

Fund manager's comment:

In June, Norron Select decreased ~2,5%, with a volatility of ~5% (90d annualized), while the MSCI Nordic Index increased by ~5%, with a volatility of 13%. During the month, the fund had negative alpha in the long book, however, the short book posted a neutral alpha contribution (negative in absolute terms). The fund pretty much reversed its gains from the previous month.

We are now currently witnessing a divergence between macroeconomics and the equity markets. World PMIs are falling below 50 (indicating a contraction), the "fed put" is already activated and markets are discounting that a rate cut will happen during the coming month. The equity markets are now counting on the "Trump put", including a temporary trade truce (for the additional tariffs on 300bnUSD consumer goods), with no timeline for when the talks will continue. Not sure if this is as positive as it sounds, because currently existing tariffs will stay in place. A lot of a positive outcomes are currently discounted in the market. We believe, again, that the market is overbought and the pain trade is indeed on the upside. The consensus view is still that demand for companies will pick up during h2. It will be key to listen to the companies in the upcoming reporting season (H2 guidance), the tone of the FED, study upcoming macro figures and follow the trade war closely and see if the China stimulus works. 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: EVRY, Catena Media, Mentice, Kindred, AKVA Group

Long Book Bottom 5: Kambi, Northern Drilling, TGS, FLNG, Atlantic Sapphire

Short Book Top 5: Ericsson, Bure, Bravida, Dustin,

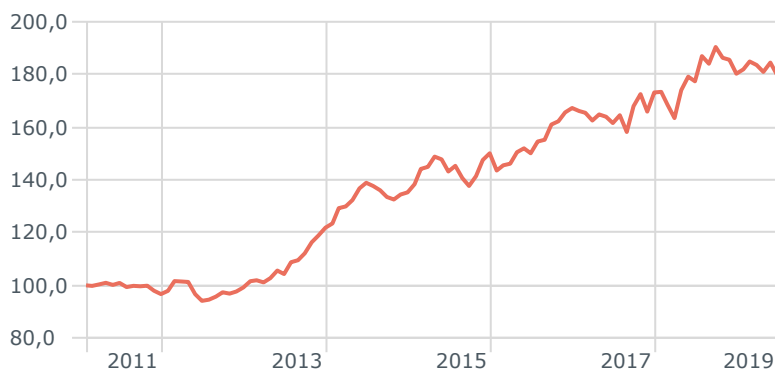
Short Book Bottom 5: SKF, Nibe, Gränges, Dometic, ICA

The overall portfolio beta is currently below 0,3. We will keep the beta-adjusted net exposure low (currently below 20%; last month ~10%), and the gross exposure ~200% if the equity alpha continues to deliver. We are, once again, highlighting that the fund is still hedged with downside protection.

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	-2,54							-0,26
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
2011	—	—	0,56	0,61	-0,79	0,75	-1,55	0,46	-0,17	0,22	-1,90	-1,30	—

NAV (Since Inception)



— Norron Select R

Top Holdings End of Month

	Portfolio Weighting %
Kindred Group PLC DR	4,14
Volati AB Participating Preferred	3,61
Sweden (Kingdom Of) 5%	3,55
AKVA Group ASA	3,53
NRC Group ASA	3,44

ISIN	LU0580532280
Inception Date	2011-02-01
Fund Size	1 174 802 353
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	80,00
Sharpe Ratio	0,90
Beta	0,32
Correlation	0,50
Best Month	6,46
Worst Month	-4,56

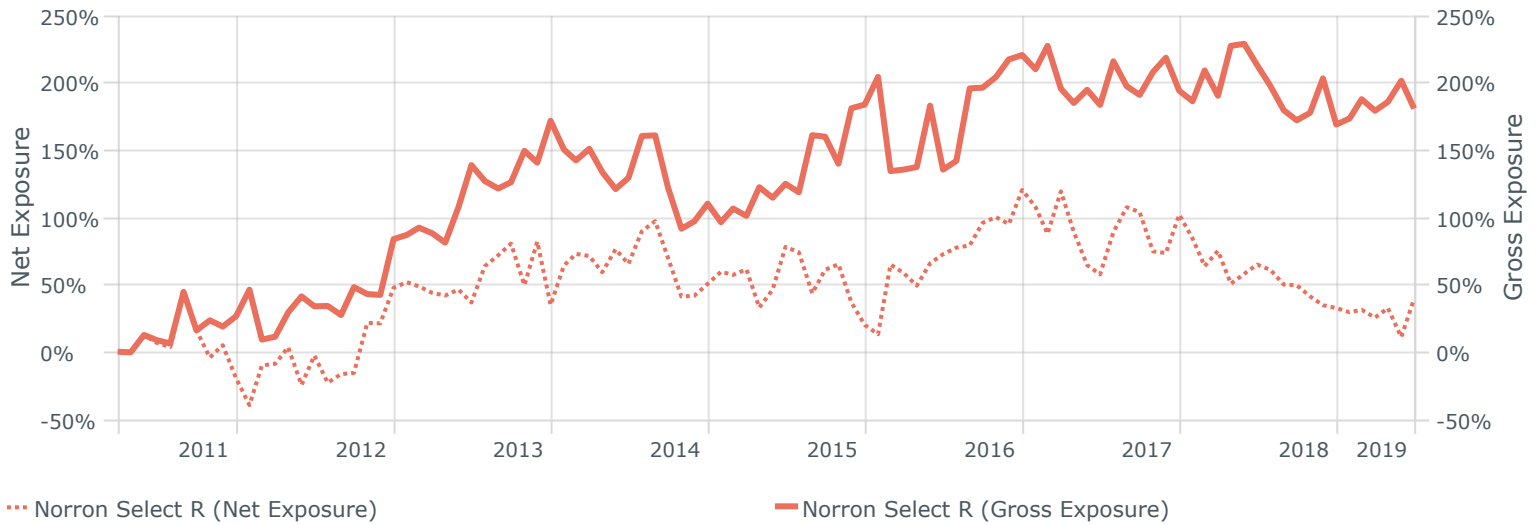
End of month:

