



NORRON
STOCKHOLM | OSLO

MONTHLY REPORT – SELECT Nov 2018

Historical return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	year
2018	0,13	-2,81	-3,00	6,46	2,95	-0,98	5,38	-1,54	3,44	-2,16	-0,39		7,16
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

Key Figures Nov

	Nov	YTD	Inception
Total Return (%)	-0,39%	7,16%	85,37%
5YR CAGR (compounded annual growth rate)	N/A	N/A	9,3%
3YR CAGR (compounded annual growth rate)	N/A	N/A	8,0%
Correlation vs MSCI Nordic*	0,5	0,5	0,6
Avg. 90D Volatility	8,0%	8,0%	8,0%
5Y Sharpe Ratio	N/A	N/A	1,2

* Bloomberg

Theoretical Sensitivity

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

Positive Contributions (%)

1	Billerud	0,3
2	Atlantic Sapphire	0,3
3	Novo Nordisk	0,2
4	Essity	0,2
5	FerroNordic	0,2

Negative Contributions

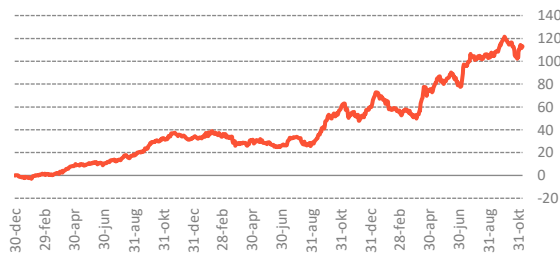
1	Aker ASA	-0,9
2	Kambi	-0,8
3	Akastor	-0,6
4	Spectrum	-0,6
5	NRC Group	-0,5

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

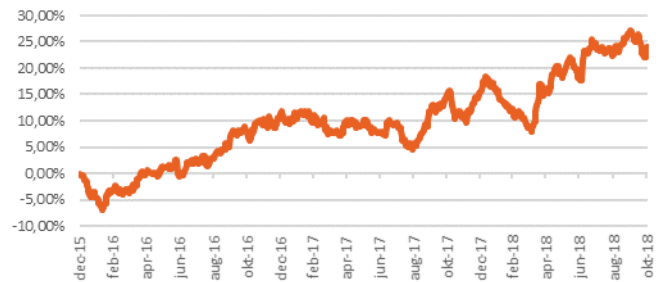


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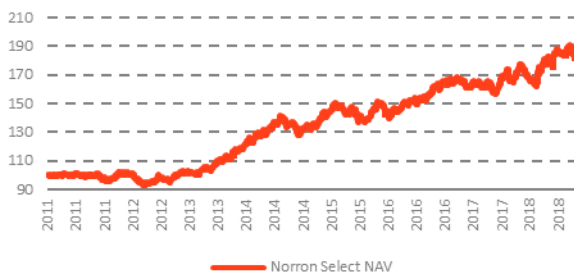
Equity Alpha



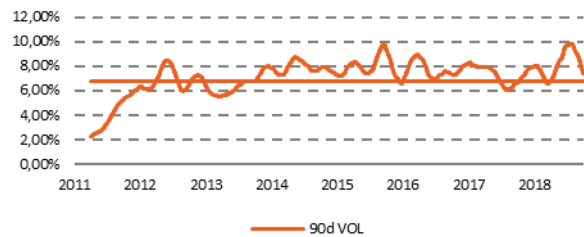
Performance since 2017



NAV Price



Volatility (90days)



Fund Manager's Comment

In November, Norron Select decreased by -0,39% with a volatility of 8%, while the MSCI Nordic Index decreased by 1,8% with a volatility of 15%. During the month we had a slightly negative alpha in the Norwegian portfolio, however, the net direction (beta/contribution + hedge) was positive. We are currently holding a below than average net exposure due to current market turbulence.

In November we experienced yet another volatile month and as 2018 progresses we can easily conclude that we have had two very difficult recent months. Many asset classes have suffered significantly throughout the year, and indeed during the last couple of months. Current macro figures still hold up, however, the market is discounting a more severe scenario than what we see presently. Strongest sectors in the region during the month were Consumer Services and Telecoms (defensives), while Basic Materials and Energy underperformed significantly. The oil price declined more than 20%, due to OPEC concerns and rising supply, despite sanctions against Iran from the U.S. Also, a (potential) slowdown in the global economy has put pressure on the oil price.

Positive contributors during the month were the new position in Billerud (bid rumors and forest transactions), Atlantic Sapphire and Essity. The top three negative contributors were oil and energy related, such as Aker, Spectrum and Akastor. Currently, the net exposure is below 30% (beta adjusted), and the fund is hedged for any potential set-backs in the market, both with options (puts/calls) and future strategies. We think we currently have an attractive hedging profile, however, the main negative issues last two months have been the negative alpha stream from small caps and core cases. The decline in these stocks are not company related, more flow specific in a general market down turn. Highlighting again, we have reduced the exposure towards small/mid-caps in order to have a portfolio that is less prone to liquidity risk if the market would become even more bearish.

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