



**NORRON**  
STOCKHOLM | OSLO

## MONTHLY REPORT – PREMIUM

Feb 2019

### Historical Return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	year
<b>2019</b>	1,07	1,01											<b>2,09</b>
<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	-0,63	<b>-0,58</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	<b>2,70</b>
<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	<b>6,60</b>
<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	<b>-1,91</b>
<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	<b>0,00</b>
<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	<b>7,00</b>
<b>2012</b>								0,99	0,88	0,85	0,48	0,50	<b>3,70</b>

### Top 5 Positions

1	Volvo Treasury	2,8
2	Jyske Bank	2,7
43	Ocean Yield	2,4
4	Loomis	2,1
5	Danske	2,0

### Positive Contributions

1	Enquest	0,16
2	Kongsberg Auto	0,13
3	Vattenfall Perp	0,07
4	Nordea AT1	0,07
5	Danske AT1	0,06

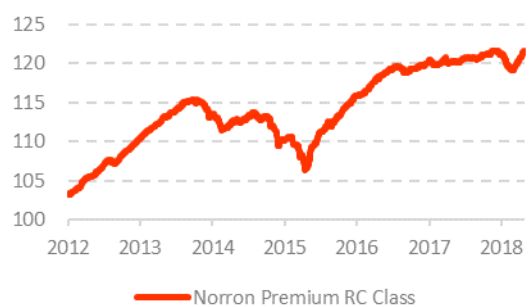
### Negative Contributions

1	Floatel	-0,01
2	Sirius T2	-0,01
3	Islandsbanki T2	0,00
4	Buld Industrier	0,00
5	Ice Group	0,00

### Key Figures Feb

	Current	Last 3 yrs	Since Inception
Std. Dev.		2,1%	2,6%
Correlation (T-Bill)		-0,09	0,13
Positive Month. (%)		78%	76%
Best month (%)		2,5%	2,5%
Worst Month (%)		-1,3%	2,1%
Portfolio yield	4,5%		
Avg. Weighted Interest Rate Duration	1,7	1,3	1,3
Credit Duration (years)	3,1	3,2	3,4
* Bloomberg			

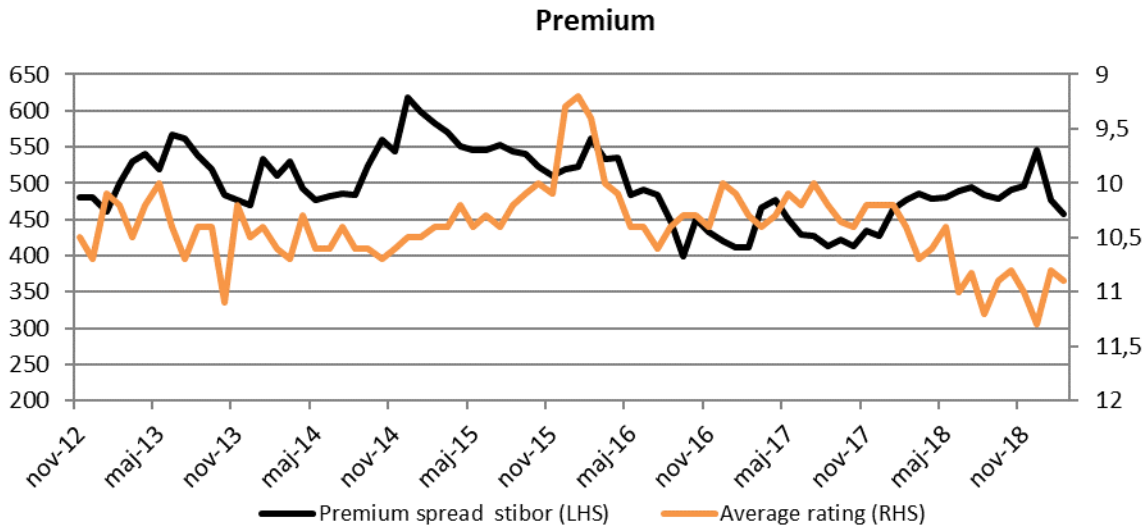
### NAV Price (since 2012)



