



NORRON
STOCKHOLM | OSLO

MONTHLY REPORT – SELECT

March 2018

Historical return (%)

| | jan | feb | mar | apr | maj | jun | jul | aug | sep | okt | nov | dec | year |
|-------------|------|-------|-------|------|------|------|------|------|------|------|------|-----|--------------|
| 2018 | 0,13 | -2,81 | -3,00 | | | | | | | | | | -5,60 |
| 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 |

March

| | March | YTD | Inception |
|--|-------|--------|-----------|
| Total Return (%) | | -3,00% | -5,60% |
| 5YR CAGR (compounded annual growth rate) | | N/A | 10,6% |
| 3YR CAGR (compounded annual growth rate) | | N/A | 5,32% |
| Correlation vs MSCI Nordic* | | 0,4 | 0,6 |
| Avg. 90D Volatility | | 7,0% | 7,5% |
| Sharpe Ratio | | N/A | 1,5 |

* Bloomberg

Theoretical Sensitivity

| | |
|-----------------|-----|
| Equities +10% | 6% |
| Equities -10% | -3% |
| Volatility +50% | 2% |
| Volatility -50% | -2% |
| Credits -150bps | 1% |
| Credits +150bps | -1% |

Positive Contributions (%)

| | | |
|---|-------------------|------|
| 1 | Stillfront | 0,37 |
| 2 | Atlantic Sapphire | 0,35 |
| 3 | IAR Systems AB | 0,33 |
| 4 | Stora Enso | 0,27 |
| 5 | XXL (short) | 0,20 |

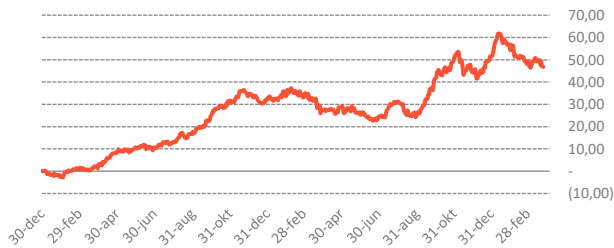
Negative Contributions

| | | |
|---|-----------------|-------|
| 1 | Volati AB | -0,57 |
| 2 | Ferronordic AB | -0,52 |
| 3 | SubSea7 ASA | -0,41 |
| 4 | Ocean Yield ASA | -0,39 |
| 5 | Academia AB | -0,32 |

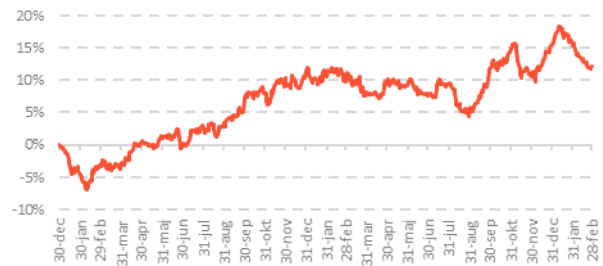
If you have any queries or require additional information, please contact ir@norrn.com



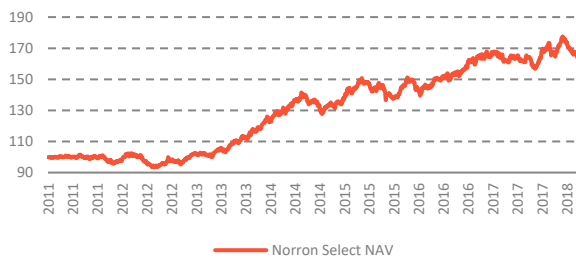
Equity Alpha



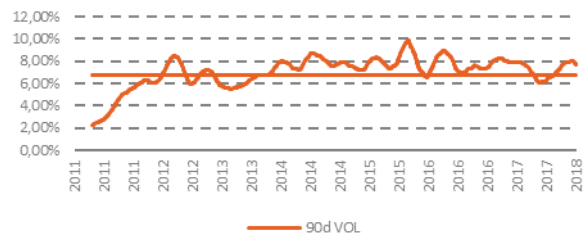
Performance since 2017



NAV Price



Volatility (90days)



Fund Manager's comment:

In March Norron Select decreased by 3% to a volatility of 7,0 while MSCI Nordic decreased 2% with a volatility of 13,4. Alpha for Select was again negative at -2% and we lost 1% on the direction. As seen in the individual performance it was again the small caps that let us down. We have seen an outflow from small cap funds and the flow to these companies is clearly negative, but it also means that in the longer term we do see value in the ones we are keeping. For example: our position in Volati decreased by 27% since the report on Feb 22, a slightly negative report that triggered some funds to exit their holdings and it has basically not been anyone there, except for insiders, to pick up that flow. We can illustrate that with the peer Indutrade, which is only down 6% despite an even worse report and that move only occurred on the reporting day so that is what short time flow does. We have sold almost all our holdings in Stillfront, with very good performance, and we have met with IAR and invested more in the directional new issue to finance the remaining 80% of the company Secured Thingz that they acquired. Markets are currently very choppy but we think there is a growing consensus that it might be the end of this rough cycle. We can see that the so-called FAANGs have lost their spirit and we have a looming trade war, so all in all, now is not the time to be brave. Norron Select's net exposure is now 26% and we have deployed more hedges thru total return swaps on MSCI Nordic and longer June derivatives.

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