

## 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%	0.3%	0.8%		9.0%
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	10.5%
3-years	10.7%
5-years	6.1%
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 0.8% in November and is up 9.0% YTD (institutional IC NOK share class: LU0840158496).

Risk sentiment turned positive in November, following three consecutive months of decline in risk assets. This was mainly driven by lower-than-expected inflation figures and a subsequent decline in long-term yields. The Nasdaq, S&P 500 and Stoxx 600 gained +10.7%, +8.9% and +6.4%, respectively. The US 10Y declined by 60bps to 4.3%, while EUR 10Y rates declined across the board with DE 10Y falling 36bps to 2.4%. The corporate bond market was strong, driven by lower yields and spread tightening, e.g., US and EUR IG returned +6.0% and +2.3%, while US and EUR HY gained +4.5% and +2.8%.

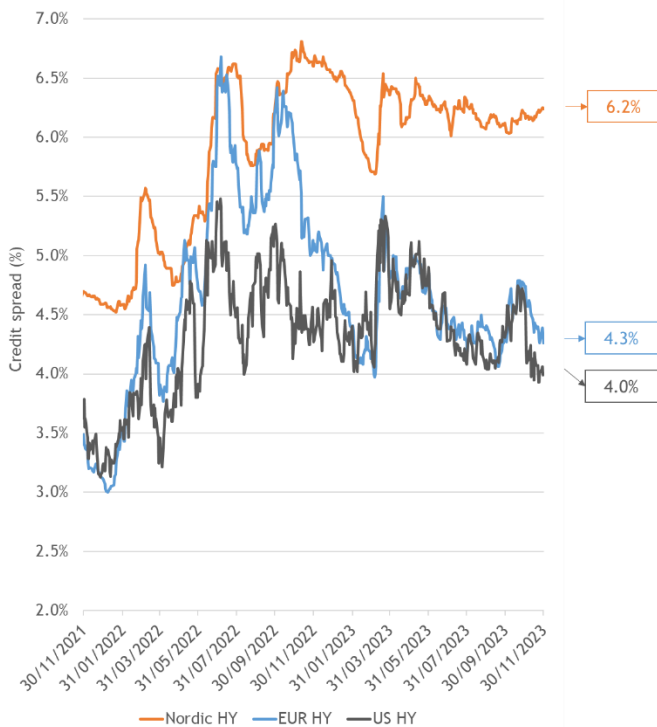
The Nordic High Yield market delivered another set of robust returns and Storm Bond Fund generated +0.8%. The performance was largely driven by coupon carry as spread levels were stable during the month.

During the month, we participated in three primary HY deals of which two were of significance in terms of size. Firstly, we rolled our exposure in BWO’s legacy 2023 Sr. unsecured notes into new 5Y NOK 1bn Sr. unsecured notes. The notes were issued with a credit spread of +500bps over NIBOR for an all-in yield of 9.65%. BWO is listed on the Oslo Stock Exchange with a USD ~370m market cap. The company owns and operates four high spec FPSO, all of which are contracted on solid economics with one unit under construction. Firm backlog stands at USD 5.6bn and USD 6.8bn incl. options adding strong revenue visibility with the EBITDA backlog covering net debt 1.9x. BWO is well capitalized with leverage standing at 2.5x incl. project-related debts with LTV estimated in the range of 40-45% at issuance. Secondly, we participated in Fiven’s new EUR 110m 3Y Sr. secured bonds. The bonds were issued at a credit spread of 670bps over EURIBOR and the bonds will be secured by a pledge over shares in the Issuer and Guarantors. Fiven is the global leader-within production of silicon carbide grains and powders (performance materials). We deem the credit story to be attractive due to 1) low leverage of 2.2x, 2) modest LTV of ~45%, 3) high margins and cash conversion and 4) strong market position with good operational track-record.

