

ABOUT THE FUND

Storm Bond Fund (UCITS) is a Nordic corporate bond 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 the Nordic corporate bond market 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
2023	1.8%	1.0%	-0.3%										2.4%
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% <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	7.9%
3-years	15.3%
5-years	5.4%
10-years	4.3%
Since inception of fund	6.0%

- 1) From 1 Jan 2010, base currency EUR (hedged).
- 2) From 1 Jan 2012, base currency NOK (hedged).
- 3) From 1 Jan 2013, base currency NOK (hedged), based on institutional IC NOK share class (LU0840158496).  
Past performance is no guarantee for future performance.

COMMENT BY PORTFOLIO MANAGERS

Dear investor,

Storm Bond Fund posted a negative return of -0.3% in March and is up 2.4% YTD (institutional IC NOK share class: LU0840158496).

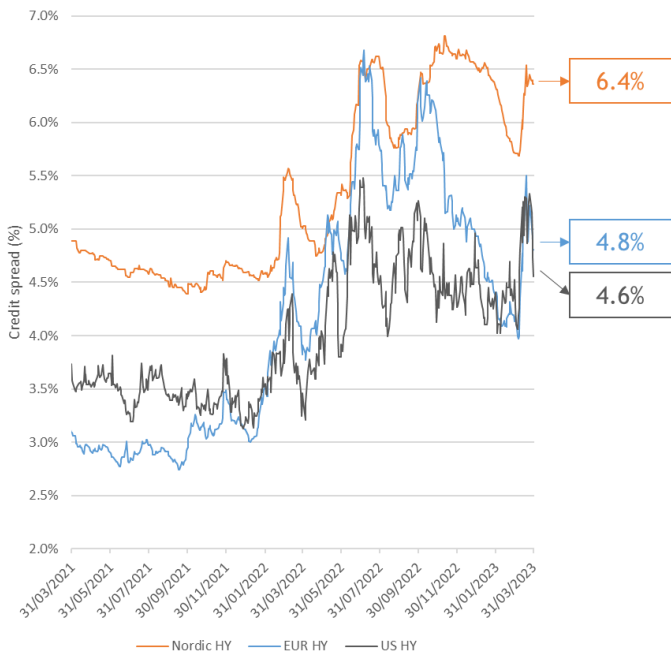
During March, global markets saw elevated volatility following the collapse of SVB and the forced merger between Credit Suisse and UBS. The stress in the banking sector fuelled a rally in Treasuries and shifted interest rate expectations downwards. The US 10Y tightened some ~50bps, while the market now expects the Fed Funds Rate to peak at ~4.95% next month with ~55bps of rate cuts priced in for the remainder of the year. In corporate credits, US investment grade outperformed European IG (US +3.5% / EUR +0.2%), while their HY counterparts was up +1.4% and +1.3%, respectively. In the equity markets, the S&P 500 advanced +3.5%, while European equity markets declined with Stoxx 600 down -0.6% for the month.

The fund's performance was impacted by the abovementioned adverse market conditions which resulted in credit spreads widening and consequently bond prices declining across our holdings. This was to some extent mitigated by our solid coupon carry paired with continued positive development from the energy services exposure. During the month we initiated new positions in Sanoma's EUR 150m hybrid bond and Floatel International's USD 100m super senior.

