

Norron SELECT SEK Class - Monthly Report Sept 2017

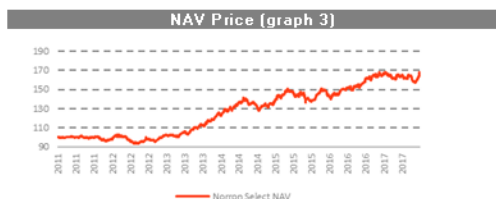
Historical Return (%)													
	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	year
2017	-0,7	-0,4	-1,8	1,4	-0,5	-1,5	1,8	-3,9	6,2				0,41
2016	-4,3	1,4	0,4	3,0	1,0	-1,2	3,0	0,4	3,7	0,8	2,1	1,0	11,4
2015	2,3	4,2	0,5	2,7	-0,7	-3,1	1,5	-3,2	-2,1	2,7	4,3	1,8	11,0
2014	1,3	4,7	0,5	1,9	3,3	1,6	-0,9	-1,2	-1,9	-0,7	1,4	0,6	11,0
2013	2,4	0,4	-0,8	1,6	2,8	-1,3	4,3	0,7	2,4	3,7	2,2	2,5	22,8
2012	1,3	3,8	-0,1	-0,2	-4,6	-2,6	0,5	1,2	1,7	-0,5	0,8	1,6	2,6

Key Figures Sept 2017			
Total Return (%)	Sept'17	YTD	Inception
5YR CAGR (compounded annual growth rate)	6,18%	0,41%	67,80%
Correlation vs MSCI Nordic*	N/A	N/A	11,4%
Avg. 90D Volatility	0,6	0,6	0,6
Sharpe Ratio	6,6%	7,0%	7,0%
*Bloomberg	N/A	N/A	1,6

Positive Contributions (%)		
1	Infant BacterialThera AB	1,08
2	Mycronic AB	0,85
3	Aker ASA	0,70
4	Volvo AB	0,63
5	Academedia AB	0,53

Negative Contributions (%)		
1	Hoegh LNG Holdings	-0,15
2	Ahlsell AB	-0,11
3	Nordic Water Proofing AS	-0,08
4	JMAB	-0,07
5	Northern Drilling Ltd	-0,07

Sensitivity		
Equities +10%		8%
Equities -10%		-3%
Volatility +50%		2%
Volatility -50%		-2%
Credits +150bps		1%
Credits -150bps		-1%



Fund Manager Comments

In September Select gained 6,18 % while MSCI Nordic gained 2,38 %. Volatility was steady at 6,8 for Select and 10,2 for MSCI. September proved to be a nice time for recovery for our Alpha generation. Alpha for the month was a record 12 %. As stated last month, we went through our long holdings and tried to turn every stone to see if they qualified into our portfolio, and it seems like it paid off. One example is Mycronic, which received the largest orders in the company's history. Mycronic has been a crowded short trade where the main theme has been that the company has been running at full capacity. According to management this has not been the case and these orders generated a short squeeze in the stock which was up 46 % in September. Our stubborn position in Aker also paid off. Oil was up 7,5 % in September.

We have also done an Investment in Acast which is a non-listed company. Select is allowed to have some positions in unlisted companies if they have the intention to list within 12 months. Acast is a podcast that also produces and sells advertisements, meaning that they control the whole podcast value chain. We think this is an interesting set up and believe that we could make a good investment until the listing takes place.

What's next for Select? The market feels very complacent at the moment. We think the strong markets we have seen recently to some extent come from managers holding much cash and have been forced to put them into work. Now that we are back on track and ready to digest the Q3 reports, it will be interesting to see if we can hold on or climb from here. Select is now net long 60 % but very well protected from any market correction.

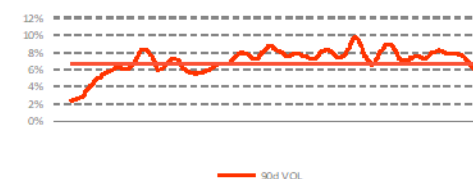
Performance since 2016 (graph 1)



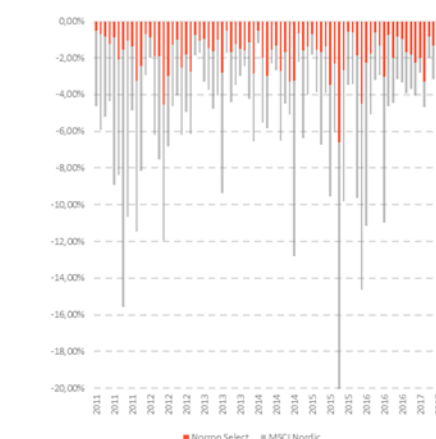
Equity Alpha since 2016 (%) (graph 2)*



Volatility (90d) (graph 4)



Max Drawdown*(monthly) (graph 5)



* The largest monthly drop from a peak to a bottom in a subperiod over the time frame specified. It measures the magnitude of the worst loss an investor could have incurred by investing in that security. Source: Bloomberg