In the secondary market, we increased our exposure towards Ellos at attractive prices. The bonds are secured and is the only material debt in the company. We have been impressed by Ellos’ ability to hold up profitability through a challenging market and recent cost-cutting initiatives are now starting to flow through the P&L. This was further crystalized by a positive PW announced during the start of December and we now see a clear pathway towards an improved leverage profile, e.g., we now estimate Ellos to operate with run-rate leverage of 5.5-6.2x. On these numbers, we see substantial asset backing for the secured bonds when considering the valuation of its peer group.

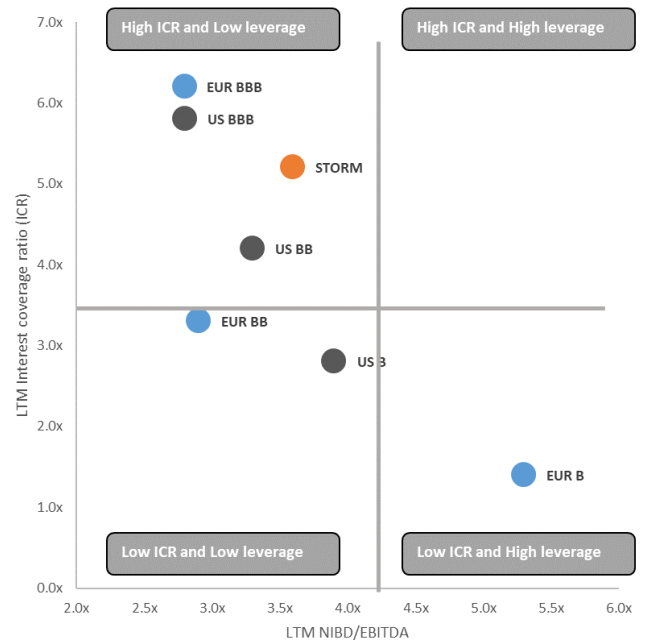
The yield level in the portfolio is currently at 8.5% in NOK (including ~6% in cash), indicating an attractive spread premium between Nordic HY and international HY markets of more than ~200 bps (illustrated in bottom left chart). We continue with our selective bottom-up approach targeting companies with strong cash flow visibility/debt service capacity combined with sensible capital structures. We have high-graded the portfolio substantially during the last 15-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 maturity and modified duration are currently at 2.5 years and 1.2 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 30/11/2023.  
 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)

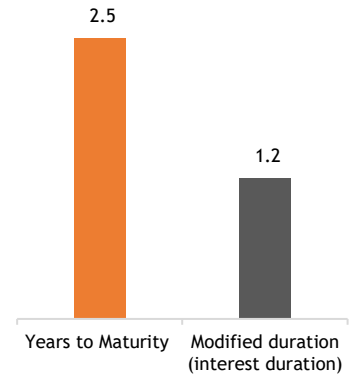
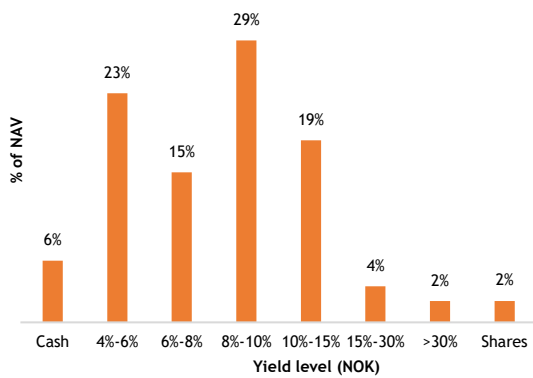
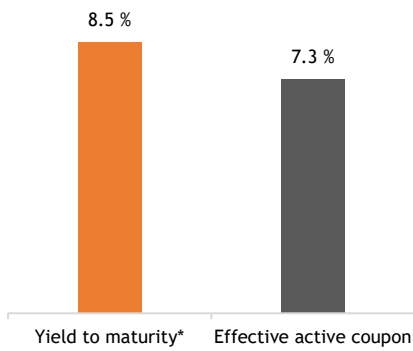


Source: Bloomberg, Storm Capital Management as of 31/08/2023.

