.3% in September and is up 12.1% YTD (institutional IC NOK share class: LU0840158496).

Markets came under pressure during September mainly due to the Fed and ECB's change in monetary policy, softer economic data from the larger economies and concerns related to the Chinese property sector. The US and European equity markets measured by the S&P 500 and Stoxx 600 index lost 4.8% and 3.4% respectively. In the global credit markets, the U.S 10 year treasury yields increased from approx. 1.3% to 1.5% which resulted in US and European investment grade declining by -1.1% and -0.6%. Their respective high yields markets were flattish during the month. In the energy market, we have witnessed significant price increases across the board. Record low European gas inventories paired with lower than expected Russian supply and power crunch in China being some of the explanatory factors behind the surging gas prices. The record high gas prices has also incentivised gas to oil switching which is currently boosting oil demand. This in combination with OPEC+ sticking to its output plan, continued depletion of global inventories, lower US production and increased global demand as economies are re-opening pushed oil prices by end September close to USD 80 bbl which marks a three year high.

As mentioned above, the Fed announced its intention to soon start to slow its asset purchases and projections for interest rates to gradually raise over the next few years - with consensus expectation at around 1.75% at the end of 2024. The Norwegian central bank announced its decision to raise rates from zero to 0.25% during the month, being the first G-10 country to gradually start on the path towards normalization. Norway has experienced a strong economic rebound driven in part by a healthy labor market. Consensus estimates for the Norwegian policy rate shows 1.7% per end 2024. Sweden's central bank confirmed it was set to remain at zero until at least late 2024.

During the month, the fund’s credit spread widened marginally, and the largest spread increase came from our position in Altera Shuttle on the back of weaker results combined with higher than expected cash distributions. While we to some extent share the concerns, we believe that investors has extrapolated recent quarterly results and distributions too far into the future and that current credit pricing of 900bps is unwarranted and has created one of the best risk/reward opportunities in our market. The Altera Shuttle credit benefits from the company’s leading market position globally, USD 2bn backlog with an estimated contract coverage above 70% through 2025, improving market fundamentals and strong de-leveraging prospects with less distributions. We believe the latter will be in focus for the management in order to improve credit pricing and reduce refinancing risk. Hence, we have increased our position in the company’s 2024 bond during the month on the back of the spread widening.

