



NORRON
STOCKHOLM | OSLO

MONTHLY REPORT – TARGET

June 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	0,9	-0,1							2,4
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 June

	June	YTD	Inception	Theoretical Sensitivity	
Total Return (%)	-0,07%	2,4%	37,8%	Equities +10%	3%
5YR CAGR (compounded annual growth rate)	N/A	N/A	4,7%	Equities -10%	-2%
3YR CAGR (compounded annual growth rate)			3,0%	Volatility +50%	1%
Correlation vs MSCI Nordic	0,4	0,5	0,6	Volatility -50%	-2%
Avg. 90D Volatility	4,0%	3,9%	3,3%	Credits -150bps	1%
Avg. Fixed Income Cash Yield (by NAV)*	1,6%	1,7%	3,0%	Credits +150bps	-1%
Avg. Credit Rating Fixed Income Portfolio*	BBB+	BBB	BBB		
Sharpe Ratio	N/A	N/A	1,6		

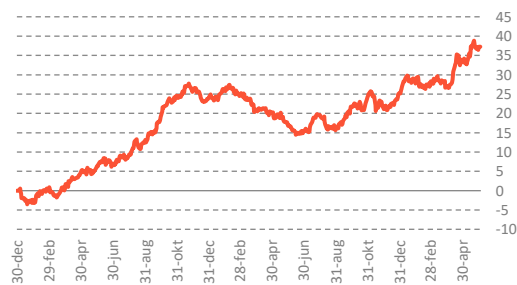
Positive Contributions

1	Aker ASA	0,25
2	Gentian Diagnostics	0,13
3	Medicover AB	0,12
4	SEB AB	0,10
5	DNB ASA	0,10

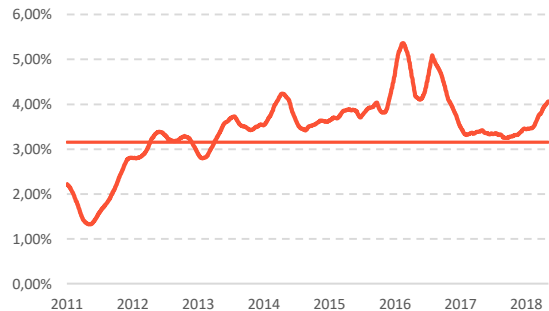
Negative Contributions

1	Academedia AB	-0,11
2	Danske Bank A/S	-0,08
3	Hansa Medical AB	-0,07
4	Volvo AB	-0,05
5	THQ Nordic AB	-0,04

Equity Alpha since 2016 (%)



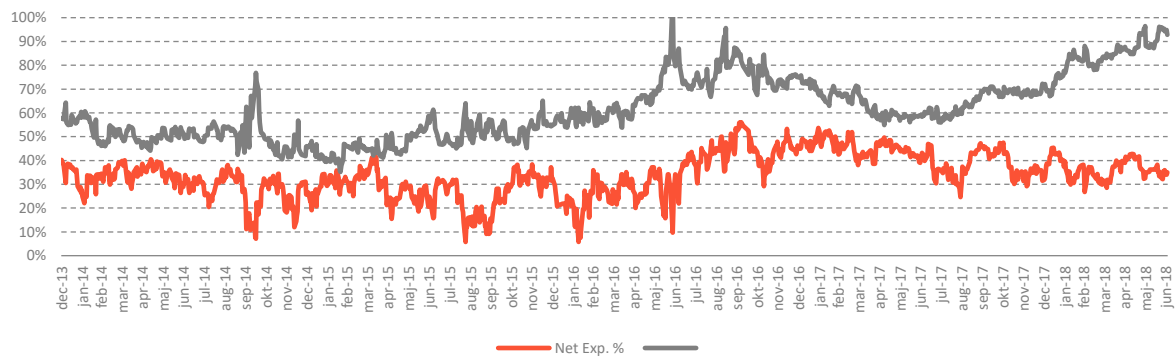
Volatility (90 day)



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:

June turned out to be relatively uneventful when looking at end results both for the financial markets in general and in terms of the performance of the fund. In both cases the result was, give or take, unchanged. Investors' attention is drawn to the escalation of the trade war policies that is being communicated by the Trump administration. One statement could easily be replaced by a counter statement within days, or weeks later. Markets will have to get used to this dilemma, since the response from countries, or trade blocks, have limited effect on the US consumer, as long as the USD stays as strong as it does, thereby helping the global purchasing power of US consumers. The consequence will, however, undoubtedly pose a risk to global growth and lead to higher risk premiums in general. Trump continues to push his doctrine: 1) no friends 2) no enemies 3) no values. This was visible in this month's major political events; the G7 summit, where he stated that the US has acted as a piggybank that everybody keeps robbing (no friends), and later, when meeting with North Korea's leader Kim-Jung-un (no enemies).

The fund continues to look for, and to own, companies that can offer a bridge of growth between 2018-2020 (and onwards), to mitigate the general risk of slower global growth in years to come. On that thesis we invested in Gentian, which we regard as a disruptive diagnostic technology company, with several interesting future launches.

Right now, we are happy with our higher than average equity gross position, especially since the alpha trend continues to develop in our favour. The fund remains very well hedged, which should lead to lower overall correlation with equity market direction. Should markets come down, we would, however, need to gradually decrease our gross exposure, since such a trend would probably lead to higher volatility both in markets and in the alpha trend.

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