

Fund manager's comment:

In May, Norron Select increased ~2%, with a volatility of ~5% (90d annualized), while the MSCI Nordic Index decreased by ~6%, with a volatility of 12%. During the month, the fund had positive alpha in the long book, however, the short book posted a small negative alpha stream (positive in absolute terms).

As we have been highlighting the last couple of months, we believe that the stock markets were overbought and the "buying mania" not warranted, and we have now seen global markets fall with more than 5%. The bond market is signaling a recession, with US10YR bonds falling from 2,5% to 2,1% in a month. What is the bond market seeing, compared to the equity markets? We believe that the bond market is currently discounting a recession in the coming year, and that there is 85% probability that the FED will be cutting their rates in 2019, in order to stimulate the economy from low growth and trade wars. We still believe that the consensus view (for equities) is that the economy will rebound in H2'2019 and a recession will not take place.

We are more cautious and would rather see a surprise here as the bond markets are usually ahead of the equity markets in the long term. Commodities are usually leading, where we have seen copper and oil prices fall with more than 10-15% during May. Remember, these were leading indicators during the set-back in Q4'2018.

Like we mentioned earlier we have not seen any real positive macro figures, and again, highlighting, the figures are showing a significant divergence compared to the equity markets. We are not comfortable about adding risk to the portfolio currently. We believe it is key to listen to the companies in the upcoming

reporting season (H2 guidance), the tone of the FED (that is currently looking at cutting rates to stimulate the economy), study upcoming macro figures (in depth), follow the trade war closely and see if the China stimulus actually works. We believe it is very important to be prudent and consistent going forward and not be too carried away about the fed stepping in. The global economy is slowing in terms of growth and we should question the importance of central banks, take into consideration that many regions are lowering its GDP forecast and in the bitter end it actually comes to equity alpha. We believe it is more important to look beyond trade wars and find stock picks outside the general economy, because the directional return will probably be low in the coming year.

Looking at performers during the month, we would like to give you some flavor of the top/ bottom 5 in the long and short book.

Long book Top 5: Fjordkraft, IBT Group, Akva Group, Sedana Medical, NRC Group

Long Book Bottom 5: Aker ASA, Veoneer, Stora Enso, Northern Drilling, Nordic Semi

Short Book Top 5: Autoliv, Atlas Copco, Gränges, Bure, Betsson

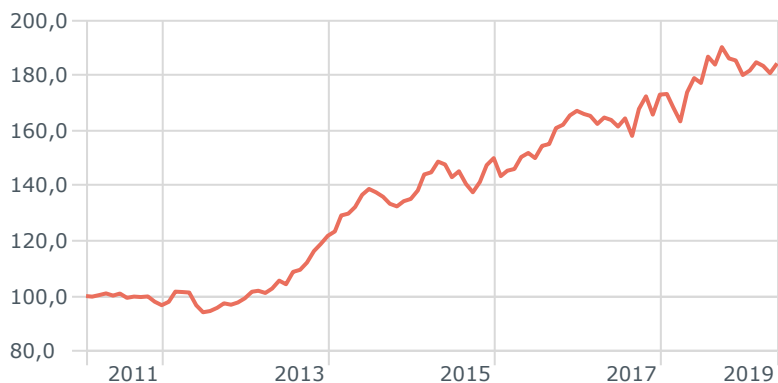
Short Book Bottom 5: ICA, JM, Skistar, Bilia, Ericsson

We will keep the beta adjusted net exposure low (currently below 10%), and the gross exposure ~200% as long as the equity alpha continues to deliver, again highlighting that the fund is still hedged for any upcoming turbulence.

Monthly Returns

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2019 | 0,91 | 1,64 | -0,72 | -1,42 | 1,95 | | | | | | | | 2,34 |
| 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 | 4,10 |
| 2017 | -0,68 | -0,41 | -1,77 | 1,42 | -0,53 | -1,45 | 1,83 | -3,86 | 6,18 | 2,72 | -3,84 | 4,37 | 3,52 |
| 2016 | -4,35 | 1,37 | 0,43 | 2,97 | 0,98 | -1,22 | 2,95 | 0,43 | 3,73 | 0,76 | 2,07 | 1,01 | 11,43 |
| 2015 | 2,28 | 4,19 | 0,53 | 2,68 | -0,70 | -3,11 | 1,50 | -3,17 | -2,13 | 2,70 | 4,32 | 1,72 | 10,93 |
| 2014 | 1,31 | 4,69 | 0,50 | 1,86 | 3,34 | 1,55 | -0,88 | -1,18 | -1,86 | -0,71 | 1,42 | 0,61 | 10,97 |
| 2013 | 2,38 | 0,35 | -0,78 | 1,59 | 2,78 | -1,25 | 4,31 | 0,69 | 2,38 | 3,74 | 2,22 | 2,47 | 22,81 |
| 2012 | 1,26 | 3,77 | -0,14 | -0,18 | -4,56 | -2,62 | 0,48 | 1,22 | 1,71 | -0,52 | 0,84 | 1,57 | 2,60 |

