

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 SHARECLASS³, 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%	0.3%			8.1%
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	10.9%
3-years	11.4%
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 0.3% in October and is up 8.1% YTD (institutional IC NOK share class: LU0840158496).

Global financial markets were weak through October, driven by a continued rise in long-term interest rates adding headwinds to equities and credit spreads. The US 10Y touched 5% intra-month and closed 36bps higher at 4.93% by month end. The Nasdaq, S&P 500 and Stoxx 600 declined -2.8%, -2.2% and -3.7% respectively. The larger fall in EUR equities may reflect weaker macro data in the Eurozone, with PMIs indicating that the economic slowdown intensified in October. In the corporate bond market, spreads widened across the board. On a total return basis, the rate sensitive US IG corporate bond market dropped -1.9%, while US HY fell -1.2%. In Europe, the IG corporate bond market gained +0.3%, while HY fell -0.3%.

The Nordic high yield market delivered solid returns in October and Storm Bond Fund generated +0.3% 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 Borr Drilling opted for an early re-financing of their bonds to re-finance their entire USD ~1.5bn debt structure in the bond market. We had built a sizeable position in Borr Drilling's 1st lien bond during the summer around PAR, and the re-financing triggered a make-whole of the notes at ~108 cents. We rolled most of our exposure into Borr Drilling's new 5Y 1st lien bonds. The bond carries a fixed coupon of 10.00% and was issued at a price of 97.75 with an

all-inn yield of 11.1%. The notes have security in 22 contracted premium jackups with an LTV below 50%, while the notes have mandatory semi-annual amortization of 3.7% at 105 with cash sweep mechanisms on top. We find the yield attractive due to 1) strong cash flow visibility coupled with creditor friendly structure, 2) attractive collateral package with modest LTV, 3) strong parent guarantee (USD ~1.7bn Mcap) and 4) a robust market backdrop.

Furthermore, American Shipping Company which has been one of our core holdings announced in August that it had agreed to sell its fleet to US-based Maritime Partners. Following this development, the bonds traded near the change of control put option at 101%. As previously outlined in our reports, we argued that the loan agreement's structure indicated that the bonds should be called at a make-whole price. Subsequently, in October, the company officially declared that the bonds would indeed be redeemed at the make-whole price, set at 103.1% of the par value. During the month, we added to our position in BlueNord's USD 175m senior unsecured bond maturing in June 2026. BlueNord is an oil and gas company, operating in Denmark, and is listed on the Oslo Stock Exchange with a market cap of USD ~1.4bn. BlueNord's production is anticipated to grow from current production levels of ~25 mboe/d to ~40 mboe/d in 2024, and further to a peak of ~55 mboe/d in 2025. The credit is supported by 1) significant cash flow generation over the coming years, 2) well capitalized balance sheet with USD 500m of liquidity and 3) well structured loan agreement which incentivizes the company to call bonds early to fast-track meaningful dividends to its shareholders. The notes trade at a yield to next call of 9% with additional upside, should the company opt to call the bonds earlier.

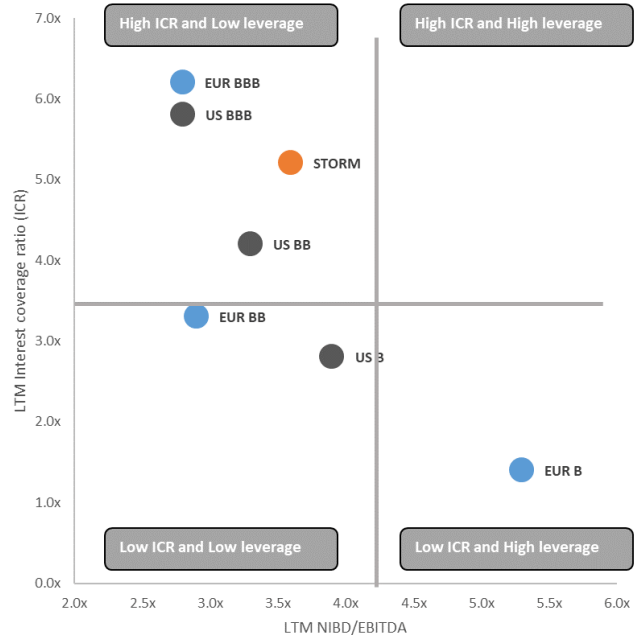
The yield level in the portfolio is currently at 8.6% in NOK (including ~8% in cash). We continue with our selective bottom-up approach targeting companies with strong cash flow visibility/debt service capacity combined with sensible capital structures. We have high-graded the portfolio substantially during the last 14-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 2.3 years and 1.1 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 31/10/2023.
 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)

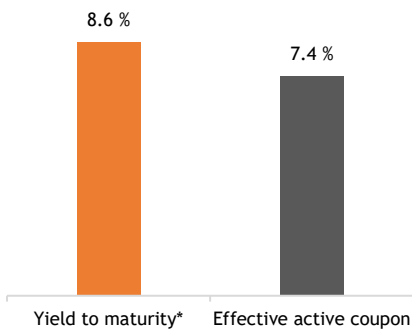


Source: Bloomberg, Storm Capital Management as of 31/08/2023.

