



NORRON
STOCKHOLM | OSLO

MONTHLY REPORT – ACTIVE April 2018

Historical return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	Year
2018	2,88	-0,23	-2,03	4,4%									4,97
SBX Index	1,66	-0,41	-0,97	4,1%									4,40
Outperformance	1,22	0,18	-1,06	0,3%									0,57
2017	1,2	3,2	2,7	4,2	1,4	-2,0	-1,8	-2,7	7,8	2,1	-4,1	2,1	14,6
2016	-8,9	4,8	0,8	0,8	2,1	-6,0	7,0	2,4	5,4	0,2	2,6	2,1	12,8
2015	6,7	12,4	2,9	3,0	1,6	-6,3	2,9	-4,8	-3,5	6,6	6,8	-2,0	27,7
2014	-0,2	5,5	1,5	4,9	4,1	0,5	-1,0	0,8	-1,1	-0,2	3,7	3,8	24,2
2013	4,5	3,0	-0,3	1,6	3,1	-4,5	8,9	-1,6	4,6	2,6	3,7	3,2	32,1
2012	5,5	5,9	-1,8	0,2	-7,2	2,3	4,5	-2,0	2,7	-1,1	2,4	2,1	13,5

Top 5 Positions

1	Atlas Copco AB-A SHS	8,9
2	Volvo AB-A SHS	6,7
3	Sandvik AB-B SHS	6,6
4	IAR Systems AB-B SHS	5,0
5	Skanska AB-B SHS	4,5

Positive Contributions

1	IAR Systems Group AB	0,7
2	Aker ASA	0,7
3	Hansa Medical AB	0,5
4	Medicover AB	0,3
5	BioArctic AB	0,3

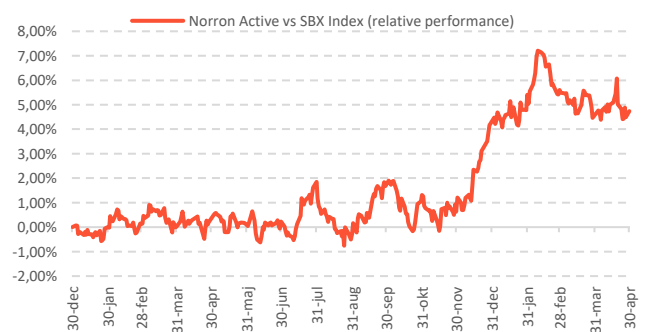
Negative Contributions

1	Atlas Copco AB	-0,3
2	Danske Bank A/S	-0,2
3	Storebrand ASA	-0,2
4	Mycronic AB	-0,1
5	Kindred Group PLC	-0,1

Norron Active vs SBX Index (Since 2017)



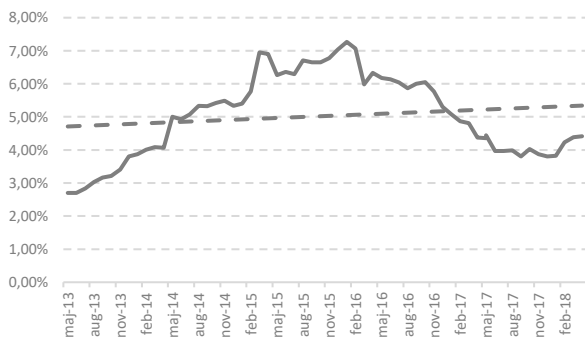
Norron Active vs SBX Index (Relative) (Since 2017)



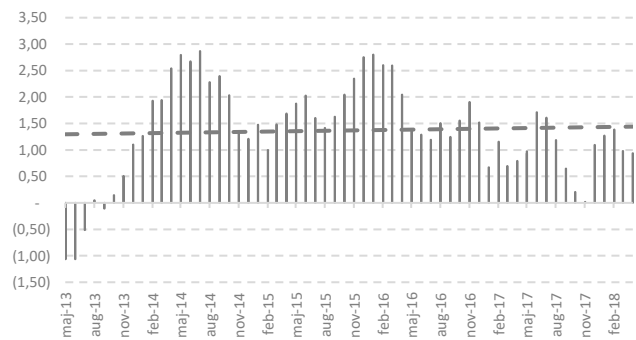
If you have any queries or require additional information, please contact ir@norron.com



Tracking Error (since 2013)



Information Ratio (since 2013)



Fund Manager's comment:

April was a "risk on" market in Europe, Stoxx index was up 6% and MSCI Nordic up 5,73%. Norway was strong, up 7,86%, driven by the oil price which was up 8,5%.

Sweden was up 4,1% (SBX index). Geopolitical risk eased up a bit when North /South Korea made a step towards peace and the trade war between US, China and Europe was less in focus. It seems like the market could only focus on one thing at a time and in April the reporting season started.

Analysts have took down/set/reduced the growth target for Swedish banks to about 3% next year. In Q1 for the banks, it was clear that: 1) household lending is still going well with high demand and stable margins, 2) company lending was weak for all banks (especially for Nordea) and it looks like it will continue into Q2. Concerns about new competition in mortgages (Enkla.com), and what that will lead to, remain.

In the engineering sector we can conclude that the market had extremely high expectations. If you look at the order intake the average (unweighted) organic order growth was + 10% y/y during the quarter and for orders, the outcome was on average 3% better than expected. Many companies were talking about price increases which will help in coming quarters. Adjusted EBIT came in around what was expected and EBIT margins 10bps better than expected. Since the start of the reporting season, the 19th April, the stocks in the sector are on average unchanged. However, what stands out is that investors sold on better reports in Atlas Copco, Sandvik and Volvo, while Alfa Laval and ABB got paid well for reports in line with or better than expected (late cyclical?)

Norron Active was up 4,4% (SBX index up 4,1). The positive contributors in April were: IAR Systems, Aker ASA, Hansa Medical, Medicover and Skanska and the negative contributors were: Atlas Copco, Danske Bank, Storebrand ASA, Mycronic and Kindred.

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