



NORRON
STOCKHOLM | OSLO

MONTHLY REPORT – SELECT June 2018

Historical return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	year
2018	0,13	-2,81	-3,00	6,46	2,95	-0,98							2,44
2017	-0,7	-0,4	-1,8	1,4	-0,5	-1,5	1,8	-3,9	6,2	2,7	-3,8	4,4	3,6
2016	-4,3	1,4	0,4	3,0	1,0	-1,2	3,0	0,4	3,7	0,8	2,1	1,0	11,4
2015	2,3	4,2	0,5	2,7	-0,7	-3,1	1,5	-3,2	-2,1	2,7	4,3	1,8	11,0
2014	1,3	4,7	0,5	1,9	3,3	1,6	-0,9	-1,2	-1,9	-0,7	1,4	0,6	11,0
2013	2,4	0,4	-0,8	1,6	2,8	-1,3	4,3	0,7	2,4	3,7	2,2	2,5	22,8
2012	1,3	3,8	-0,1	-0,2	-4,6	-2,6	0,5	1,2	1,7	-0,5	0,8	1,6	2,6

Key Figures June

	June	YTD	Inception
Total Return (%)	-0,98%	2,44%	77,21%
5YR CAGR (compounded annual growth rate)	N/A	N/A	11,2%
3YR CAGR (compounded annual growth rate)	N/A	N/A	7,4%
Correlation vs MSCI Nordic*	0,3	0,5	0,6
Avg. 90D Volatility	8,0%	7,8%	7,5%
5Y Sharpe Ratio	N/A	N/A	1,5

* Bloomberg

Theoretical Sensitivity

Equities +10%	5%
Equities -10%	-3%
Volatility +50%	2%
Volatility -50%	-2%
Credits -150bps	1%
Credits +150bps	-1%

Positive Contributions (%)

1	Kambi Group PLC	0,9
2	Aker ASA	0,5
3	Medicover AB	0,4
4	SEB AB	0,4
5	DNB ASA	0,3

Negative Contributions

1	Ferronordic Machines AB	-0,7
2	Infant Bacterial Thera AB	-0,7
3	Volati AB	-0,6
4	Academedi AB	-0,6
5	Hansa Medical AB	-0,5

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



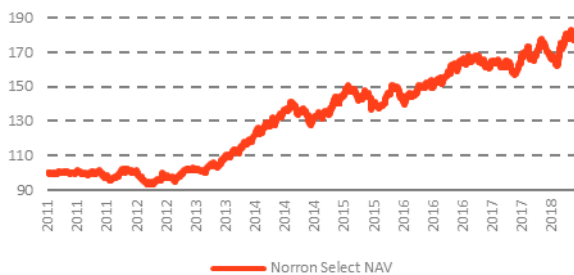
Equity Alpha



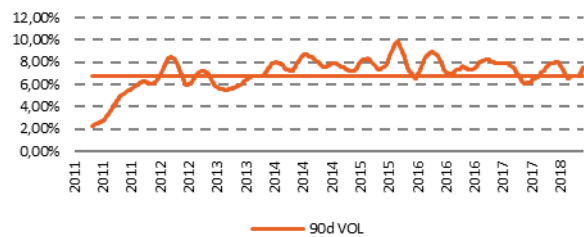
Performance since 2017



NAV Price



Volatility (90days)



Fund Manager's comment:

In June, Norron Select decreased -0,98% with a volatility of 8, while the MSCI Nordic (SEK) increased by 0,61%, with a volatility of 14. Alpha during the month was flat and net direction (direction + hedge) was negative due to somewhat more hedge in the Norwegian portfolio.

June was a volatile month, not only the geo-political risks which caused the market to fluctuate, but also important macro events. We see that investors are fearing a full-blown trade war (between the US and China/Europe), and with that comes the negative impact on global growth. Many investors are also speculating that we are currently at the peak of this cycle. The feeling that we have had for the last couple of months is that the market is discounting this and allocating capital from industrials into more "recessions-friendly" positions. We believe that the industrials/engineering cycle is not quite over yet, and we think that the Q2 reports (starting in a few weeks) will be good.

During the month of June, we have also added short positions in Dometic and Ramirent. Dometic is exposed to the American and European RV market, which we believe is at its peak. Ramirent is a construction related renting equipment company and exposed to the Nordic housing market. Many of its peers have been extremely oversold recently but Ramirent is currently at an all-time high (Q1 orders surprised the market). Ramirent will have difficulties receiving new orders as the construction industry is struggling/has currently stopped due to high supply and current prices not meeting the demand.

Also, during the month we participated in a new issue in THQ Nordic. THQ Nordic is a Nordic gaming developer company with an aggressive M&A strategy. We have met with the CEO, Lars Wingefors and believe that his strategies will pay off.

Currently, the net exposure (beta adj.) is below 20%, and we are well-hedged for larger set-backs and events causing general turmoil. The hedging profile is currently tilted both into OBX / OMX put options, but also short futures (index swaps) on the MSCI Nordic Index.

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