

PERFORMANCE REPORT

DECEMBER 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%	-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%

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	101.2	98.4	99.6	99.0	94.8	-9.6%
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%

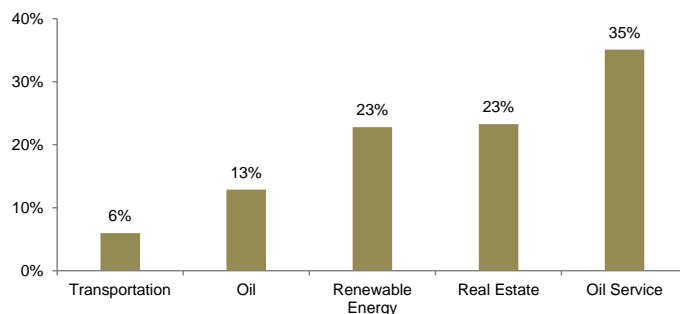
*From January 2010, performance and NAV are reported based on the EC share class. EC share class 31.December 2009: 103.9
Past performance is no guarantee for future performance

**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 December 2015, Net of fees (RC NOK)	-4.2%
Performance YTD 2015 (RC NOK shareclass)	-9.6%
Performance since inception	29.1%
Number of positions 31/10/2015	30
Number of issuers	29
Interest rate duration	1.5 years



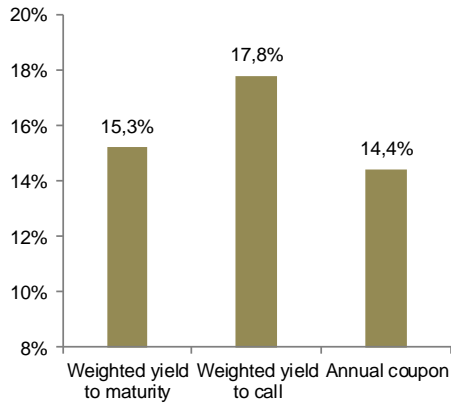
Currency	NOK
Domicile	Luxembourg
Investment Manager	Storm Capital Management Ltd
Prime Broker	Oppenheim Asset Management Services
Administrator	Deutsche Fund Platforms

Management Fee	Retail: 0.75%, Institutional: 0.5%
Performance Fee	10%
Liquidity	Daily
Auditor	PriceWaterhouseCoopers

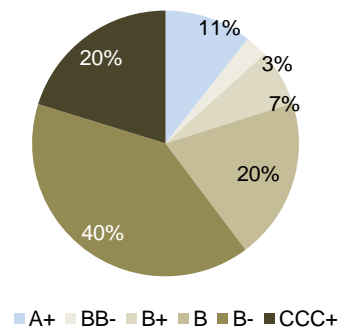
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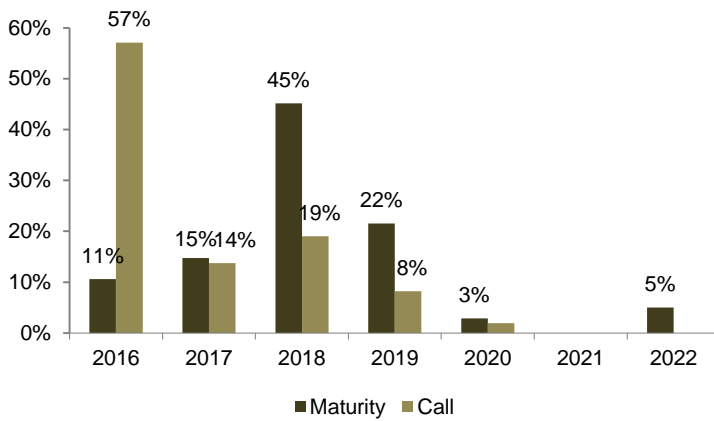
Yield to maturity, yield to call, ann. coupon



