

## ABOUT THE FUND

Storm Bond Fund (UCITS) is a Nordic High Yield fund inceptioned in September 2008. The fund holds a diversified portfolio of quality issuers in the Nordic region. The investment process is based on a top-down market screening of the universe based on relative pricing and a detailed fundamental bottom-up analysis of the individual issuers. 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 SHARECLASS<sup>3</sup>, NET OF FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.8%	-1.0%	1.8%	1.2%	-0.0%	-1.3%	0.4%						1.9%
2021	3.2%	2.3%	1.1%	0.8%	0.9%	1.1%	0.8%	1.0%	0.3%	0.5%	0.2%	0.7%	13.6%
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% <sup>3</sup>	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% <sup>2</sup>	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% <sup>1</sup>	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	4.6%
3-years	4.4%
5-years	4.7%
10-years	4.3%
Since inception of fund	5.7%

- 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 0.4% in July and is up 1.9% YTD (institutional IC NOK share class: LU0840158496).

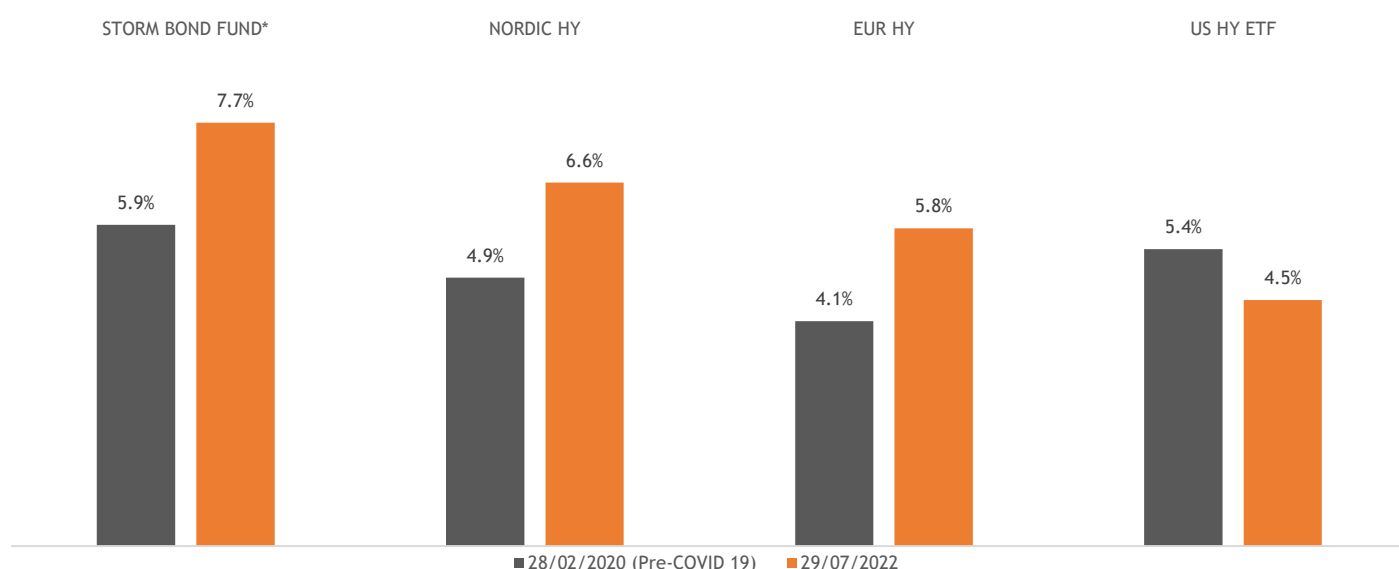
Markets rebounded in July despite soft macro-economic data including continued high inflation and disappointing GDP figures. The key driver behind the strong market performance was mainly due to growing expectations that central banks could pivot from its current rate-hiking strategy paired with better than expected Q2 corporate earnings. US and European 10-year yields declined from 3.0% and 1.3% to 2.65% and 0.8% which helped benefit the most rate sensitive asset classes. The US and European equity markets measured by the S&P 500, Euro Stoxx 600 and MSCI Nordic gained 9.1%, 7.6% and 11.3% respectively during the month. In the credit markets, corporate bonds was positively impacted by returns stemming from duration combined with tighter credit spreads. US and European investment grade gained +3.2% and +4.7%. In the international high yield market, US and European high yield credit spreads compressed by 100bps and 60bps resulting in monthly returns of 5.9% and 5.1% respectively.

