



NORRON
STOCKHOLM | OSLO

MONTHLY REPORT – SELECT Dec 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	-2,85	4,1
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 Dec

	Dec	YTD	Inception
Total Return (%)	-2,85%	4,1%	80,59%
5YR CAGR (compounded annual growth rate)	N/A	N/A	8,2%
3YR CAGR (compounded annual growth rate)	N/A	N/A	6,4%
Correlation vs MSCI Nordic*	0,5	0,5	0,6
Avg. 90D Volatility	7,4%	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	Yara International	0,4
2	Hennes & Mauritz	0,3
3	IAR Systems	0,2
4	Valmet	0,2
5	Salmar	0,2

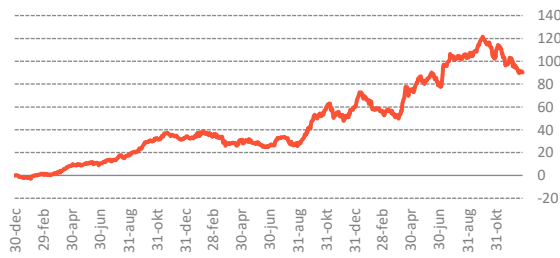
Negative Contributions

1	Nordic Semiconductor	-0,6
2	Veoneer	-0,6
3	Kambi	-0,4
4	Norwegian Air Shuttle	-0,4
5	Ocean Yield	-0,3

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



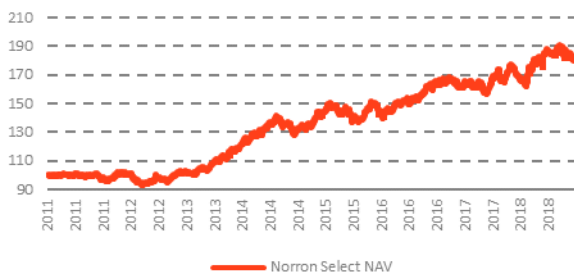
Equity Alpha



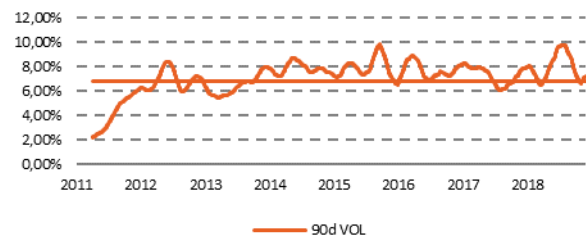
Performance since 2017



NAV Price



Volatility (90days)



Fund Manager's Comment

In December, Norron Select decreased by 2.85% with a volatility of 7,4%, while the MSCI Nordic Index decreased by 4.13% with a volatility of 15%. During the month we had a slightly negative alpha in the overall portfolio. The net direction (beta / direction + hedge) was positive.

In December we again experienced a volatile month and can conclude that the last quarter of the year has been very difficult with all major indexes down more than almost 10%. December boiled down to some specific events that created a lot of volatility: China / Trump announcement, Brexit and OPEC. However, the uncertainty in the market still remains, and we are just postponing the risk and kicking the can down the road. We believe that macro figures will be very important the next couple of months.

Currently, the net exposure is below 20% (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 the last three months have been the negative alpha stream from small caps and core cases.

Highlighting again, 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.

The fund ended up about 4.10 %, which we are happy about. This is mostly due to hedging strategies, and the increased short book from the summer.

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

