

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 SHARECLASS³, 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%	2.5%	-0.2%	0.3%	1.2%	1.3%	7.1%
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% 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	7.1%
3-years	5.7%
5-years	5.2%
10-years	4.4%
Since inception of fund	5.9%

- 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 1.3% in December and is up 7.1% in 2022 (institutional IC NOK share class: LU0840158496).

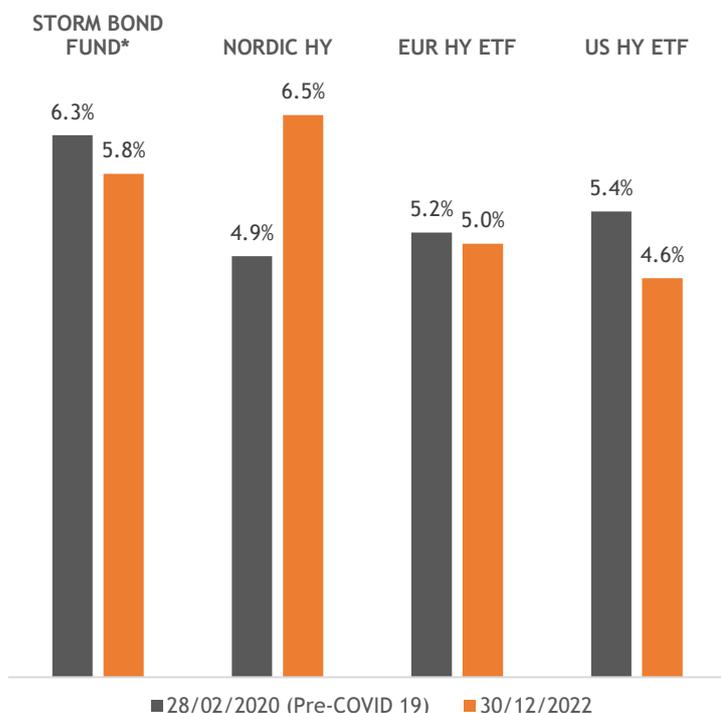
The year of 2022 was challenging for equity and bond markets due to the war in Ukraine and central bank's continued campaign to counter inflation with the steepest interest rate increase seen in decades. Longer duration assets such as high multiple stocks and long-dated fixed income came under severe pressure mirroring the new interest rate environment. Following a strong period earlier in Q4/22, sentiment turned to the negative in December with most stock and bond indices in the red. Risk assets, such as S&P 500 and Euro Stoxx 600 declined -5.9% and -3.4%, respectively. In the credit markets, returns were negative driven by higher interest rates with US 10Y and DE 10Y widening 27bps and 64bps. Consequently, US and European IG declined -0.4% and -4.6%. While their respective HY markets both declined -0.7% on the month.

At the outset of 2022 the NOK yield in the fund was 7.0% vs. the full year performance (net of fees) of 7.1%. The Nordic high yield market and Storm Bond Fund benefitted from having lower duration risk paired with higher credit spread protection vs. other international corporate bond markets. The fund's performance was further supported by a favorable sector mix with zero exposure to interest rate sensitive sectors such as Swedish real estate, improving credit metrics among core holdings and ample liquidity which enabled us to act on market volatility. Throughout the year we have continued our focus on increasing the credit quality which has resulted in our portfolio holdings having a weighted leverage level and interest coverage ratio of 3.7x (similar to US BB-) and 5.0x (similar to US BBB+).

In December, the fund’s performance came in at +1.3% driven by the coupon carry in addition to some credit spread compression. During the month, our previous top three holding Golar LNG bought back bonds at par vs. last done at ~95%. We sold 2/3 of our Golar LNG bonds in the buy-back. As mentioned in our last report, First Camp issued a new 3.5 years secured bond. We decided to not participate in the refinancing as the new structure will in our view leave the company highly operationally levered with limited room for debt service. Our First Camp bond exposure was consequently called and left our portfolio in late December. Furthermore, we participated in Intrum’s new senior unsecured EUR 450m 2028 notes. The bond was priced at 97.02% of par with a yield of 10% and a fixed coupon of 9.25%. The company is listed in Stockholm with a market cap of SEK 16bn and is the leading debt collector in Europe with a strong and long track-record. We saw the new bond issuance as an opportunity due to i) all-time high cost of capital for Intrum, ii) similar spreads as lower quality debt collector’s vs Intrum historically trading at steep discount in yields and iii) strong commentary from management that their key goal is to reduce leverage. Intrum LTM cash EBITDA sits at SEK 13.2bn, corresponding to 4x leverage and 4.5x ICR, while management targets to reach 3.5x as soon as practically possible. On cash flow, Intrum recurring LTM cash flow sits close to USD 10bn, which further illustrates robust debt servicing capacity. In addition, Intrum could reduce its investment pace and cut its dividend to reduce leverage. Total liquidity sits at SEK ~22bn (adj. for new bond issuance) vs SEK ~10.2bn in debt maturities through 2026.

