

## 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 fund is classified as Article 8 under SFDR (ESG). 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%	1.5%	0.5%	0.2%	1.2%	1.2%	0.6%				7.7%
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	10.8%
3-years	11.3%
5-years	5.9%
Since inception of fund	6.1%

- 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 0.6% in September and is up 7.7% YTD (institutional IC NOK share class: LU0840158496).

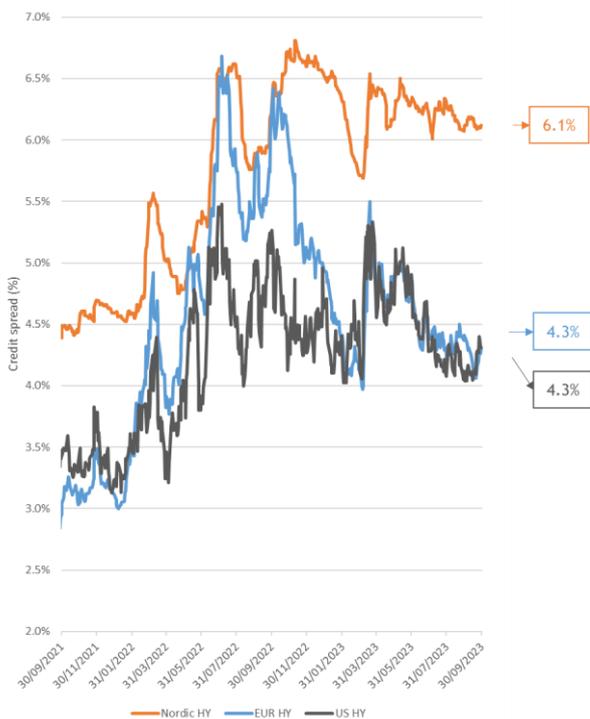
Global markets continued to sell-off during September on the back of rising longer dated Treasury yields. During September, the yield on the US 10Y increased +60bps to 4.8%, while it has increased +140bps since May. Risk assets measured by the Nasdaq, S&P 500 and Stoxx 600 declined by -5.8%, -4.9% and -1.7%, respectively. In the corporate bond market, spreads widened in the US and tightened slightly in Europe. On a total return basis, US HY fell -1.2% and EUR HY gained +0.3%, both outperforming their IG counterparts.

The Nordic high yield market delivered solid returns in September and Storm Bond Fund generated +0.6% in a volatile market. The fund's largest contributions came from the attractive coupon carry, lower duration risk vs. international markets and our energy services exposure. During the month, we initiated a new position in GN Store Nord's EUR 600m bond maturing in November 2024 at a NOK yield of 8.3%. GN is a leading global player in the hearing aid and audio industry. The company was founded in 1869 and has a market cap of DKK ~18bn (USD ~2.6bn). After a period with soft financial performance GN initiated a new financing plan to push DKK ~7bn of debt maturities from 2023 to 2026. GN has since the initiation of the capital plan raised DKK 2.75bn in rights issue, received commitment from its banks to upsize loan facilities by DKK 3.4bn and improved free cash flow. We see NIBD/EBITDA approaching 3x by end-24e (company targets 2x), which together with delivering on its capital plan and having a substantial and proven adaptable capital structure that 2024 maturity risk is exceedingly low. Furthermore, GN's largest competitor William Demant has flagged more than 10% holding which has increased likelihood of takeover.

Moreover, we built a position in Shelf North Sea at a yield of 9.8% during the month. The USD 250m first lien notes mature in 4Q25 and carry a coupon of 10.25% with 2.5% semi-annual instalments. The bonds have security in five high specifications modern jack-ups, among them one of the highest specifications jack-ups in the world. We see value in the bonds due to 1) high quality collateral with low debt per rig, resulting in gross LTV of 30%, 2) robust market cap of USD ~300m and 3) a stronger parent company following the recent successful re-financing.