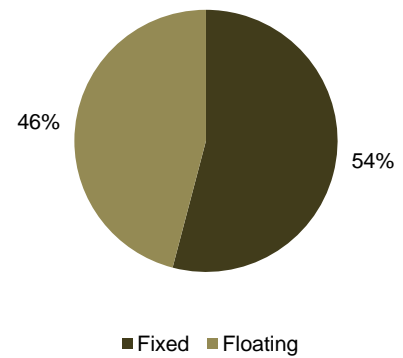
Credit rating



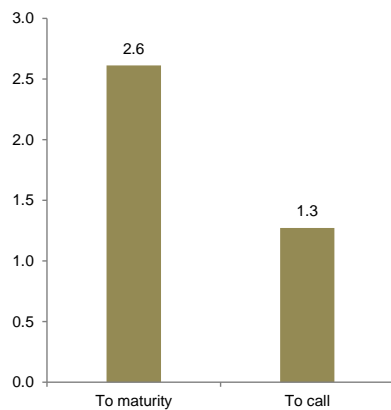
Maturity profile



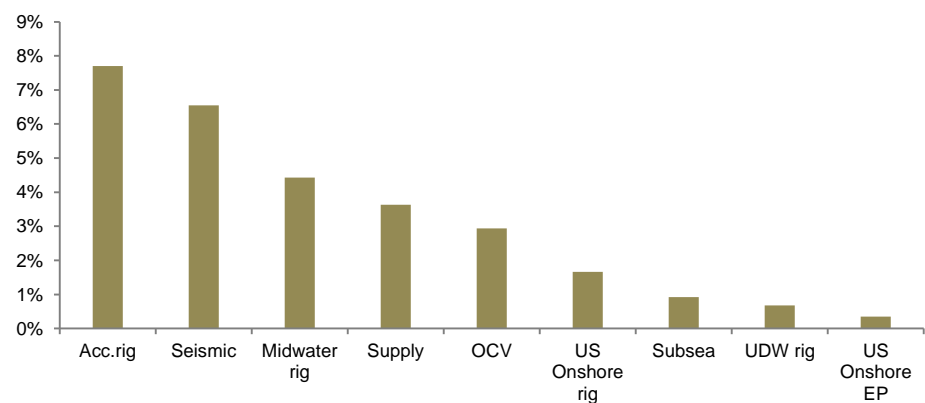
Coupon allocation



Duration, years



Oil service exposure



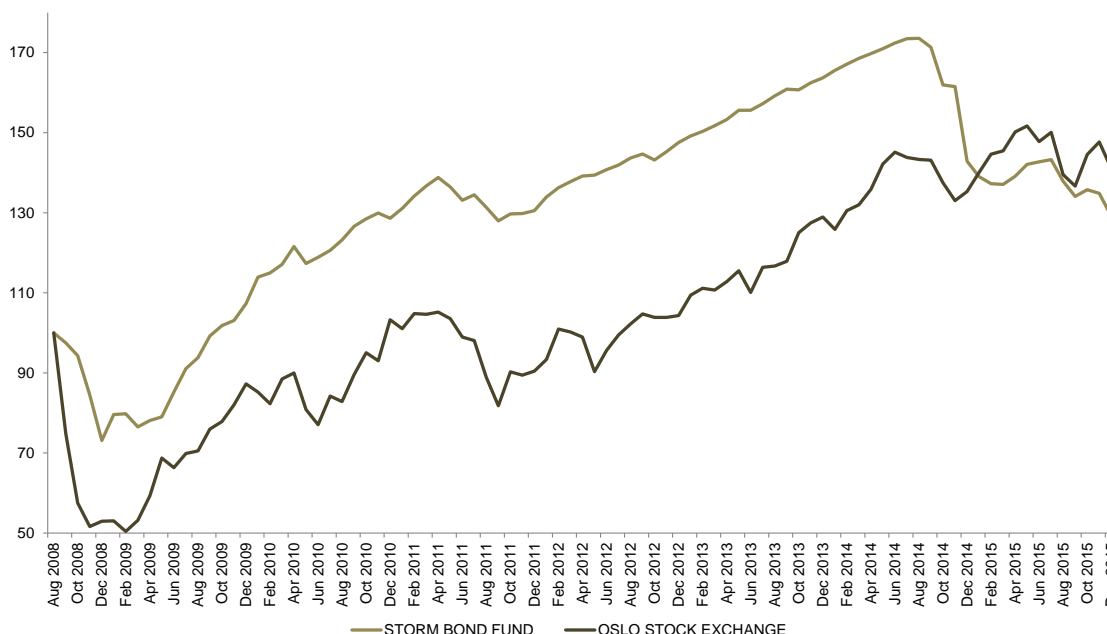
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Top 20 positions

