

PERFORMANCE REPORT

JULY 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%	0.4%						0.3%
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	105.1						0.3%
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%

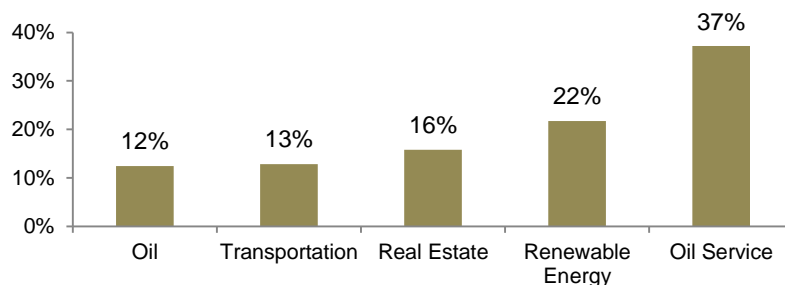
*From January 2010, performance and NAV are reported based on the EC share class. EC share class 31.December 2009: 103.9
Past performance is no guarantee for future performance

**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 July 2015, Net of fees (RC NOK)	0.4%
Performance YTD 2015 (RC NOK shareclass)	0.3%
Performance since inception	43.3%
Number of positions 31/07/2015	33
Number of issuers	32
Interest rate duration	1.9 years



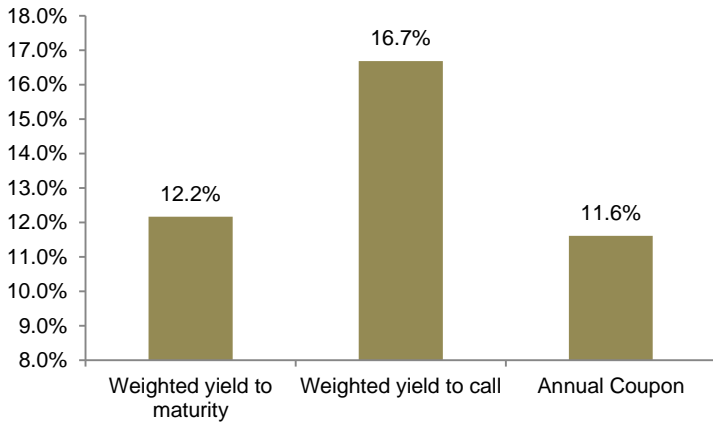
Fund terms

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

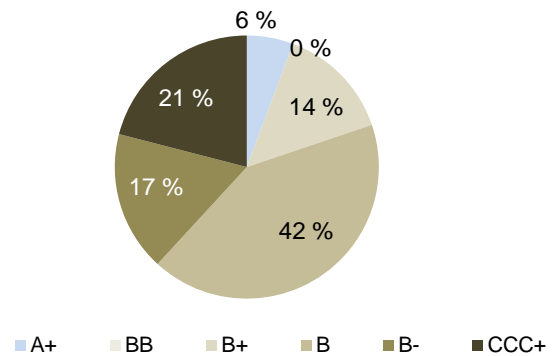
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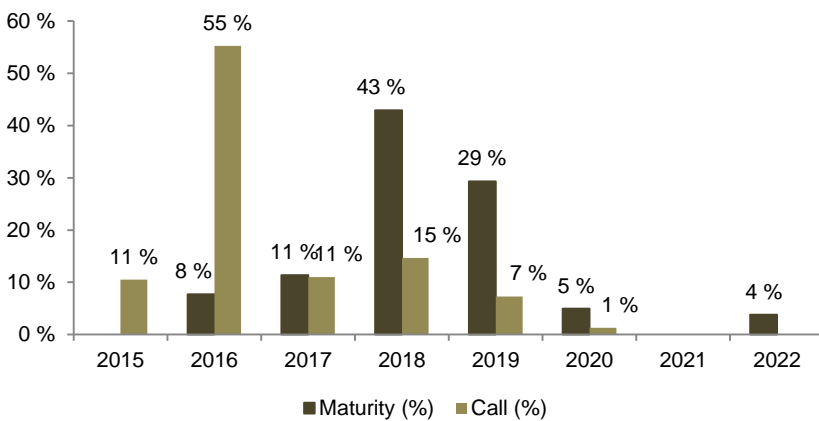
Yield to maturity, yield to call ann. coupon



