

# PERFORMANCE REPORT

JUNE 2015

## Net return history (shareclass RC NOK\*\*\*, net of fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	-2.7%	-1.3%	-0.2%	1.5%	2.1%	0.4%							-0.1%
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%

## Net asset value (shareclass RC NOK\*\*\*, net of fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	102.0	100.7	100.6	102.1	104.3	104.7							-0.1%
2014	121.5	122.6	123.7	124.6	125.5	126.5	127.3	127.4	125.7	118.8	118.	104.8	-12.7%
2013	109.5	110.3	111.3	112.5	114.2	114.2	115.4	116.8	118.0	117.9	119.2	120.1	11.0%
2012	131.0**	137.5	101.1***	102.1	102.3	103.3	104.1	105.4	106.2	105.0	106.6	108.3	13.0%**
2011	126.9	129.9	132.4	134.4	132.1	128.9	130.2	127.2	123.9	125.6	125.7	126.4	1.5%
2010	110.3*	111.3	113.4	117.7	113.6	115.1	116.8	119.3	122.6	124.4	125.8	124.54	19.9%
2009	79.6	79.8	76.5	78.1	79.0	85.2	91.1	93.8	99.2	101.8	103.1	107.3	46.8%
2008								100.0	97.5	94.3	84.5	73.1	-26.9%

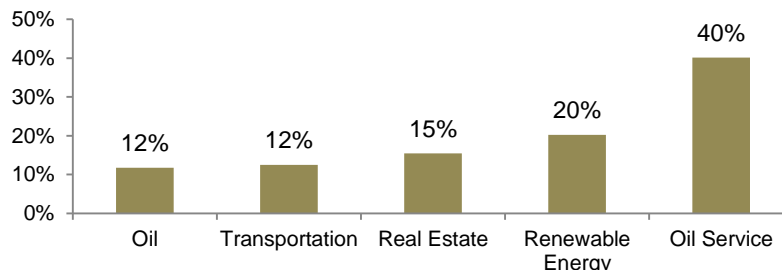
\*From January 2010, performance and NAV are reported based on the EC share class. EC share class 31.December 2009: 103.9  
Past performance is no guarantee for future performance

\*\*From 1 Jan 2012, performance and NAV are reported on return in NOK

\*\*\*From March 2012, performance and NAV are reported based the EC NOK share class, EC changed name to RC NOK as of January 2013

## Key statistics

Performance per June 2015, Net of fees (RC NOK)	0.4%
Performance YTD 2015 (RC NOK shareclass)	-0.1%
Performance since inception	42.7%
Number of positions 30/06/2015	34
Number of issuers	33
Interest rate duration	2.0 years



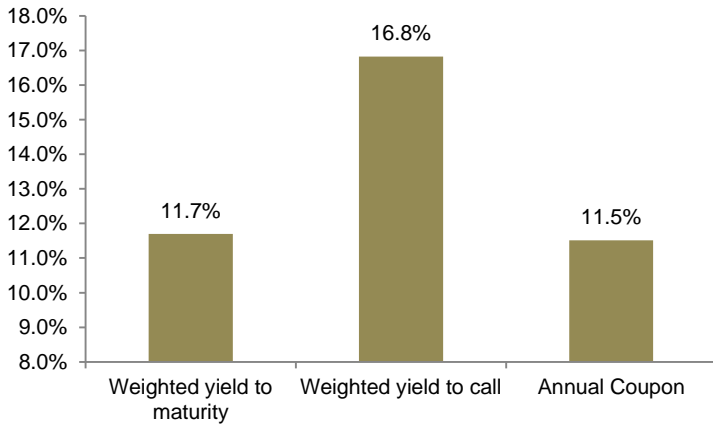
## Fund terms

<b>Currency</b>	NOK	<b>Management Fee</b>	Retail: 0.75%, Institutional: 0.5%
<b>Domicile</b>	Luxembourg	<b>Performance Fee</b>	10%
<b>Investment Manager</b>	Storm Capital Management Ltd	<b>Liquidity</b>	Daily
<b>Prime Broker</b>	Oppenheim Asset Management Services	<b>Auditor</b>	PriceWaterhouseCoopers
<b>Administrator</b>	Deutsche Fund Platforms		

