

ABOUT THE FUND

Storm Bond Fund (UCITS) is a Nordic High Yield fund. The fund seeks to hold a diversified portfolio of the best risk-adjusted high yield bonds in the Nordics. The investment process is based on a top-down market screening of the universe and a detailed bottom up analysis of the individual companies. The management team has extensive experience in Nordic High Yield and is among the largest investors in the fund.

NET RETURN HISTORY (SHARECLASS RC NOK***, NET OF FEES)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------------------------|--------|-------|---------|------|-------|-------|------|-------|-------|-------|--------|--------|---------|
| 2018 | 1.1% | 0.5% | | | | | | | | | | | 1.6% |
| 2017 | 3.3% | 3.0% | 2.1% | 1.3% | 0.6% | -1.1% | 0.8% | 1.1% | 1.1% | 0.3% | -0.2% | 0.3% | 13.3% |
| 2016 | -1.9% | -3.2% | 6.0% | 4.1% | -0.5% | 0.6% | 1.8% | 3.3% | -0.4% | 1.2% | 0.1% | 5.8% | 17.8% |
| 2015 | -2.7% | -1.3% | -0.2% | 1.5% | 2.1% | 0.4% | 0.4% | -3.7% | -2.8% | 1.3% | -0.7% | -4.2% | -9.6% |
| 2014 | 1.1% | 1.0% | 0.9% | 0.7% | 0.7% | 0.8% | 0.6% | 0.1% | -1.3% | -5.5% | -0.3% | -11.5% | -12.7% |
| 2013 | 1.1% | 0.8% | 1.0% | 1.0% | 1.5% | 0.0% | 1.1% | 1.2% | 1.1% | -0.1% | 1.1% | 0.8% | 11.0% |
| 2012 | 2.7%** | 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%* | 0.8% | 2.0% | 3.8% | -3.4% | 1.3% | 1.4% | 2.2% | 2.8% | 1.5% | 1.1% | -1.0% | 19.9% |
| 2009 | 8.9% | 0.3% | -4.2% | 2.1% | 1.2% | 7.9% | 6.8% | 3.0% | 5.7% | 2.6% | 1.4% | 4.1% | 46.8% |
| 2008 | | | | | | | | | -2.6% | -3.2% | -10.4% | -13.5% | -26.9% |
| YTD | | 1.6% | | | | | | | | | | | |
| 1-year | | 8.2% | | | | | | | | | | | |
| 3-years (ann.) | | 8.4% | | | | | | | | | | | |
| Since inception (ann.) | | 6.1% | | | | | | | | | | | |

*From January 2010, performance and NAV are reported based on the EC share class. EC share class 31.December 2009: 103.9. **From 1 Jan 2012, performance and NAV are reported on return in NOK. ***From March 2012, performance and NAV are reported based on the EC NOK share class, EC changed name to RC NOK as of January 2013. Past performance is no guarantee for future performance.

PORTFOLIO COMMENT - MORTEN E. ASTRUP (CHIEF INVESTMENT OFFICER)

Dear investor,

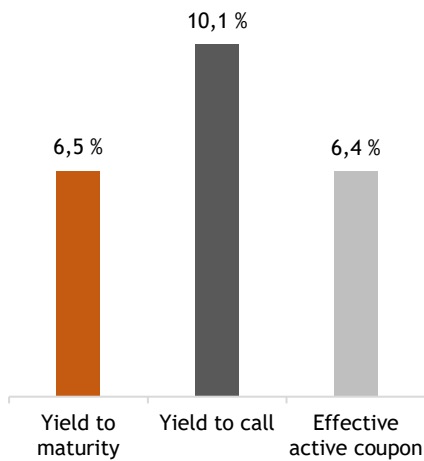
Storm Bond Fund was up 0.5% in February and 1.6% YTD.

February was a challenging month for the global financial markets. The rising concerns of inflationary pressure and speculation that the Federal Reserve may raise interest rates multiple times during the year weighed on the US and European bond and equity markets. The Nordic high yield market performed well on a relative basis yielding in general positive returns during the month. This is mainly due to the high share of floating rate notes which gives protection from higher interest rates as well as the significant spread premium in Nordic High Yield compared to other credit markets. Storm Bond Fund has a modified duration below 1 year as a result of approximately 2/3's of the portfolio consisting of floating rate bonds.