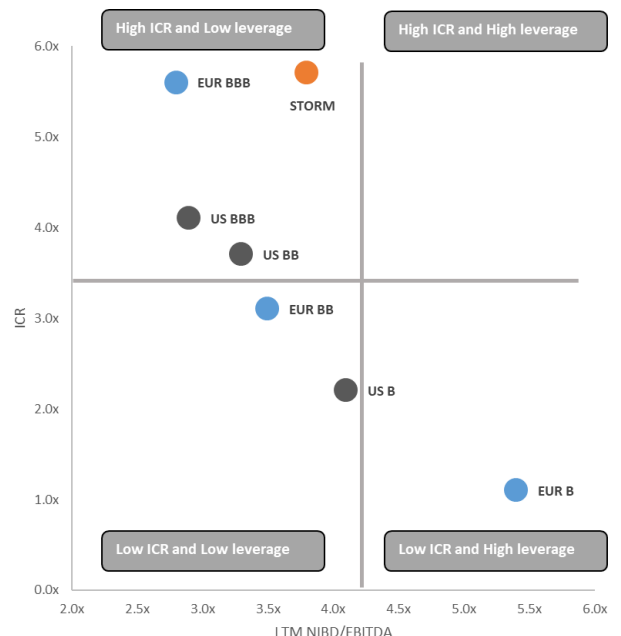
Sanoma is Finland's #1 media corporation and the leading European supplier of K12 learning services. The company is listed on the Helsinki stock exchange with a market cap of EUR 1.3bn. The hybrid notes carry a coupon of 8% and has a coupon step-up of 5% if not called. The credit is backed by its leading market position in Finland and Europe, solid cash conversion and moderate leverage metrics of 3.2x. Floatel owns and operates five modern and high specification offshore accommodation assets. The super senior (SS) bond maturing in 2026 carries a coupon of 11.25% and has 1st lien pledge in all assets. We find the SS bond collateral coverage attractive, standing at 6% LTV on construction costs and 20% LTV on broker values. The market for accommodation rigs is improving, driven by a falling supply side coupled with strengthening demand prospects. This is exemplified by Floatel's recent contract wins and improving backlog figures. Further, we see Floatel well positioned to reap the benefits of an improving 2024 and 2025 accommodation market. Furthermore, we added to our position in American Shipping Company's 2025 bond at yields in the range of ~9.25-10%. We deem the credit profile to be at its all-time best with strong market fundamentals, solid contract coverage and cash flow visibility paired with a well-capitalized balance sheet. Contracted EBITDA backlog is estimated to cover most of the outstanding net debt. We also view it likely that the bond structure is going to motivate the company to call back bonds early which would further boost bondholder returns.

The yield level in the portfolio is currently at 8.7% in NOK (including ~13% in cash), representing an attractive spread premium between Nordic HY and international HY markets (illustrated in the chart on the bottom left-hand). We continue with our selective fundamental approach targeting companies with strong debt service capacity and sensible capital structures - having high-graded the portfolio substantially during the last 6-months, meaning that the credit quality in the portfolio is robust and resilient. This is illustrated by our portfolio holdings having a weighted leverage level and interest coverage ratio of ~3.8x (similar to US BB-) and ~5.7x (similar to US BBB+). We therefore believe that current bond prices/yield levels paired with the credit quality are compelling and more than compensating us for recession risks in today's environment. The credit and modified duration are currently at 1.9 years and 0.9 years, respectively, which gives less sensitivity to changes in credit spreads 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.

**CREDIT SPREAD DEVELOPMENT (LAST 2-YEARS)**



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



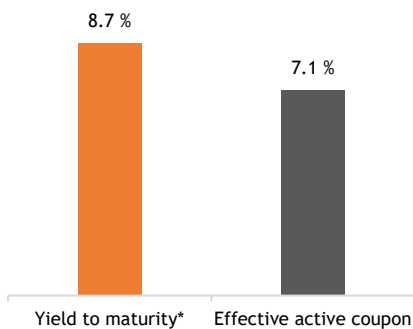
Source: Bloomberg, as of 31/03/2023.  
 Nordic HY (DNB's High Yield Index, Bloomberg ticker: DNBHYH Index),  
 European HY ETF (iShares European HY ETF, Bloomberg ticker: HIGHEUR EU equity),  
 US HY ETF (iShares iBoxx ETF, Bloomberg ticker: IBOXHY).

Source: Bloomberg, Storm Capital Management as of 31/03/2023.  
 \* 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.