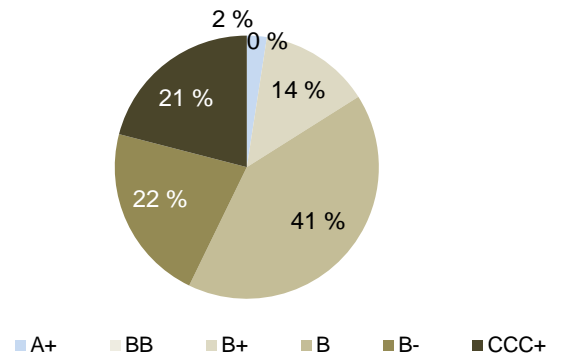
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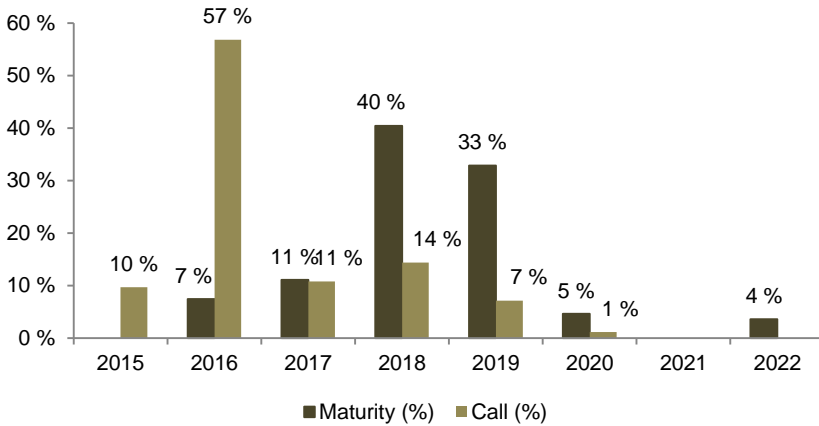
**Yield to maturity, yield to call ann. coupon**