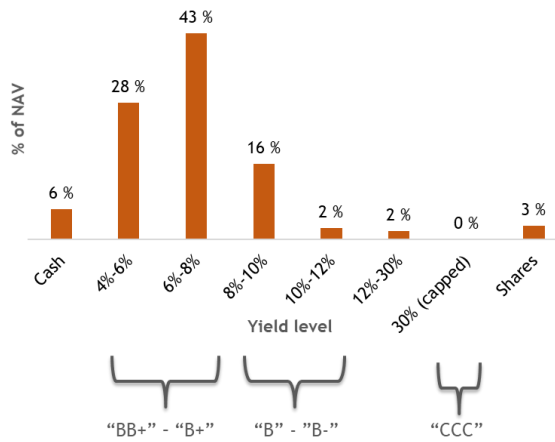
Our position in Lebara (VIEO) has created volatility the first week of March. Short sellers of the bond has put the company under great pressure accusing the company for breaching covenants. We have met the company, the owner, and the issuer over the last few days and our conclusion is that Lebara is not in breach of their financial covenants, but there are weak spots in the documentation and reporting that needs to be addressed by the company over the next weeks. We are awaiting further actions from the company in the weeks to come.

In a world with elevated equity multiples, tight bond spreads and risk of higher interest rates, we continue to highlight that Nordic High Yield offers very interesting risk/reward characteristics in the years to come due to i) short interest and credit duration, ii) exposure to a stable and diversified economic region, iii) and most importantly significantly higher credit spreads than in Europe and the US.

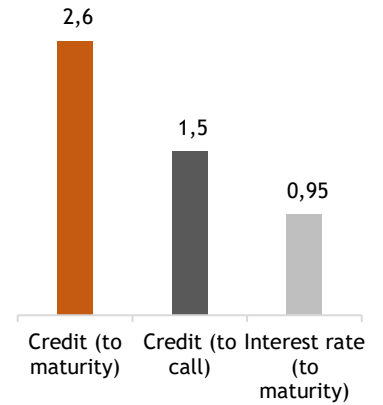
YIELD LEVELS



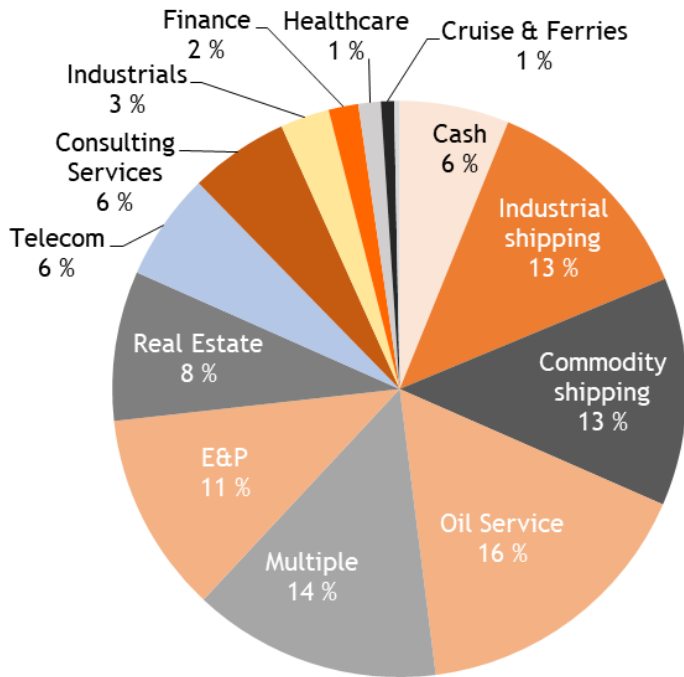
YIELD DISTRIBUTION ("CREDIT RATINGS")