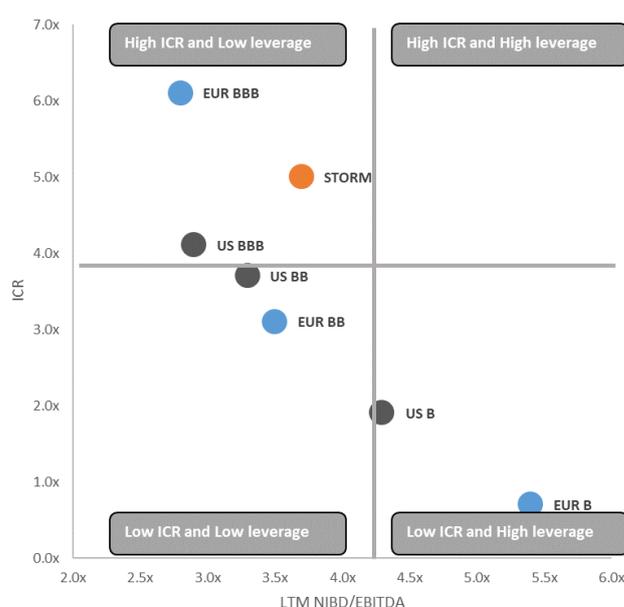
Entering 2023 - the yield level in the portfolio is at 8% (including ~13% in cash). We have high-graded the portfolio substantially throughout the year, being evident in the modest leverage level and strong interest coverage ratio and hence we deem to be well positioned for increased volatility going forward. We believe that current bond prices/yield levels are attractive and more than compensating us for the heightened recession risks in today’s market. The weighted average bond price in the portfolio is approximately 96%, and if assuming a conservative recovery rate of 70% (have been 80% in the fund), the discount in the market today implies a cumulative default rate of ~13%. This is far above the market’s default rate during the pandemic and in any single year in the fund’s 15-year track-record. We continue with our selective fundamental approach being exposed to companies with strong debt service capacity and sensible capital structures in the Nordic corporate bond market. The credit and modified duration is currently at 2 years and 1 years, which gives less sensitivity to changes in risk premiums and interest rates. Central to our risk management approach is also a robust liquidity buffer which enables us to manage through unforeseen volatility and continue to act on attractive investment opportunities in today’s environment. Historically, the starting yield has been a good indicator of the total return in the fund and as such we believe total return of approximately 8% (net of fees) may well be in store.

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



Source: Bloomberg, Storm Capital Management as of 30/12/2022.
 * individual spreads on bonds in Storm Bond Fund are capped at 30%. Storm Bond Fund excludes cash.
 European HY ETF (iShares iBoxx ETF, Bloomberg ticker: IBOXHY).
 US HY ETF (iShares iBoxx ETF, Bloomberg ticker: IBOXHY).

LEVERAGE (LTM NIBD/EBITDA) VS. INTEREST COVERAGE RATIOS (ICR)