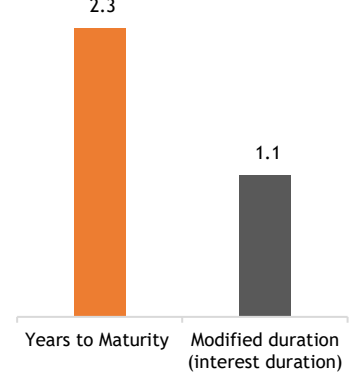
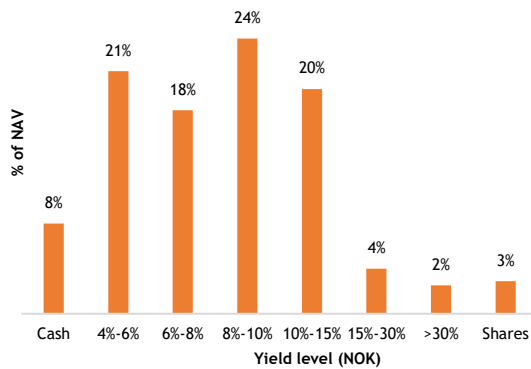
YIELD & COUPON (NOK)

YIELD DISTRIBUTION (NOK)

MATURITY / DURATION (YEARS)

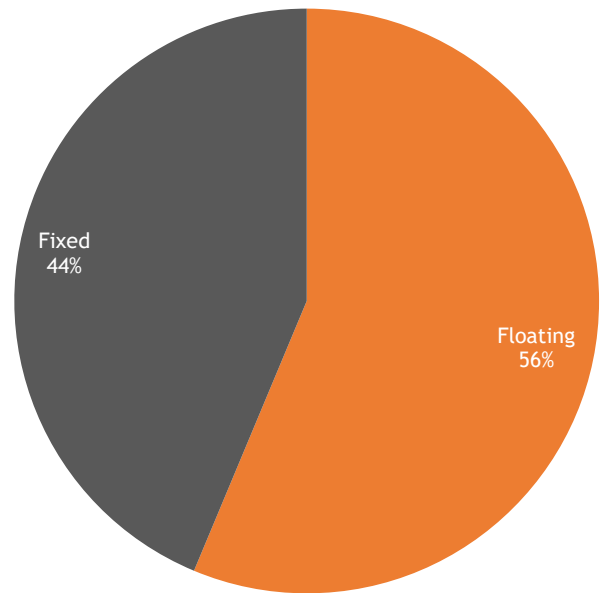
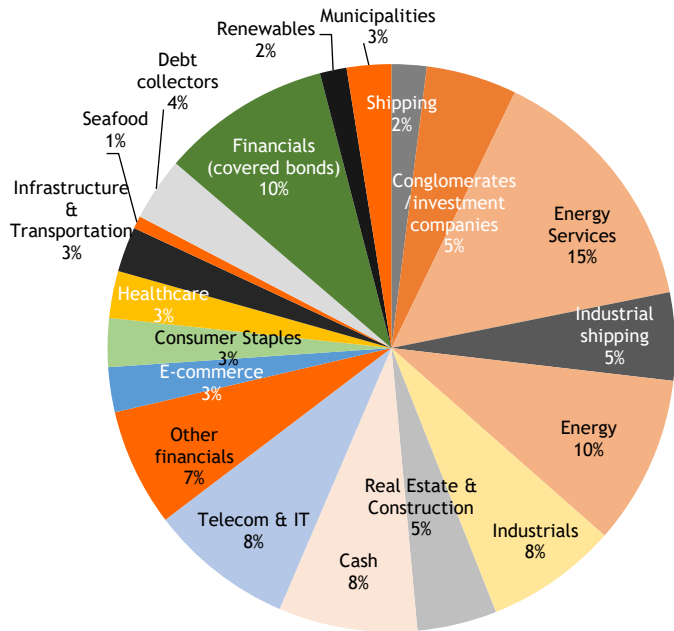


* individual bonds capped at 30% in calculation.



