



**NORRON**  
STOCKHOLM | OSLO

## MONTHLY REPORT – PRESERVE Feb 2019

### Historical Return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	year
<b>2019</b>	0,34	0,35											<b>0,69</b>
<b>2018</b>	0,14	-0,05	-0,03	0,12	-0,08	-0,08	0,07	0,02	0,02	-0,10	-0,22	-0,21	<b>-0,41</b>
<b>2017</b>	0,22	0,32	0,12	0,15	0,21	0,06	0,15	0,08	0,10	0,12	-0,03	-0,08	<b>1,45</b>
<b>2016</b>	-0,24	-0,40	0,65	0,51	0,18	0,11	0,34	0,42	0,27	0,27	0,09	0,11	<b>2,34</b>
<b>2015</b>	0,18	0,26	0,10	0,25	0,08	-0,24	0,22	-0,05	-0,48	0,28	0,04	-0,18	<b>0,44</b>
<b>2014</b>	0,38	0,47	0,33	0,16	0,22	0,25	0,15	-0,03	-0,10	-0,27	-0,19	-0,60	<b>0,76</b>
<b>2013</b>	0,58	0,19	0,24	0,38	0,44	-0,05	0,31	0,41	0,47	0,43	0,38	0,39	<b>4,25</b>
<b>2012</b>	1,31	0,63	1,00	0,29	-0,14	0,24	0,63	1,20	0,54	0,70	0,34	0,30	<b>7,25</b>

### Top 5 Positions

1	Swedbank Hypotek	2,2
2	Nykredit Realkredit	2,2
3	Landshypotek Bank	2,2
4	Skandia Banken	2,2
5	Realkredit Danmark	2,2

### Positive Contributions

Vattenfall		
1	Förlägsån	0,05
2	Kongsberg Auto	0,05
3	Landsbankin	0,04
4	RSA	0,04
5	Ocean Yield	0,03

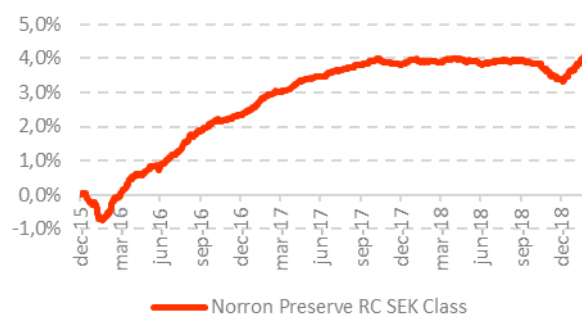
### Negative Contributions

1	Sirius T2	-0,03
2	Islandsbanki T2	-0,00
3	Heimstaden	-0,00
4	Swedbank Covered	-0,00
5	Danske Bank Covered	-0,00

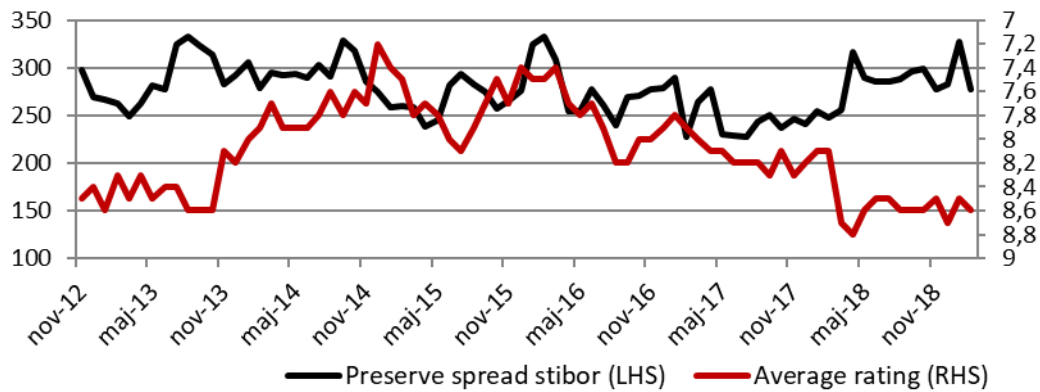
### Key Figures Feb

Inception	Current	Last 3 yrs	Since
Std. Dev.		0,7%	1,1%
Correlation (T-Bill)		-0,05	0,21
Positive Month. (%)		75%	80%
Best month (%)		0,7%	1,3%
Worst Month (%)		-0,4%	-0,8%
Portfolio yield	2,7%		
Avg. Weighted Interest Rate Duration	0,7	0,6	0,6
Credit Duration (years)	1,8	2,3	2,6