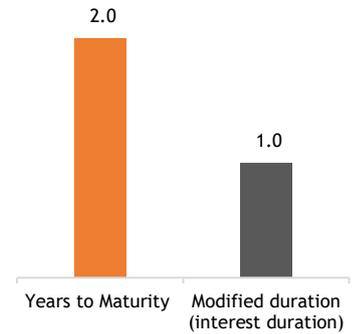
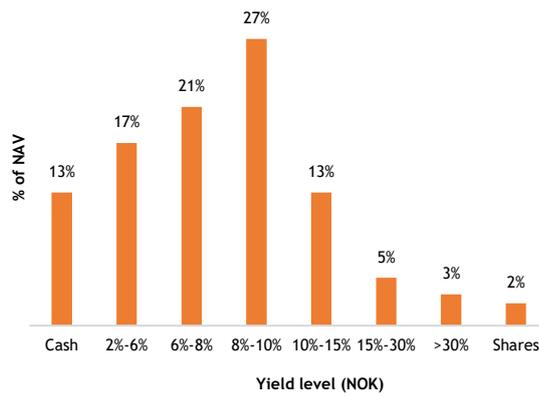
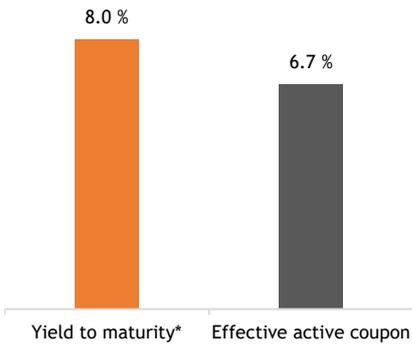


Source: Bloomberg, Storm Capital Management as of 30/12/2022.
 * For Storm cash above 10% is assumed invested at metrics equal to the unweighted avg. of the fund. In addition, some high-grade bonds with ICR of >60x has been excluded to not inflate the figures.

YIELD & COUPON (NOK)

YIELD DISTRIBUTION (NOK)

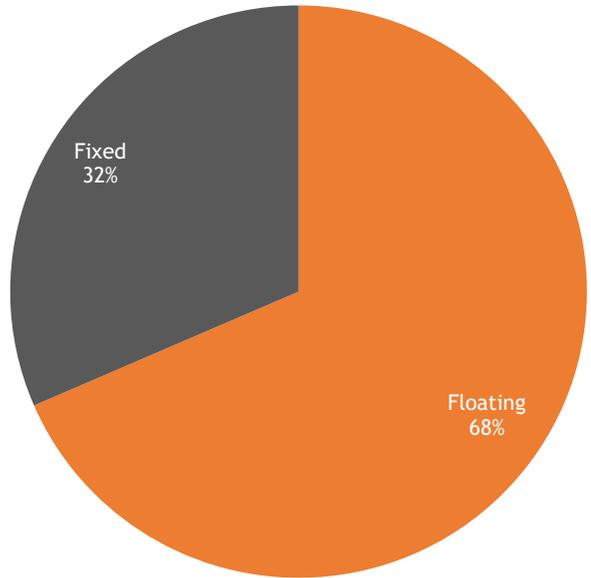
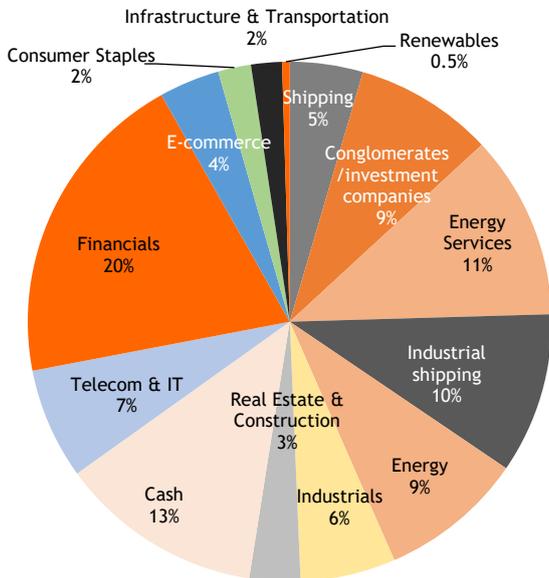
MATURITY / DURATION (YEARS)



* individual bonds capped at 30% in calculation.