The Nordic high yield market delivered positive returns during July with Storm Bond Fund generating +0.4%. As expected, the market was calm in terms of company specific news flow, new bond issues and trading activity due to summer holidays in our region. The performance differential to other international markets were driven by the Nordic market having significant lower modified duration combined with unchanged credit spreads due to the aforementioned low activity. Hence, the Nordic credit spread premium has further increased relative to the international high yield markets. The fund’s largest positive contribution in addition to coupon carry came from our holdings in Siccar Point and Noreco.

During the month, Itacha announced the closing of their acquisition of Siccar Point which resulted in a put option event at 101% of par. We decided to utilize the put option as the put option price enables us to take better relative opportunities within the sector. Furthermore, many of our companies reported Q2 earnings during the month, which on average was in-line with expectations.

We observe that the Nordic High Yield market has lagged the spread tightening seen in global high yield markets in July. The yield in the fund is currently 9.6% in NOK - well above historical averages and pre-pandemic levels. While we expect inflation and interest rate expectations to remain volatile going forward we find it adequate with a modified duration of 0.8 years and a prudent cash position of 9% and a further ~5% in high grade bonds. This enables us to manage through volatility and act on attractive investment opportunities. We will continue with our selective fundamental approach targeting well capitalized and renown Nordic companies with solid cash flow prospects and debt service capacity paired with sustainable capital structures. On the organisational side, Mr. Gustaf Amlé will join the portfolio management team as the third PM in the beginning of August.

CREDIT SPREAD - STORM BOND FUND VS. NORDIC, EUROPEAN & US HIGH YIELD (PRE-COVID VS. JULY'22)

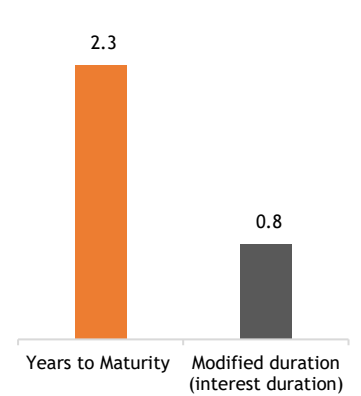
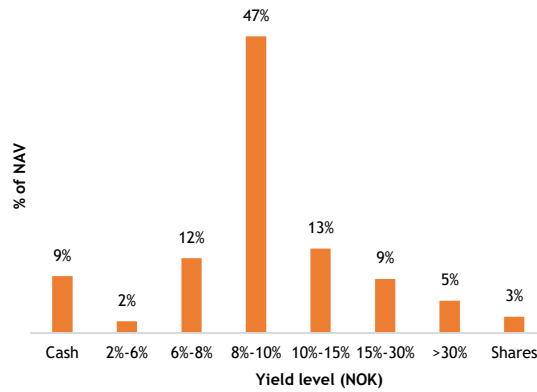
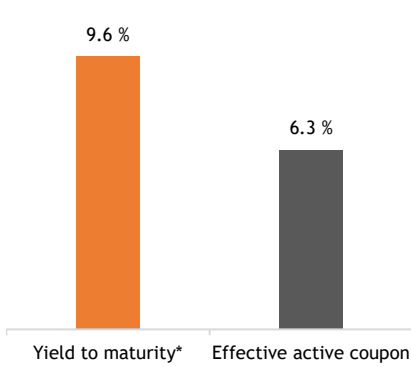


Source: Bloomberg, Storm Capital Management as of 29/07/2022. \*Storm Bond Fund includes cash and spreads on individual bonds capped at 30%. European HY (Bloomberg Barclays Pan-European High Yield TR Index, Bloomberg ticker: LP02TREU). US HY ETF (iShares iBoxx, Bloomberg ticker: IBOXHY).