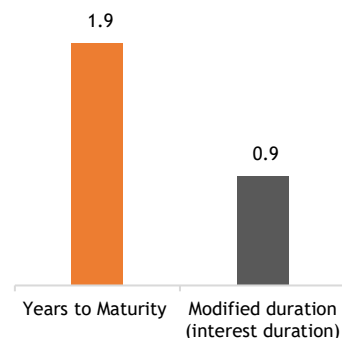
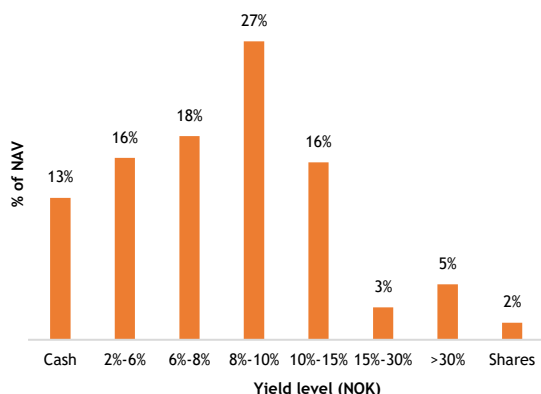
**YIELD & COUPON (NOK)**

**YIELD DISTRIBUTION (NOK)**

**MATURITY / DURATION (YEARS)**

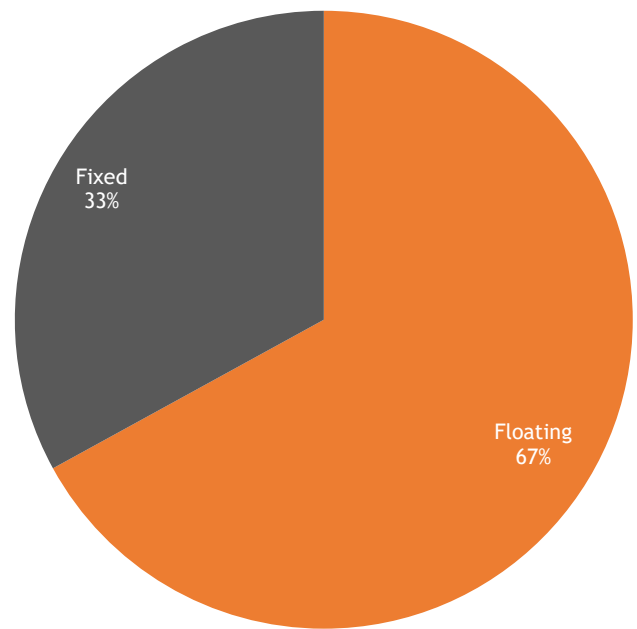
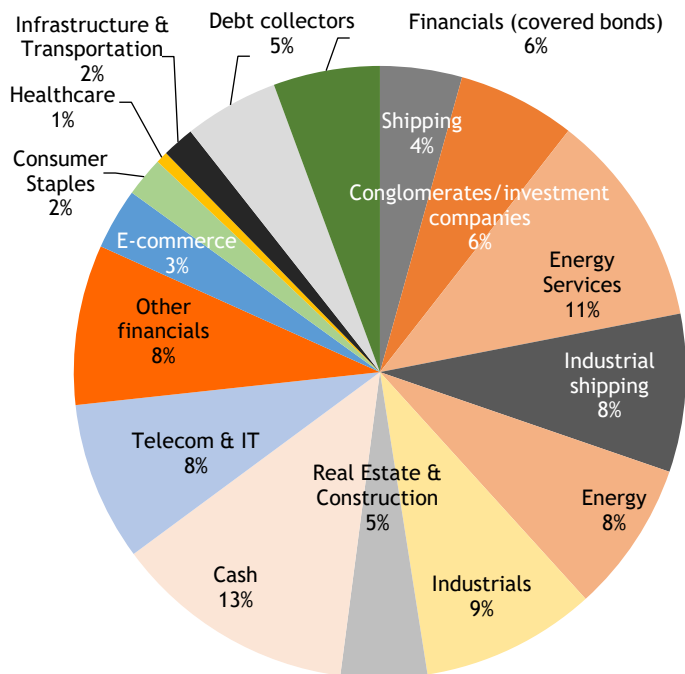


\* individual bonds capped at 30% in calculation.