**YIELD & COUPON (NOK)**

**YIELD DISTRIBUTION (NOK)**

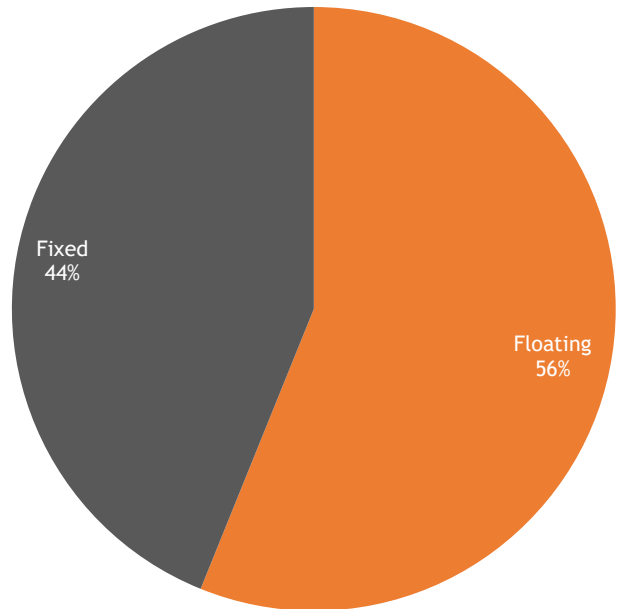
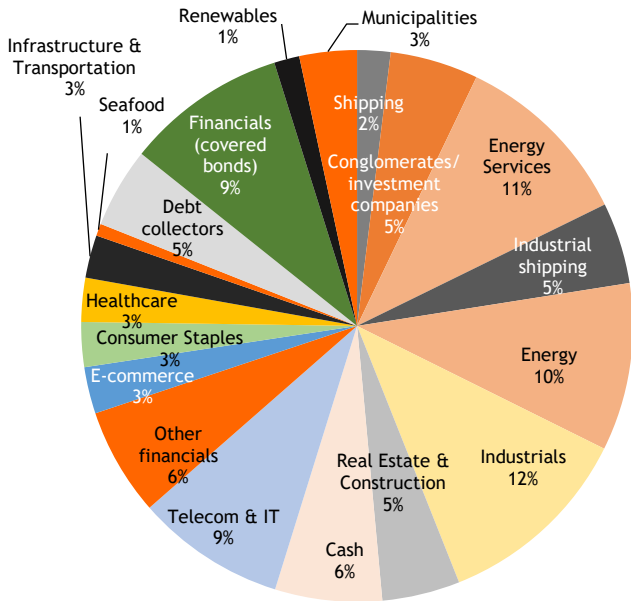
**MATURITY / DURATION (YEARS)**



\* individual bonds capped at 30% in calculation.

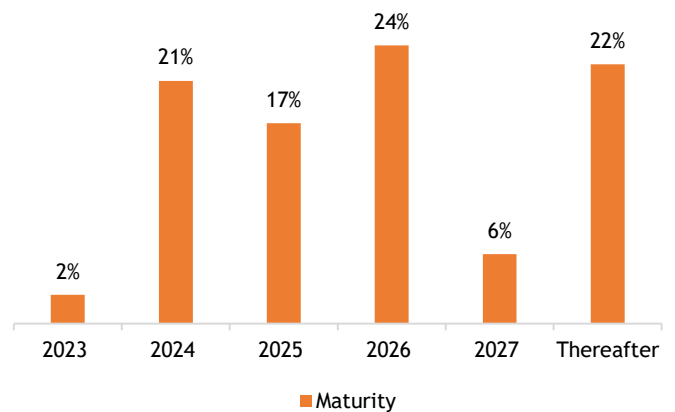
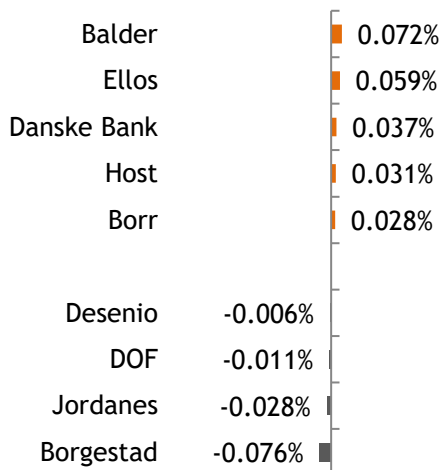
**SECTOR ALLOCATION**