**YIELD & COUPON (NOK)**

**YIELD DISTRIBUTION (NOK)**

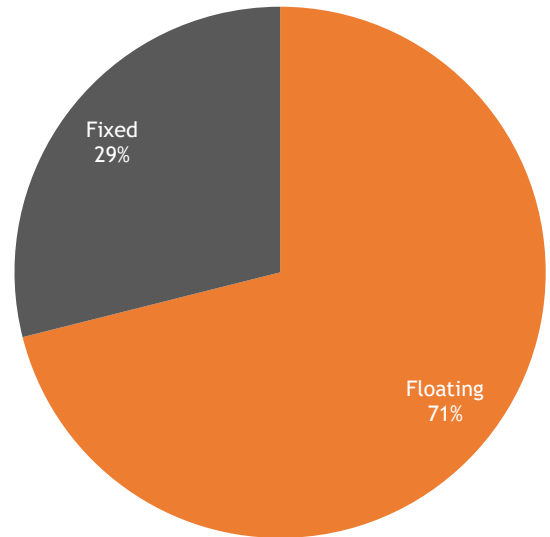
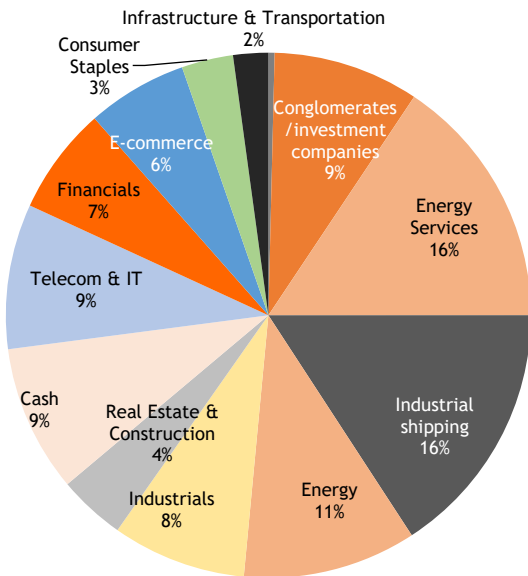
**MATURITY / DURATION (YEARS)**



\* individual bonds capped at 30% in calculation.

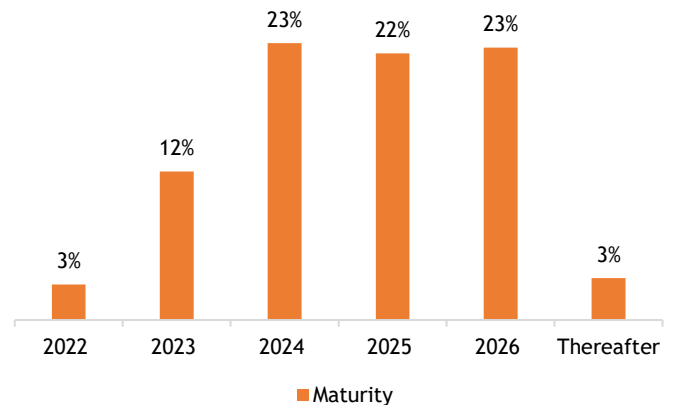
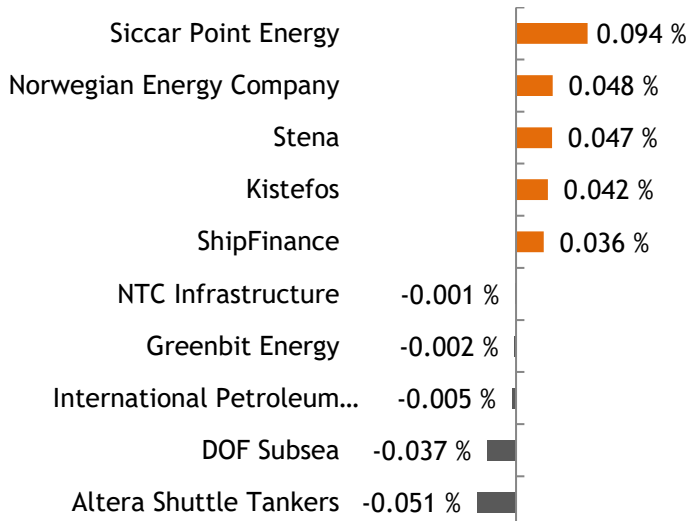
**SECTOR ALLOCATION**