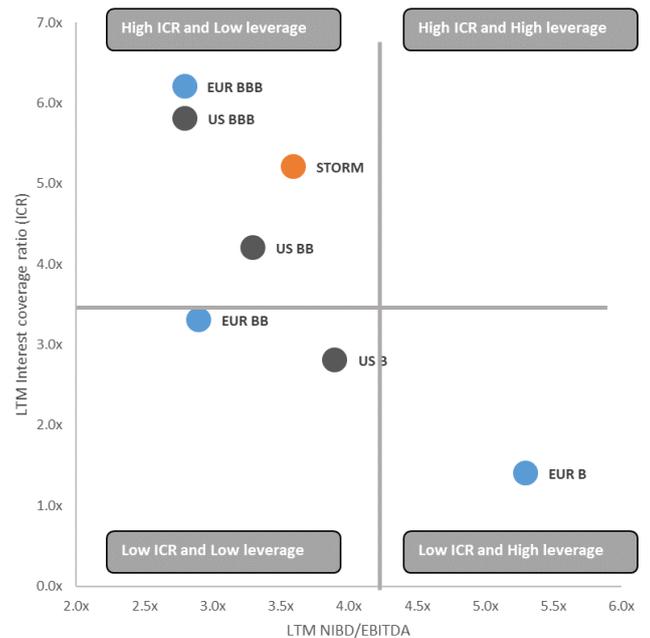
The yield level in the portfolio is currently at 8.6% in NOK (including -9% in cash). We continue with our selective bottom-up approach targeting companies with strong cash flow visibility/debt service capacity combined with sensible capital structures. We have high-graded the portfolio substantially during the last 12-months and we deem 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 ~3.6x (similar to US BB-) and ~5.2x (similar to US BBB-). We therefore believe that the current risk/reward is attractive and more than compensating us for recession risks in today's environment. The credit and modified duration are currently at 2.1 years and 1.0 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.

CREDIT SPREAD DEVELOPMENT (LAST 2-YEARS)



Source: Bloomberg, as of 29/09/2023.  
 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).

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

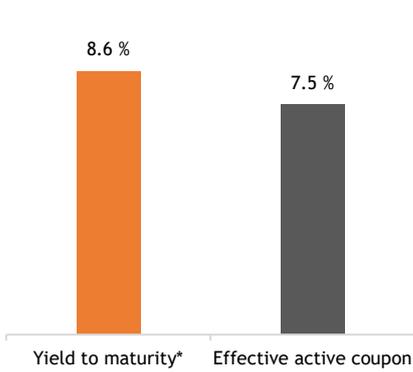


Source: Bloomberg, Storm Capital Management as of 31/08/2023.

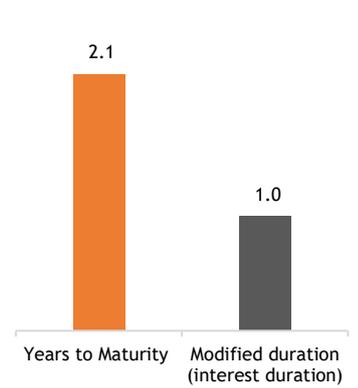
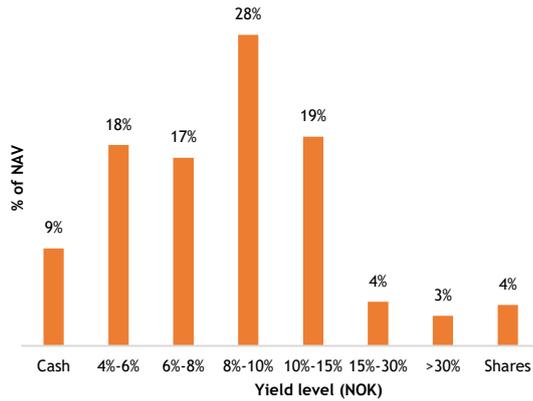
**YIELD & COUPON (NOK)**