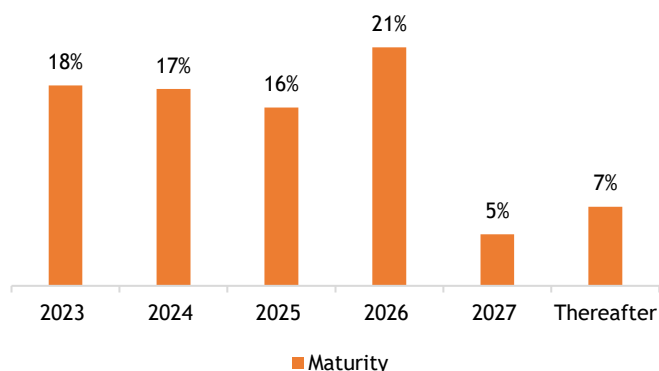
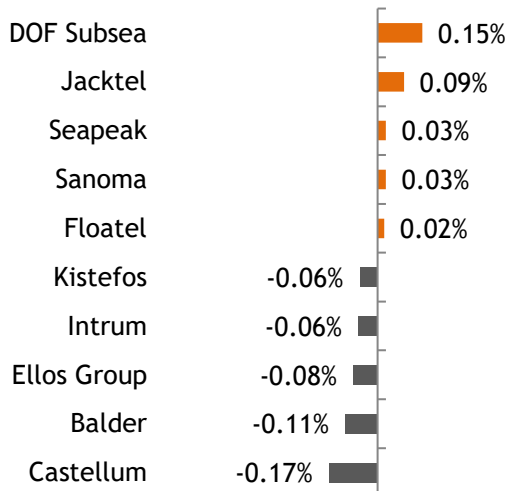
**SECTOR ALLOCATION**