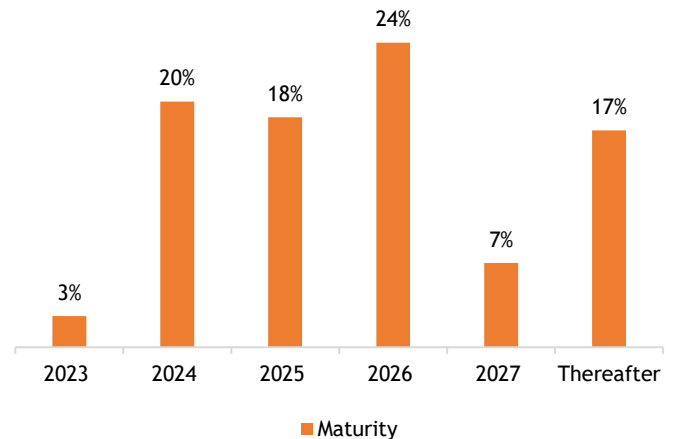
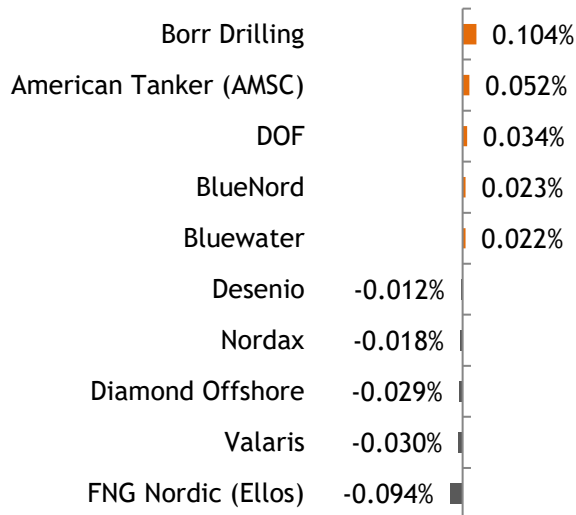
SECTOR ALLOCATION

FLOATING VS. FIXED RATES

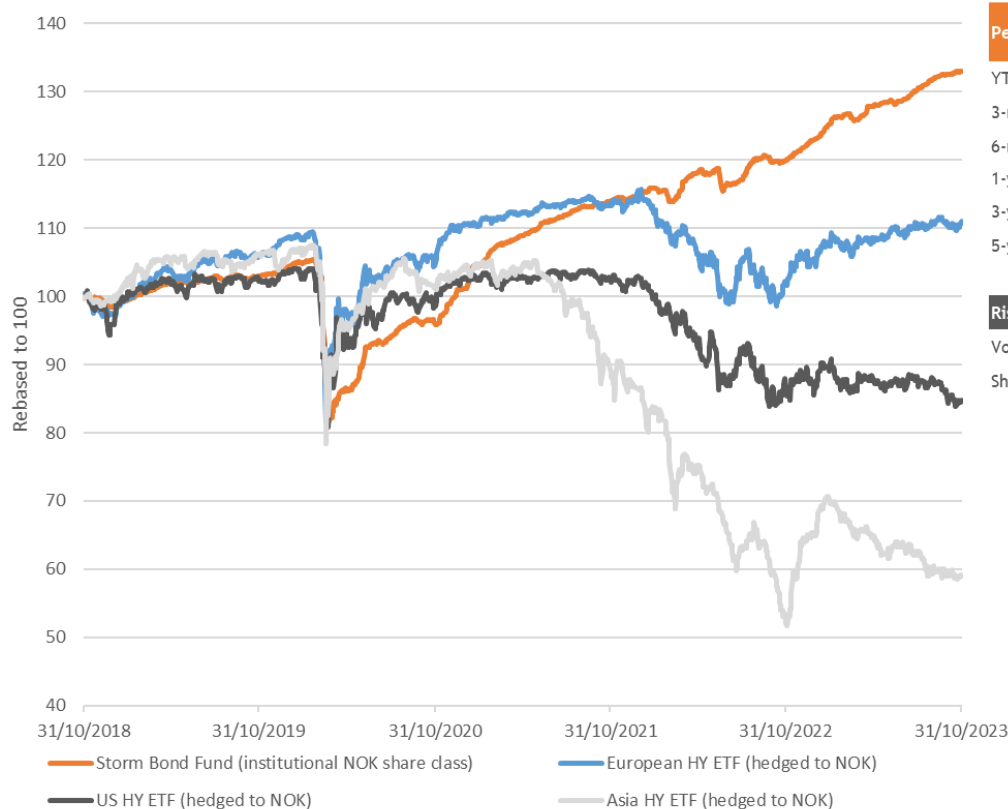


CONTRIBUTION ANALYSIS (top 5 / bottom 5)

