



NORRON
STOCKHOLM | OSLO

MONTHLY REPORT – ALPHA RC

Dec 2018

Historical return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	oct	nov	dec	year
2018	1,1%	-0,2%	-1,0%	0,6%	0,8%	-1,1%	1,5%	-1,1%	2,3%	-2,1%	0,6%	-1,0%	0,2%
2017	0,0%	0,2%	0,3%	0,3%	-0,1%	-0,1%	1,2%	-2,1%	2,5%	-0,2%	-1,1%	3,0%	4,5%
2016									2,8%	0,4%	0,7%	-0,7%	3,1%

Key Figures (Dec)

	Dec	YTD
Total Return (%)*	-1,0%	+0,2%
CAGR (compounded annual growth rate)*	N/A	N/A
Volatility	5,4%	5,7%
Average Correlation vs SBX Index	0,0	
Beta vs SBX Index	0,0	
Net Exposure (beta adjusted)	0,0%	
Gross Exposure (beta adjusted)	195%	

* BETA adjusted for Norron Actives current BETA

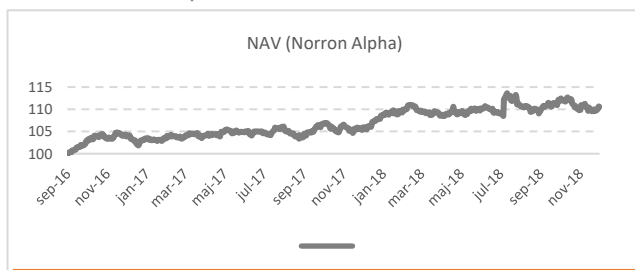
Positive Contributions

- 1 Mycronic
- 2 IAR Systems
- 3 BioArctic
- 4 Camurus
- 5 Telia

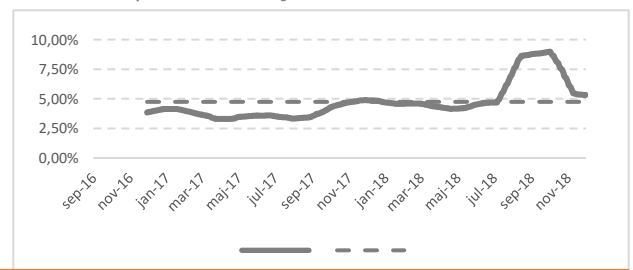
Negative Contributions

- 1 Veoneer
- 2 Volvo
- 3 Nordic Semiconductor
- 4 Hexagon
- 5 Sandvik

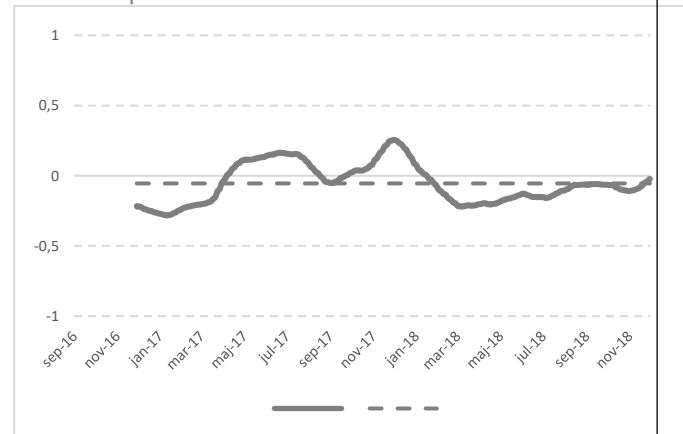
NAV since inception



Norrn Alpha Volatility (90d)



Norrn Alpha Correlation vs SBX Index



Fund Manager's comment (Norrn Active)

Yet another volatile month with OMX Stockholm Benchmark down 5,9% during December, Norway down 7,2% as oil fell 8%. Continuous uncertainty of where the global market is heading and that the G20 meeting did not resolve the trade tariff issue between China and the US, which has been the main theme and the reason why investors took some money off the market. The global market had an even tougher month with MCSI World down 7,8% and the US index, S&P 500, was down 9%, fuelled by the big volatility of the FAANG-stocks (Facebook, Apple, Amazon, Netflix, Google).

From a historical perspective this last quarter has the 3rd worst performing quarter for OMX seen in the last 20 years, just topped by the recession in 2002 and the rating downgrade of the US in 2011. We have seen a lot of stocks derated 40-50% from the highs in September without seeing that magnitude, if any, in estimate revisions so the market is simply discounting a hard landing in the global economy. What is interesting is that during the end of the quarter we have seen a few bids on Swedish companies from both private equity and industrial players which signals that valuation has come down so much it is too cheap to ignore. The fact that private equity firms are now buyers and not sellers is a 180 degree turn from just six months ago and we believe that 2019 is a year where a lot of companies will be taken out from the market if valuations stay on these depressed levels.

Norrn Active was down 6,29% and the SBX was down 5,87%. The main positive contributors were Mycronic, IAR Systems, BioArctic, Camurus, and Telia. The main negative contributors were Veoneer, Volvo, Nordic Semiconductor, Hexagon, and Sandvik.

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