**FLOATING VS. FIXED RATES**

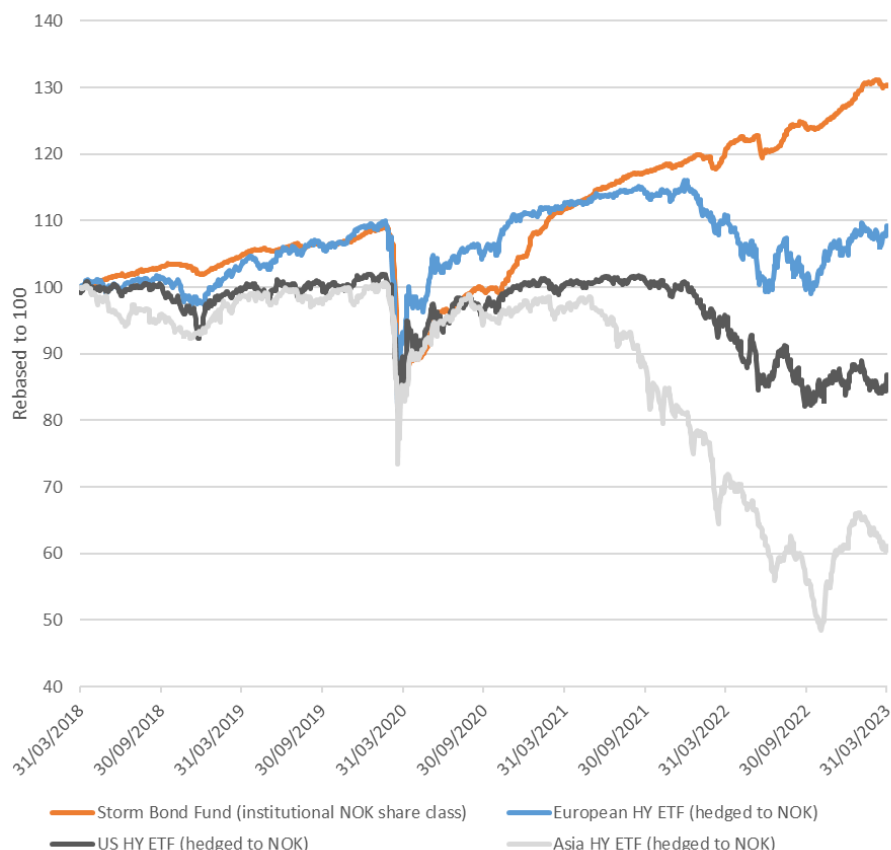


**CONTRIBUTION ANALYSIS (top 5 / bottom 5)**

**MATURITY PROFILE**



TOTAL RETURN - STORM BOND FUND VS. US, EUROPEAN & ASIAN HIGH YIELD (LAST 5-YEARS)



Performance	Storm HY	European HY	US HY	Asian HY
YTD	2.4%	3.3%	2.3%	0.5%
1-year	7.9%	-1.1%	-8.8%	-14.7%
3-year (ann.)	15.3%	5.4%	-0.8%	-10.0%
5-years (ann.)	5.4%	1.8%	-2.8%	-9.4%

Risk - 5 years (ann.)				
Vol. (std dev.)	4.0%	9.4%	10.4%	13.1%
Sharpe	1.4x	0.2x	n.m.	n.m.

Source: Bloomberg as of 31/03/2023.  
 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	158.42
Institutional NOK	LU0840158496	157.62
Institutional USD	LU0840159387	143.78
Institutional EUR	LU0840158900	126.56
Institutional SEK	LU0840159544	135.20
Institutional CHF	LU1076701652	118.05
Retail NOK (RCN)	LU1382364633	165.13
Retail NOK	LU0740578702	165.13
Retail SEK	LU0840159460	135.57
Retail GBP	LU0840159890	137.79
Retail EUR	LU0840158819	127.39