Name	Price	Yield %	NAV %	Information
1 Jacktel A/S 14-19	90.75	10.6%	7.7%	1st lien pledge in a jack-up built for the Norwegian continental shelf. Currently working for Maersk and won a contract on Johan Sverdrup in November with STL that secures work until 2020. We expect the company to obtain bank financing before the bond expires.
2 Etrion Corp. 14-19	82.25	15.6%	6.5%	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	100.13	8.0%	6.4%	Loan to value at ~60-70% with 1st and 2nd priority pledge in real estate in Poland and Grenland, Norway.
4 Kistefos AS 13-16 FRN	99.40	9.0%	6.0%	Norwegian holding company with ~50% loan to value on assets. Owned 100% by Christen Sveaas.
5 European Energy A/S 14-18 FRN	81.88	16.7%	5.2%	Developing and owning wind- and solar power generating assets and has about 40% EBITDA margin.
6 REC Silicon ASA 11-18	93.25	13.3%	4.9%	Unsecured bond in a company with NOK 800m net debt and market cap of NOK ~3.5bn
7 Fjord Line AS 13-18 FRN	94.63	12.8%	4.9%	Recently Norwegian restructured ferry operator with ~80% loan to value on brand new ferries running on gas.
8 Det Norske Oljeselskap ASA 15-22	91.75	12.1%	4.5%	Mr Kjell Inge Røkke backed exploration & production co' producing 60k boe/d. 12% ownership in Johan Sverdrup and fully funded.
9 Petroleum Geo-Services ASA 11-18 -144A-	76.00	18.3%	4.4%	The leading contract seismic company. Robust balance sheet with ~50% LTV and access to financing.
10 Index International AB 14-18 FRN	91.50	11.1%	4.2%	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.
11 Oceanteam Shipping ASA 12-17 FRN	60.80	44.5%	2.9%	LTV 80% on a contracted OCV fleet. 50% of the EBITDA from an unleveraged asset light business.
12 Dof ASA 12-19 FRN	64.22	22.6%	2.8%	The group has a diverse portfolio of vessels and a top modern fleet. Secured contracts for NOK 4.6bn in Q3 2015 and has a solid backlog. Brazilian built vessels shields it from blockings in Brazil.
13 IGas Energy PLC 13-18	67.00	32.1%	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.
14 Elematic Oy AB 14-18	73.00	27.5%	2.6%	Finnish private equity owned company-producing modules for precast concrete. Founded in 1959.
15 Host Hoteleierdom AS 13-16 FRN	99.00	9.2%	2.6%	1st and 2nd priority in three hotels in Oslo and Lillehammer (Breiseth, Millennium and Grims Grenka)
16 IGas Energy PLC 13-18	54.67	36.5%	2.5%	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.
17 Songa Offshore ASA 11-18 FRN	72.75	27.4%	2.2%	Norwegian rig company with market cap of NOK 1.5bn and 4x brand new rigs on 8Y contracts to Statoil.
18 Psos Finance Ltd. 14-18	67.50	33.1%	2.2%	1st 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.
19 Solor Bioenergi Holding AB 12-17 FRN	85.00	17.2%	2.2%	Producer of wood-based bioenergy with diversified business in entire value chain.
20 Polarcus Ltd. 13-18 -144A-	11.63	218.2%	2.1%	Seismic company with top modern fleet. Ongoing restructuring process.

Storm Bond Fund

Storm Bond Fund decreased 4.2% in December and was down 9.6% in 2015. The Oslo Stock Exchange decreased 2.9% in December and was up 5.9% in 2015. Since inception, the fund is up 29.1% vs 43.3% for the Oslo Stock Exchange.



December was a tough month for Storm Bond Fund with oil prices and most of the stock exchange falling further. Even though we saw more positive than negative newsflow from the companies the general sentiment and liquidity was falling. The downturn came on the back of negative equity markets, and thin volumes driving most large names down. However, we see our portfolio more robust than ever, and need to remind ourselves that the faster the oil price falls the more it will come up again later as new projects are canned one after the other. The X-factor remains US-shale production that has been more resilient than we thought. Looking in the mirror we see a large group of oil service companies cutting costs and becoming healthier than ever. On the E&P side we see the same pattern that inevitably will create profitable companies over time. 18 months ago the portfolio needed around USD 70 a barrel to break even, now the figure is significantly down, and we estimate that the portfolio is robust even with a prolonged period with lower oil prices. Long contracts with strong counterparties or a low break-even level helps the companies to survive into the next cycle. As our portfolio consists of debt and not equity in mainly number one players in each niche the worst case scenario is that we become shareholders at the bottom of the market in these players.