**YIELD DISTRIBUTION (NOK)**

**MATURITY / DURATION (YEARS)**

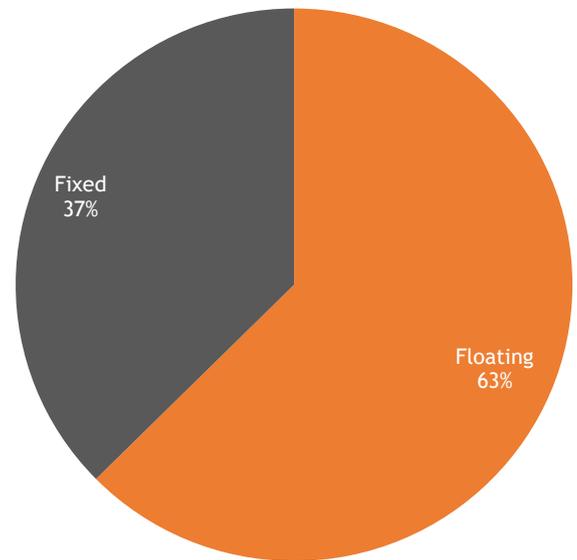
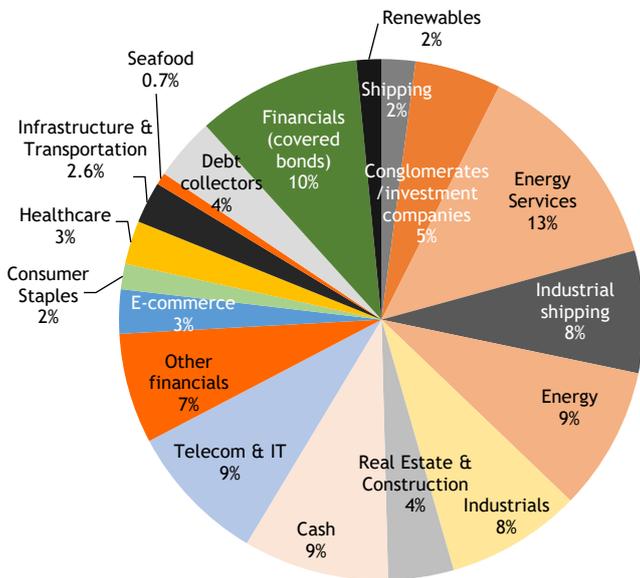


\* individual bonds capped at 30% in calculation.



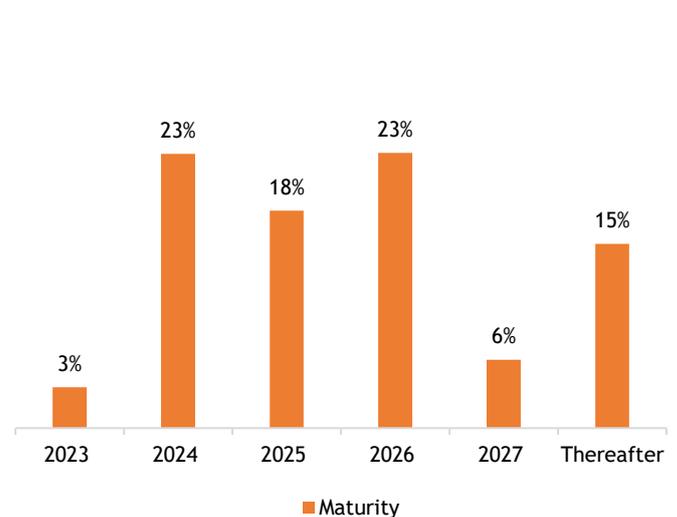
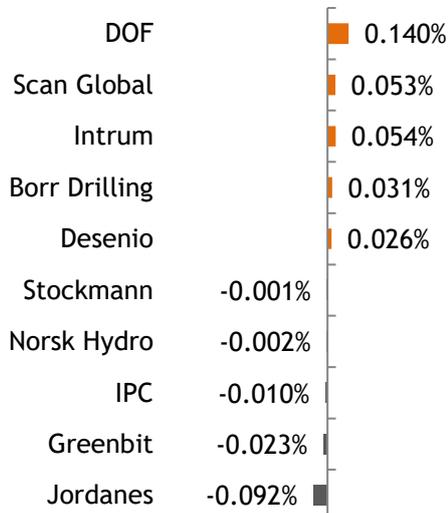
**SECTOR ALLOCATION**