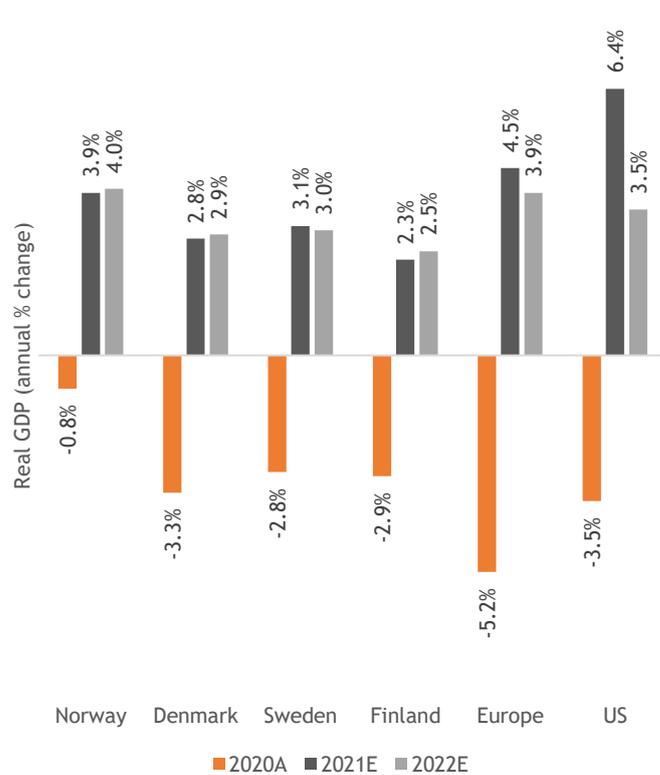
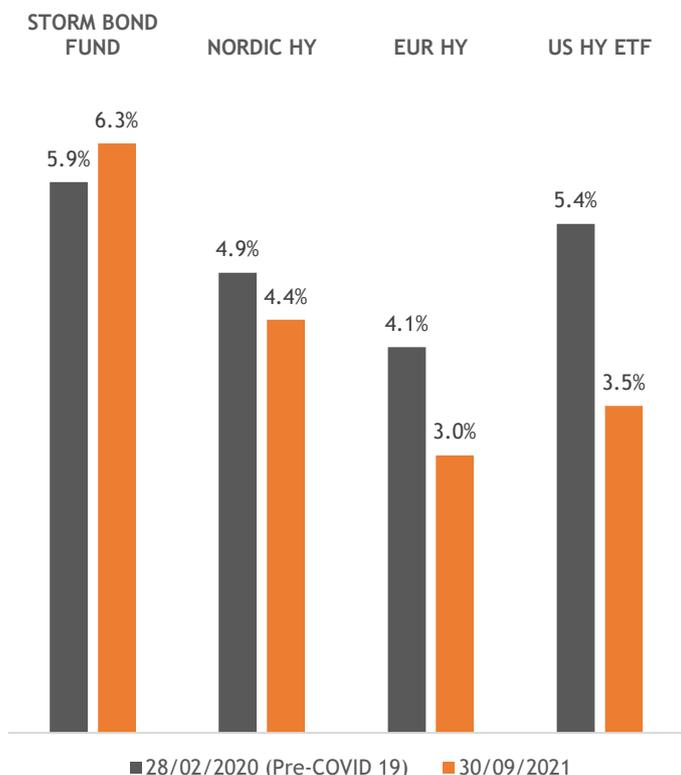
KKR announced during September that it has agreed to acquire and take Ocean Yield private. The transaction triggers step-up in coupon for our holding in the Ocean Yield hybrid bond (3.8% of NAV) which incentives KKR/Ocean Yield to either agree with bondholders and amend the bond loan vs. compensation or call it back. KKR’s acquisition of Ocean Yield follows several other infrastructure funds acquisitions in the Nordic corporate bond market year to date. After month end Stonepeak also announced that it has agreed to acquire Teekay LNG for an EV of USD 6.2bn, which we deem to be supportive for our holding in the 2025 bond.

It is important to again remind our investors, that among the key features in the Nordic corporate bond market are the floating rate element of the market as well as the attractive spread level currently at 6.3%. This feature translates into significantly shorter modified duration of 0.5 years compared to peer markets and we are therefore well positioned for future rate hikes. To put this into perspective: if we were to experience a parallel upward shift in relevant policy rates by for instance 1% over a one-year period the portfolio’s weighted bond prices should in theory decline by a modest 0.5% vs. US and European HY markets declining by approximately 5% due to modified duration of around 5 years. But by including our current cash coupon of 5.3%, the portfolio should from an interest rate perspective deliver an annualized performance close to 5% over the same one-year period. It is worthwhile to look back at Q4/18 when global markets re-priced due to higher interest rates. In Q4/18 Storm Bond Fund delivered a negative return of -1.1% vs. US High Yield at -4.6%. At that time, we had a modified duration of 1.1 years vs. 0.5 years today.

We continue with our selective bottom-up approach targeting attractive risk-adjusted returns while at the same time protecting the downside by way of a diversified portfolio of Nordic quality bonds with on average attractive relative pricing, appealing implied valuations, and sound credit metrics. This in combination with having access to liquidity through a solid cash position (5-10%) enabling us to manage any unforeseen volatility but at the same time keeping necessary dry powder to investment opportunities arising in the market.