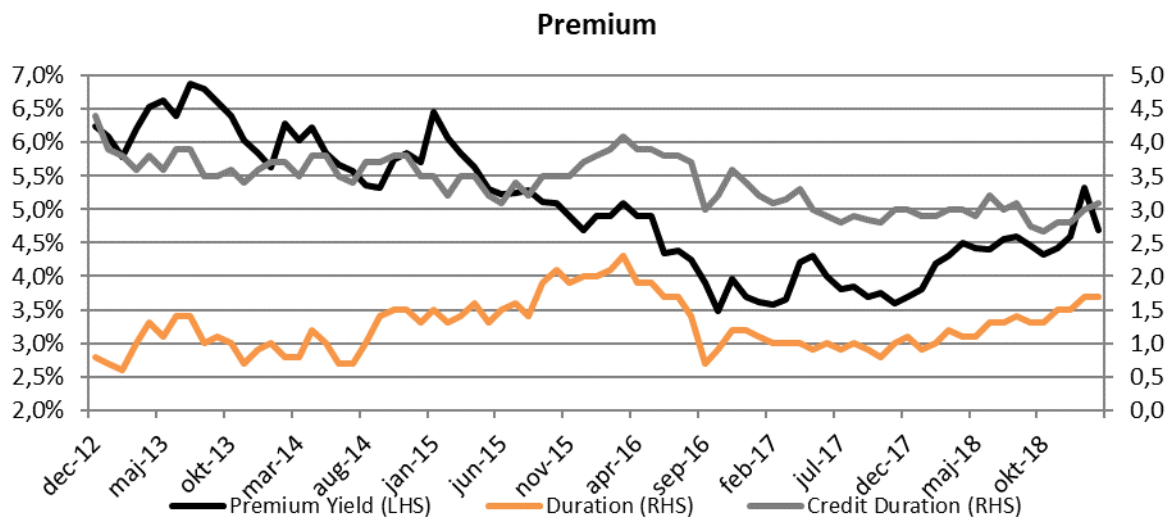
### Spread Stibor & Average Credit Rating