**FLOATING VS. FIXED RATES**

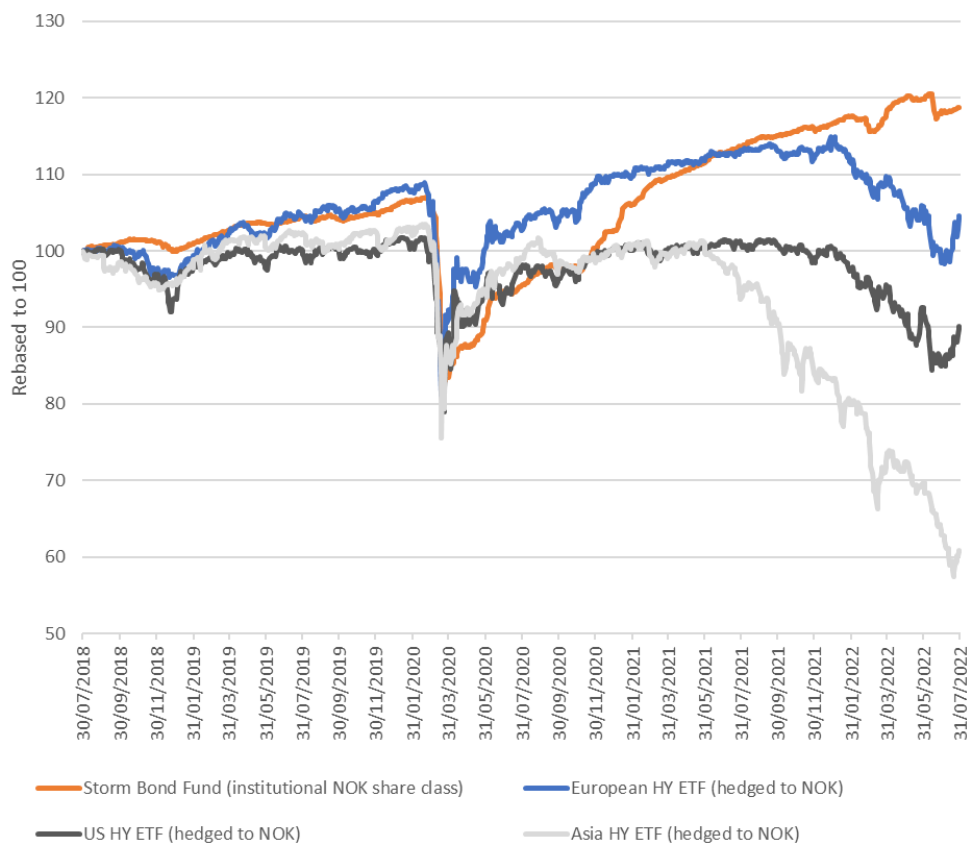


**CONTRIBUTION ANALYSIS (top 5 / bottom 5)**

**MATURITY PROFILE**



TOTAL RETURN - STORM BOND FUND VS. US, EUROPEAN & ASIAN HIGH YIELD (LAST 4 YEARS)



Performance	Storm HY	European HY	US HY	Asian HY
YTD	1.9%	-8.4%	-10.1%	-26.9%
3-months	-0.9%	-1.0%	-0.5%	-15.9%
1-year	4.6%	-7.6%	-10.8%	-35.0%
4-years (ann.)	4.4%	1.1%	-2.6%	-11.7%

Risk - 4 years (ann.)				
Vol. (std dev.)	4.4%	9.7%	10.5%	13.2%
Sharpe	1.0x	0.1x	n.m.	n.m.