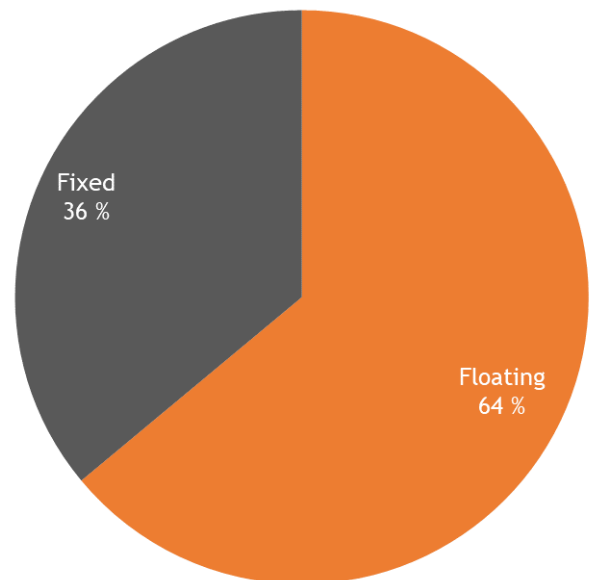
DURATION (YEARS)



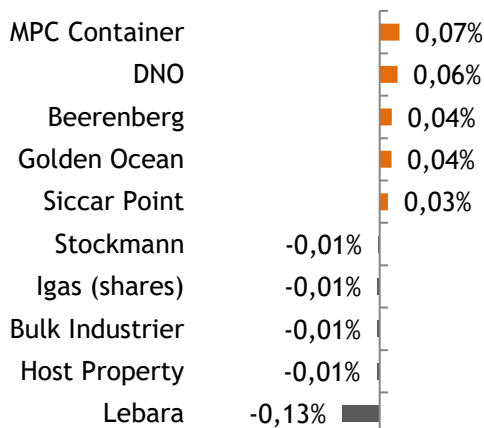
SECTOR ALLOCATION



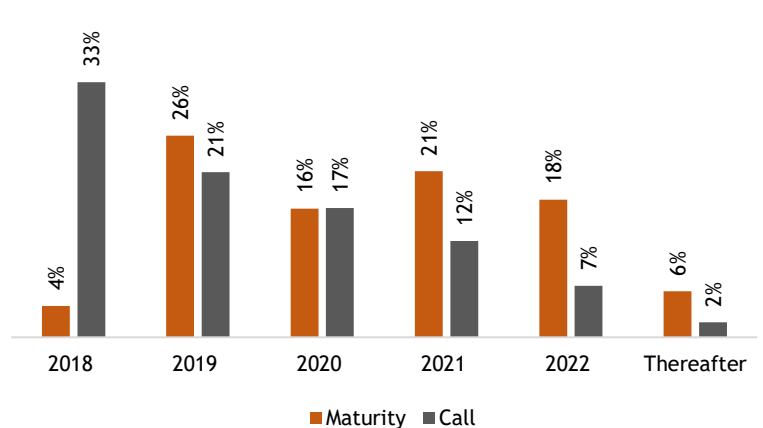
FLOATING VS. FIXED RATES



CONTRIBUTION ANALYSIS (top 5 / bottom 5)

