



NORRON
STOCKHOLM | OSLO

MONTHLY REPORT – PRESERVE

Jan 2019

Historical Return (%)

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

Top 5 Positions

1	Volvo Treasury	2,6
2	Swedbank Hypotek	2,3
3	Nykredit Realkredit	2,3
4	Landshypotek Bank	2,3
5	Skandia Banken	2,3

Positive Contributions

1	Neptune	0,05
2	Intrum EUR	0,05
3	Volvo Treasury	0,04
4	Örstedt	0,04
5	Telia EUR	0,03

Negative Contributions

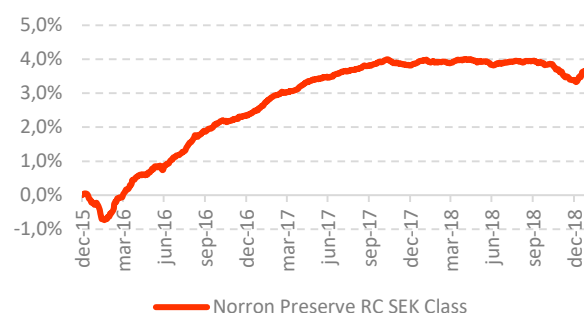
1	Landsbankin T2	-0,03
2	Kongsberg Auto	-0,02
3	Islandsbanki	-0,01
4	Telia SEK	-0,00
5	Landsbankin	-0,00

Key Figures Jan

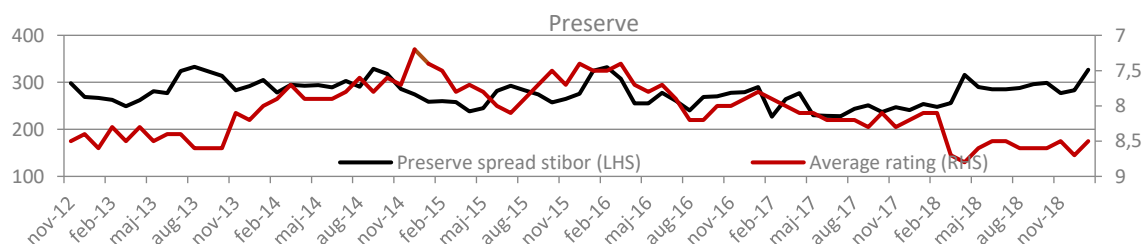
	Current	Last 3 yrs	Since Inception
Std. Dev.		0,7%	1,1%
Correlation (T-Bill)		-0,05	0,22
Positive Month. (%)		72%	80%
Best month (%)		0,7%	1,3%
Worst Month (%)		-0,4%	-0,8%
Portfolio yield	3,2%		
Avg. Weighted Interest Rate Duration	0,9	0,6	0,6
Credit Duration (years)	1,9	2,3	2,6