NAV (Since Inception)



— Norron Select R

ISIN LU0580532280

Inception Date 2011-02-01

Fund Size 1 245 094 971

Base Currency Swedish Krona

Fund manager: Marcus Plyhr (head),
Team: Ulf Frykhammar, Gustaf Sjögren, Joachim Sverre, Oskar Ormegard, & Oscar Sjögren

Performance since inception:

Cumulative Return 84,69

Sharpe Ratio 0,95

Beta 0,33

Correlation 0,52

Best Month 6,46

Worst Month -4,56

End of month:

Fixed Income Cash Yield 2,35%

Top Holdings End of Month

| | Portfolio Weighting % |
|-----------------------------------|-----------------------|
| Kindred Group PLC DR | 4,19 |
| Volati AB Participating Preferred | 3,88 |
| Sweden (Kingdom Of) 5% | 3,77 |
| Aker ASA A | 3,70 |
| AKVA Group ASA | 3,65 |
| Kambi Group PLC B | 3,35 |
| NRC Group ASA | 3,30 |
| IAR Systems Group AB B | 3,24 |
| Acast Ab Reg | 3,17 |
| Ocean Yield ASA | 3,07 |

Sensitivity Analysis

Market -20% 4,45%

Market -10% 3,12%

Market -5% 1,46%

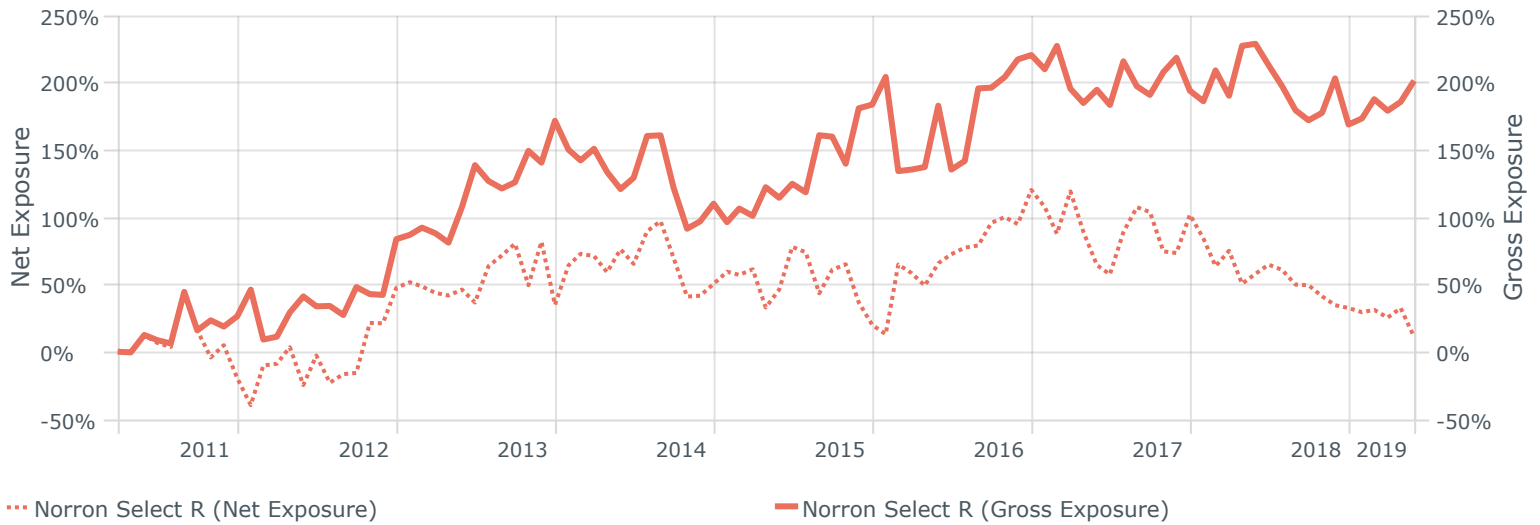
Market 0%, Vol -30% -0,66%

Market +5% 0,11%

Market +10% 2,09%

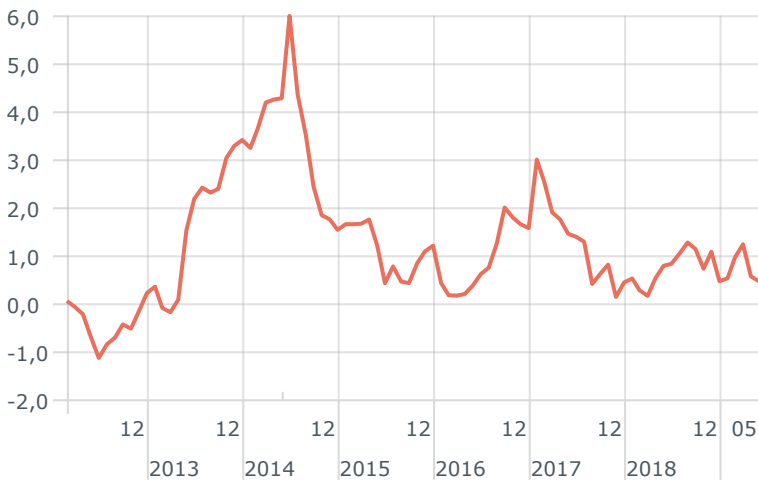
Market +20% 6,44%

Equity Net & Gross Exposure (non-beta adjusted)



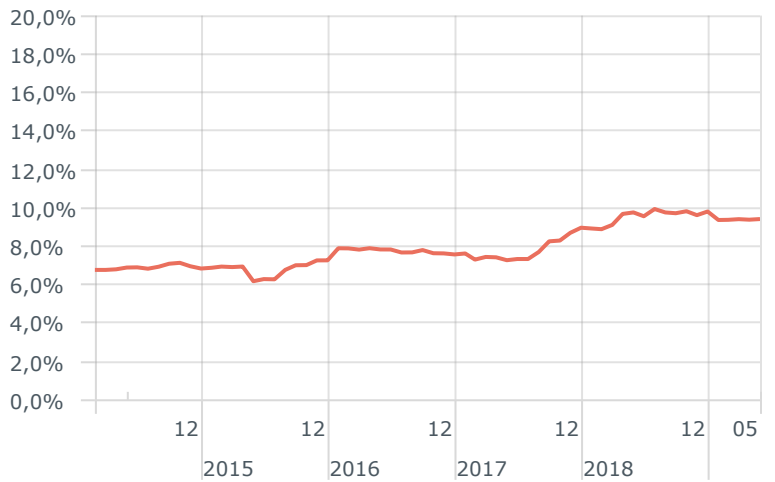
Sharpe Ratio

Rolling Window: 1 Year 1 Month shift

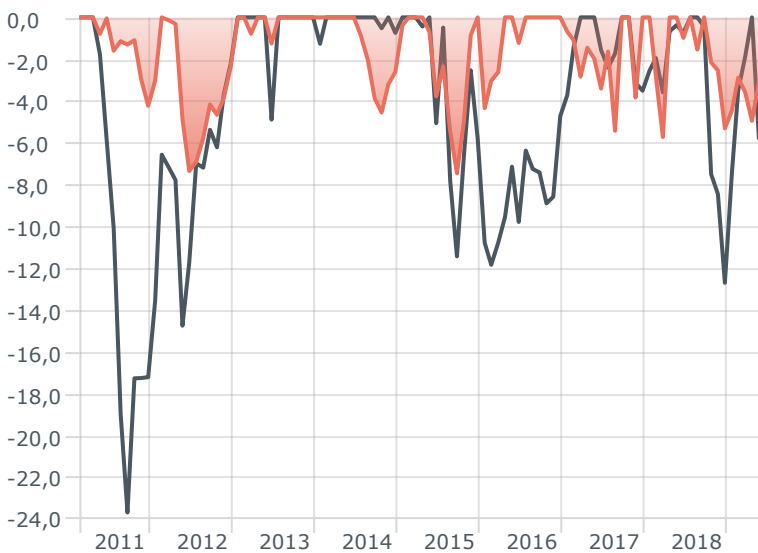


Volatility

Rolling Window: 3 Years 1 Month shift



Drawdown



Correlation

Rolling Window: 1 Year 1 Month shift Calculation Benchmark: MSCI Nordic Countries GR LCL



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.