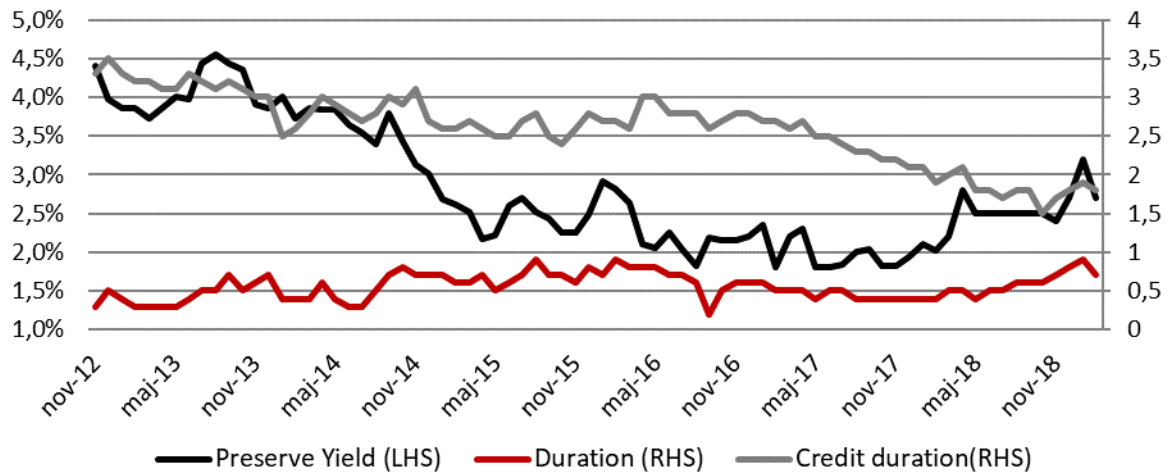
### Performance since 2016



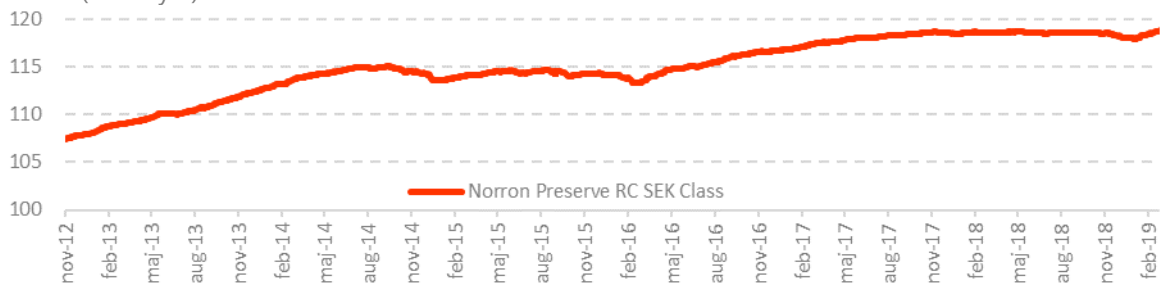
### Spread Stibor & Average Credit Rating



### Yield, Duration & Credit Duration

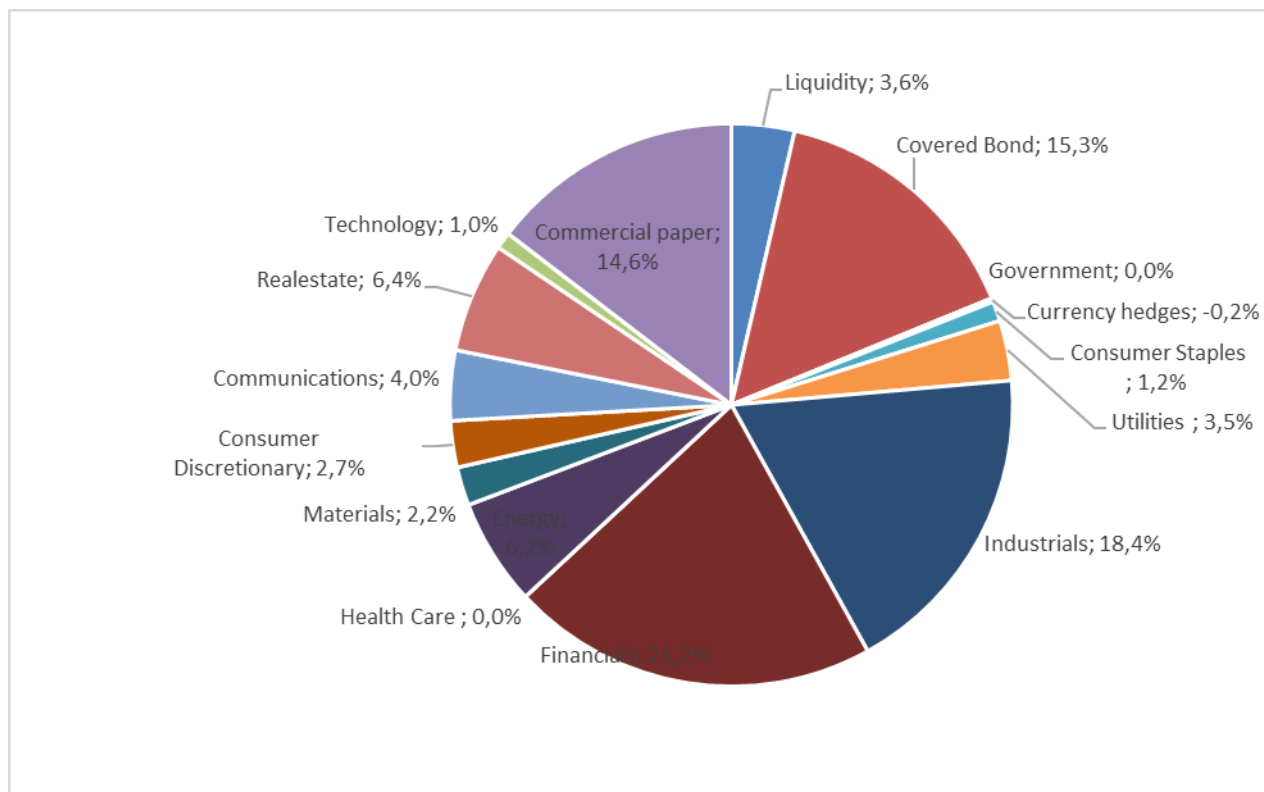


### NAV Price (last 5 yrs)



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## Industrial Breakdown



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### 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 do 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. The fund has switch to SEK denominated bonds in Telia perpetual which have not performed compared to EUR denominated. The fund reduced some of the positions we added late December and January due to performance in the bonds. We have also reduced the BB segment. 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 Preserve returned 0,35 per cent in February. Largest contributors were Vattenfall, Kongsberg Automotive and Landsbanki. On the negative side was Sirius T2. We still have strong liquidity in the fund and the credit duration is shorter than average.

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