A large part of the portfolio is in companies within real estate and renewable energy where the spreads have been affected by the negative high yield sentiment. Over time these names will re-price as long as the quality of the operations remains good.

In the distressed priced part of the portfolio the re-structurings are starting to pan out with Polarcus announcing a solution that would make us one of the larger shareholders in return for giving the company a call at 25% of par of our bonds. This means it is possible to build an equity story that could give a strong recovery if the market returns.

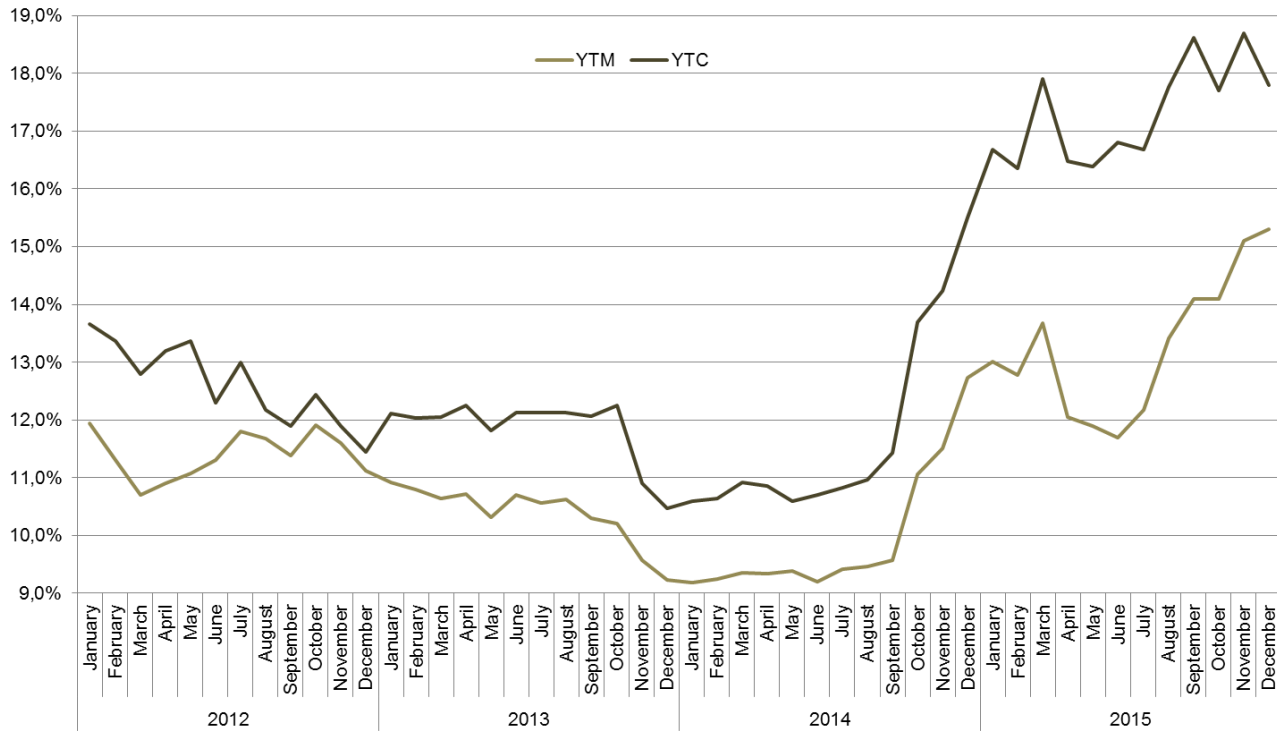
Noreco, where we got shares in the restructuring last year is up around 100% so far in January. This gives a hint of what can happen after a restructuring even though the oil price remains low. Patience and hard work will be the key to success in 2016 as always.

We wish you all a happy new year and promise we will fight to win back every penny that was lost in 2015.