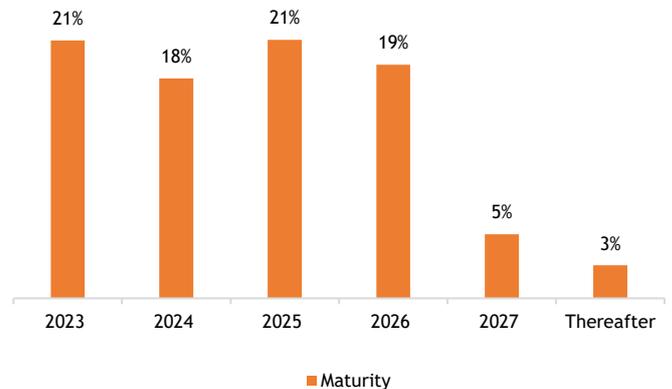
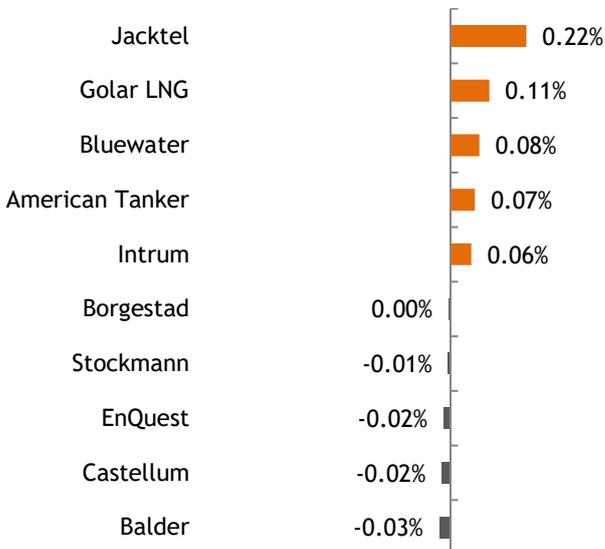
SECTOR ALLOCATION

FLOATING VS. FIXED RATES

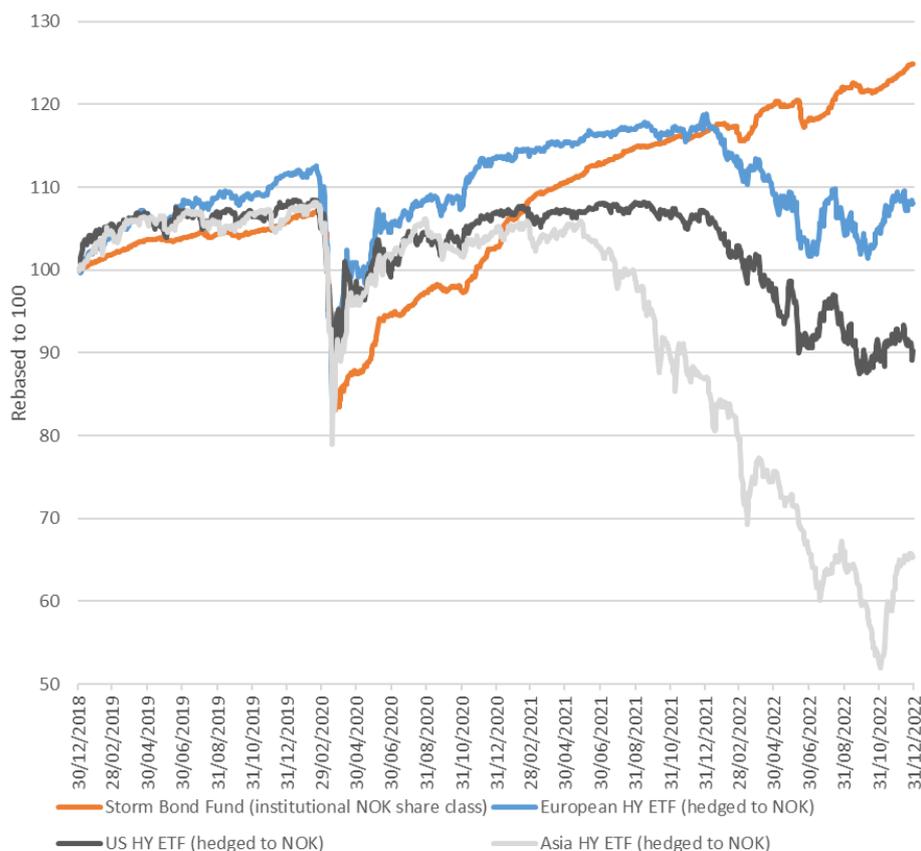


CONTRIBUTION ANALYSIS (top 5 / bottom 5)

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	7.1%	-8.3%	-15.6%	-24.7%
3-months	2.8%	5.2%	2.9%	9.8%
1-year	7.1%	-8.4%	-15.6%	-24.9%
4-years (ann.)	5.7%	2.0%	-2.5%	-10.1%

Risk - 4 years (ann.)				
Vol. (std dev.)	4.4%	10.1%	11.2%	14.3%
Sharpe	1.3x	0.2x	n.m.	n.m.