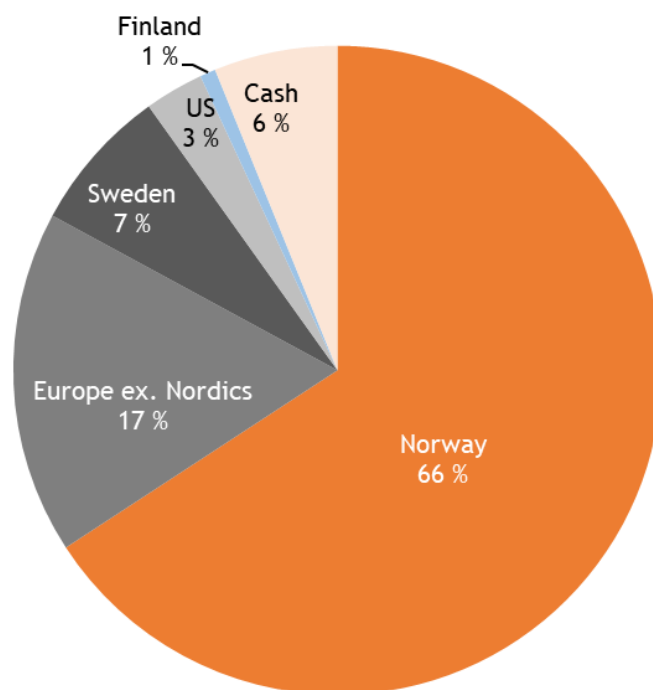
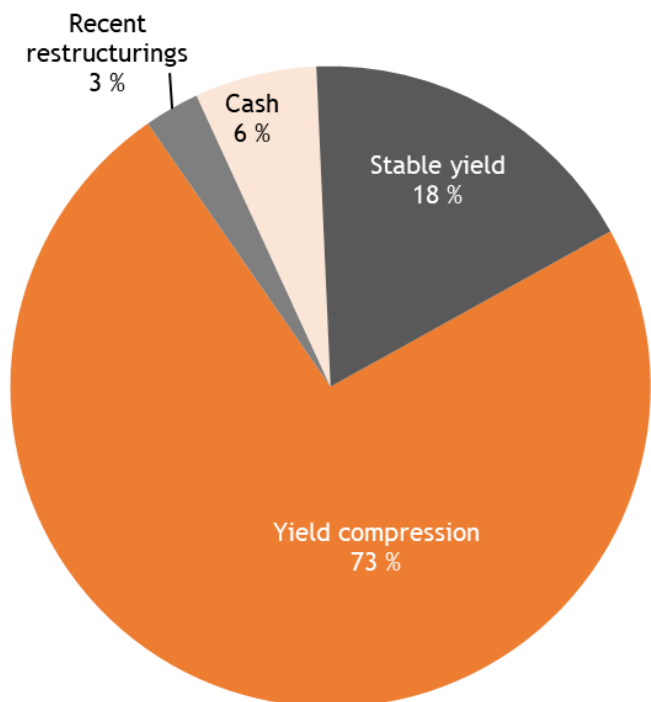