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

REAL GDP (ANNUAL % CHANGE)



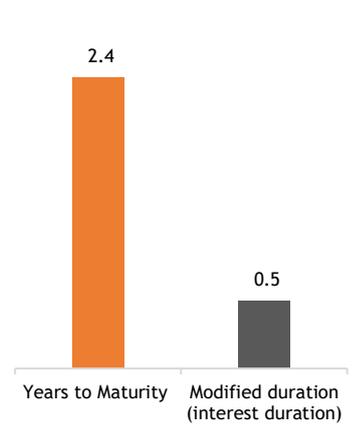
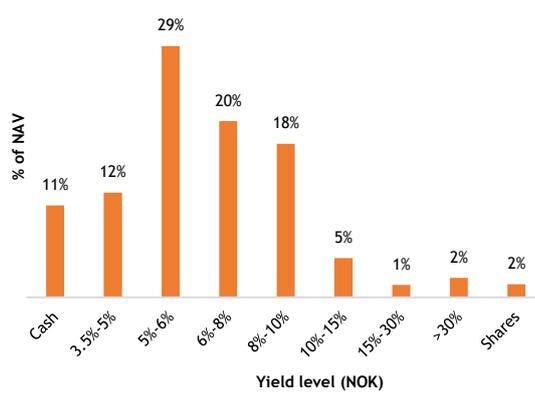
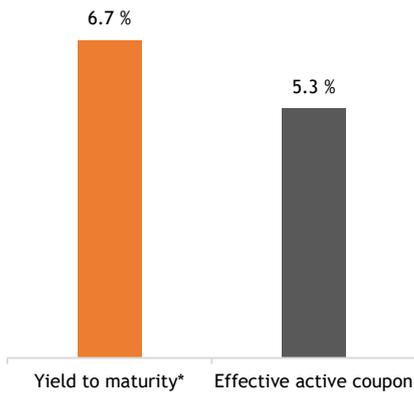
Source: Bloomberg, Storm Capital Management as of 30/09/2021. Storm Bond Fund: Includes cash and spreads on individual bonds capped at 30%. European HY (Bloomberg Barclays Pan-European High Yield TR Index, Bloomberg ticker: LP02TREU). US HY ETF (iShares iBoxx, Bloomberg ticker: IBOXHY).

Source: IMF World Economic Outlook, April 2021.

YIELD LEVELS (NOK)

YIELD DISTRIBUTION (NOK)

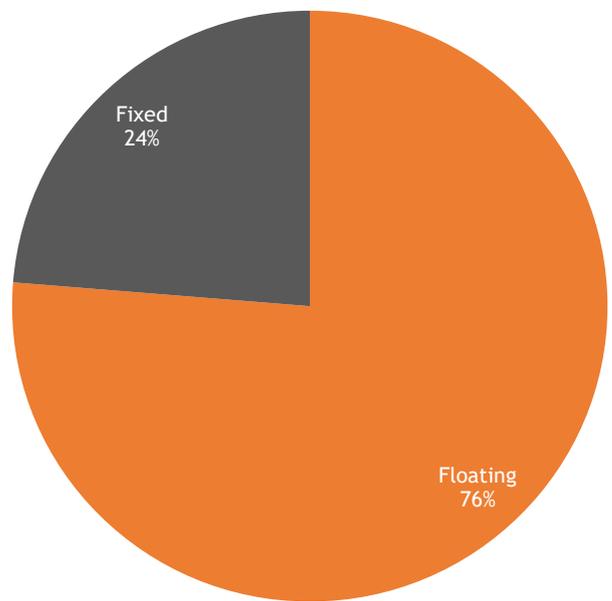
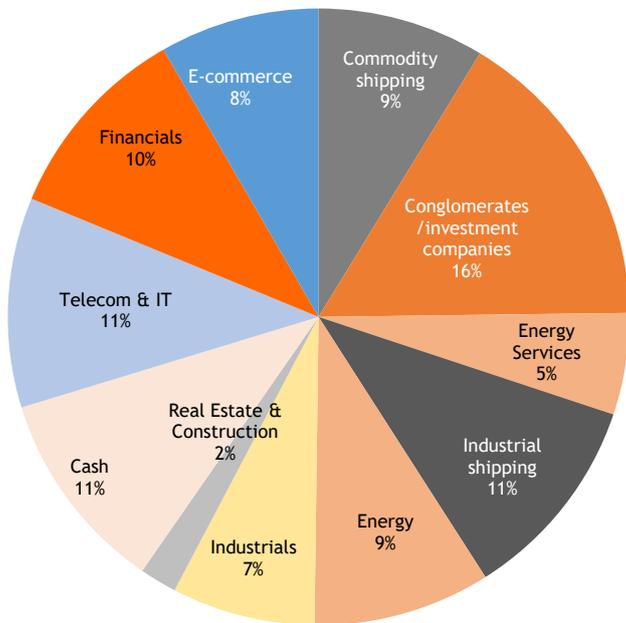
MATURITY / DURATION (YEARS)



* individual bonds capped at 30% in calculation.