**FLOATING VS. FIXED RATES**

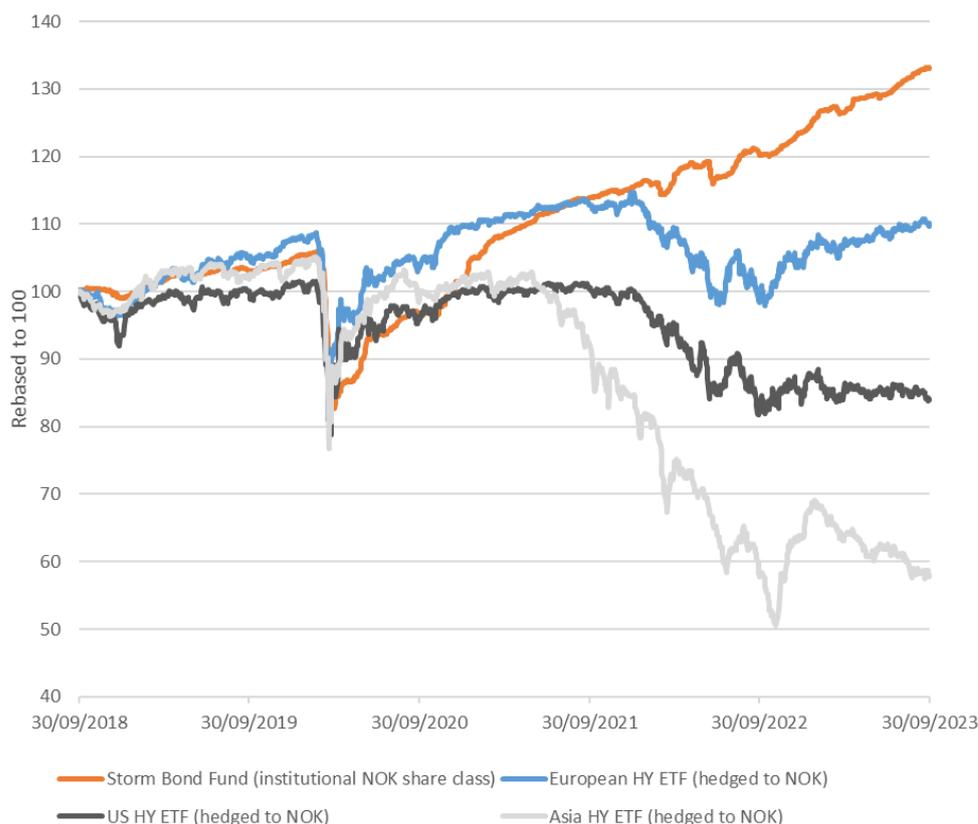


**CONTRIBUTION ANALYSIS (top 5 / bottom 5)**

**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	7.7%	5.5%	-0.6%	-8.6%
1-year	10.8%	11.0%	2.3%	0.4%
3-year (ann.)	11.3%	2.0%	-4.5%	-16.5%
5-years (ann.)	5.9%	1.9%	-3.4%	-10.3%

Risk - 5 years (ann.)				
Vol. (std dev.)	4.0%	9.4%	10.6%	13.5%
Sharpe*	1.5x	0.2x	n.m.	n.m.