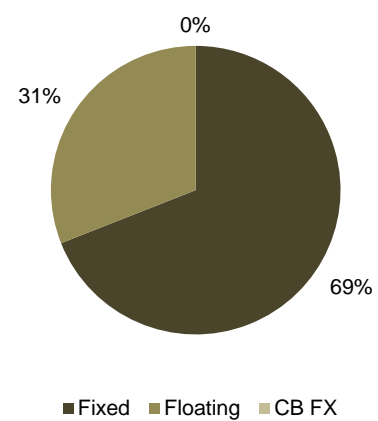
Credit rating



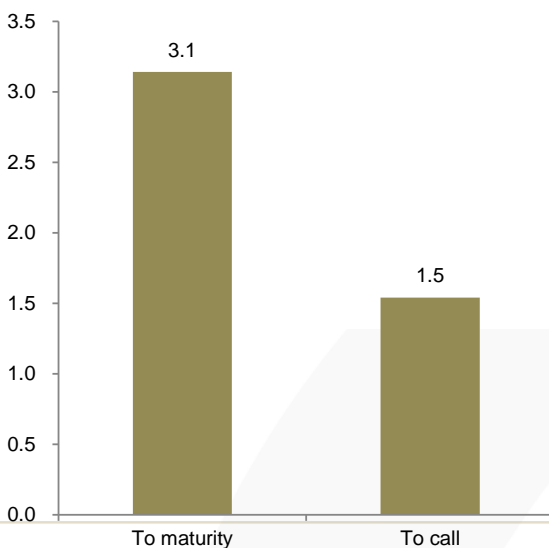
Maturity profile



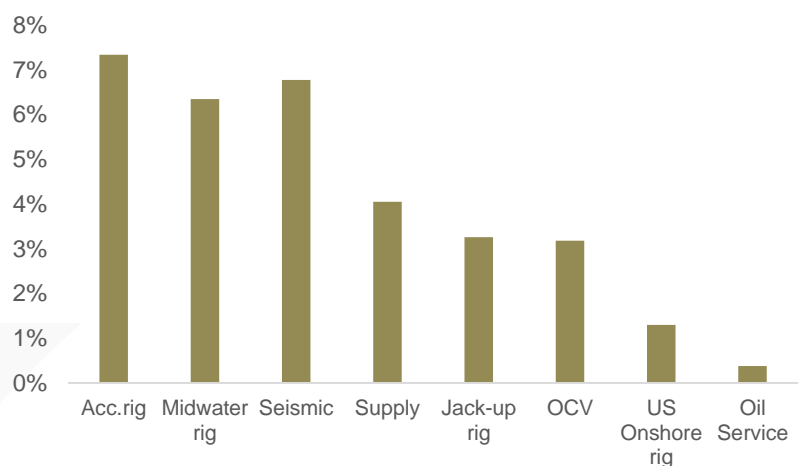
Coupon allocation



Duration, years



Oil service exposure

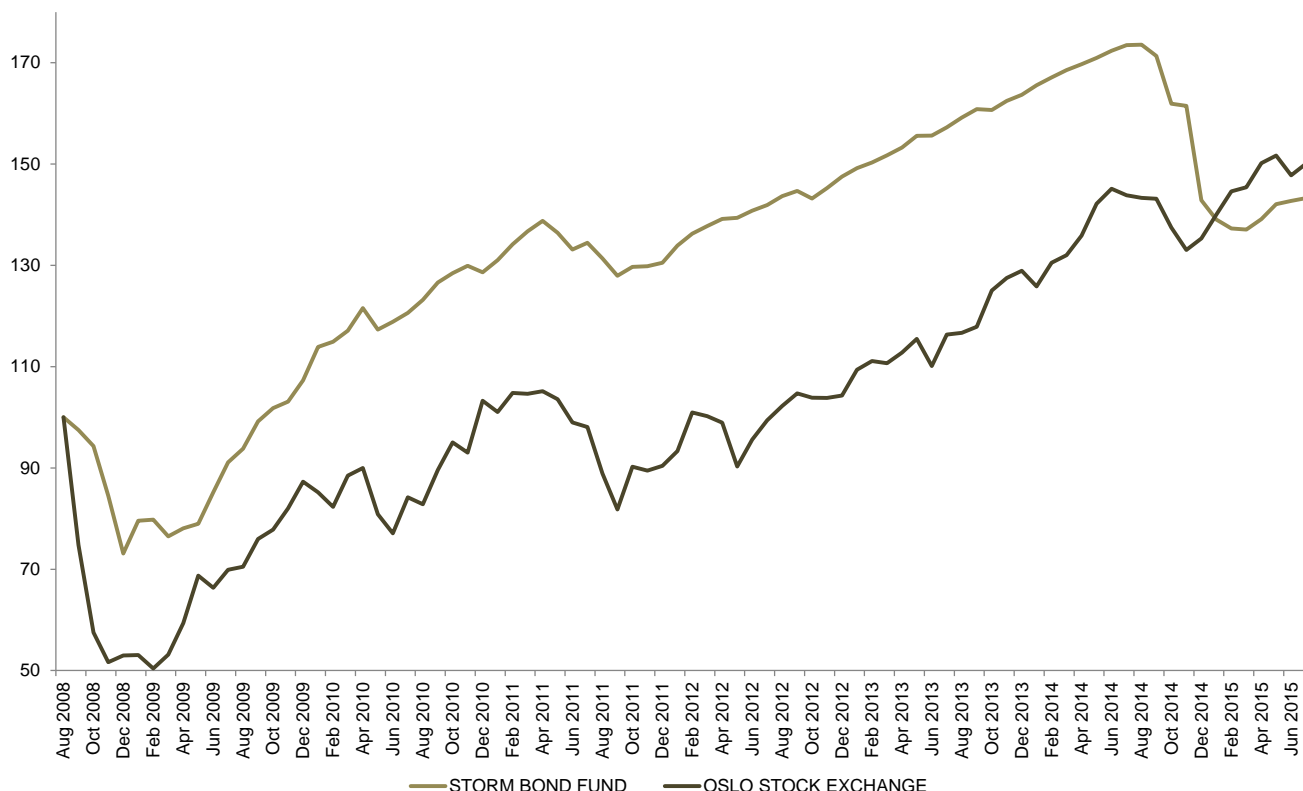


Top 20 positions

Name	Price	Yield %	NAV %	Information
1 Jacktel 14-19	86.00	12%	7.3%	1st lien pledge in a jack-up built for the Norwegian continental shelf currently awaiting contract for Maersk Oil with LTV ~30%. Stockholm listed Lundin-family owned company installing, owning and producing solar power on long contracts. High leverage, but long term secured cash flow.
2 Etrion Corp. 14-19	94.00	10%	5.4%	The leading contract seismic company. Robust balance sheet with ~50% LTV and access to financing.
3 Petroleum Geo- Services 7,375% 12/15/18	92.00	10%	5.2%	Loan to value at ~60-70% with 1st and 2nd priority pledge in real estate in Poland and Grenland, Norway.
4 Borgestad ASA 14-17 FRN	100.50	8%	5.0%	Private equity owned Danish company with global production of wind blades. Below 1.5x levered on EBITDA.
5 LM Group Holding	101.00	8%	4.7%	Developing and owning wind- and solar power generating assets and has about 40% EBITDA margin.
6 European Energy AS Float 18	98.63	8%	4.6%	Norwegian holding company with ~50% loan to value on assets. Owned 100% by Christen Sveaas.
7 Kistefos AS 13-16 FRN	95.75	12%	4.5%	Unsecured bond in a company with NOK 800m net debt and market cap of NOK ~3.8bn
8 REC Silicon ASA 11-18	95.27	12%	4.4%	Recently Norwegian restructured ferry operator with ~80% loan to value on brand new ferries running on gas.
