



NORRON
STOCKHOLM | OSLO

MONTHLY REPORT – PRESERVE March 2018

Historical Return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	year
2018	0,14	-0,05	-0,03										0,06
2017	0,22	0,32	0,12	0,15	0,21	0,06	0,15	0,08	0,10	0,12	-0,03	-0,08	1,45
2016	-0,24	-0,40	0,65	0,51	0,18	0,11	0,34	0,42	0,27	0,27	0,09	0,11	2,34
2015	0,18	0,26	0,10	0,25	0,08	-0,24	0,22	-0,05	-0,48	0,28	0,04	-0,18	0,44
2014	0,38	0,47	0,33	0,16	0,22	0,25	0,15	-0,03	-0,10	-0,27	-0,19	-0,60	0,76
2013	0,58	0,19	0,24	0,38	0,44	-0,05	0,31	0,41	0,47	0,43	0,38	0,39	4,25
2012	1,31	0,63	1,00	0,29	-0,14	0,24	0,63	1,20	0,54	0,70	0,34	0,30	7,25

Top 5 Positions

1	Swedbank Hypotek AB	2,2
2	Landshypotek Bank AB	2,2
3	Swedbank Hypotek AB	2,1
4	Stadshypotek AB	2,1
5	Realkredit Danmark	2,0

Positive Contributions

1	Nynäs	0,01
2	Stolt-Nielsen	0,01
3	Ocean Yield	0,01
4	Ship Finance	0,01
5	TVO	0,01

Negative Contributions

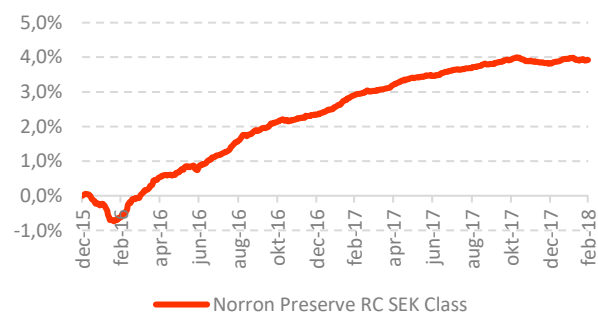
1	Intrum	-0,01
2	Storebrand	-0,01
3	Nordea AT1	-0,01
4	Volvo Förlagslån	-0,01
5	AINMT	-0,01

Key Figures March

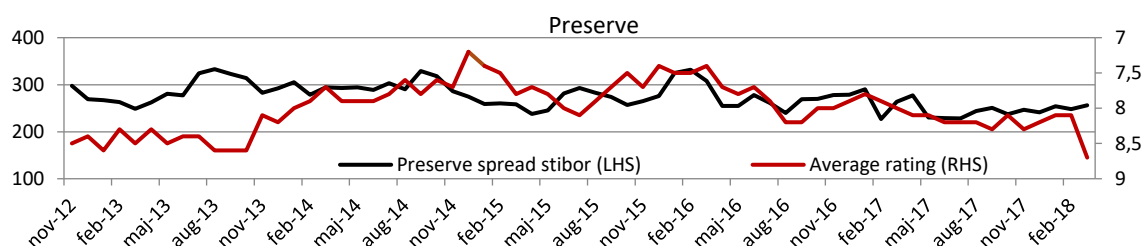
	Current	Last 3 yrs	Since Inception
Std. Dev.		0,8%	1,1%
Correlation (T-Bill)		-0,31	0,21
Positive Month. (%)		75%	83%
Best month (%)		0,7%	1,1%
Worst Month (%)		-0,5%	-0,8%
Portfolio yield	2,0%		
Avg. Weighted Interest Rate Duration	0,50	0,6	0,5
Credit Duration (years)	2,0	2,6	2,7