Source: Bloomberg as of 29/07/2022.  
 Storm Bond Fund IC NOK (ISIN: LU0840158496).  
 European HY ETF (hedged to NOK) (iShares European HY ETF, Bloomberg ticker: HIGHEUR EU equity).  
 US HY ETF (hedged to NOK) (iShares iBoxx ETF, Bloomberg ticker: IBOXHY).  
 Asia HY ETF (hedged to NOK) (iShares USD Asia High Yield Bond ETF, Bloomberg ticker: AHYG SP Equity).

PRICES FOR DIFFERENT SHARE CLASSES

SHARE CLASSES	ISIN	PRICE
<b>ACCUMULATION SHARE CLASSES</b>		
Institutional NOK (ICN)	LU1382364716	147.13
Institutional NOK	LU0840158496	146.38
Institutional USD	LU0840159387	132.22
Institutional EUR	LU0840158900	118.75
Institutional SEK	LU0840159544	126.39
Institutional CHF	LU1076701652	111.38
Institutional GBP	LU0840159973	100.00*
Retail NOK (RCN)	LU1382364633	153.59
Retail NOK	LU0740578702	153.65
Retail SEK	LU0840159460	126.09
Retail GBP	LU0840159890	127.99
Retail EUR	LU0840158819	119.78
Retail CHF	LU1428000985	100.00*

DISTRIBUTION SHARE CLASSES\*\*

Institutional NOK	LU1915698069	99.38
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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)	2 677