Source: Bloomberg as of 30/12/2022.
 Storm Bond Fund IC NOK (ISIN: LU0840158496).
 European HY ETF (hedged to NOK) (iShares European HY ETF, Bloomberg ticker: HIGEUR 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
ACCUMULATION SHARE CLASSES		
Institutional NOK (ICN)	LU1382364716	154.69
Institutional NOK	LU0840158496	153.89
Institutional USD	LU0840159387	139.87
Institutional EUR	LU0840158900	123.90
Institutional SEK	LU0840159544	132.16
Institutional CHF	LU1076701652	115.87
Institutional GBP	LU0840159973	100.00*
Retail NOK (RCN)	LU1382364633	161.31
Retail NOK	LU0740578702	161.35
Retail SEK	LU0840159460	132.33
Retail GBP	LU0840159890	134.68
Retail EUR	LU0840158819	124.91
Retail CHF	LU1428000985	100.00*

DISTRIBUTION SHARE CLASSES**

Institutional NOK	LU1915698069	103.17
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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)	4 415

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Ocean Yield ASA 19-24 Perp	NO0010861594	102.9	8.1%	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 was recently taken over by KKR and the bond is callable in Sep-2024. We see a strong incentive for Ocean Yield to repay the bond in 2024/2025, given the significant coupon step-up of 500bps in Mar-25. As such, we find the coupon carry attractive both on a stand-alone and relative basis paired with low refinance risk.
2 Stena Ab 14-24	USW8758PAK22	97.3	8.2%	2.8%	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.
3 American Tanker Inc. 20-25	NO0010886328	96.8	7.9%	2.5%	American Shipping company owns 10x modern US Jones Act Tankers. The Company is listed on the Oslo Stock Exchange with a mcap of NOK 3.0bn. All vessels chartered out on bareboat contracts to OSG. These rates are sufficient to cover debt service and dividends. The counterparty risk in OSG is reduced through improved market fundamentals and newly refinanced balance sheet. Strong financial sponsor in Aker ASA.
4 Kistefos AS 20-25 FRN	NO0010911845	104.8	8.3%	2.4%	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%.
5 INTRUM AB 22-28	XS2566291865	98.9	10.6%	2.4%	Intrum is a leading debt collector listed in Stockholm with a market cap of SEK 16bn. We deem the bond attractive due to i) all-time high cost of capital for Intrum, ii) similar spreads as lower quality debt collector's vs Intrum historically trading at steep discount in yields and iii) strong commentary from management that their key goal is to reduce leverage. Intrum LTM cash EBITDA sits at SEK 13.2bn, corresponding to 4x leverage and 4.5x ICR, while management targets to reach 3.5x as soon as practically possible. On cash flow, Intrum recurring LTM cash flow sits close to USD 10bn, which further illustrates robust debt servicing capacity.
6 Norske Skog ASA FRN 21-26	NO0010936065	101.9	8.1%	2.4%	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 7bn. Norske Skog has one EUR 125m senior secured bond outstanding maturing in 2026 which is carrying a coupon of EURIBOR + 600bps. The credit benefits from having low leverage and solid cash conversion.
7 Bluewater Holding B.V. 22-26	NO0012740234	100.9	10.2%	2.2%	Bluewater is a fully integrated FPSO provider and developer of SPM systems with operations dating back to the early 80s. Today, the company owns 5x FPSO, of which 3x are currently operating on firm contracts. The credit benefits from having strong cash flow visibility, solid operational track-record and a well structured bond agreement which limits residual value risk for bondholders.
8 Odfjell Technology Ltd. 22-26 FRN	NO0012439480	105.3	8.3%	2.2%	Odfjell Technology is a leading offshore energy service and equipment company with a market cap. of -NOK 1.1bn. The NOK 1.1bn 1st lien bonds carries a coupon of NIBOR + 700bps. LTM leverage is currently 1.9x and the company has a contracted revenue backlog of USD 1.5bn, which means that the EBITDA backlog stands at 1.7x.
9 Chip Bidco (Cegal) AS 19-24	NO0010869761	97.5	10.2%	2.1%	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.
10 FNG Nordic AB 19-24	SE0012827996	82.3	23.6%	2.0%	FNG Nordic ("Ellos") 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.
11 Jordanes Investments AS 22-26 FRN	NO0012433301	96.1	10.5%	2.0%	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.
