



## MONTHLY REPORT – PREMIUM

Nov 2018

### Historical Return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	year
<b>2018</b>	0,16	0,15	-0,07	0,42	-0,04	-0,07	0,41	0,17	0,29	-0,39	-0,97		<b>0,04</b>
<b>2017</b>	0,77	0,65	0,40	0,31	0,19	-0,59	0,35	0,23	0,26	0,36	-0,25	0,01	2,70
<b>2016</b>	-1,18	-1,27	2,47	1,57	0,74	0,21	0,91	0,90	0,54	0,79	0,21	0,59	6,60
<b>2015</b>	0,46	0,40	0,05	0,38	0,52	-0,82	0,36	-0,95	-2,09	0,30	0,25	-0,77	-1,91
<b>2014</b>	0,46	0,79	0,33	0,51	0,51	0,43	0,21	-0,21	-0,76	-0,62	-0,41	-1,24	0,00
<b>2013</b>	1,08	0,17	0,63	0,76	0,60	-0,27	0,79	0,73	0,61	0,84	0,55	0,51	7,00
<b>2012</b>								0,99	0,88	0,85	0,48	0,50	3,70

### Top 5 Positions

1	COMHEM SWEDEN AB	2,7
2	PEAB FINANS	2,6
3	OCEAN YIELD ASA	2,5
4	LOOMIS AB	2,1
5	INDUTRADE AB	2,1

### Positive Contributions

1	Iceland AIR	0,03
2	AinMT	0,00
3	Color Line	0,02
4	Protector	0,02
5	Gaslog	0,02

### Negative Contributions

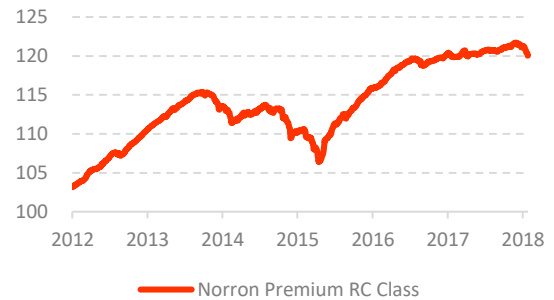
1	Enquest	-0,20
2	Solsta	-0,18
3	Borr Drilling	-0,11
4	Berengerb	-0,08
5	Neptune	-0,08

### Key Figures Oct

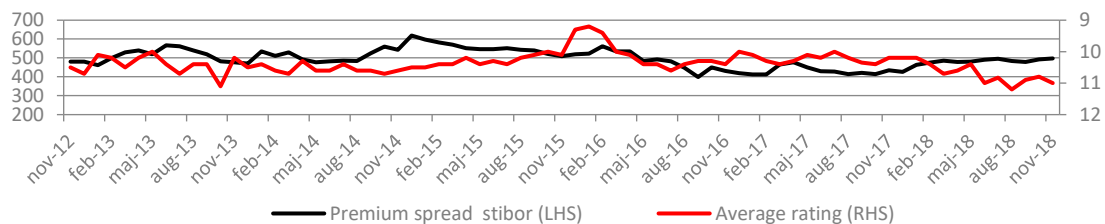
	Current	Last 3 yrs	Since Inception
Std. Dev.		2,4%	2,6%
Correlation (T-Bill)		-0,21	0,13
Positive Month. (%)		75%	77%
Best month (%)		2,5%	2,5%
Worst Month (%)		-1,3%	2,1%
Portfolio yield	4,4%		
Avg. Weighted Interest Rate Duration	1,3	1,3	1,2
Credit Duration (years)	2,8	3,2	3,4

\* Bloomberg

### NAV Price (since 2012)



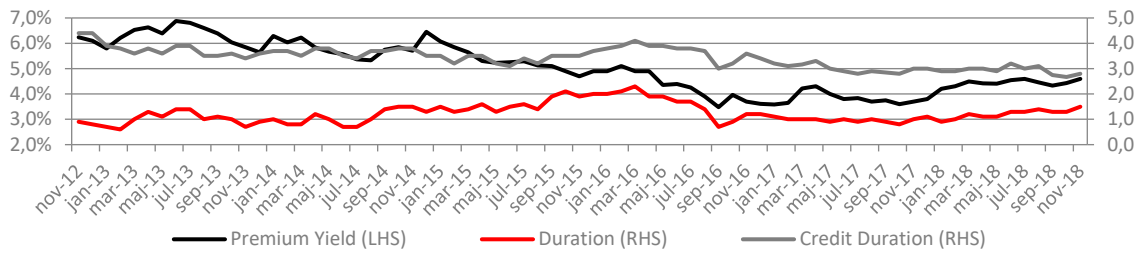
### Spread Stibor & Average Credit Rating