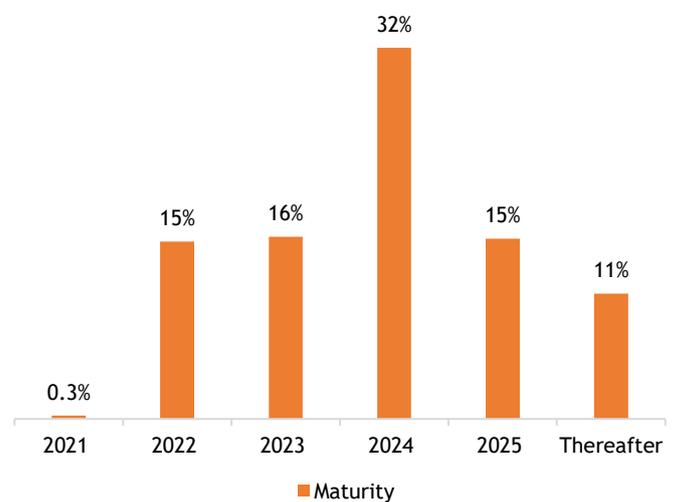
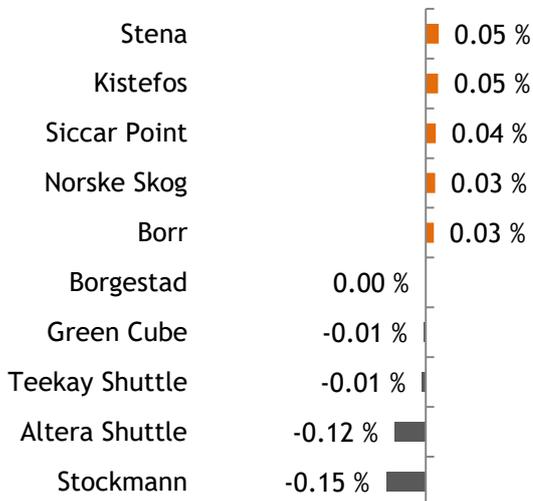
SECTOR ALLOCATION