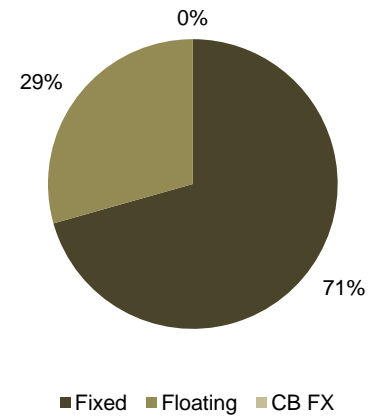
**Credit rating**



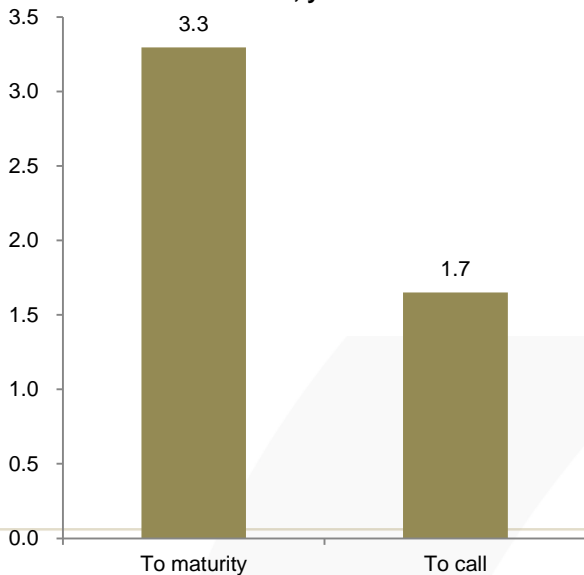
**Maturity profile**



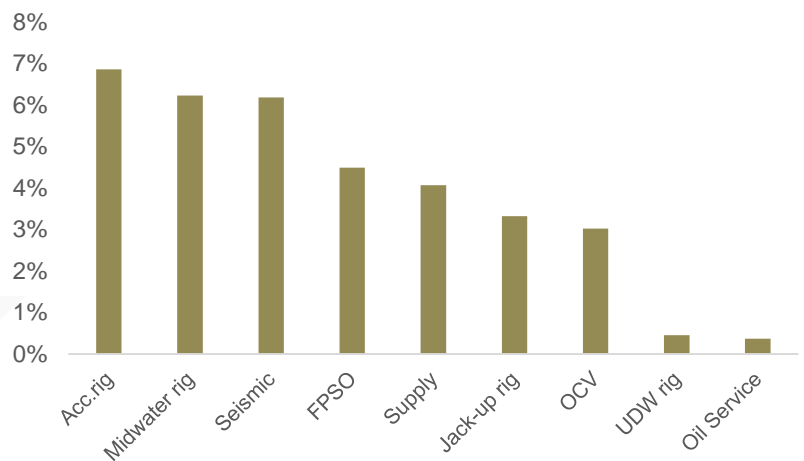
**Coupon allocation**



**Duration, years**



**Oil service exposure**

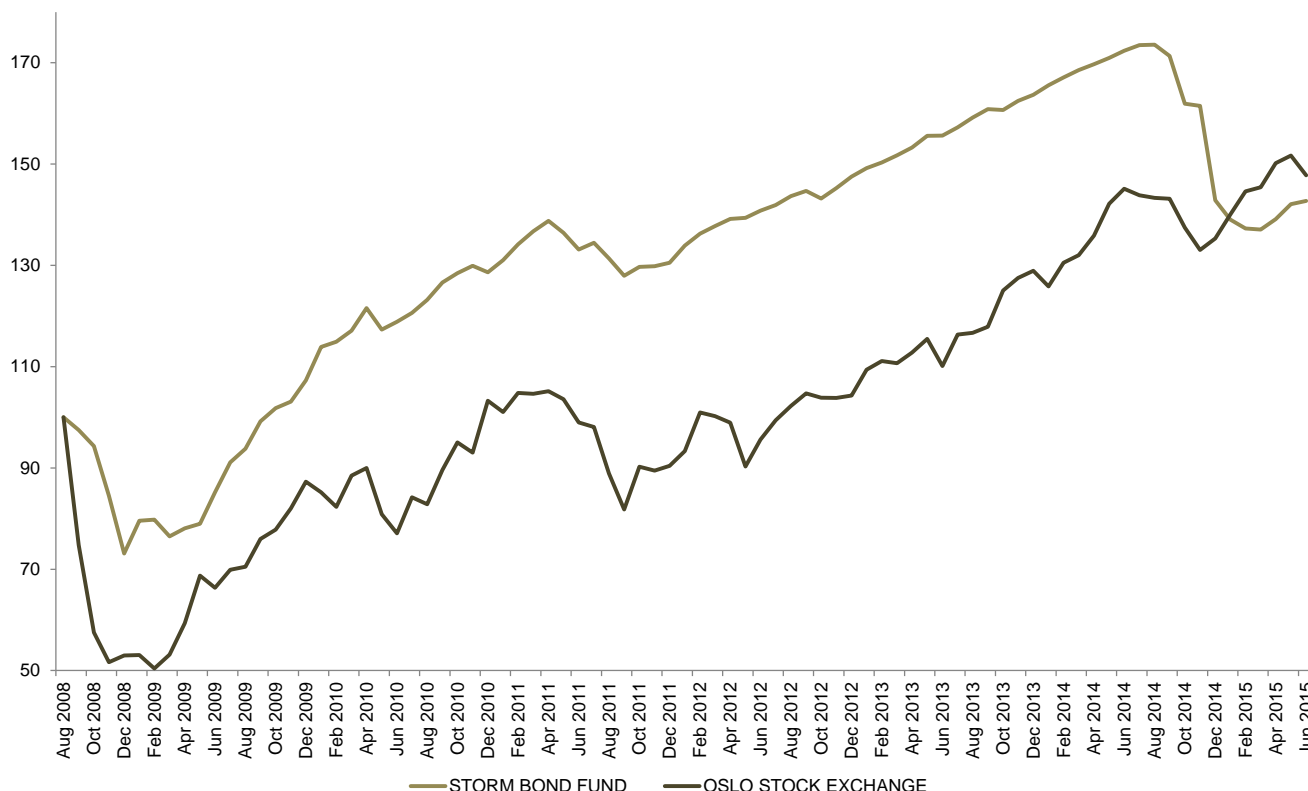


Top 20 positions

Name	Price	Yield %	NAV %	Information
1 Jacktel 14-19	83.00	13%	6.9%	1 <sup>st</sup> lien pledge in a jack-up built for the Norwegian continental shelf currently operating for Conoco Phillips with LTV ~30%.
2 Etrion Corp. 14-19	94.00	10%	5.2%	Stockholm listed Lundin-family owned company installing, owning and producing solar power on long contracts. High leverage, but long term secured cash flow.
3 Borgestad ASA 14-17 FRN	100.50	8%	5.0%	Loan to value at ~60-70% with 1st and 2nd priority pledge in real estate in Poland and Grenland, Norway.
4 Petroleum Geo- Services 7,375% 12/15/18	94.63	9%	4.7%	The leading contract seismic company. Robust balance sheet with ~50% LTV and access to financing.
5 Bluewater Holding B.V. 13-19	92.50	12%	4.5%	Privately owned Dutch FPSO company with long contracts producing oil. Loan to value ~70-80% and de-levering over life.
6 LM Group Holding	99.50	8%	4.5%	Private equity owned Danish company with global production of wind blades. Below 1.5x levered on EBITDA.
7 Kistefos AS 13-16 FRN	93.00	14%	4.4%	Norwegian holding company with ~50% loan to value on assets. Owned 100% by Christen Sveaas.
8 REC Silicon ASA 11-18	94.25	12%	4.4%	Unsecured bond in a company with NOK 800m net debt and market cap of NOK ~3.8bn
9 Fjord Line AS 13-18	86.00	18%	3.8%	Recently Norwegian restructured ferry operator with ~80% loan to value on brand new ferries running on gas.