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

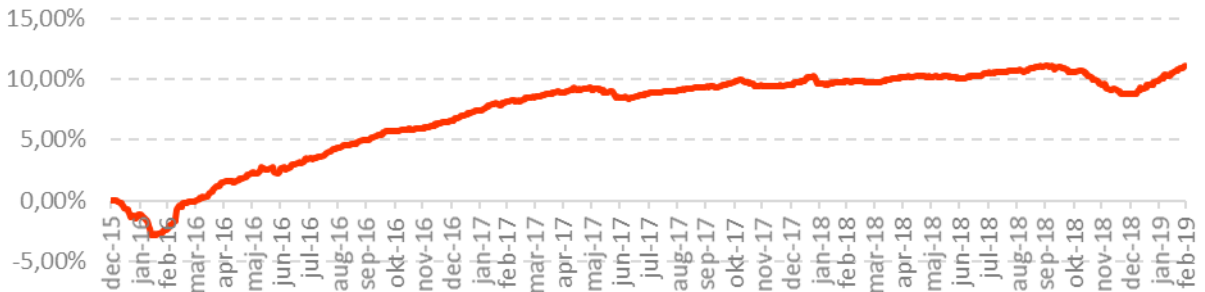




### Yield, Duration & Credit Duration



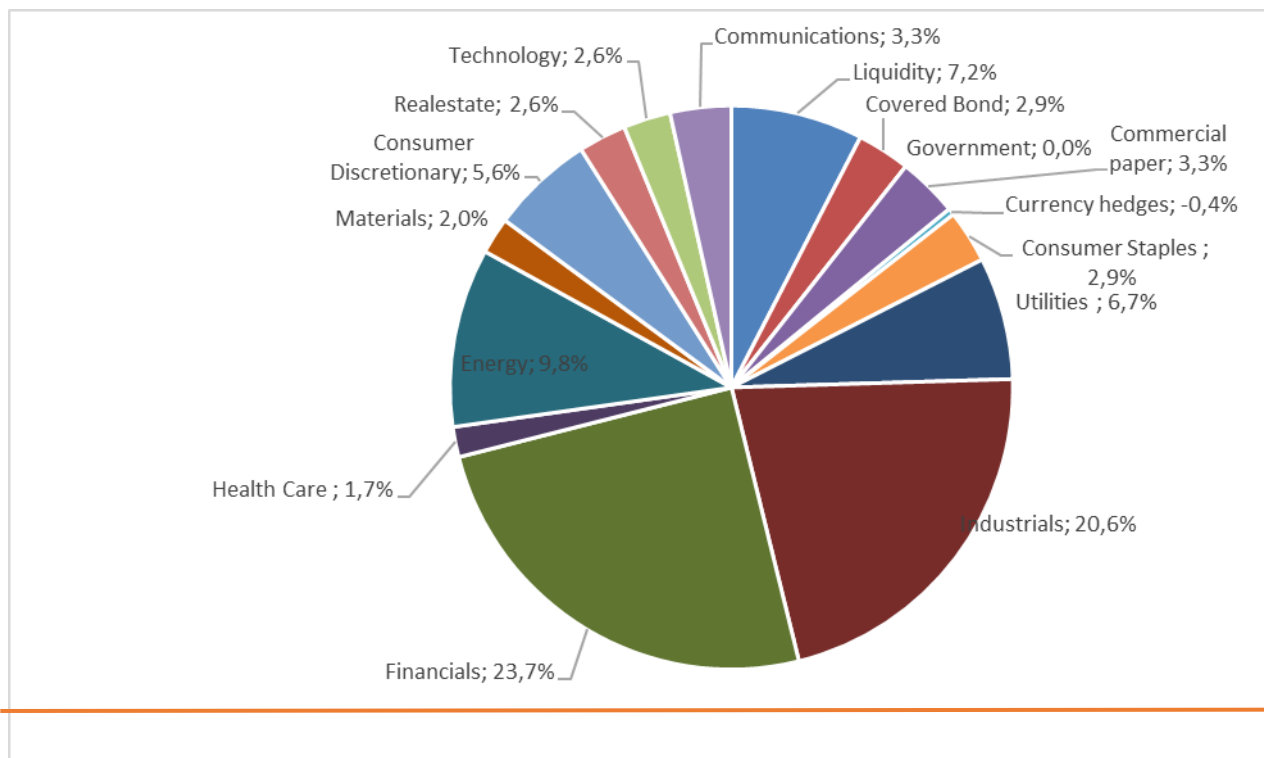
### Performance since 2016



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## Industrial Breakdown



### Fund Manager's comment:

February was another strong month in the credit market, when cash was put into action. Spreads tightened on the back of this with HY some 30-40bp and IG spreads some 5-10bp. Treasury bond yields were slightly higher.

Global macro indicators have in general been mixed, but the Swedish indicators weak. Looking at the yield levels in treasury bond yields, the macro outlook should not be so good. Are we in a Goldilock scenario with low interest rates and decent earnings, which pushes investors into risky assets or does the treasury yield indicate tougher times ahead? We believe the markets are discounting a favorable outcome in US-China trade talks and no hard Brexit.

The fund participated in a new large Heimstaden EUR issue on decent spread for its rating. We have continued to decrease the SEK bond exposure due to relative valuation and we reduced some of the positions we added late December and January due to performance in the bonds. We have bought some short BB bonds with lower price risk. We are now more neutral in our spread view. Either there will be a large supply of new bonds from companies or the spread will widen. We do not expect spreads to come back to the tight levels we saw in the beginning of 2018. There is now room for negative movements in the credit market compared with the beginning of 2019.

Norron Premium returned 1,0 per cent in February. Largest contributors were Enquest, Kongsberg Automotive and Vattenfall perpetual. No large negative movements. We still have strong liquidity in the fund, but also have several positions that can deliver nice returns if the market will continue to be strong.

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