FLOATING VS. FIXED RATES

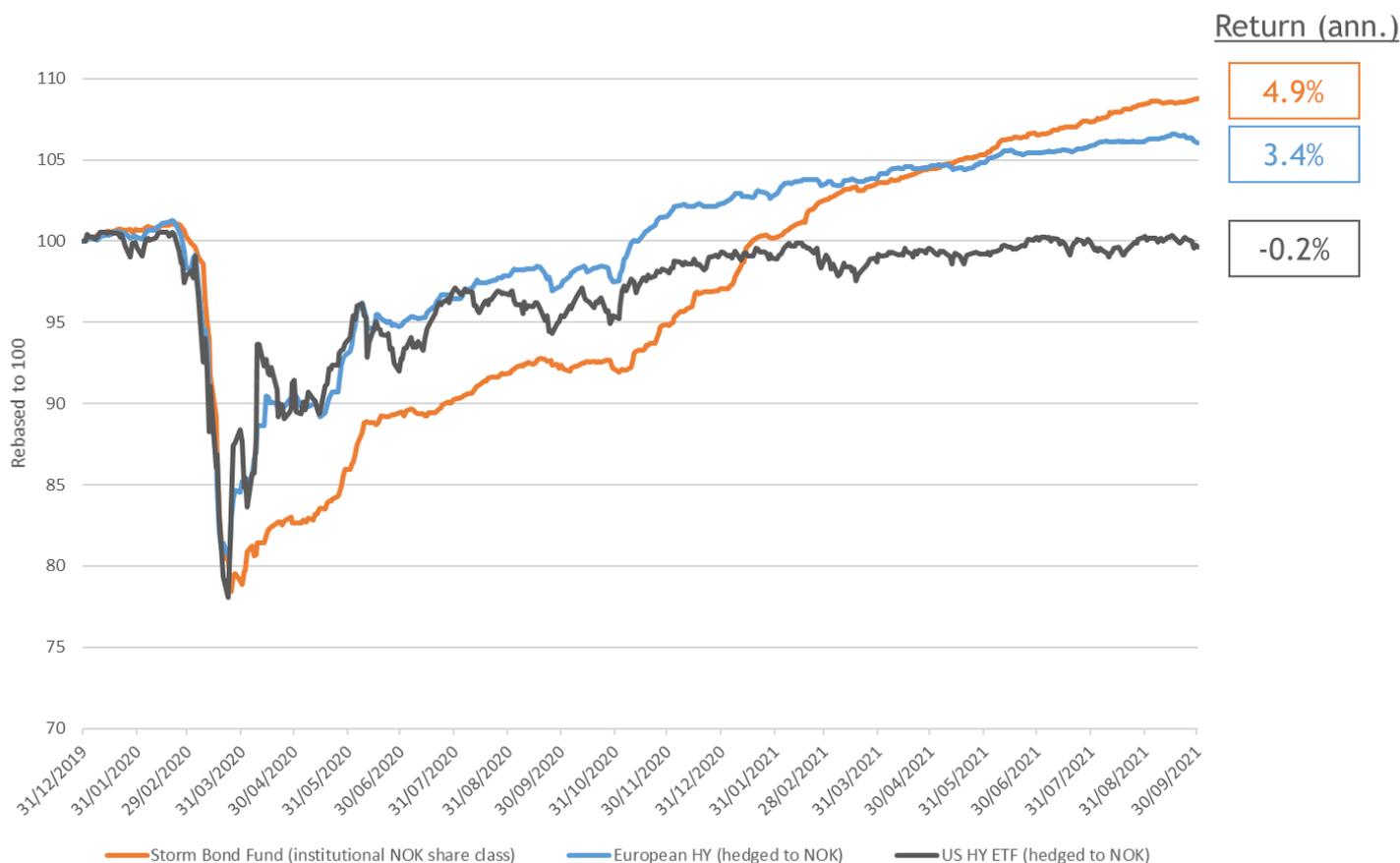


CONTRIBUTION ANALYSIS (top 5 / bottom 5)

MATURITY PROFILE



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



Source: Bloomberg as of 30.09.2021.
 Storm Bond Fund IC NOK (ISIN: LU0840158496).
 European HY (hedged to NOK) (Bloomberg Barclays Pan-European High Yield TR Index, Bloomberg ticker: LP02TREU).
 US HY ETF (hedged to NOK) (iShares iBoxx, Bloomberg ticker: IBOXHY).

PRICES FOR DIFFERENT SHARE CLASSES

SHARE CLASSES	ISIN	PRICE
ACCUMULATION SHARE CLASSES		
Institutional NOK (ICN)	LU1382364716	142.43
Institutional NOK	LU0840158496	141.82
Institutional USD	LU0840159387	128.03
Institutional EUR	LU0840158900	116.02
Institutional SEK	LU0840159544	122.84
Institutional CHF	LU1076701652	109.21
Institutional GBP	LU0840159973	100.00*
Retail NOK (RCN)	LU1382364633	148.96
Retail NOK	LU0740578702	149.02
Retail SEK	LU0840159460	120.08
Retail GBP	LU0840159890	124.52
Retail EUR	LU0840158819	117.57
Retail CHF	LU1428000985	100.00*

DISTRIBUTION SHARE CLASSES**

Institutional NOK	LU1915698069	100.51
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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)
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	Institutional (NOK 15m)
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)	2 265