MATURITY PROFILE

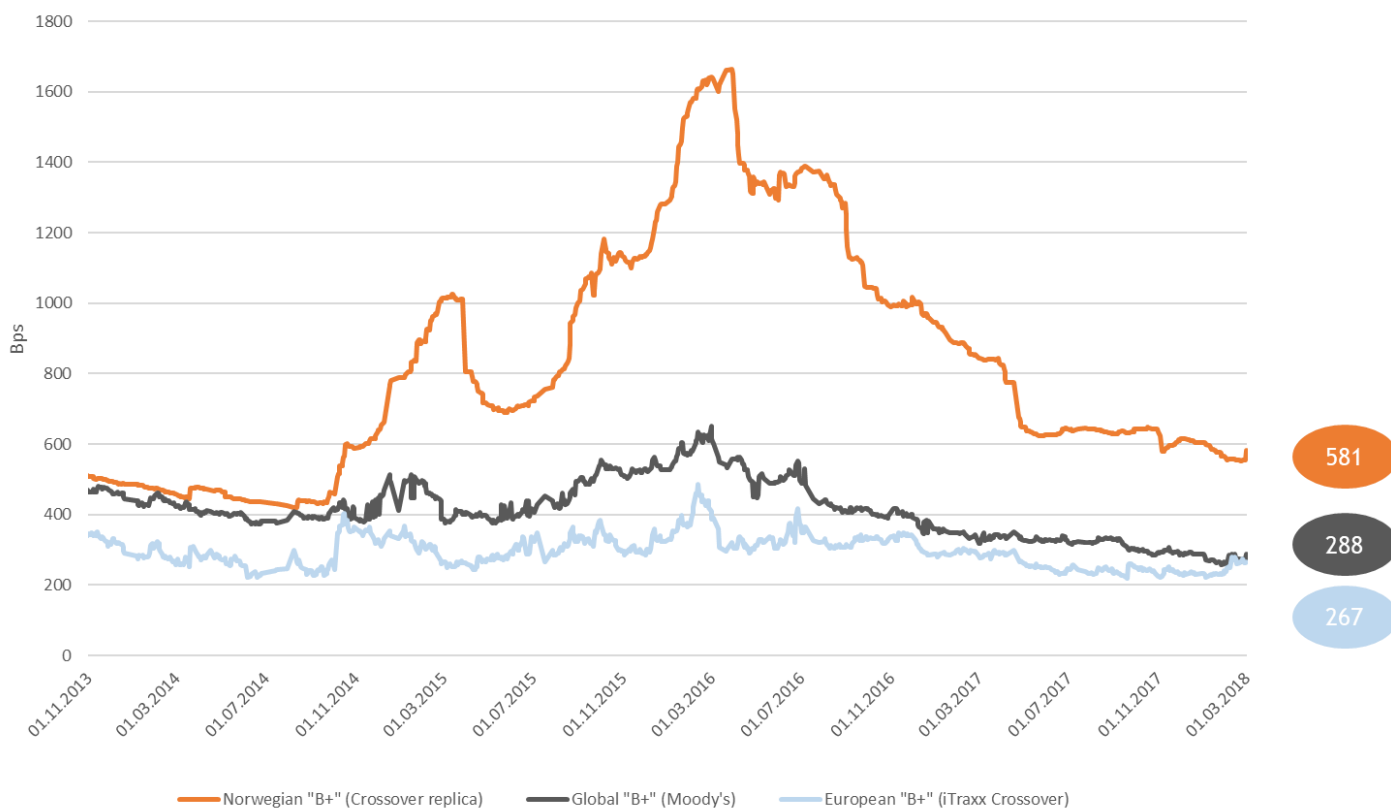


PORTFOLIO OVERVIEW

INVESTMENT BY COUNTRY



SPREAD PREMIUM IN B+ COMPARED TO INTERNATIONAL MARKETS



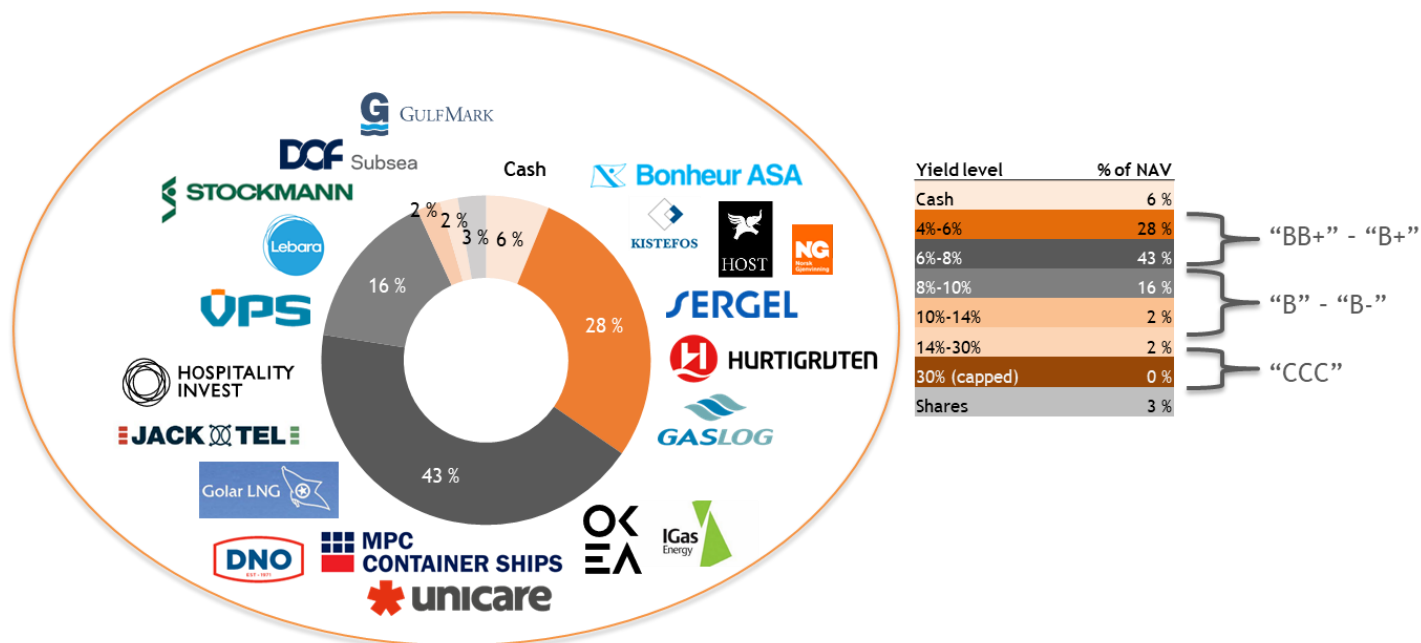
Source: Sparebank 1 Markets, as of 01.03.2018.