Source: Bloomberg as of 29/09/2023.  
 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).  
 \* Sharpe calculated as 5-years (ann.)/Vol. (std dev.)  
 Past performance is no guarantee of future results.

PRICES FOR DIFFERENT SHARE CLASSES

SHARE CLASSES	ISIN	PRICE
<b>ACCUMULATION SHARE CLASSES*</b>		
Institutional NOK (ICN)	LU1382364716	166.65
Institutional NOK	LU0840158496	165.79
Institutional USD	LU0840159387	151.80
Institutional EUR	LU0840158900	132.64
Institutional SEK	LU0840159544	142.01
Institutional CHF	LU1076701652	122.58
Retail NOK (RCN)	LU1382364633	173.53
Retail NOK	LU0740578702	173.45
Retail SEK	LU0840159460	142.11
Retail GBP	LU0840159890	145.17
Retail EUR	LU0840158819	133.49
<b>DISTRIBUTION SHARE CLASSES*</b>		
Institutional NOK	LU1915698069	107.28

OTHER INFORMATION

Share classes	NOK, SEK, EUR, USD, GBP, CHF (all hedged)
Domicile	Luxembourg
Investment Manager	Storm Capital Management AS
Administrator	Hauk & Aufhäuser Asset Management Services
Custodian Bank	Hauk & 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
ESG classification (SFDR)	Article 8
AUM (NOKm)	6 423

\* share classes in other currencies to be opened on demand from investors.

## BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Bluewater Holding B.V. 22-26	N00012740234	101.1	11.8%	2.7%	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.
2 American Tanker Inc. 20-25	N00010886328	100.8	7.3%	2.5%	American Shipping company ("AMSC") owns 10x modern US Jones Act Tankers. The Company is listed on the Oslo Stock Exchange with an mcap of -NOK 3bn. All vessels chartered out on bareboat contracts. Estimated EBITDA backlog covers majority of net debt. Strong financial sponsor in Aker ASA.
3 Norske Skog ASA FRN 21-26	N00010936065	103.0	8.8%	2.3%	Norske Skog is one of the leading global producers of newsprint and magazine paper. The group has about 8% market share for newsprint and -3.5% for magazine paper. The Company is listed on the Oslo Stock Exchange with a market cap. of -NOK 4.4bn. 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.
4 Odfjell Drilling 23-28	N00012921172	102.0	8.6%	2.3%	Odfjell Drilling is a leading provider of energy services in the North Sea and is listed on Oslo Stock Exchange with a mcap of -NOK 8.6bn. The credit benefit from a strong collateral package comprised of two high spec rigs under long term contracts with Equinor. Further, the current EBITDA backlog of the collateral rigs covers the bond by more than 100%, resulting in strong cash flow visibility and debt service capabilities. We estimate 60% LTV at issuance, which will decline towards 35% at maturity through scheduled amortization. This combined with a strong ownership base, long track-record, ESG focus and strong outlook, is deemed to make the credit story attractive.
5 Tidewater Inc. 23-28	N00012952227	103.8	9.5%	2.2%	Tidewater is one of the largest providers of offshore supply vessels and marine support services globally with a market cap. of -USD 3.6bn. The credit benefits from the company's strong market position paired with solid free cash flow visibility and low loan-to-value in an improving market.
6 SGL (Skill Bidco) 23-28	N00012826033	100.1	11.4%	2.2%	Scan Global Logistics (Skill Bid Co) is a full-service global freight forwarding provider with over 3,300 employees globally formed in its current shape in 2016 with HQ in Denmark. SGL generates EUR -200m of annual EBITDA through its loyal and diversified customer base, and its business model has proven to be more resilient than peers. The credit further benefits from 1) modest leverage, 2) low LTV, 3) high cash conversion and debt service capabilities and 4) strong equity sponsors coupled with aligned management interests.
7 GN Store Nord AS 21-24	XS2412258522	93.8	7.8%	2.2%	GN is a leading global player in the hearing aid and audio industry. The company was founded in 1869 and has a market cap of DKK -18bn (USD -2.6bn). After a period with soft financial performance GN initiated a new financing plan to push DKK -7bn of debt maturities from 2023 to 2026. GN has since the initiation of the capital plan raised DKK 2.75bn in rights issue, received commitment from its banks to upsize loan facilities by DKK 3.4bn and improved free cash flow. We see NIBD/EBITDA approaching 3x by end-24e (company targets 2x), which together with delivering on its capital plan and having a substantial and proven adaptable capital structure that 2024 maturity risk is exceedingly low. Furthermore, GN's largest competitor William Demant has flagged more than 10% holding which has increased likelihood of takeover.
8 Stena Ab 14-24	USW8758PAK22	100.0	6.9%	2.0%	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.
9 International Petroleum Corp 22-27	N00012423476	93.6	9.6%	1.9%	International Petroleum Corporation (IPC) is an international energy company with a portfolio of production assets. The company is listed in Sweden with a market cap. of -SEK 13bn. IPC is part of the Lundin Group of companies and the Lundin Family and management owns in excess of 30%. The bond is officially rated a B+ by S&P. The credit benefits from modest leverage levels, strong asset backing and free cash flow generation.
10 B2 Holding ASA FRN 22-26	N00012704107	100.1	11.6%	1.9%	B2 is a leading Nordic debt collector with a market cap. of -NOK 2.7bn. 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%.
11 Chip Bidco (Cegal) AS 19-24	N00010869761	101.3	9.1%	1.8%	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.
12 DNB Bank ASA 19-24	XS2075280995	94.9	9.6%	1.7%	DNB is Norway's largest bank with a market capitalization of NOK -328bn and a CET1 ratio per end-Q1/23 of 18.76%. The AT1 bonds are subordinated with call date on November 11th, 2024. We see limited call risk on the back of the strong balance sheet, robust underlying profitability, and a well-diversified lending book.
13 EnQuest PLC 22-27	USG315APAG37	94.8	13.2%	1.7%	EnQuest is a energy company listed in Sweden with a market cap - USD 356m. 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).
14 Foxway 23-28	SE0020540219	99.9	11.8%	1.6%	Foxway is a provider of circular IT solutions. The offering includes sourcing the IT equipment to recollection, refurbishment, and recycling. The company, which is majority owned by Nordic Capital, was established in 2009 and has a global footprint being active in more than 120 countries. The credit benefits from having a strong 1st lien bond structure, attractive implied valuation, solid underlying market growth supported by increased regulatory push for circular IT solutions and a solid sponsor in Nordic Capital which has contributed with a substantial equity contribution.
15 Jordanes Investments AS 22-26 FRN	N00012433301	90.5	15.3%	1.6%	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.
16 Kistefos AS 23-28	N00013008771	100.1	9.7%	1.6%	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%.
17 Scatec ASA 21-25	N00010931181	96.8	9.1%	1.5%	Scatec is a leading renewable energy company with a market cap of NOK -10bn. The company develops, owning and operating renewable energy plants with 4.4 GW in operation and under construction across four continents. Equinor owns 16% of the company and increased its stake during Q1.
18 Navigator Holdings Ltd. 20-25	N00010891955	100.5	7.8%	1.5%	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.
19 Borr Drilling Ltd 23-26	N00012829755	103.1	8.1%	1.5%	Borr Drilling is an international drilling contractor owning and operating jack-up rigs of modern and high-specification designs listed on Oslo Stock Exchange and New York Stock Exchange with a mcap of -NOK 19bn. The credit is supported by 1st lien security in three modern and high specification assets, parent guarantees and a strong underlying market which has resulted in significantly increased cash flow visibility.
20 Seapeak 20-25 FRN	N00010891559	103.2	8.1%	1.5%	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.
Sum			37.9 %		

Total number of issuers: 63.

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 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.