9 Fjord Line AS 13-18	86.00	17%	3.8%	Nobina provides local bus services in Sweden, Norway, Denmark and Finland. Nobina has ~20% market share and is levered ~4.5x. The bond will be called in August 2015.
10 Nobina AB 14-19	113.00	25%	3.7%	Mr Kjell Inge Røkke backed exploration & production co' producing 60k boe/d. 12% ownership in Johan Sverdrup and fully funded.
11 Det Norske Oljeselskap ASA 15-22	98.63	11%	3.5%	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.
12 Hoegh LNG Holding Ltd. 15-20 FRN	99.25	5%	3.4%	1 st pri pledge in 4 state of the art jack-ups on contracts with Pemex. Mexican and Singaporean pension money is invested in this company.
13 Oro Negro Drilling Pte. Ltd. 14-19	74.00	18%	3.3%	LTV 80% on a contracted OCV fleet. 50% of the EBITDA from an unleveraged asset light business.
14 Oceanteam Shipping ASA 12-17 FRN	90.00	17%	3.2%	Norwegian rig company with market cap of NOK 1,5bn and 4x brand new rigs on 8Y contracts to Statoil.
15 Songa Offshore ASA 11-18 FRN	83.00	18%	3.0%	Finnish private equity owned company-producing modules for precast concrete. Founded in 1959.
16 Elematic Oy AB 14-18	87.00	17%	3.0%	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.
17 Index International AB 14-18 FRN	89.50	11%	2.9%	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.
18 IGas Energy PLC 13-18	92.00	14%	2.7%	Please see above. Unsecured.
19 IGas Energy PLC 13-18	79.00	19%	2.7%	1 st priority pledge in a drillship operating for PdVSA in Venezuela. Owned and backed by Petro Saudi. Banco Espirito Santo has issued a letter of credit of USD 130m that covers the bond.
20 Psos Finance Ltd. 14-18	93.00	15%	2.6%	

