



NORRON
STOCKHOLM | OSLO

MONTHLY REPORT – SELECT

Nov 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	2,7	-3,8		-0,81
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

November

	Nov	YTD	Inception
Total Return (%)	-3,83%	-0,81%	65,75%
5YR CAGR (compounded annual growth rate)	N/A	N/A	11,1%
3YR CAGR (compounded annual growth rate)	N/A	N/A	7,5%
Correlation vs MSCI Nordic*	0,4	0,7	0,6
Avg. 90D Volatility	8,8%	8,0%	7,0%
Sharpe Ratio	N/A	N/A	1,6

* Bloomberg

Theoretical Sensitivity Nov 2017

Equities +10%	7%
Equities -10%	-3%
Volatility +50%	2%
Volatility -50%	-2%
Credits -150bps	1%
Credits +150bps	-1%

Positive contributions

1	Wallenius Wilhelmsen ASA	0,41
2	SAS AB	0,37
3	Investment AB Latour (short)	0,29
4	Electrolux AB (short)	0,20
5	Flex LNG ASA	0,20

Negative contributions

1	Norsk Hydro ASA	-0,43
2	Munters Group AB	-0,37
3	Nordic Water Proofing AS	-0,33
4	Subsea 7 SA	-0,32
5	Ahlsell AB	-0,31

Performance since 2016



Equity Alpha since 2016



If you have any queries or require additional information, please contact ir@norrone.com

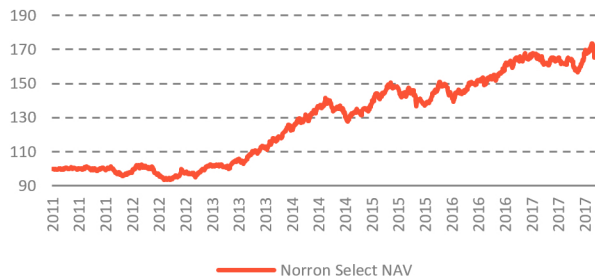




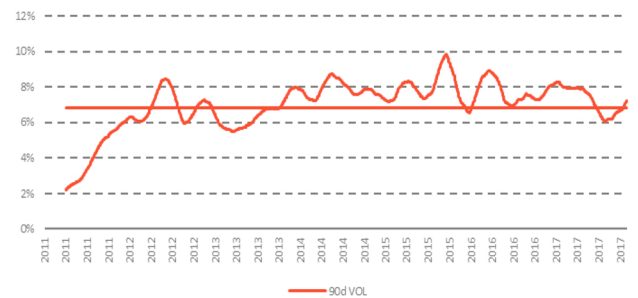
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NAV Price



Volatility (90days)



Fund Manager's Comment

In November Select decreased 3,83% while MSCI Nordic decreased 4,46%. The volatility increased to 8 for Select and was flat around 10 for MSCI Nordic. Alpha for Select was down to -2%.

November is usually a strong month for equity markets but this November has been the only negative November month for the last 5 years. A reason for this could be a potential risk for a recession in 2019, which strategists are talking about. We have also experienced a weakening of the Nordic currencies, which is most likely a sign of concern for the real estate market where we have seen very weak data and a lot of negative press. This in turn creates a bad sentiment for all segments related to private homes. Also the banks have been underperforming because of this. We have been investigating the mortgage portfolio risk for the Swedish banks. Our conclusion is that it is an overreaction and therefore we have increased our bank exposure slightly. An interesting data point is that all homes that are sold and have been in the previous owner's possession for >2 years, will increase the value of the loan. This means that you need to be pretty bearish if you think that we would see no growth in the banks' mortgage portfolios going forward. The ratio for banks versus engineering is stretched.