BOND PORTFOLIO - TOP 20

| NAME | ISIN | PRICE | YIELD % | NAV % | SHORT DESCRIPTION |
|-----------------------------------------------------|--------------|--------|---------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Veritas Petroleum Services B.V. 14-15NO0010708506 | | 98,00 | 9,2 % | 5,6 % | VPS is the global market leader in Fuel Quality Testing, having an estimated global market share of ~50%. The Company was previously owned by Det Norske Veritas before it was sold to the private equity company IK Investment Partners. The client base consist of ~900 companies with more than 9,000 vessels, meaning a high degree of diversification. The bond is secured and by end-2017 NIBD/EBITDA was reported at 4.0x, which provides bondholders with good valuation support. |
| 2 VIEO B.V. 17-22 FRN | NO0010804198 | 91,19 | 9,1 % | 4,6 % | Lebara is one of Europe's fastest growing mobile companies with ~3.5m active users. We find the bond and the pricing very attractive as it offers solid valuation backing, portfolio diversification and a tight and well-structured bond agreement. The management and owners have identified several measures to grow the business, improve cost-base and increase profitability. Hence, we expect EBITDA and cash flow to improve over the coming years which supports the credit case and yield compression. |
| 3 GasLog Ltd 16-21 FRN | NO0010767858 | 107,13 | 5,5 % | 4,5 % | Gaslog is an international owner and operator of LNG carriers listed at NYC stock exchange with a market cap of USD 1.8bn (+MLP Gaslog Partners mcap at USD 1.0bn). The Company is benefitting from the improving LNG spot rates and has a strong MLP entity which has contributed with USD -270m in 2017. This has resulted in a very strong liquidity position of USD 460m per end-Q3/17. Despite the somewhat high leverage, we find the 2022 bonds to offer solid risk/reward due to the strong backlog, solid balance sheet and improving LNG market. |
| 4 Golar LNG Partners LP 17-21 FRN | NO0010786056 | 101,86 | 7,6 % | 4,2 % | Golar LNG Partners is an international owner of LNG and FSRU tonnage listed at the NYC stock exchange with a market cap of USD 1.6bn. The GMLP bonds remains the widest in the LNG peer group despite improving LNG market outlook due to the perceived risk of the Hili project. The Company has a very solid liquidity position and the lowest leverage in the LNG peer group. Hence, we view the GMLP credit to offer very attractive risk/reward. |
| 5 Jacktel A/S 14-19 | NO0010714561 | 100,18 | 7,1 % | 4,0 % | 1st lien pledge in a jack-up built for the Norwegian continental shelf. Won a contract on Johan Sverdrup in November 2015 with STL that secures work until 2020. We expect the company to obtain other sources of funding before maturity of the bond. |
| 6 Kistefos AS 16-19 FRN | NO0010779291 | 105,23 | 5,4 % | 4,0 % | Norwegian investment company, which is 100% owned by Christen Sveeas. Kistefos holds investments within financial services, Telecom & IT, commercial real estate, offshore services and other financial investments. The value adjusted equity per end-H1/17 is estimated to be NOK 4.3bn, which suggests solid asset backing for the outstanding bonds. |
| 7 MPC Container Ships Invest B.V. 17-21NO0010805872 | | 100,31 | 6,7 % | 3,8 % | Pure play container shipping company. USD 350m in equity raised, listed on Merkur Market in Oslo, and full listing targeted within 2017. Senior secured bond with 1st priority in the fleet. Bond with significant downside protection with LTV of ~45% on historical low valuations. Estimated loan to scrap ratio of 100%. |
| 8 DNO ASA 15-20 | NO0010740392 | 103,60 | 7,1 % | 3,8 % | DNO is a Middle East and North Africa focused oil and gas company listed on the Oslo Stock Exchange with a market cap of NOK -10.3bn. Although the Company is operating in regions with political risk the credit benefits from low lifting cost, a strong balance sheet and now more regular and stable cash flows from the authorities (KRG). |
| 9 Bonheur Asa 14-21 FRN | NO0010714538 | 99,75 | 4,6 % | 3,6 % | Fred. Olsen controlled conglomerate listed on the Oslo Stock Exchange with a market cap of NOK 3.7bn. Bonheur has investments within shipping, offshore, renewable energy and cruise. By end-Q3/17 the liquidity stood at NOK 3.6bn and NIBD/EBITDA LTM of 1.9x. |
| 10 Okea AS 17-20 | NO0010810062 | 100,75 | 7,3 % | 3,1 % | Okea is an independent E&P company focused on small field developments on the NCS. The interesting feature of this bond is the unique Norwegian petroleum tax system. From a credit perspective, the tax system offers significant downside protection of at least 78% and up to ~95% of invested capital that are tax deductible over 4-6 years. Furthermore, the cash shield is transferrable to other companies and also refundable by the Kingdom of Norway upon discontinuation of operations. On the back of this, we find the credit profile in Okea to be very strong and the bond debt is expected to be covered by escrowed cash and the underlying tax claim even in a scenario with lower oil prices. |