Storm Bond Fund

Storm Bond Fund was up 0.4% in July and is up 0.3% year to date. The Oslo Stock Exchange was down 1.6% in July and is up 10.9% year to date. Since inception, the fund is up 43.3% vs 50.1% for the Oslo Stock Exchange.



July was a very quiet month in the Nordic high yield market with most investors on holiday. As such, the primary market was very quiet except for BOA Offshore. The company raised a NOK 150m subordinated bond with maturity in December 2018. The interest margin was 10% above NIBOR. We saw very little liquidity in the second hand market. Activity levels normally come back in mid-August when investors are back from summer holiday.

During July, we got more set-backs on the Chinese stock market while we have seen a “temporary” solution to the Greek debt problem. The oil priced dropped from USD 64 to USD 52 pr barrel as more Iranian oil was supplied to the market.

Storm Bond Fund completed a full exit in Bluewater as the company received a contract termination from ENI on the FPSO Glas Dowr. This was one of the two units under a secured bank facility. As the company will not produce free cash flow after financing on this bank facility, we exited the bond. The unit was contributing ~25% of the running.

In July, Iona Energy announced details of the ongoing restructuring. Bondholders will practically take over the company against a 25% haircut and will pay out 12.5% of par in cash (~45% of book value). 62% of the bond will roll as normal while the company has taken significant grips regarding future costs through farm-downs.

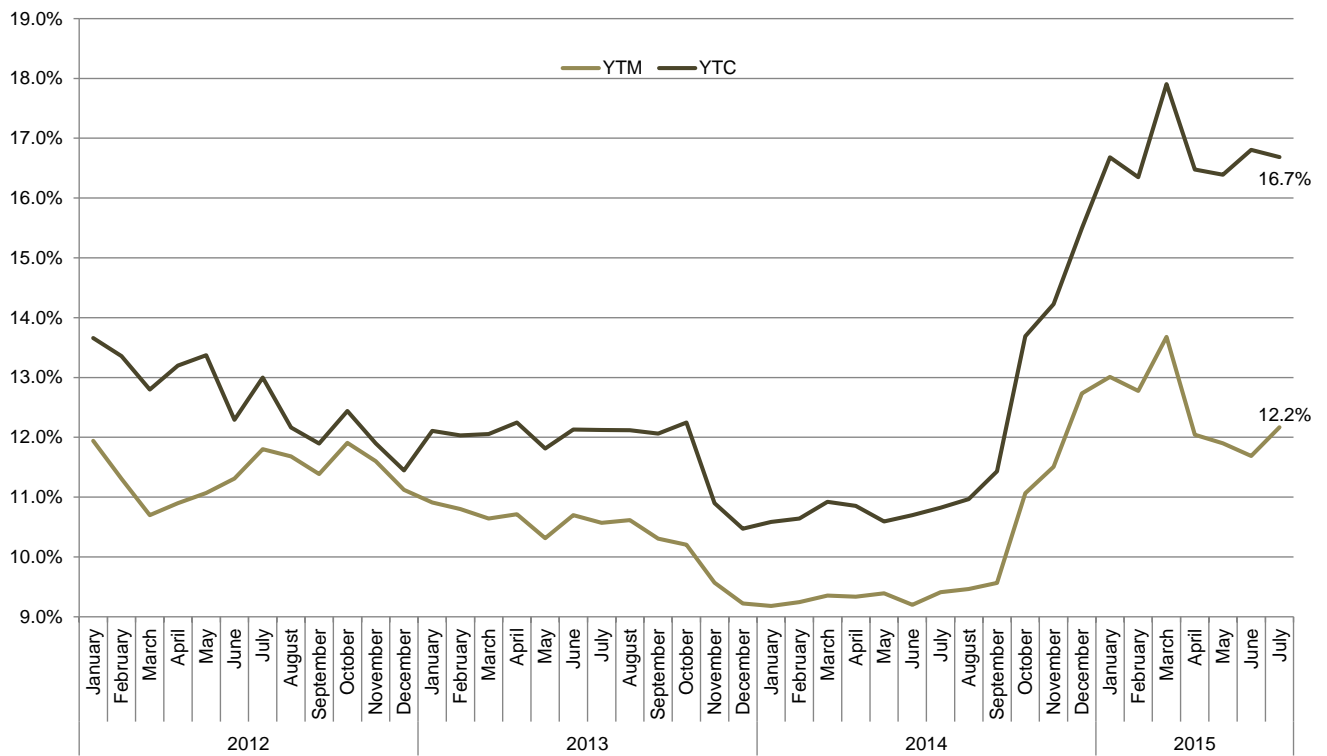
Positive contributors in July include Jacktel and Elematic while Bluewater, PGS and Det Norske Oljeselskap were among the laggards.