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	8.1%	5.5%	-2.2%	-9.2%
3-months	2.2%	0.2%	-3.8%	-5.3%
6-months	4.0%	2.2%	-4.1%	-9.0%
1-year	10.9%	8.8%	-2.1%	13.2%
3-year (ann.)	11.4%	2.0%	-4.9%	-16.5%
5-years (ann.)	5.9%	2.1%	-3.3%	-10.0%

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 31/10/2023.
 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
ACCUMULATION SHARE CLASSES*		
Institutional NOK (ICN)	LU1382364716	167.24
Institutional NOK	LU0840158496	166.37
Institutional USD	LU0840159387	152.36
Institutional EUR	LU0840158900	133.01
Institutional SEK	LU0840159544	142.41
Institutional CHF	LU1076701652	122.69
Retail NOK (RCN)	LU1382364633	174.11
Retail NOK	LU0740578702	174.02
Retail SEK	LU0840159460	142.46
Retail GBP	LU0840159890	145.61
Retail EUR	LU0840158819	133.80
DISTRIBUTION SHARE CLASSES*		
Institutional NOK	LU1915698069	106.41

* 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
ESG classification (SFDR)	Article 8
AUM (NOKm)	6 698

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Bluewater Holding B.V. 22-26	NO0012740234	101.1	11.5%	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 Norske Skog ASA FRN 21-26	NO0010936065	102.6	9.0%	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 4.3bn. 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.
3 Odfjell Drilling 23-28	NO0012921172	100.8	8.7%	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 9.4bn. 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.
4 Tidewater Inc. 23-28	NO0012952227	103.3	9.3%	2.2%	Tidewater is one of the largest providers of offshore supply vessels and marine support services globally with a market cap. of -USD 3.7bn. 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.
5 GN Store Nord AS 21-24	XS2412258522	94.0	7.9%	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.
6 SGL (Skill Bidco) 23-28	NO0012826033	98.9	11.8%	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 Stena Ab 14-24	USW8758PAK22	100.0	6.6%	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 strenghts are substantial asset backing combined with a solid liquidity position.
8 B2 Holding ASA FRN 22-26	NO0012704107	100.2	11.5%	1.9%	B2 is a leading Nordic debt collector with a market cap. of -NOK 2.6bn. 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%.
9 International Petroleum Corp 22-27	NO0012423476	93.3	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 15bn. 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 Norwegian Energy Co. ASA 19-26	NO0010870900	103.0	7.5%	1.9%	BlueNord (formerly named: Norwegian Energy Company) is a listed company with a market cap NOK -15bn. 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.
11 Chip Bidco (Cegal) AS 19-24	NO0010869761	101.3	9.0%	1.7%	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 Intrum AB 20-25	XS2211136168	89.7	12.4%	1.7%	Intrum is a leading debt collector listed in Stockholm with a market cap of -SEK 7bn. 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 -13bn, corresponding to 4.4x leverage and 4.5x ICR, while management targets to reach 3.5x as soon as practically possible. We favor the 2025 bond maturity due strong visibility on near term cash flows.
13 DNB Bank ASA 19-24	XS2075280995	95.5	9.0%	1.7%	DNB is Norway's largest bank with a market capitalization of NOK -307bn 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.
14 EnQuest PLC 22-27	USG315APAG37	94.7	13.0%	1.7%	EnQuest is an energy company listed in the UK with a market cap - USD 375m. 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. Further, EnQuest's carry-forward losses reduces the impact of windfall tax, and the company has a high degree of cost flexibility due that it operates -80% of its barrels.
15 Borr Drilling Ltd 23-26	NO0012829755	107.9	5.4%	1.6%	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 18.5bn. 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.
16 Foxway 23-28	SE0020540219	99.6	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.
17 Jordanes Investments AS 22-26 FRN	NO0012433301	90.5	15.4%	1.5%	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.
18 Scatec ASA 21-25	NO0010931181	95.5	9.9%	1.5%	Scatec is a leading renewable energy company with a market cap of NOK -11bn. 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.
19 Navigator Holdings Ltd. 20-25	NO0010891955	100.2	7.6%	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.
20 Kistefos AS 23-28	NO0013008771	98.7	10.1%	1.5%	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%.
Sum				37.4 %	

Total number of issuers: 64.

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

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

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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.

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