



NORRON
STOCKHOLM | OSLO

MONTHLY REPORT – SELECT
February 2018

Historical return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	year
2018	0,13	-2,81											-2,68
2017	-0,7	-0,4	-1,8	1,4	-0,5	-1,5	1,8	-3,9	6,2	2,7	-3,8	4,4	3,6
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

February

	Feb	YTD	Inception
Total Return (%)	-2,81%	-2,68%	68,4%
5YR CAGR (compounded annual growth rate)	N/A	N/A	10,6%
3YR CAGR (compounded annual growth rate)	N/A	N/A	5,32%
Correlation vs MSCI Nordic*	0,3	0,6	0,6
Avg. 90D Volatility	7,7%	7,9%	7,1%
Sharpe Ratio	N/A	N/A	1,5

* Bloomberg

Theoretical Sensitivity

Equities +10%	6%
Equities -10%	-3%
Volatility +50%	2%
Volatility -50%	-2%
Credits -150bps	1%
Credits +150bps	-1%

Positive Contributions (%)

1	Salmar ASA	0,58
2	Marine Harvest ASA	0,36
3	Oriflame Holding AG	0,32
4	Ocean Yield ASA	0,29
5	Indutrade AB (short)	0,26

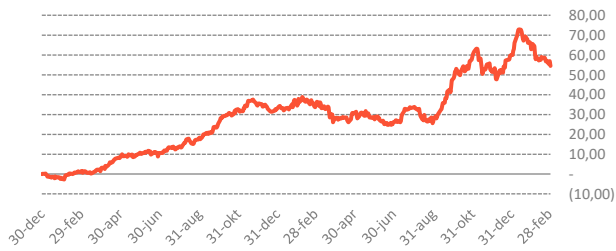
Negative Contributions

1	Hansa Medical AB	-0,59
2	Volati AB	-0,57
3	Stillfront AB	-0,57
4	Ferronordic AB	-0,38
5	Avanza Bank AB (short)	-0,38

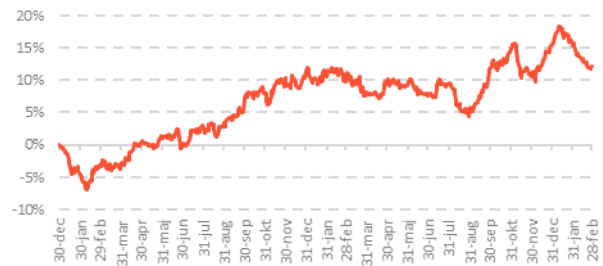
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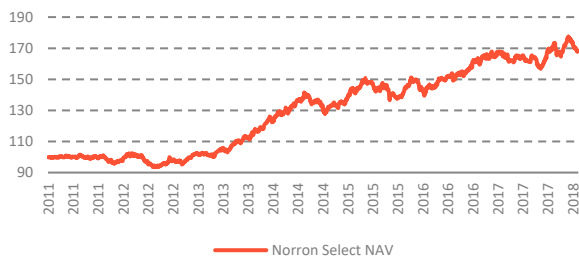
Equity Alpha



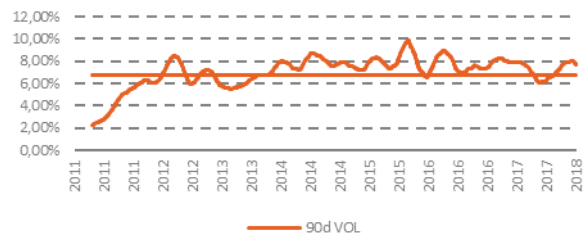
Performance since 2017



NAV Price



Volatility (90days)



Fund Manager's comment

In Feb Select decreased 2,81 % to a volatility of 7,8 whilst MSCI Nordic decreased 0,88 % with a volatility 14. Alpha for Select was a negative 4 %. The fund performed well despite the turmoil at the beginning of the month, culminating the 9:th of February. The losses occurred when the market turned and volatility crashed. We studied past downturns for the market and our studies told us that downturns like these usually take some time to eke out and we therefore took positions for a prolonged high volatility market. What we got was a low volume strong market driven mainly by large caps and implied volatility came down all the way to the levels seen towards the end of January. We continue to see stress in the market due to fear of inflation, trade wars and end of the cycle downturn so we maintain our view that the market will continue to be wobbly and volatility should come up.

Avanza continued to be strong and the position has been closed since we clearly do not understand the drivers for it. We have a new position in Oriflame that has outperformed the market, which should be interesting to follow given that their old model of selling through direct marketing has proven successful in Asia but there it tends to be more via channels like Weechat and other electronic media which happens to work very well for this kind of products. Margins are also much better in Sweden than in eastern Europe. Currently Select holds a net position of 16% and is well hedged for any larger market moves.

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