10 European Energy AS Float 18	99.00	8%	3.7%	Developing and owning wind- and solar power generating assets and has about 40% EBITDA margin.
11 Nobina AB 14-19	113.00	1%	3.7%	Nobina provides local bus services in Sweden, Norway, Denmark and Finland. Nobina has ~20% market share and is levered ~4.5x. The company was restructured in 2012.
12 Det Norske Oljeselskap ASA 15-22	99.13	10%	3.3%	Mr Kjell Inge Røkke backed exploration & production co' producing 60k boe/d. 12% ownership in Johan Sverdrup and fully funded.
13 Oro Negro Drilling Pte. Ltd. 14-19	77.00	16%	3.3%	1 <sup>st</sup> pri pledge in 4 state of the art jack-ups on contracts with Pemex. Mexican and Singaporean pension money is invested in this company.
14 Hoegh LNG Holding Ltd. 15-20 FRN	99.25	6%	3.2%	The Company has a leading market position within the FSRU and FLNG industry and firm backlog of ~USD 3.5bn. Average contract length is 13 years.
15 Oceanteam Shipping ASA 12-17 FRN	90.00	17%	3.0%	LTV 80% on a contracted OCV fleet. 50% of the EBITDA from an unleveraged asset light business.
16 Songa Offshore ASA 11-18 FRN	83.70	17%	3.0%	Norwegian rig company with market cap of NOK 1,5bn and 4x brand new rigs on 8Y contracts to Statoil.
17 Index International AB 14-18 FRN	89.50	11%	2.9%	Swedish real estate company with net assets above SEK 2bn. Over the past 5 years annual ROI is more than 60% and is yielding significantly above peers.
18 Elematic Oy AB 14-18	84.00	18%	2.8%	Finnish private equity owned company-producing modules for precast concrete. Founded in 1959.
19 IGas Energy PLC 13-18	93.00	13%	2.6%	London-listed company producing oil and gas onshore UK. Backed by Blackstone. The company has hedged a significant portion of the oil production. Secured bond.
20 IGas Energy PLC 13-18	79.00	19%	2.6%	Please see above. Unsecured.

