



**NORRON**  
STOCKHOLM | OSLO

## MONTHLY REPORT – SELECT Aug 2018

### Historical return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	year
<b>2018</b>	0,13	-2,81	-3,00	6,46	2,95	-0,98	5,38	-1,54					<b>6,3</b>
<b>2017</b>	-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
<b>2016</b>	-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
<b>2015</b>	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
<b>2014</b>	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
<b>2013</b>	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
<b>2012</b>	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 Aug

	Aug	YTD	Inception
Total Return (%)	-1,54%	6,3%	83,87%
5YR CAGR (compounded annual growth rate)	N/A	N/A	11,0%
3YR CAGR (compounded annual growth rate)	N/A	N/A	8,2%
Correlation vs MSCI Nordic*	0,2	0,4	0,6
Avg. 90D Volatility	10,0%	8,4%	8,0%
5Y Sharpe Ratio	N/A	N/A	1,4

\* Bloomberg

### Theoretical Sensitivity

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

### Positive Contributions (%)

1	Nolato (short)	0,53
2	Yara International ASA	0,36
3	NRC Group ASA	0,33
4	Hansa Medical AB	0,26
5	Norwegian Air Shuttle ASA	0,25

### Negative Contributions

1	Cxense A/S	-0,4
2	Oriflame AB	-0,4
3	WWL ASA	-0,3
4	Alligator Bio AB	-0,3
5	Volati AB	-0,3

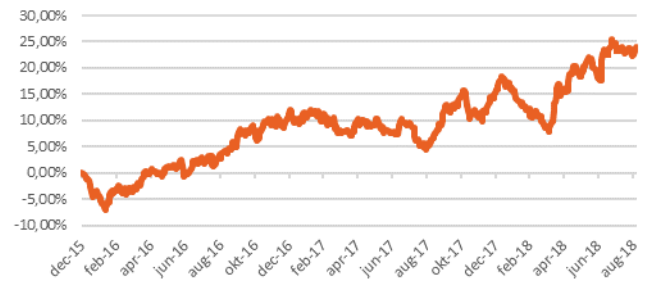
If you have any queries or require additional information, please contact [ir@norrn.com](mailto:ir@norrn.com)



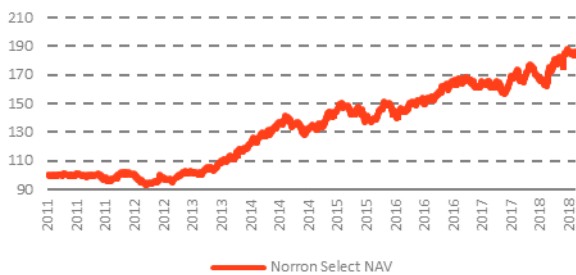
## Equity Alpha



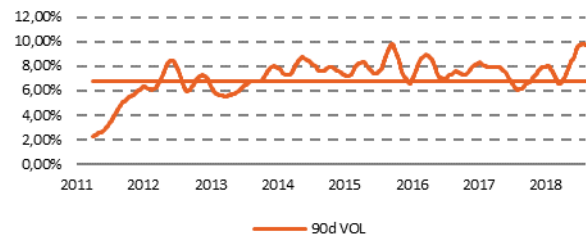
## Performance since 2017



## NAV Price



## Volatility (90days)



## Fund Manager's Comment

In August, Norron Select decreased 1,5% with a volatility of 9,7%, while the MSCI Nordic Index (SEK) increased by 3,8% with a volatility of 11%. During the month we had a small set back in the equity alpha, posting a decline of more than 2%. The net direction (beta/directional contribution + hedge) was negative due to a slightly more hedged portfolio. Firstly, as mentioned above, August was a positive month in terms of the general market. The strongest performing sectors during the month were basic materials and technology, followed by banks. Last two monthly reports highlighted that banks are outperforming cyclicals and this has been the case. We have taken down our net exposure (to neutral) within banks due to last month's rally, and tilted the portfolio somewhat towards more cyclicals.

Secondly, as we can see in the report, we saw heavy declines in stocks such as Cxense, Oriflame and WWL. We have decided to sell our position in Oriflame and WWL, because we have less confidence in the last quarterly reports. On the positive side, we gained traction in our Nolato short (case is starting to materialize). During the month, we have also added some shorts in Betsson and Kappahl.

Thirdly, the most important events during the month (macro and geopolitically) were the negotiations between the US and NAFTA. US data stayed strong overall and trade war tensions is still a hot topic in the market.

Currently, the net exposure (beta adjusted) is below 30%, and we are well hedged for larger set-backs and events causing general turmoil. August and September are usually quiet months with holiday times in the US and the UK. The hedging profile is currently tilted into both Sweden and Norway, but also short futures (index swaps) on the MSCI Nordic Index. On an additional note, we have added more protections/hedge 9 months out, covering any potential downturn related to Brexit (end of March), trade war discussions or other black swans. The reason for this being the relatively low volatility levels currently.

If you have any queries or require additional information, please contact [ir@norrn.com](mailto:ir@norrn.com)