

Fund manager's comment:

The big question mark is what are the Euro and US treasury bond market signal? US 10 yr yield is down 40bp and German 10 yr is down 20bp in May (German 10 yr yield is at all time low). This is cumbersome. Equity markets were down some 5-10 per cent, high yield markets down 1 – 1.5 per cent, IG markets flattish to positive while treasury markets returned 1 – 2,5 per cent. The low future yield in euro market is most likely forcing investors to sell euro IG. Euro IG underperformed euro HY markets. Yield hunting? Large outflows in US IG funds and HY funds during May. This spread widening was not witnessed in the SEK and NOK markets, which were unchanged spread wise.

The market is now discounting several rate cuts by FED. In beginning av June, FED indicated easing bias, which is in line with the market, that the next move is a cut in interest rate. Increased trade tension and slowing global growth are most likely key drivers. Macro data is mixed to a bit weak.

In the Nordics May was characterized by new issue frenzy. Norron participated in some but not many. Premium bought Sampo new T2 in EUR and with a small position in Bayport. Late in the month that markets appetite in new issues receded.

In the current environment with lower commodity prices, lower yields in treasury bond markets, equity sharply down from April high, we are not increasing risk, rather the opposite. We foresee more volatility in risk markets, both up and down. We must assess trade talks, macro and upcoming earnings season to give us more guidance about the future.

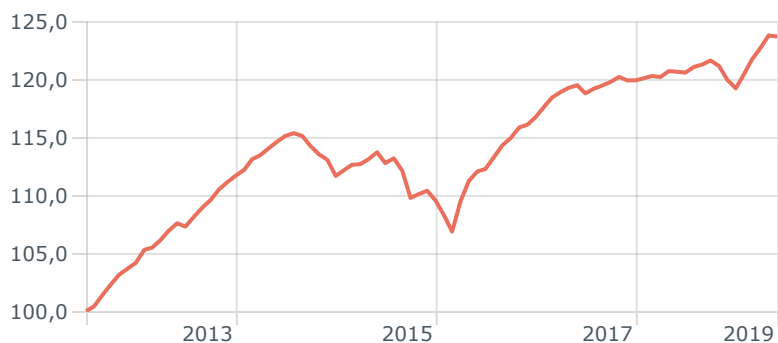
In order to show the funds flexibility, Norron Premium own approximately 1,3 per cent of the bond issue size and 0,8 per cent of outstand bonds in the issuer the fund has invested in.

Norron Premium returned -0,08 per cent in May. Largest positive contributors were UPM Kymmene, Tresu and Teekay Shuttle Tanker and on the negative side Floatel, Borr Drilling and Kongsberg Automotive. We have decreased risk during May and have ample with liquidity to either protect portfolio or increase risk.

Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	1,07	1,01	0,81	0,89	-0,08								3,75
2018	0,16	0,15	-0,07	0,42	-0,04	-0,07	0,41	0,17	0,29	-0,39	-0,97	-0,63	-0,58
2017	0,77	0,65	0,40	0,31	0,19	-0,59	0,35	0,23	0,26	0,36	-0,25	0,01	2,70
2016	-1,18	-1,27	2,47	1,57	0,74	0,21	0,91	0,90	0,54	0,79	0,21	0,59	6,60
2015	0,46	0,40	0,05	0,38	0,52	-0,82	0,36	-0,95	-2,09	0,30	0,25	-0,77	-1,91
2014	0,46	0,79	0,33	0,51	0,51	0,43	0,21	-0,21	-0,76	-0,62	-0,41	-1,24	-0,03
2013	1,08	0,17	0,63	0,76	0,60	-0,27	0,79	0,73	0,61	0,84	0,55	0,51	7,22
2012	—	—	—	—	—	—	—	0,99	0,88	0,85	0,48	0,50	—

NAV (Since inception)



— Norron Premium RC

ISIN	LU0772833314
Inception Date	2012-07-02
Fund Size	1 320 011 575
Base Currency	Swedish Krona
Fund manager: Peter Werleus (head)	
Team: Jan Törnstrand, Joachim Sverre	

Performance since inception:

Cumulative Return	23,19
Std Dev	2,36
Correlation	0,05
Up Period Percent	74,39
Best Month	2,47
Worst Month	-2,09

End of month:

Portfolio Yield	4,26%
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Top Holdings End of Month