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 FNG Nordic AB 19-24	SE0012827996	104.2	5.8%	5.1%	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 exceeded expectations.
2 Stockmann Oyj Abp EO-Notes 2017(17/22)	FI4000292719	96.0	9.9%	4.8%	Stockmann was established in 1862 and is a Finnish listed company with a market cap of EUR ~270m. 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.
3 Kistefos AS 20-25 FRN	NO0010911845	106.7	5.7%	4.8%	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	102.2	7.2%	4.2%	Pure play container shipping company with 39 vessels under the bond silo. Listed on the Oslo Stock Exchange with an mcap of NOK 11.2bn. Senior secured bond with 1st priority in the fleet.
5 Ocean Yield ASA 19-24 Perp	NO0010861594	101.8	6.9%	3.9%	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 5.5bn. Aker ASA (market cap NOK 48bn) is the largest shareholder holding 61.6% of the company.
6 Altera Shuttle Tankers LLC 19-24	NO0010866163	93.4	9.5%	3.5%	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. Altera is 100% controlled by Brookfield Asset Management. The credit benefit from having a leading market position, strong earnings visibility and solid owner backing.
7 Siccar Point Energy Ltd 21-26	NO0010937501	102.8	9.7%	3.3%	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.
8 Chip Bidco (Cegal) AS 19-24	NO0010869761	102.2	5.3%	3.3%	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.
9 Norske Skog ASA FRN 21-26	NO0010936065	102.0	6.1%	3.2%	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.
10 Desenio Holding AB 20-24	SE0015242839	102.0	5.4%	3.2%	Desenio Group AB is one of the leading e-commerce companies within affordable art. The company is listed on the Stockholm stock exchange with a market cap of SEK 6bn. The bond is 1st lien and has pledge in all shares. The credit benefits from strong cash conversion and modest financial leverage.
11 BW Offshore Ltd. FRN 19-23 FRN	NO0010869019	101.5	4.3%	3.2%	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 5.4bn. The credit benefits from a strong backlog with solid counterparties, low leverage and strong free cash flow.
12 Stena Ab 14-24	USW8758PAK22	105.6	4.9%	2.9%	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.
13 GasLog Ltd. 19-24 FRN	NO0010868953	102.0	6.1%	2.7%	Gaslog is an international owner and operator of LNG carriers listed at NYC stock exchange with a market cap of USD 550m. GasLog Ltd announced that it has entered into an agreement with BlackRock Global Energy & Power Infrastructure team to take GasLog private. BlackRock will acquire all of the outstanding shares in GasLog that are not held by the Livanos family and Onassis Foundation.
14 Abax Group AS 20-25	NO0010885312	104.5	5.4%	2.6%	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.
15 Frontmatec Group FRN 19-24	DK0030452263	93.0	9.5%	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.
16 Teekay LNG Partners L.P. NK-FLR Notes 2020(25)	NO0010891559	102.8	4.9%	2.5%	Teekay LNG is a leading LNG carrier company with long-term contracts with strong counterparties. On October 6th, Stonepeak announced that it has agreed to acquire Teekay LNG Partners for USD 6.2bn on an EV basis.
17 SuperOffice Group AS 20-25 FRN	NO0010900129	104.3	5.9%	2.3%	SuperOffice is a leading provider of cloud-based CRM software to B2B-oriented companies in Europe. The bond is 1st lien and has share pledge in all shares. The company is owned by the Danish private equity company Axcel. The credit benefits from a strong market position, high degree of recurring revenues and modest financial leverage.
18 SFL Corp. Ltd 20/25 FRN	NO0010872997	97.6	5.8%	2.2%	Ship Finance is an owner of maritime assets with long-term contracts to solid counterparties. The credit benefits from strong earnings visibility, non-recourse financing and a strong majority shareholder in Mr. John Fredriksen. The company is listed on the New York Stock Exchange with a market cap of USD ~1.2bn.
19 Wallenius Wilhelmsen ASA 20-24 FRN	NO0010891971	106.8	3.9%	2.1%	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 ~15.5bn. The company has flexibility on their fleet and a strong liquidity position in order to navigate through current challenging market.
20 Ice Group Scandinavia Holdings AS 19-23 FRN	NO0010864002	106.6	5.2%	2.1%	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.
Sum				64.4%	

Total number of positions: 48.

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 & Partner*

- He has 14 years of experience from asset management and credit research
- 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

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**MARCUS S. MOHR***Business Development & Partner*

- He has over 12 years of experience from investment banking and business development. Before he joined Storm he worked in the investment banking division at Citigroup in London
- Marcus is responsible for:
 - Business development/sales
 - 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.