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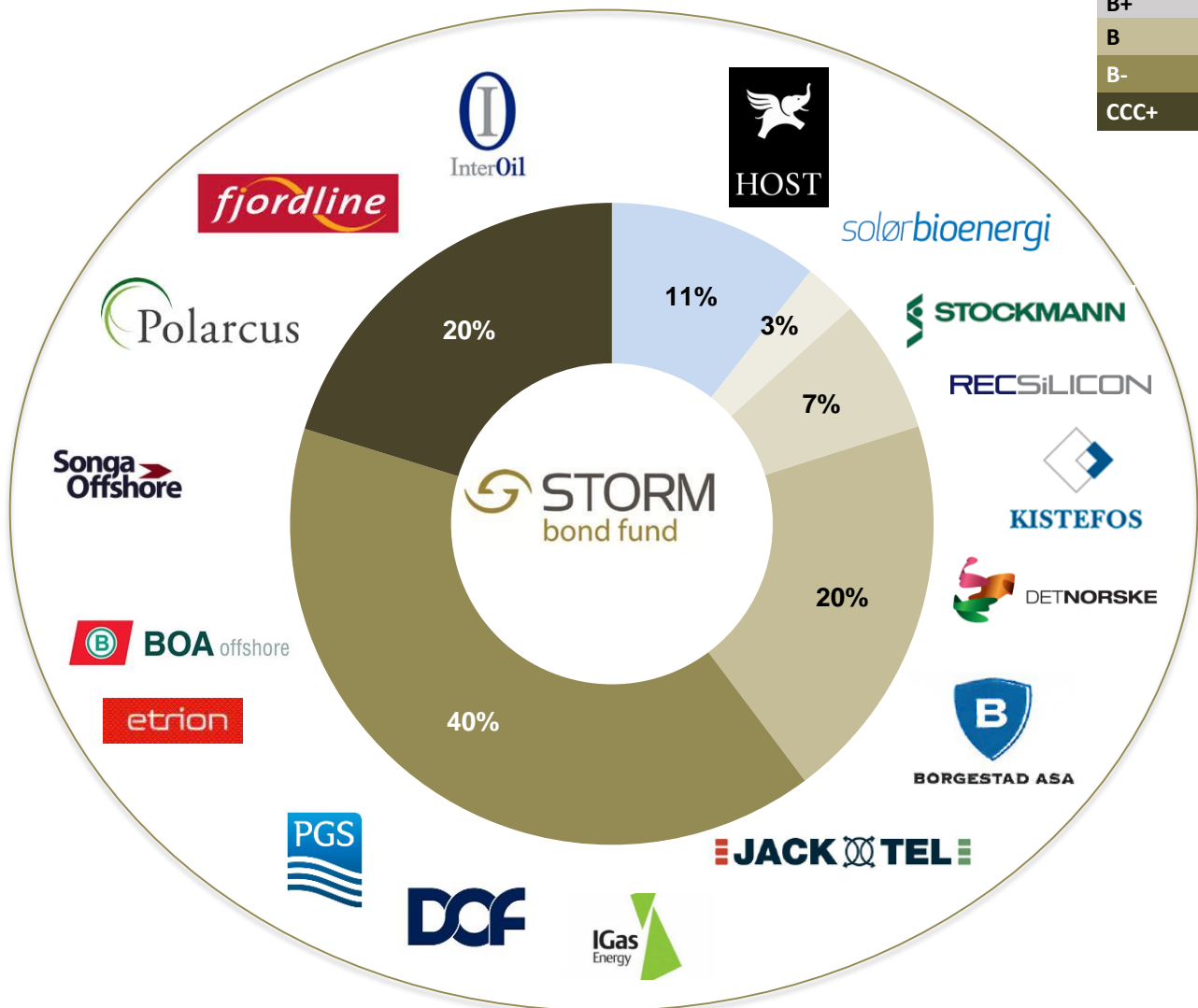
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The graph below shows historical yields in Storm Bond Fund. In order not to inflate yields, we have capped the yields at 25% in this graph and in all other figures in the newsletter.



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

A+	11%
BB-	3%
B+	7%
B	20%
B-	40%
CCC+	20%

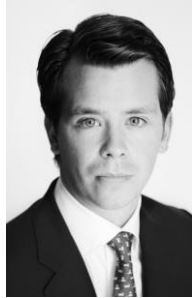


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How to invest in Storm Bond Fund



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