### Storm Bond Fund

Storm Bond Fund was up 0.4% in June and is unchanged year to date. The Oslo Stock Exchange was down 2.6% in June and is up 9.2% year to date. Since inception, the fund is up 42.9% vs 47.8% for the Oslo Stock Exchange.



June was a slightly softer month than April and May were for the Nordic high yield market. Despite this, the market contributed with positive returns. During the month, companies like BW Offshore, DNO and Høegh LNG issued bonds in the primary market. Storm Bond Fund participated in the bond issuance by Høegh LNG as we see good risk reward within the FLNG and FSRU business with long stable cash flows to stable counter parties.

First half of June started fairly well, while the latter one was more volatile and in particular affected by both the Greek drama and a correction in the Chinese stock market. On a general note, as summer is approaching the activity within the Nordic high yield market will slow down and traditionally be kick started end of August. Everything else being equal we are expecting the positive sentiment to return entering September. A potential solution to the situation in Greece will probably prove that this is a short-lived market correction.

During June, Nobina informed the market in detail regarding the IPO and it was disclosed that the bonds will be called end of July which triggers a make-whole and creditors will receive an amount that equals ~115% of par. In addition, Kistefos withdrew their intention to extend a maturity in July that is positive for the credit.

Positive contributors in June include Nobina and REC Silicon while Bluewater and Polarcus were among the laggards.

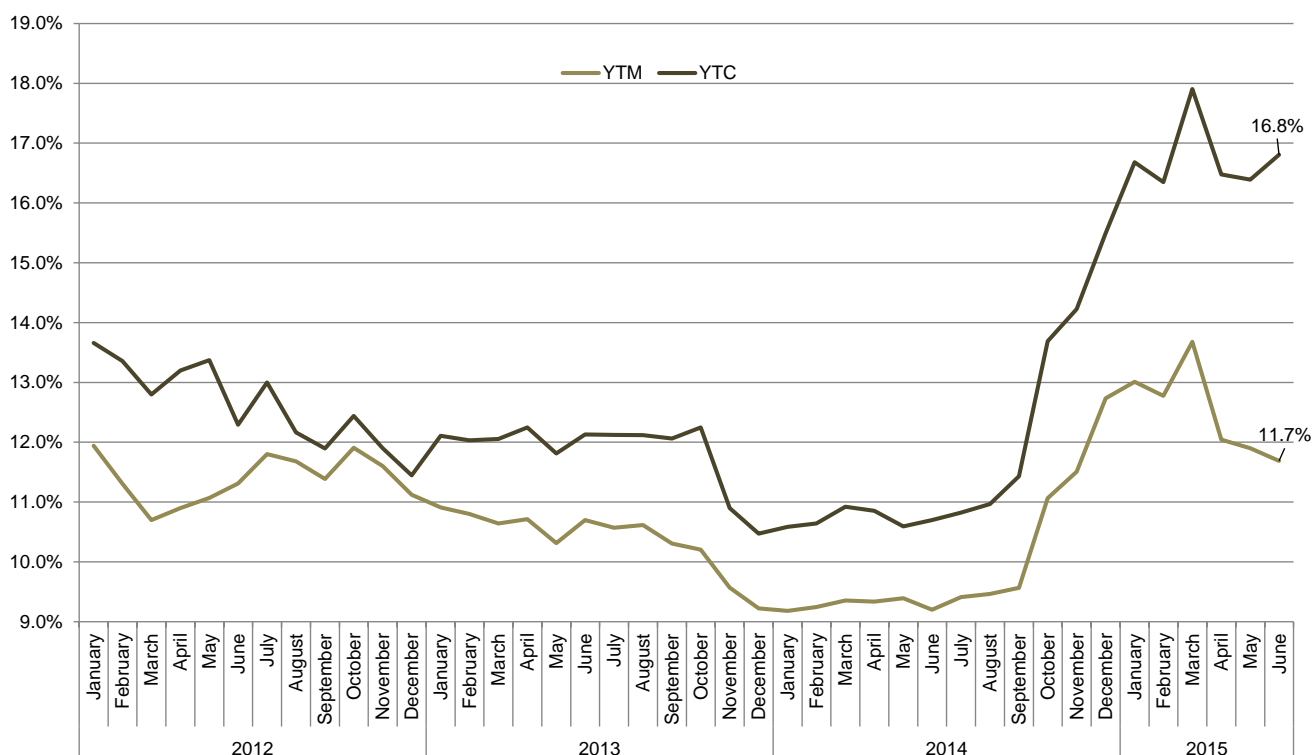
The effective portfolio coupon is currently 11.5%, while the yield to maturity is 11.7% and yield to call is 16.8%.