* Bloomberg

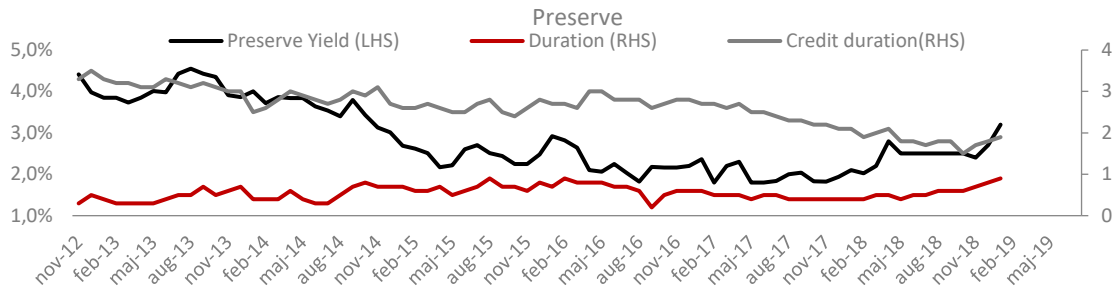
Performance since 2016



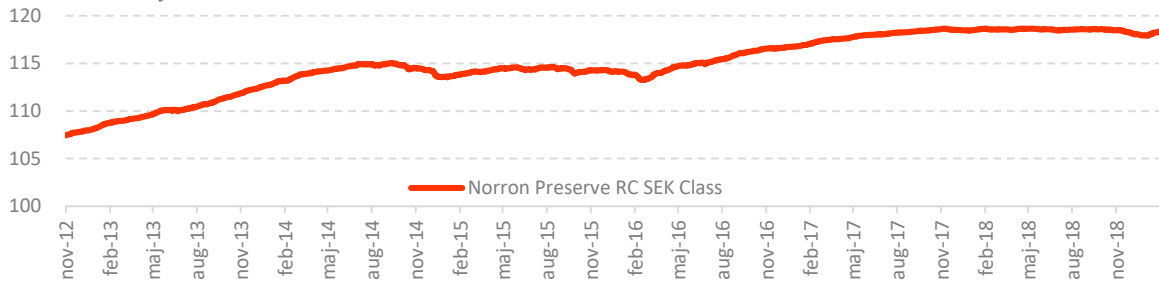
Spread Stibor & Average Credit Rating



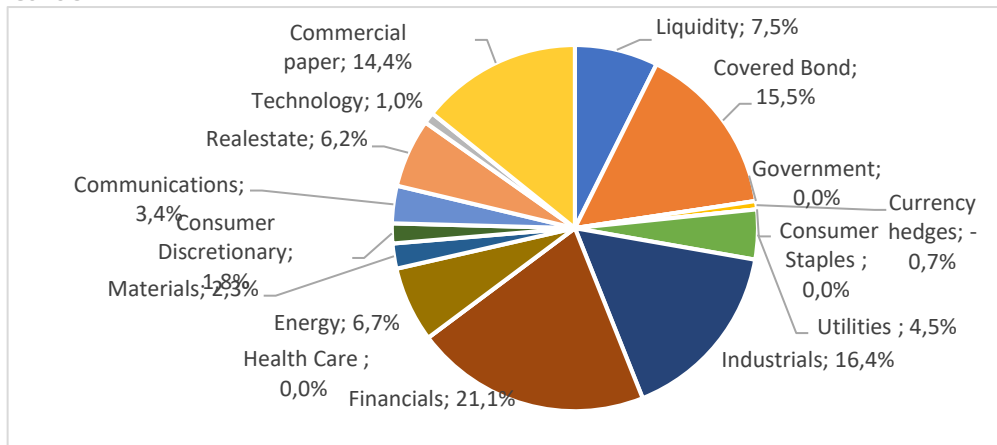
Yield, Duration & Credit Duration



NAV Price (last 5 yrs)



Industrial Breakdown



Investing in funds is associated with risk and a historical return is no guarantee of future returns. No account is taken of inflation. The risk specified for each fund is only the estimated risk and it is not possible to make accurate calculations of future risk. The value of the fund units can both increase and decrease and it is not certain that you get back the entire capital invested. The information in the report is based on data from Morningstar and the fund.

Fund Manager's comment:

The markets were clearly oversold in December. After a historic negative performance in equity markets in Q4, a historic positive performance came on the back of this in January.

Central banks were in general dovish. FED signals a neutral bias and a wait and see mode. Hiking of rates in 2019 by either FED or ECB were priced out by the market. Pay roll and ISM in the US were decent. After a period of government shut down in the US, one could expect weaker figures. Euro macro data has been on the weaker side though. This created a stellar month for many risk assets. 10yr treasury yields were down 5-10bp, credit spreads in US IG 25bp tighter and US HY 90bp tighter. EURO IG spreads were only tighter by 5bp, mainly due to a supply of bank bonds. EUR HY were 25bp tighter. Fixed income markets performed between 1-5 per cent return.

The fund participated in new Danske Bank and Sydbank bond issues at rich levels. The bonds have performed strongly in the market. The Fund increased credit risk in December and beginning of January, mostly in EUR and companies' perpetuals such as Telia, Vattenfall and Oersted. The market is short risk.

Norron Preserve returned 0,34 per cent in January. Largest contributors were Neptune Energy, Intrum and Volvo. On the negative side was Landsbanki and Kongsberg Automotive, due to weak sentiment in the automotive sector. We still have strong liquidity in the fund and the credit duration is shorter than average but increased the last two months.
