



NORRON
STOCKHOLM | OSLO

MONTHLY REPORT – TARGET

April 2018

Historical return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	year
2018	0,7	-0,2	-1,2	2,2									1,5
2017	0,2	0,4	-0,2	1,2	-0,2	-0,9	0,6	-1,3	2,5	1,1	-1,7	1,1	2,8
2016	-3,2	0,2	0,4	1,3	1,1	-1,1	2,3	0,5	2,6	0,3	0,4	0,6	5,5
2015	1,2	0,9	0,4	1,1	-0,2	-1,3	0,5	-1,7	-1,8	1,2	2,3	-0,7	1,8
2014	0,5	2,2	0,3	0,7	1,6	0,9	-0,4	-0,5	-1,4	-0,9	0,5	-0,2	3,2
2013	1,3	0,6	-0,3	0,9	1,7	-0,8	2,2	0,3	1,1	2,4	1,2	1,2	12,5
2012	1,5	1,5	-0,1	0,2	-1,4	-0,8	1,0	1,0	0,9	0,2	0,7	0,7	5,5

Key Figures April

	April	YTD	Inception	Theoretical Sensitivity	
Total Return (%)	2,2%	1,5%	36,6%	Equities +10%	3%
5YR CAGR (compounded annual growth rate)	N/A	N/A	4,9%	Equities -10%	-2%
3YR CAGR (compounded annual growth rate)			2,8%	Volatility +50%	1%
Correlation vs MSCI Nordic	0,6	0,6	0,7	Volatility -50%	-2%
Avg. 90D Volatility	3,0%	3,2%	3,1%	Credits -150bps	1%
Avg. Fixed Income Cash Yield (by NAV)*	1,7%	1,7%	3,0%	Credits +150bps	-1%
Avg. Credit Rating Fixed Income Portfolio*	BBB+	BBB	BBB		
Sharpe Ratio	N/A	N/A	1,5		

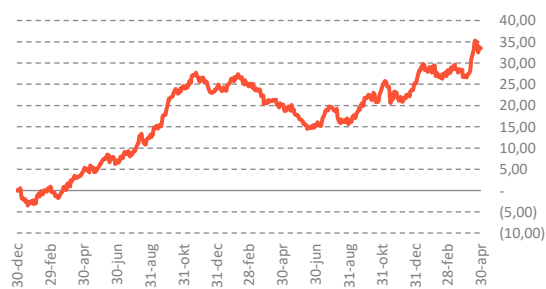
Positive Contributions

1	Norwegian Air Shuttle	0,71
2	Aker ASA	0,48
3	Atlantic Sapphire ASA	0,33
4	Yara Intl. ASA	0,23
5	Grieg Seafood ASA	0,22

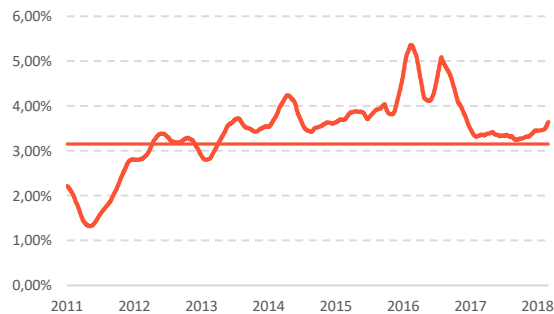
Negative Contributions

1	Protector Forsikring ASA	-0,13
2	BWLPG ASA	-0,13
3	Atlas Copco AB	-0,11
4	Danske Bank A/S	-0,10
5	Mycronic AB	-0,06

Equity Alpha since 2016 (%)



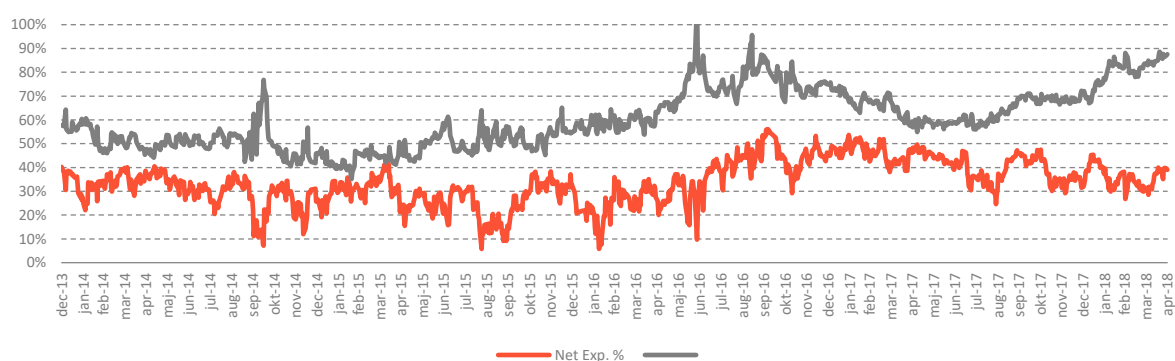
Volatility (90 day)



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



Equity Net & Gross Exposure (non-beta adj)



Fund Manager's comment:

As hinted in the monthly comment for March, risky assets were flirting with long term support levels. However, we argued that the strength of the current business cycle would prevail and that a net long position in equities were justified. Looking at the fund's performance during the month of April, it was mostly about stock selection. We had one of the best alpha months on record, which is satisfying given our strategy of carrying substantially higher equity gross exposure than normal. Stock selection was correct in all sub-portfolios, and year to date we have had a positive alpha trend both in Sweden and Norway, as well as compared to the broader Nordic index. In Norway, Norwegian Air Shuttle (NAS), was the main contributor. The news that IAG, a UK based airline holding company had acquired close to 5% of NAS, spurred speculation of a potential bid for the company. We had a long position in long dated derivatives in NAS, which greatly benefitted the fund's overall performance. We are closely monitoring the current situation and have adjusted our exposure accordingly. We are also pleased with the value creation within our unlisted equity portfolio. Within this sub-portfolio, we are owners of a couple of companies that have the ambition to be listed within the coming 12 months. Independent transactions in our holdings have taken place at substantial premiums to our previous valuations. We strongly believe that we have further meaningful upside within that specific strategy. Sweden was all about timing expectations in connection with Q1-reporting for the banks as well as the capital goods cluster. The fund has had a delta neutral position in the Nordic banking sector, and a clear long position in capital goods. Companies like Assa Abloy, Atlas Copco and Sandvik posted strong organic growth figures, as well as further progress in profit margins. We regard the weak short-term share price developments as a buying opportunity. The volatility of the fund has increased somewhat. This is due to the strategy of carrying higher equity gross exposure, and to exploit the stock specific risks, rather than equity market directional bets. The tail risk of large(r) negative market direction remains well protected, given the composition of the fund's short book.

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