* Bloomberg

Performance since 2016



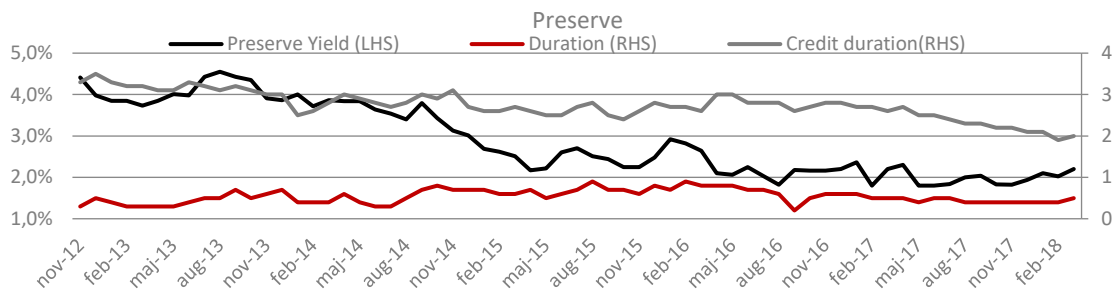
Spread Stibor & Average Credit Rating



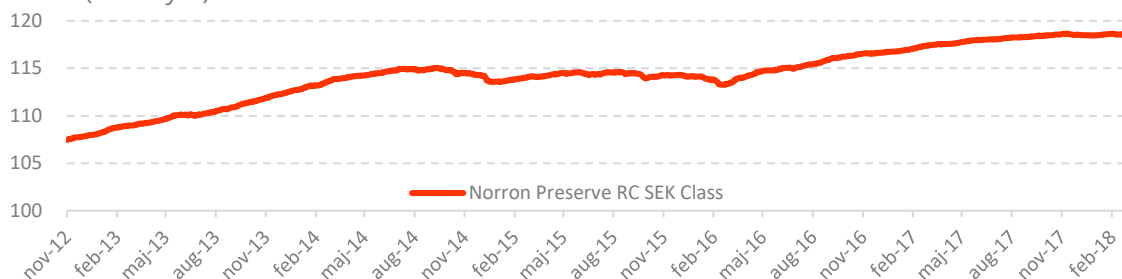
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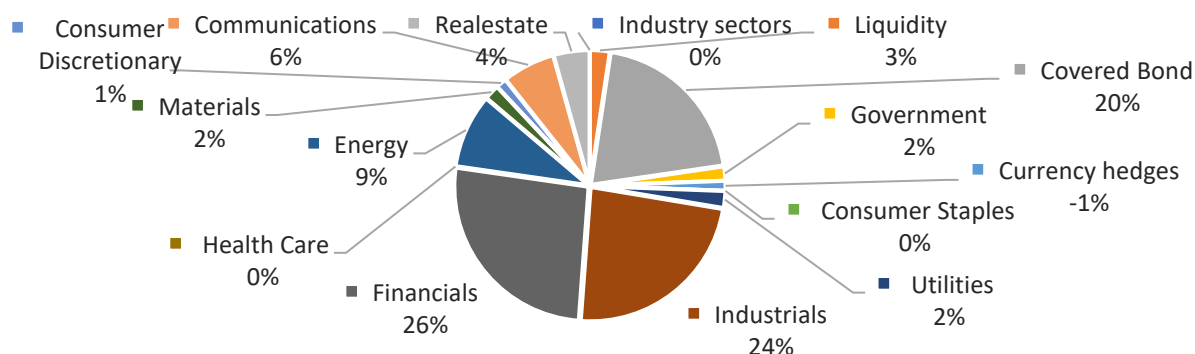
Yield, Duration & Credit Duration



NAV Price (last 5 yrs)



Industrial Breakdown



Fund Manager's comment:

The month was characterized by macro events. As expected, the FED increased the central bank rate and we also saw fear of trade war and data privacy issues within Facebook. All this together created more volatility and increased risk premia on risk assets and higher prices on risk free assets, e.g. gold and oil, etc. Yield on longer government bonds decreased by some 10-20bp. Credit spreads widened, where IG spreads increased by some 7-10bp and HY spreads some 10-15bp, i.e. IG bonds underperformed HY bonds.

There is an outflow in US and EUR credit funds. In the Nordics it is very stable from a flow and spread perspective. The question is: When will the US and EUR climate arrive in the Nordics? We continue to be cautious towards the new issue market.

The fund return was flat in March. The fund sold covered bonds (yield-65bp), bought more commercial papers (18% of the fund) and increased risk with Akelius hybrid bond. The fund is keeping shorter credit/interest rate duration than normal due to valuation in the market.

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