12 Seapeak 20-25 FRN	NO0010891559	99.8	8.5%	2.0%	Established in Jul 17 as a carve out from Teekay Offshore, Seapeak (formally: Altera Shuttle Tankers) is the world's largest owner and operator of shuttle tankers. Seapeak is 100% controlled by Brookfield Asset Management. The credit benefit from having a leading market position, strong earnings visibility and solid owner backing.
13 Navigator Holdings Ltd. 20-25	NO0010891955	99.6	6.9%	1.9%	Navigator owns and operates the world's largest fleet of handysize gas carriers with a market cap of -USD 890m. The fleet was recently expanded through the merger with Ultragas back in 2021 and the fleet is now comprised of 55 ships. The credit benefits from having strong credit metrics, significant debt service capacity and robust underlying market fundamentals.
14 Wallenius Wilhelmsen ASA 20-24 FRN	NO0010891971	103.9	6.6%	1.7%	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 -40bn. The company has flexibility on their fleet and a strong liquidity position in order to navigate through current challenging market.
15 Stolt-Nielsen Ltd. 20-23	NO0010886096	101.0	5.6%	1.6%	Stolt-Nielsen is the largest owner of chemical tankers internationally and is listed on the Oslo Stock Exchange with a market cap of NOK 14.8bn. The credit is supported by a robust balance sheet and a strong underlying market. Furthermore, the chemical market has historically proved to be resilient in times of slowing GDP growth
16 EnQuest PLC 22-27	USG315APAG37	94.3	11.7%	1.6%	EnQuest is a energy company listed in Swedish with a market cap - USD 500m. The company focus on production from mature fields in the North Sea. The credit benefit from low leverage and strong debt service, high FCF and de-leveraging capabilities, North Sea exposure, recently re-fi'ed, CEO aligned interest, Tax shield reduces impact of windfall tax, EnQuest is the operator of -80% of its barrels (Cost flexibility).
17 GasLog Ltd. 19-24 FRN	NO0010868953	102.9	7.9%	1.5%	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.
18 Danske Bank AS Perp 17-24	XS1586367945	95.7	8.4%	1.5%	Danske Bank is Demark's largest bank with a market capitalization of -DKK 125bn and a CET1 ratio per end-Q3/22 of 16.9%. The bonds are subordinated with call date on March 28th 2024. We see limited call risk on the back of the strong balance sheet.
19 Norwegian Energy Co. ASA 19-26	NO0010870900	99.1	8.0%	1.4%	Norwegian Energy Company is an Oslo Stock Exchange listed company with a market cap NOK 9.7bn. 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.
20 Jacktel A.S. 18/23	NO0010836778	92.3	18.5%	1.4%	Jacktel owns and operates an accomodation jack-up unit currently working for TotalEnergies EP in Denmark. The credit benefits from the company's strong market position paired with free cash flow and low debt levels in an improving market.
Sum				40.7 %	

Total number of positions: 60.

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



GUSTAF AMLE

Portfolio Manager

- Joined Storm in 2022 and has 6 years of experience from investment banking and credit research
- Previous experience as a partner and credit research analyst at Fearnley Securities
- Gustaf is responsible for:
 - Portfolio management
 - Research and daily monitoring of investment universe
- Gustaf holds a BSc in Business and Economics from Lancaster University and a MSc in Economics from Imperial College London

BUSINESS DEVELOPMENT / SALES



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



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

COMPLIANCE / OPERATIONS



DAGFINN SUNDAL

Compliance / CFO / Risk Management

- 10 years of auditing, compliance and controlling experience
- Previous experience from Schibsted and Ernst & Young
- Dagfinn is responsible for:
 - Compliance
 - Administration
 - Risk management
- Dagfinn holds a MSc in Business and Economics, and a MSc in Professional Accountancy from the Norwegian Business School (BI)



BERIT M. ISHAUG

Accounting / Back-office

- 25+ years of accounting and admin experience
- Previous experience from Arctic Securities
- Berit is responsible for:
 - Accounting
 - Back office
- Berit holds a BSc in Business and Economics from the Norwegian Business School (BI)

INDUSTRY AWARDS



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: Dronning Mauds gate 3, 0250 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.