**FLOATING VS. FIXED RATES**

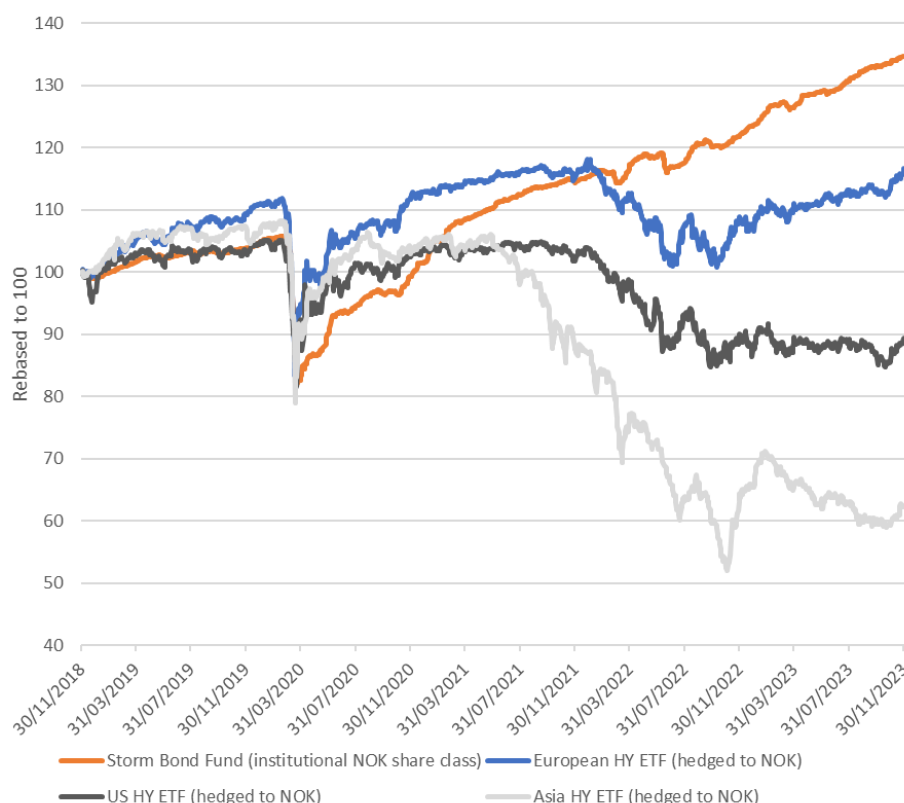


**CONTRIBUTION ANALYSIS (top 5 / bottom 5)**

**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	9.0%	8.6%	2.0%	-4.5%
3-months	1.8%	3.0%	0.4%	4.5%
6-months	4.4%	5.1%	1.8%	-1.6%
1-year	10.5%	8.1%	-0.9%	-1.2%
3-year (ann.)	10.7%	1.5%	-4.5%	-15.3%
5-years (ann.)	6.1%	3.1%	-2.2%	-9.0%

Risk - 5 years (ann.)				
Vol. (std dev.)	4.0%	9.4%	10.6%	13.6%
Sharpe*	1.5x	0.3x	n.m.	n.m.

