



**NORRON**  
STOCKHOLM | OSLO

## MONTHLY REPORT – TARGET

Nov 2017

### Historical return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	year
<b>2017</b>	0,2	0,4	-0,2	1,2	-0,2	-0,9	0,6	-1,3	2,5	1,1	-1,7		<b>1,62</b>
<b>2016</b>	-3,2	0,2	0,4	1,3	1,1	-1,1	2,3	0,5	2,6	0,3	0,4	0,6	5,5
<b>2015</b>	1,2	0,9	0,4	1,1	-0,2	-1,3	0,5	-1,7	-1,8	1,2	2,3	-0,7	1,8
<b>2014</b>	0,5	2,2	0,3	0,7	1,6	0,9	-0,4	-0,5	-1,4	-0,9	0,5	-0,2	3,2
<b>2013</b>	1,3	0,6	-0,3	0,9	1,7	-0,8	2,2	0,3	1,1	2,4	1,2	1,2	12,5
<b>2012</b>	1,5	1,5	-0,1	0,2	-1,4	-0,8	1,0	1,0	0,9	0,2	0,7	0,7	5,5

### Key Figures November

	Nov	YTD	Inception
Total Return (%)	-1,71%	1,62%	33,11%
5YR CAGR (compounded annual growth rate)	N/A	N/A	5,0%
3YR CAGR (compounded annual growth rate)			3,0%
Correlation vs MSCI Nordic	0,6	0,6	0,7
Avg. 90D Volatility	4,0%	3,5%	3,2%
Avg. Fixed Income Cash Yield (by NAV)*	1,7%	1,7%	3,0%
Avg. Credit Rating Fixed Income Portfolio*	BBB+	BBB	BBB
Sharpe Ratio	N/A	N/A	1,6

### Theoretical Sensitivity

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

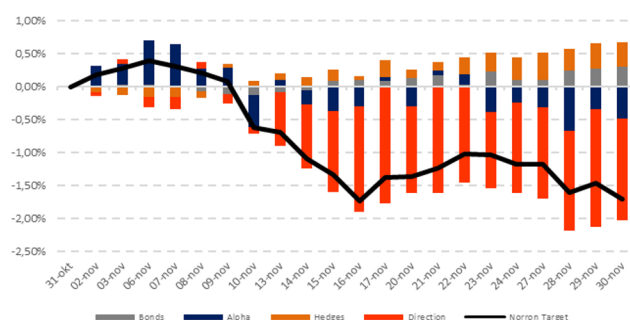
### Positive contributions

1	Wallenius Wilhelmsen ASA	0,20
2	Cxense ASA	0,08
3	Kindred Group AB	0,05
4	Swedbank AB	0,04
5	Hunter Group ASA	0,03

### Negative contributions

1	Sandvik AB	-0,16
2	Norsk Hydro ASA	-0,14
3	Subsea 7 SA	-0,10
4	Norwegian Air Shuttle ASA	-0,10
5	Ocean Yield ASA	-0,10

### Contributions Nov 2017



### NAV Price



If you have any queries or require additional information, please contact [ir@norrone.com](mailto:ir@norrone.com)



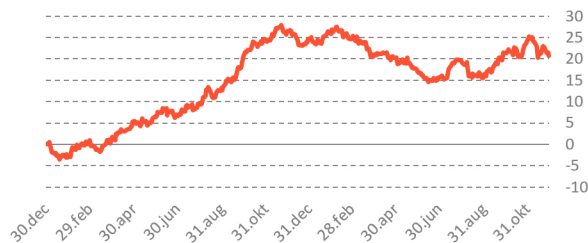
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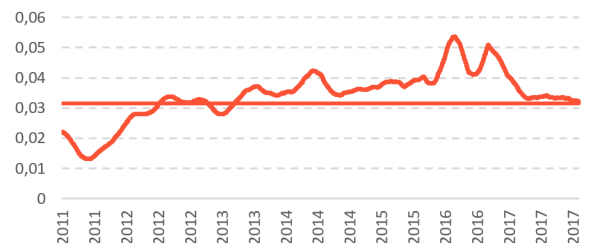
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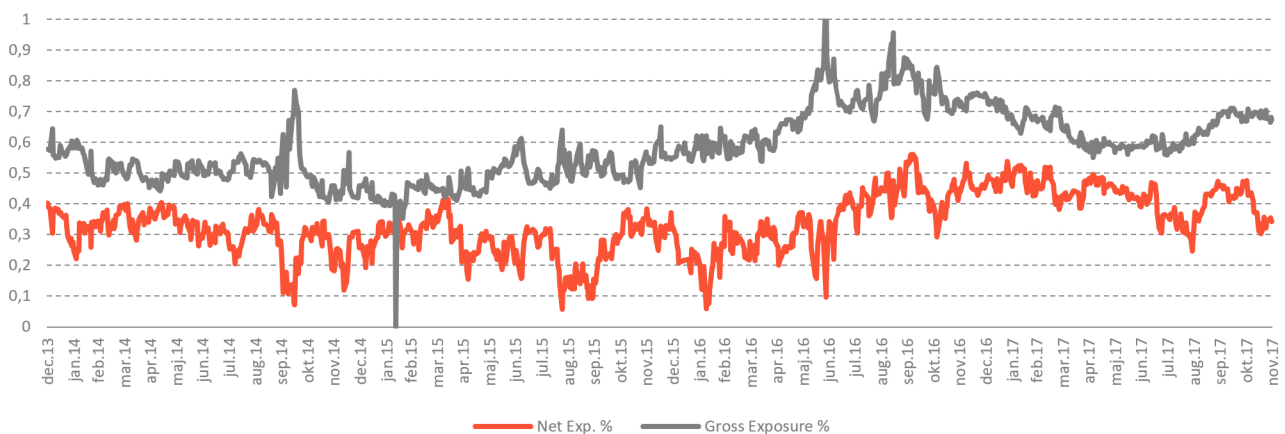
Equity Alpha since 2016 (%)



Volatility (90 day)



Equity Net & Gross Exposure (non beta ad)



### Fund Manager's comment

The month of November turned out to be more complicated than what we had anticipated. Equities in Europe in general, and the Nordics in particular, posted distinctive negative returns, which is slightly out of the ordinary seasonal pattern. Technical reasons such as portfolio reallocation / rebalancing could perhaps be part of the explanation. We have been witnessing a preference for USD assets, after the increased likelihood of the US tax bill being passed in the near future, which has led to outflows from our region, and a continuation of the strong performance of US equities. Both NOK and SEK have been very weak, which, if sustained, will lead to increased competitiveness for many companies in the Nordics. Strategists looking into 2018 all communicate the risk of a recession occurring in 2019, and that this would be reflected in risky assets sometime during 2018. We agree, but also note that the consensus of opinions, is not the most probable outcome. We believe that we have many equity holdings, that should be (more) appreciated by the market, if slower global growth were to occur during 2018-2019. We also find comfort in the extension of the OPEC production cuts, and in our belief that oil service capex will pick up in 2018. As can be seen in the charts above, the main reason for the fund posting a negative return was market direction, as well as a touch negative equity alpha contribution.