



NORRON
STOCKHOLM | OSLO

MONTHLY REPORT – TARGET March 2018

Historical return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	year
2018	0,7	-0,2	-1,2										-0,7
2017	0,2	0,4	-0,2	1,2	-0,2	-0,9	0,6	-1,3	2,5	1,1	-1,7	1,1	2,8
2016	-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
2015	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
2014	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
2013	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
2012	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 March

	March	YTD	Inception	Theoretical Sensitivity	
Total Return (%)	-1,2%	-0,7%	33,54%	Equities +10%	3%
5YR CAGR (compounded annual growth rate)	N/A	N/A	4,8%	Equities -10%	-2%
3YR CAGR (compounded annual growth rate)			2,8%	Volatility +50%	1%
Correlation vs MSCI Nordic	0,5	0,5	0,7	Volatility -50%	-2%
Avg. 90D Volatility	3,0%	3,2%	3,1%	Credits -150bps	1%
Avg. Fixed Income Cash Yield (by NAV)*	1,7%	1,7%	3,0%	Credits +150bps	-1%
Avg. Credit Rating Fixed Income Portfolio*	BBB+	BBB	BBB		
Sharpe Ratio	N/A	N/A	1,5		

Positive Contributions

1	Atlantic Sapphire	0,11
2	IAR Systems AB	0,11
3	Camurus AB	0,07
4	Salmar ASA	0,05
5	Stora Enso	0,05

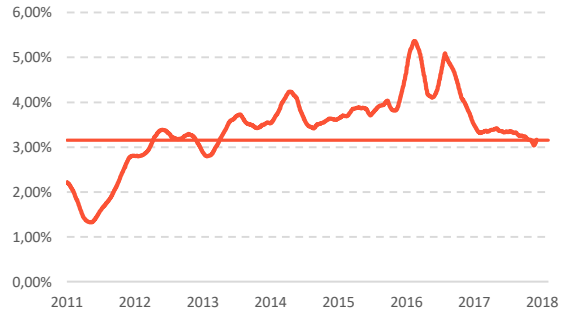
Negative Contributions

1	Ocean Yield ASA	-0,26
2	Subsea7	-0,20
3	Academedia AB	-0,20
4	Norsk Hydro ASA	-0,10
5	WWL ASA	-0,10

Equity Alpha since 2016 (%)



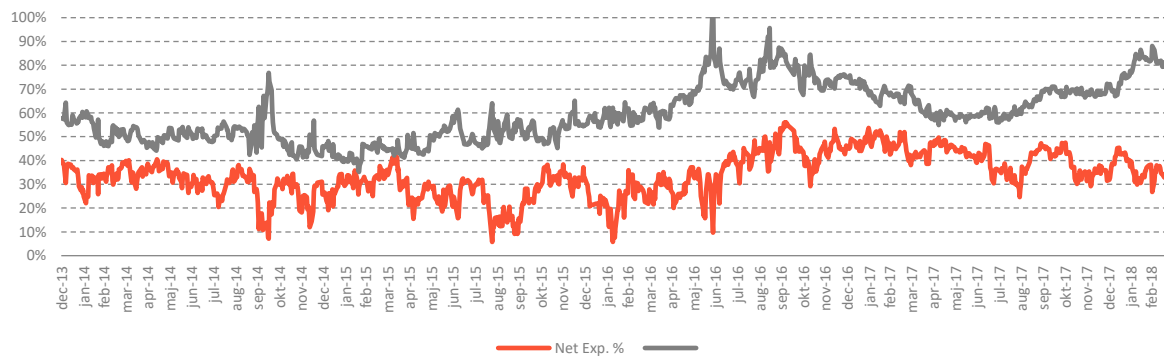
Volatility (90 day)



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



Equity Net & Gross Exposure (non-beta adj)



Fund Manager's comment:

March was a very volatile month with the median intraday change twice as high as observed in February, and February was twice as high as the number observed in January 2018. The reasons behind the increased underlying volatility is probably twofold. Firstly, the fear of an escalation of trade war policies, such as tariffs, and the effect that might have on global growth, which is especially important in this stage of the business cycle. The irony is that President Trump has increased his popularity ratings domestically during this period. However, Trump needs to be successful in the midterm elections, held in November this year, to secure republican representation in both the house of representatives and the senate. His success will be judged by the performance of capital markets, which might mitigate the risk of an escalation of a trade war, with China in particular. Secondly, the pullback in technology stocks, which was last year's leader on the US stock market, can be explained by security/integrity issues, but also due to Trump's Twitter statements regarding Amazon's dependence on U.S Mail for deliveries. In combination this has led to a 10% correction from previous highs. At current levels, the major markets are flirting with important trend/support levels. We still believe that stocks will be the preferred asset class, due to the strength of the business cycle, which is why we are a touch net long in equities. Gross equity exposure has been increased as communicated earlier. The short book is at present slightly more diverse than last year, due to the addition of swaps on MSCI Nordic, rather than solely hedging each country with its specific benchmark index. Our intention with this addition is to achieve cheaper hedging cost to the benefit of our investors.

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