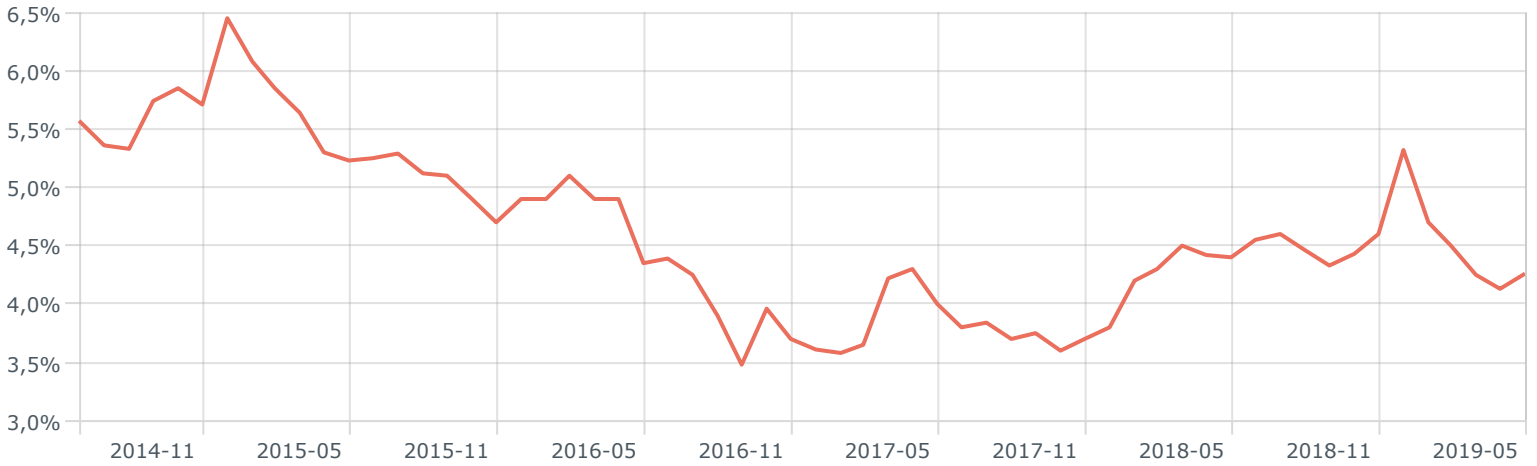
	Portfolio Weighting %
Storebrand Livisforisikring AS 4.04%	2,35
Heimstaden AB 16.09%	2,32
Ocean Yield ASA 23.09%	2,25
Nordea Bank ABP 23.03%	2,21
Sirius International Group, Ltd. 22.09%	2,17
RSA Insurance Group Plc 27.06%	2,01
Ship Finance International Limited 13.09%	1,87
DLF Seeds A/S 27.11%	1,86
NEPTUNE ENERGY BONDCO PLC 6.62%	1,81
B2Holding ASA 14.11%	1,80

Currency Exposure (End Of Month)

SEK	30,6%
EUR	27,0%
USD	19,4%
NOK	23,0%
Other	0,0%

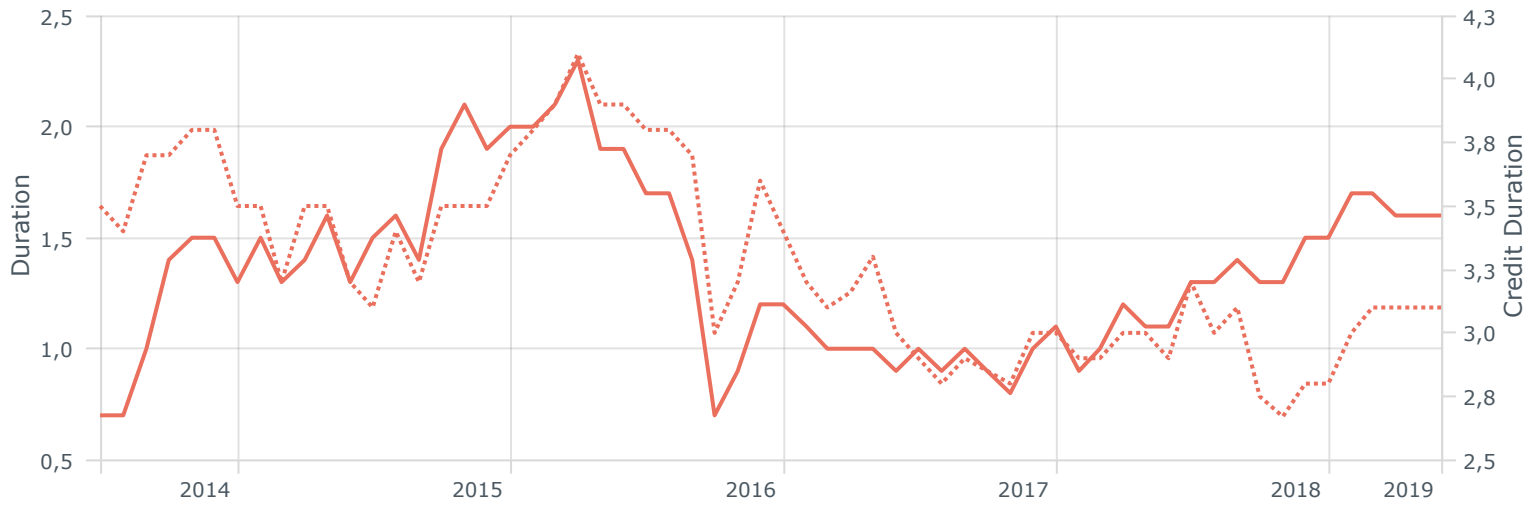
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Portfolio Yield



— Norron Premium RC

Duration & Credit Duration



— Norron Premium RC (Duration)

... Norron Premium RC (Credit Duration)

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