| 11 Host Property AB 16-19 FRN | SE0009357676 | 101,50 | 5,1 % | 2,8 % | 1st lien pledge in 8 hotel properties in Sweden with a total value of SEK 680m. Prime locations in their respective regional cities. Gross LTV of approx. 50% and average lease maturity of 13 years. |
| 12 VV Holding AS 14-19 144A FRN | NO0010714033 | 101,97 | 4,8 % | 2,8 % | VV Holding (Norsk Gjenvinning) is a Norwegian recycling business and recently announced that Summa Private Equity is acquiring the company from Altor Private Equity. According to market participants the transaction is done at EV/EBITDA ~10x, which implies an secured LTV of ~55%. Given that the bond is maturing next year and that the acquisition triggers change of control leads us to believe that the new owners have bridge financing in place. The bond is currently yielding a cash coupon of ~6% with potential upside from higher call options in the event of a refinancing which we find likely. |
| 13 Beerenberg Holdco II AS 17-21 FRN | NO0010786296 | 103,99 | 6,1 % | 2,7 % | Leading supplier of ISS services in the North Sea, which is one of the largest MMO markets. Strong and long-term relationships with blue-chip companies. Solid earnings visibility and flexible cost base. By end-Q3/17 the cash was reported at NOK 214m and NIBD at NOK 628m, implying an NIBD/EBITDA of 2.3x. The total revenue backlog is estimated to be NOK 10bn Bond is secured with pledge in operating entities. |
| 14 Hospitality Invest AS 17-22 FRN | NO0010808835 | 100,16 | 7,0 % | 2,6 % | Hospitality Invest is a privately-owned investment company and the company invests across a variety of sectors, with a special focus on social services such as preschools and social infrastructure in the Nordic region. The credit profile is deemed to be strong with solid asset backing (~35% LTV) and solid diversification prospects. |
| 15 BW Offshore Ltd. 12-20 FRN | NO0010638075 | 99,82 | 5,6 % | 2,5 % | BW Offshore is a Norwegian FPSO company listed on the Oslo Stock Exchange with a mcap of NOK ~6.7bn. We find the BWO bonds attractive with the bonds trading at spreads in the excess of 500bps. We expect the credit metrics to improve significantly ahead with NIBD/EBITDA below 3.0x for 2018 paired with a solid liquidity due to the recently announced USD 275m preference share issue with ICBC. |
| 16 Euronav Luxembourg S.A. 17-22 | NO0010793888 | 101,19 | 7,3 % | 2,5 % | Largest publicly listed tanker company in the world with a market cap of USD ~1.3bn. Conservative financial strategy with target to keep a minimum of 2 year operational liquidity runway. Recently announced that they will acquire Gener8 Maritime with shares increasing its fleet from 51 to 81 vessels. |
| 17 Borgestad ASA 14-18 FRN | NO0010720766 | 100,31 | 7,4 % | 2,4 % | Borgestad was listed in 1917, making it the oldest company on the Oslo Stock Exchange. Today the company is focused on mainly real estate investments in Poland and Norway as well as production, distribution and installation of refractory products. Even though the credit metrics is only deemed adequate, we find solid valuation support in the pledged assets with 75% LTV in our bear case which we believe is sufficient to either refinance the bonds at maturity or sell assets to cover debt obligations. |
| 18 Golden Ocean Group Ltd. 14-19 Conv. NO0010701055 | | 98,00 | 5,4 % | 2,4 % | Golden Ocean is a leading international dry bulk shipping company based in Bermuda, mainly operating in the Capesize, Panamax and Supramax segments. GOGL is listed on NASDAQ and the Oslo Stock Exchange with a market cap of NOK ~9.0bn. Mr. John Fredriksen is the largest shareholder through Hemen Holding, owning 14.5% of the company. GOGL owns and controls a fleet of 70 vessels including newbuildings and vessels chartered in on long term time charter contracts. The value of a 5-year old capesize vessel is at a 30-year low. |
| 19 DOF Subsea AS 17-22 | NO0010788177 | 95,23 | 11,3 % | 2,3 % | Provider of subsea tonnage, subsea construction and IMR services. 51% owned by DOF ASA and 49% owned by First Reserve. Strong order backlog of NOK ~18bn (NOK 37bn inc options) with tier-1 counterparties. The firm EBITDA backlog is estimated to cover net debt and remaining capex. |
| 20 IGas Energy PLC 13-21 | NO0010673791 | 100,75 | 7,9 % | 2,3 % | London-listed company producing oil and gas onshore UK. Stable production of ~2,600boepd at an operating cost of USD ~30/boe. The Company has recently been restructured with bondholders receiving a mix of cash, stocks and a new bond, taking NIBD to USD ~10m. This combined with security of all assets and improved lifting costs minimizes risk of refinancing at maturity. The new equity investor is Kerrogan private equity, while the largest bondholder was KKR. |
| Sum | | | | 66,5 % | |