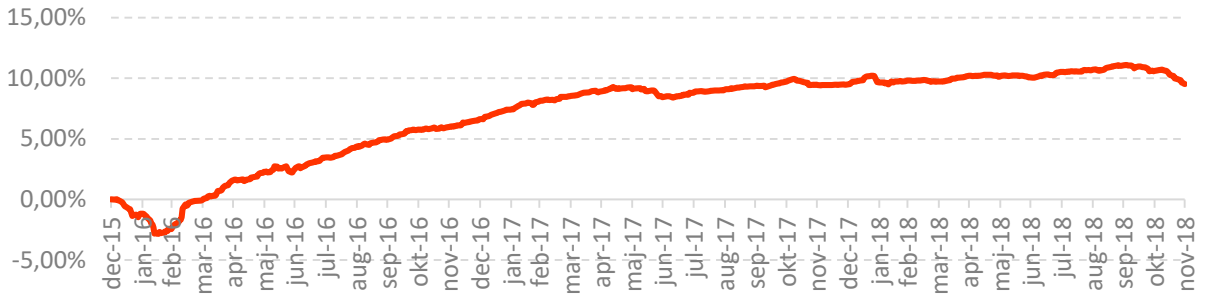
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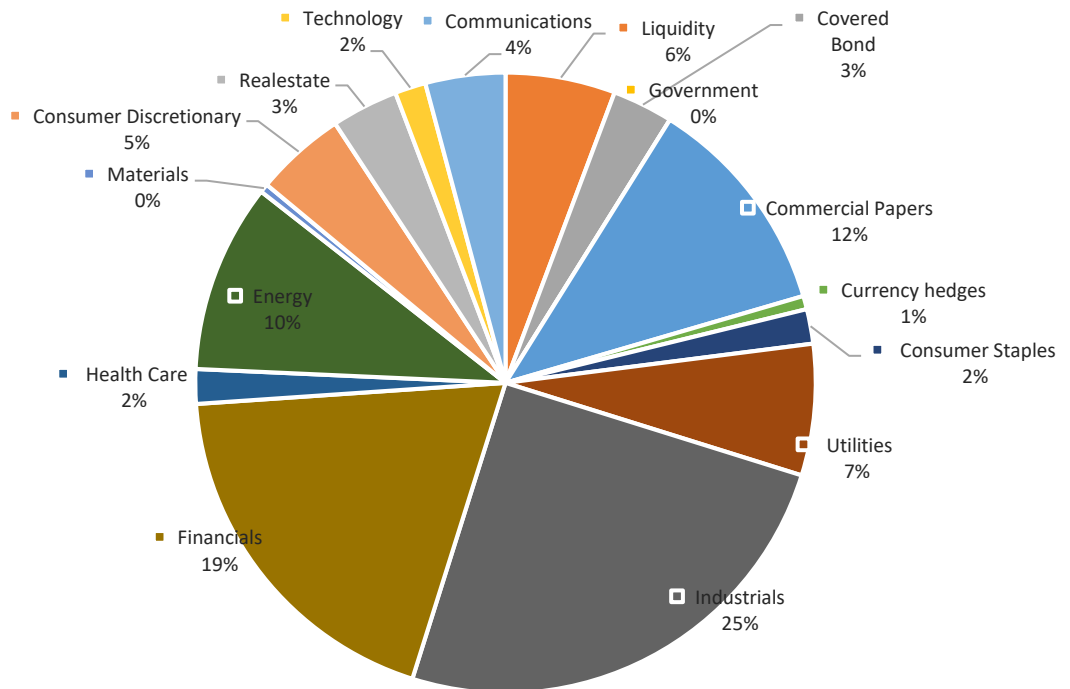
## Yield, Duration & Credit Duration



## Performance since 2016



## Industrial Breakdown



## Fund Manager's comment:

November followed October as yet another negative month for many risk assets and especially credit markets. The only parts of the markets that delivered ok performance were treasury bonds in general and US investment grade markets. The macro data is holding up fairly well, but the markets are expecting a dire scenario in 2019. The German 10-year yield is now below 30bp and US 10yr once again below 3 per cent yield. If the financial markets will lead the

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ordinary economy, or not, remains to be seen. One should bear in mind that the liquidity in all markets is very poor, we are approaching year end and in Dec 2018, ECB will end its asset purchases. The oil markets took another hit and were down by 20 per cent. The Iranian waiver for oil export created oversupply in the market. With all this in mind, the OPEC meeting Dec -7-8 will be important.

Moreover, the FED altered the tone during the month by indicating that we are closer to neutral interest rate. This was interpreted as positive for the market at first, but this also mean we are closer to the next recession. The US and EUR credit markets experienced outflows in general and some flows in SEK market. Little stress so far in the banking system measured by TED/Swap-spreads.

Finally, the Swedish credit spreads started to move. The trigger was Swedish Companies Castellum and Heimstaden Bostad, issuing EUR bonds at a much wider spread compared with the overall Swedish market levels. The SEK market still trades much tighter than EUR market. The EUR IG market has widened by 54bp this year, i.e. the spread has more than doubled, and is soon at its 20-year average including the financial crisis 2008/2009. Hence, it is fair to say that the effect of ECB assets purchases is removed spread wise. Spreads in EUR of some 100bp in IG and 425-450bp in HY regard neutral from a valuation perspective. However, the market always over/under-shoot.

The fund had a performance of -0,97 per cent in November. The main driver was the oil price related bonds. We are waiting for the OPEC meeting and will review our exposure after that. We have increased our exposure to EUR markets, due to wider spreads compared with SEK. The credit duration is shorter than average, and the fund has 20 per cent covered bonds, commercial papers and cash.

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