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The iTraxx 5-year Crossover Index averaged at 305bps in June that was a 10% widening from May (278bps). Because of the increased volatility within the Eurozone, the Euro high yield market softened considerably during June. Fluctuating interest rates is neither improving the market conditions. However, in the light of a long period of a smoking hot primary market and hunt for yield, we expect a slow market during the summer period.

The graph below shows historical yields in Storm Bond Fund. In order not to inflate yields, we have capped the yields at 25% in this graph and in all other figures in the newsletter.

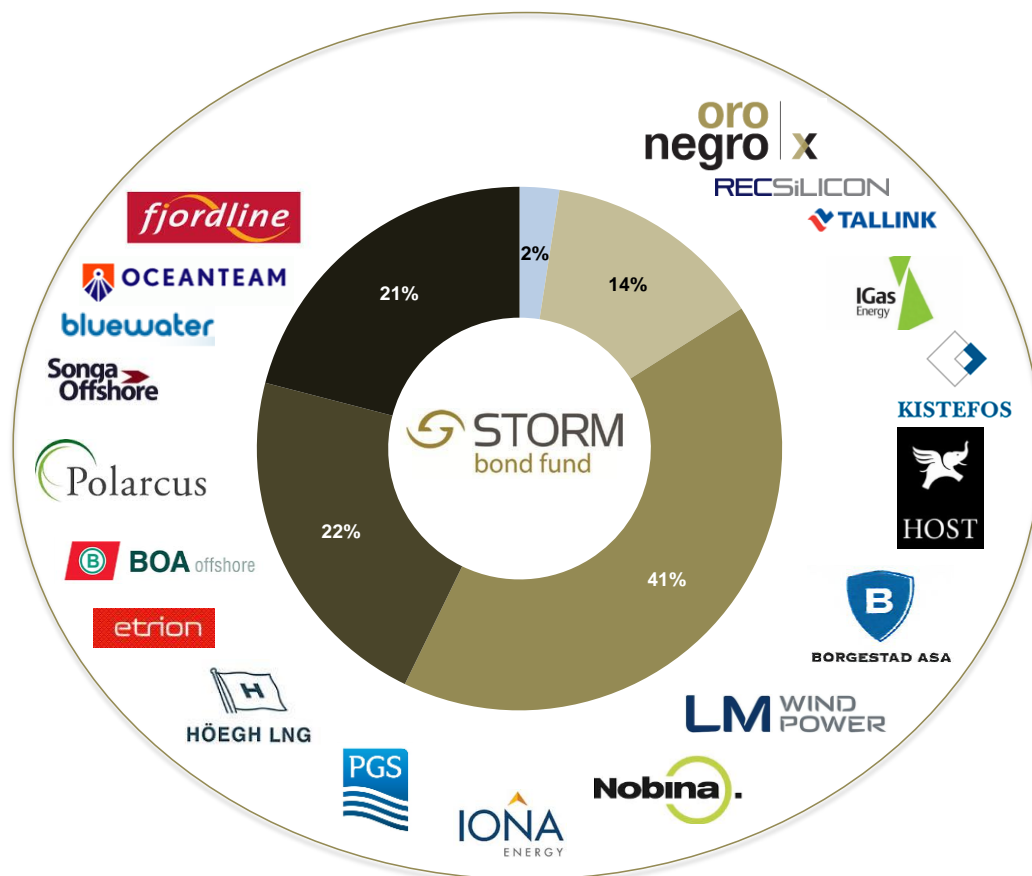


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Selected investments in Storm Bond Fund with credit- or shadow credit ratings

A+	2%
BB	0%
B+	14%
B	41%
B-	22%
CCC+	21%



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