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Kistefos AS 20-25 FRN	NO0010911845	100.5	9.0%	3.8%	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%.
2 Ocean Yield ASA 19-24 Perp	NO0010861594	98.1	9.8%	3.7%	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 was recently taken over by KKR.
3 Siccar Point Energy Ltd 21-26	NO0010937501	101.0	8.3%	3.6%	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 was recently acquired by Ithaca Energy. The company has a significant hedging program, hence near to medium term protection against volatile oil prices.
4 Golar LNG Ltd. 21-25	NO0011123432	94.2	8.6%	3.5%	Golar LNG is a leading integrated LNG company established 75 years ago with a market cap of -USD 2.5bn. The credit is supported by a strong FLNG backlog, improving market fundamentals for its LNG carriers, solid liquidity position and debt service capacity.
5 FNG Nordic AB 19-24	SE0012827996	87.0	16.7%	3.5%	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.
6 Chip Bidco (Cegal) AS 19-24	NO0010869761	95.0	10.1%	3.2%	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.
7 Jordanes Investments AS 22-26 FRN	NO0012433301	93.1	10.3%	3.2%	Jordanes Investments is a consumer focused investment firm with exposure to robust and resilient non-discretionary consumer products. The company has a diversified portfolio of well-recognised consumer brands and restaurants in the Scandinavian market. The credit benefits from a strong and proven management team, resilient cash flow and strong cash conversion.
8 Stena Ab 14-24	USW8758PAK22	98.5	7.6%	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 strenghts are substantial asset backing combined with a solid liquidity position.
9 United Camping AB SK-FLR Notes 19-23	SE0013409570	98.7	8.8%	2.9%	First Camp is the leading camp site owner and operator in the Nordic region and the estimated LTV is approx. 65% which we deem to be attractive combined with the assets unique locations and the company's stable and low cyclical earnings. We find bond pricing and its low credit duration paired with its leading market position, strong debt service capacity and substantial asset backing to offer solid risk/reward for bondholders.
10 Norske Skog ASA FRN 21-26	NO0010936065	98.3	8.3%	2.6%	Norske Skog is one of the leading global producers of newsprint and magazine paper. The group has about 8% market share for newsprint and -3-5% for magazine paper. The Company is listed on the Oslo Stock Exchange with a market cap. of -NOK 6.6bn. 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.
11 Tidewater Inc 21-26	NO0011129579	99.2	8.4%	2.6%	Tidewater is one of the largest providers of offshore supply vessels and marine support services globally with a market cap. of -USD 906m. The credit benefits from the company's strong market position paired with free cash flow and low debt levels in an improving market.
12 Teekay LNG Partners L.P. NK-FLR Notes 2020(25)	NO0010891559	94.4	9.5%	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.
13 Norwegian Energy Co. ASA 19-26	NO0010870900	99.5	8.8%	2.3%	Norwegian Energy Company is an Oslo Stock Exchange listed company with a market cap NOK 11.6bn. The company operates producing oil and gas assets in the North Sea. The company is well capitalized with strong cash flow and has high gas exposure.
14 Frontmatec Group FRN 19-24	DK0030452263	101.5	7.3%	2.3%	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 cyclical.
15 SuperOffice Group AS 20-25 FRN	NO0010900129	99.9	8.8%	2.2%	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.
16 GasLog Ltd. 19-24 FRN	NO0010868953	98.8	9.1%	2.2%	Gaslog is an international owner and operator of LNG carriers. The company was recently acquired by BlackRock Global Energy & Power Infrastructure together with the Livanos family and Onassis Foundation.
17 Rederiaktiebolaget Eckerö EO-FLR Notes 2021(24/26)	NO0011130148	95.5	10.5%	2.2%	Rederi Eckerö (est. 1962) owns and operates passenger, car and cargo ferries between Åland and Sweden and Helsinki and Tallinn. Eckerö was prior to covid profitable and low levered. As the region is reopening we expect earnings to normalize gradually which would significantly deleverage the company. The bonds are issued by the parent company and pledged in two of Eckerö's ferries with an estimated gross LTV of 77% adding another layer of defence in the event that the recovery would take materially longer time.
18 Wallenius Wilhelmsen ASA 20-24 FRN	NO0010891971	100.3	7.8%	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 -27.2bn. The company has flexibility on their fleet and a strong liquidity position in order to navigate through current challenging market.
19 Abax Group AS 20-25	NO0010885312	99.4	8.6%	2.1%	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.
20 Odfjell Technology Ltd. 22-26 FRN	NO0012439480	99.1	9.5%	2.1%	Odfjell Technology is a leading offshore energy service and equipment company with a market cap. of -NOK 888m. The NOK 1.1bn 1st lien bonds carries a coupon of NIBOR + 700bps and mature in 4 years. LTM leverage is currently 2.7x and 2.2x on FY/21 estimates. The company has a contracted revenue backlog of USD 1.3bn, which means that the EBITDA backlog stands at 1.6x NIBD.
Sum				55.2%	

Total number of positions: 55.

## TEAM

## PORTFOLIO MANAGEMENT

**MORTEN E. ASTRUP***Chief Investment Officer & Founding Partner*

- Founded Storm in 2006 and has over 25 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*

- Joined Storm in 2015 and has over 15 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*

- Joined Storm in 2012 and has over 25 years of experience in financial advisory and sales. Before 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](mailto:tore@stormcapital.no)

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

- Joined Storm in 2012 and has over 13 years of experience from investment banking and business development. Before 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](mailto:marcus@stormcapital.no)

## AWARDS



Winner of EuroHedge Awards 2021 in the category UCITS - Macro, Fixed Income & Relative Value. The award was strictly quantitative measuring risk-adjusted returns for 2021. The fund delivered a positive return of 13.6% with modest volatility resulting in a Sharpe ratio of 4.2.



Winner of the Allocator/CNBC Investors Choice Awards 2016 in the category Long Only Credit Fund in EMEA & APAC. The award was 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 and non-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 Tellico 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.