<b>DISTRIBUTION SHARE CLASSES*</b>		
Institutional NOK	LU1915698069	104.70

\* share classes in 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)	5 222

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 American Tanker Inc. 20-25	NO0010886328	96.8	8.1%	2.8%	American Shipping company owns 10x modern US Jones Act Tankers. The Company is listed on the Oslo Stock Exchange with an mcap of NOK 3.0bn. All vessels chartered out on bareboat contracts. Estimated EBITDA backlog covers majority of net debt. Strong financial sponsor in Aker ASA.
2 Ocean Yield ASA 19-24 Perp	NO0010861594	103.1	8.1%	2.5%	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 refinace risk.
3 Stena Ab 14-24	USW8758PAK22	99.7	5.9%	2.4%	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.
4 B2 Holding ASA FRN 22-26	NO0012704107	98.6	11.1%	2.3%	B2 is a leading Nordic debt collector with a market cap. of NOK 3bn. The credit case is backed by i) strong balance sheet with 2.4x leverage and a robust liquidity position exceeding NOK 3bn, ii) significant debt service capacity with ICR at -7x and iii) Nordic exposure and industry leading cash EBITDA margins of -70%.
5 Norske Skog ASA FRN 21-26	NO0010936065	103.1	8.0%	2.1%	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 market cap. of -NOK 6bn. 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.
6 INTRUM AB 22-28	XS2566291865	97.9	10.5%	2.1%	Intrum is a leading European debt collector listed in Stockholm with a market cap of -SEK 14bn. 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 -6x ICR, while management targets to reach 3.5x leverage 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.
7 Chip Bidco (Cegal) AS 19-24	NO0010869761	99.0	9.8%	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.
8 Jordanes Investments AS 22-26 FRN	NO0012433301	97.3	10.5%	2.1%	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.
9 Kistefos AS 20-25 FRN	NO0010911845	102.1	9.7%	2.0%	Norwegian investment company, which is 100% owned by Mr. 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 -14bn, which implies LTV of less than 40%.
10 Bluewater Holding B.V. 22-26	NO0012740234	102.3	9.7%	2.0%	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.
11 GLX Holding AS 23/27 FRN	NO0012838970	99.5	10.6%	1.9%	Glamox is a leading global provider of professional lightening systems. The bond is senior secured and carries a coupon of N+675bps. The credit profile is supported by moderate leverage, solid cash conversion and a leading market position. In addition it has solid financial sponsors in Triton and Mr. Erik Must.
12 Ellos Group AB 19-24	SE0012827996	77.8	30.0%	1.7%	Ellos Group is a Swedish e-commerce company. The bond structure is ring-fenced with no leakage. The credit story is deemed to be attractive due to the company's solid market position, strong cash generation, sound LTV levels and tight bond structure.
13 Seapeak 20-25 FRN	NO0010891559	99.6	9.0%	1.6%	Seapeak is one of the largest owner and operators of LNG transportation assets with 90 vessels. The company is 100% owned by Stonepeak. The credit benefits from having a moderate balance sheet paired with a significant revenue backlog.
14 Sanoma OYJ 23-26	FI4000549563	101.1	12.1%	1.6%	Sanoma is Finland's #1 media corporation and the leading European supplier of K12 learning services. The company is listed on the Helsinki stock exchange with a market cap of EUR 1.3bn. The hybrid notes carry a coupon of 8% and has a coupon step-up of 5% if not called. The credit is backed by its leading market position in Finland and Europe, solid cash conversion and moderate leverage metrics of 3.2x.
15 Navigator Holdings Ltd. 20-25	NO0010891955	98.6	7.3%	1.6%	Navigator owns and operates the world's largest fleet of handysize gas carries with a market cap of -USD 1bn. The fleet was recently expanded through the merger with Ultragas back in 2021 and the fleet is now comprised of 56 ships. The company plays a vital part in the liquefied gas supply chain. The credit benefits from having strong credit metrics, significant debt service capacity and robust underlying market fundamentals.
16 Odfjell Technology Ltd. 22-26 FRN	NO0012439480	105.4	8.6%	1.4%	Odfjell Technology is a leading offshore energy service and equipment company with a market cap. of -NOK 2bn. The NOK 1.1bn 1st lien bonds carries a coupon of NIBOR + 700bps. LTM leverage is currently 1.2x and the company has a contracted revenue backlog of USD 1.1bn. As such, the bond offers solid cash flow visibility with the remaining EBITDA backlog covering net debt by 2.2x.
17 Floatec Int. Ltd. 11,25% 23/26	NO0012862673	100.7	9.9%	1.4%	Floatec owns and operates five modern and high specification offshore accommodation assets. The super senior carries a coupon of 11.25% and has 1st lien pledge in all assets. We find the collateral coverage attractive, standing at 6% LTV on construction costs and 20% LTV on broker values. The market for accommodation rigs is improving, driven by a falling supply side coupled with strengthening demand prospects.
18 EnQuest PLC 22-27	USG315APAG37	93.3	12.1%	1.5%	EnQuest is a energy company listed in Sweden with a market cap - USD 450m. 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).
19 Wallenius Wilhelmsen ASA 20-24 FRN	NO0010891971	103.2	7.1%	1.4%	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 ~31bn. The company has flexibility on their fleet and a strong liquidity position.
20 Stolt-Nielsen Ltd. 20-23	NO0010886096	100.3	6.8%	1.4%	Stolt-Nielsen is the largest owner of chemical tankers internationally and is listed on the Oslo Stock Exchange with a market cap of NOK 21bn. 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.
Sum				38.1%	

Total number of issuers: 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 7 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 14 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

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**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)

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 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.