Total number of bond positions: 40 (from 36 issuers). Total number of shares: 3.

EXAMPLES OF PORTFOLIO COMPANIES AT RESPECTIVE YIELD LEVELS ("CREDIT RATINGS")



PRICES FOR DIFFERENT SHARE CLASSES

| SHARE CLASS | ISIN | PRICE |
|-------------------|--------------|--------|
| Retail NOK | LU0740578702 | 128,45 |
| Institutional NOK | LU0840158496 | 121,34 |
| RCN NOK | LU1382364633 | 127,71 |
| ICN NOK | LU1382364716 | 121,43 |
| Institutional USD | LU0840159387 | 103,31 |
| Retail SEK | LU0840159460 | 101,97 |
| Institutional SEK | LU0840159544 | 105,57 |
| Retail GBP | LU0840159890 | 105,89 |
| Retail EUR | LU0840158819 | 101,85 |
| Institutional CHF | LU1076701652 | 94,77 |

OTHER INFORMATION

| | |
|--------------------|---------------------------------------------------------------------------------------------------------------------------|
| Share classes | NOK, SEK, EUR, USD, GBP, CHF (all hedged) |
| Domicile | Luxembourg |
| Investment Manager | Storm Capital Management Ltd |
| 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 | Retail (50,000 NOK) Institutional (15,000,000 NOK) |
| 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). |
| AUM (NOKm) | 950 |

TEAM

PORTFOLIO MANAGEMENT**MORTEN E. ASTRUP***Chief Investment Officer / Founding Partner*

- He has over 20 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/ Analyst*

- He has 10 years of experience from research and finance
- Before Storm he worked as a credit research analyst, covering the offshore high yield space 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

INVESTOR RELATIONS / SALES**TORE ANDERSEN***Sales and Marketing Director*

- He has over 20 years of experience in financial advisory and sales. Before he joined 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

**MARCUS S. MOHR***Sales Manager*

- He has over 8 years of experience from investment banking and sales. Before he joined Storm he worked in the investment banking division at Citigroup in London
- Marcus is responsible for:
 - Sales and marketing activity
 - 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

AWARDS



Winner of the Allocator/CNBC Investors Choice Awards as the Long Only Credit Fund of 2016 in the EMEA & APAC. The awards were judged by a distinguished panel of institutional investors in funds and they took into account a set of qualitative criteria covering the investment process, risk management framework and depth of research team, as well as a set of quantitative performance measures including annualized returns, volatility and maximum drawdown.

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 Ltd. and should not be considered impartial research under FCA Rules. 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 Ltd. is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Its registered office is at Berger House, 36-38 Berkeley Square, London W1J 5AE, United Kingdom.