Source: Bloomberg as of 30/11/2023.  
 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	168.63
Institutional NOK	LU0840158496	167.75
Institutional USD	LU0840159387	153.78
Institutional EUR	LU0840158900	134.01
Institutional SEK	LU0840159544	143.44
Institutional CHF	LU1076701652	123.39
Retail NOK (RCN)	LU1382364633	175.51
Retail NOK	LU0740578702	175.43
Retail SEK	LU0840159460	143.46
Retail GBP	LU0840159890	146.82
Retail EUR	LU0840158819	134.78

<b>DISTRIBUTION SHARE CLASSES*</b>		
Institutional NOK	LU1915698069	107.30

\* 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	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)	6 918

BOND PORTFOLIO - TOP 20

NAME	ISIN	PRICE	YIELD %	NAV %	SHORT DESCRIPTION
1 Bluewater Holding B.V. 22-26	N00012740234	100.9	11.6%	2.3%	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	N00010936065	102.5	9.0%	2.2%	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 3.9bn. 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 SGL (Skill Bidco) 23-28	N00012826033	99.7	11.5%	2.1%	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.
4 GN Store Nord AS 21-24	XS2412258522	95.0	7.1%	2.1%	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 -22n (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.
5 Tidewater Inc. 23-28	N00012952227	103.8	9.1%	2.1%	Tidewater is one of the largest providers of offshore supply vessels and marine support services globally with a market cap. of ~USD 3bn. 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 Odfjell Drilling 23-28	N00012921172	101.4	8.5%	2.0%	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 8.2bn. 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.
7 Stena Ab 14-24	USW8758PAK22	100.0	6.4%	1.9%	Swedish conglomerate which is 100% controlled by Sten Olsson family. Stena key operations are diversified and involve ferries, shipping, real estate, drilling and private equity investments. The key credit strenghts are substantial asset backing combined with a solid liquidity position.
8 B2 Holding ASA FRN 22-26	N00012704107	101.2	11.1%	1.9%	B2 is a leading Nordic debt collector with a market cap. of ~NOK 2.8bn. 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 Chip Bidco (Cegal) AS 19-24	N00010869761	101.3	8.9%	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.
10 International Petroleum Corp 22-27	N00012423476	93.5	9.5%	1.8%	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.
11 Intrum AB 20-25	XS2211136168	90.3	12.2%	1.8%	Intrum is a leading debt collector listed in Stockholm with a market cap of ~SEK 6.4bn. 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.
12 Norwegian Energy Co. ASA 19-26	N00010870900	103.5	7.2%	1.7%	BlueNord (formerly named: Norwegian Energy Company) is a listed company with a market cap NOK ~13bn. 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.
13 Ellos Group AB 19-24	SE0012827996	73.3	30.0%	1.6%	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.
14 Fiven ASA 23-26	SE0021148764	100.0	11.4%	1.5%	Fiven is a global leader within production of silicon carbide grains and powders (performance materials). We deem the credit story to be attractive due to 1) low leverage of 2.2x, 2) modest LTV of ~45%, 3) high margins and cash conversion and 4) strong market position with good operational track-record.
15 Foxway 23-28	SE0020540219	100.0	11.7%	1.5%	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.
16 DNB Bank ASA 19-24	XS2075280995	96.6	8.4%	1.5%	DNB is Norway's largest bank with a market capitalization of NOK ~319bn 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.
17 Scatec ASA 21-25	N00010931181	97.1	9.0%	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.
18 EnQuest PLC 22-27	USG315APAG37	94.4	13.1%	1.5%	EnQuest is an energy company listed in the UK with a market cap - USD 350m. 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.
19 Kistefos AS 23-28	N00013008771	98.2	10.2%	1.4%	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%.
20 Navigator Holdings Ltd. 20-25	N00010891955	100.3	7.6%	1.4%	Navigator owns and operates the world's largest fleet of handysize gas carriers 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.
Sum				35.6 %	

Total number of issuers: 66.

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](mailto: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](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.

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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.