Fixed Income Cash Yield	2,39%
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Sensitivity Analysis

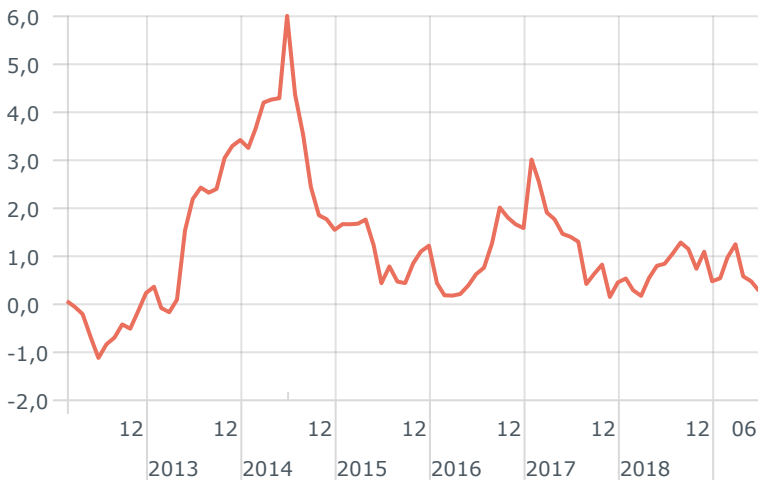
Market -20%	0,39%
Market -10%	0,38%
Market -5%	0,02%
Market 0%, Vol -30%	-0,61%
Market +5%	1,65%
Market +10%	4,29%
Market +20%	9,16%

Equity Net & Gross Exposure (non-beta adjusted)



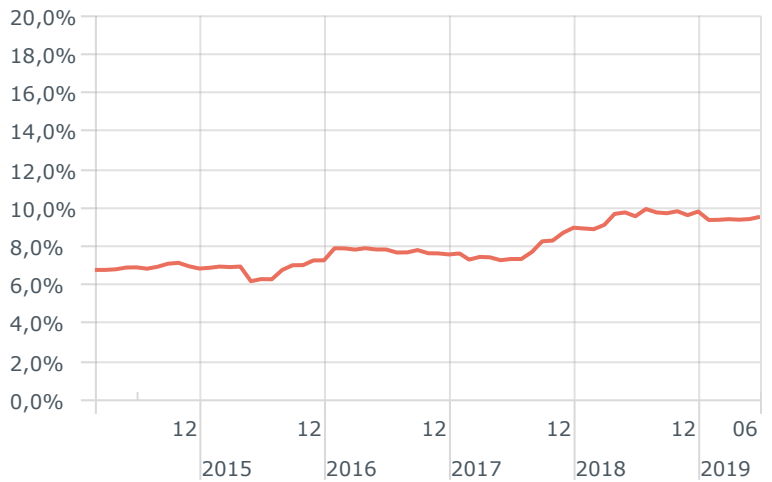
Sharpe Ratio

Rolling Window: 1 Year 1 Month shift

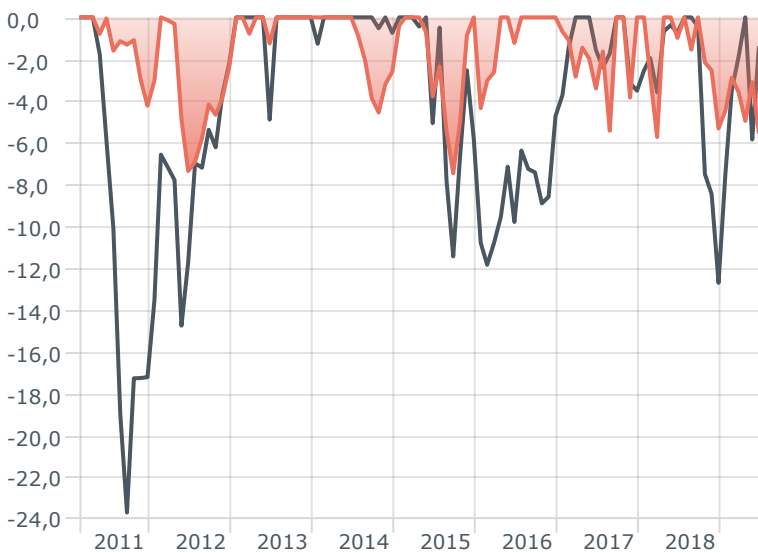


Volatility

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.