The effective portfolio coupon is currently 11.6%, while the yield to maturity is 12.2% and yield to call is 16.7%.

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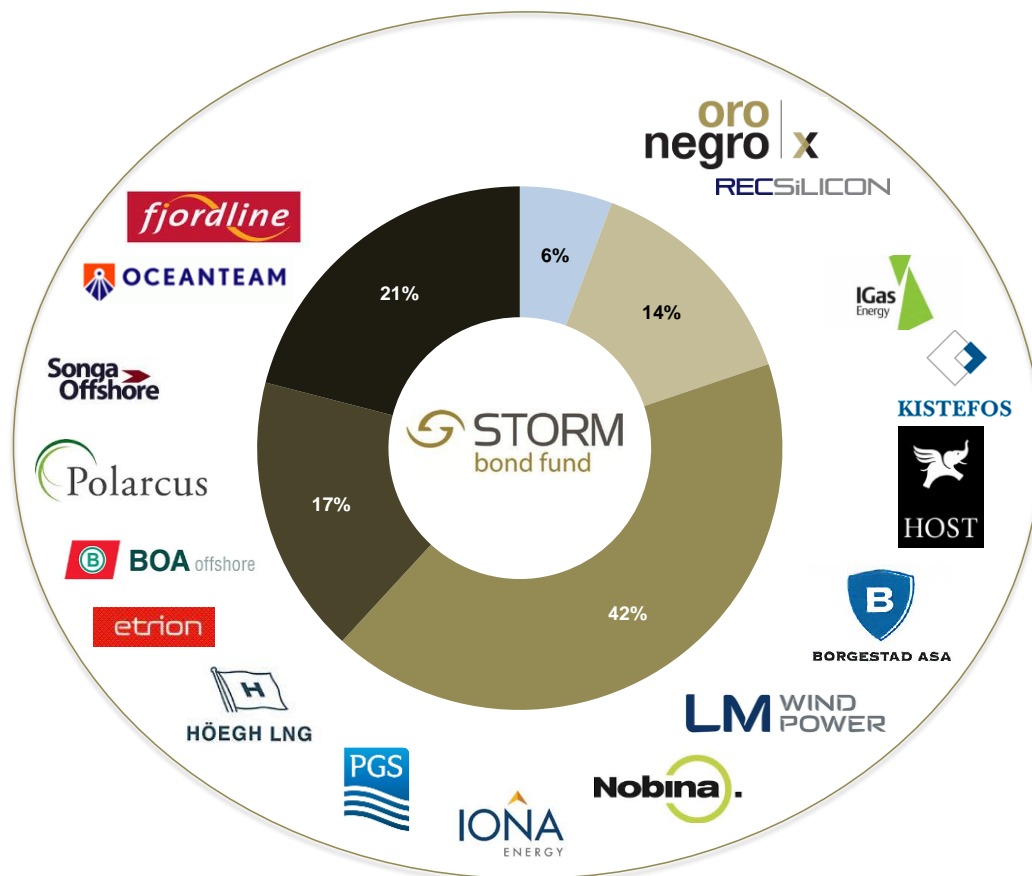
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The graph below shows historical yields in Storm Bond Fund. In order not to inflate yields, we have capped the yields at 25% in this graph and in all other figures in the newsletter.



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

A+	6%
BB	0%
B+	14%
B	42%
B-	17%
CCC+	21%



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