



**NORRON**  
STOCKHOLM | OSLO

## MONTHLY REPORT – TARGET July 2018

### Historical return (%)

	jan	feb	mar	apr	maj	jun	jul	aug	sep	okt	nov	dec	year
<b>2018</b>	0,7	-0,2	-1,2	2,2	0,9	-0,1	0,0						<b>2,4</b>
<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	1,1	<b>2,8</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 July

	July	YTD	Inception	Theoretical Sensitivity	
Total Return (%)	+0,02%	2,4%	37,8%	Equities +10%	3%
5YR CAGR (compounded annual growth rate)	N/A	N/A	4,4%	Equities -10%	-2%
3YR CAGR (compounded annual growth rate)			3,2%	Volatility +50%	1%
Correlation vs MSCI Nordic	0,3	0,4	0,6	Volatility -50%	-2%
Avg. 90D Volatility	4,1%	4,0%	3,2%	Credits -150bps	1%
Avg. Fixed Income Cash Yield (by NAV)*	1,7%	1,8%	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	Xvivo AB	0,20
2	Volvo AB	0,12
3	Yara ASA	0,12
4	SEB AB	0,11
5	THQ Nordic AB	0,10

### Negative Contributions

1	SubSea 7 ASA	-0,14
2	Danske Bank A/S	-0,12
3	Protector ASA	-0,11
4	Ocean Yield ASA	-0,10
5	BioArctic AB	-0,10

### Equity Alpha since 2016 (%)



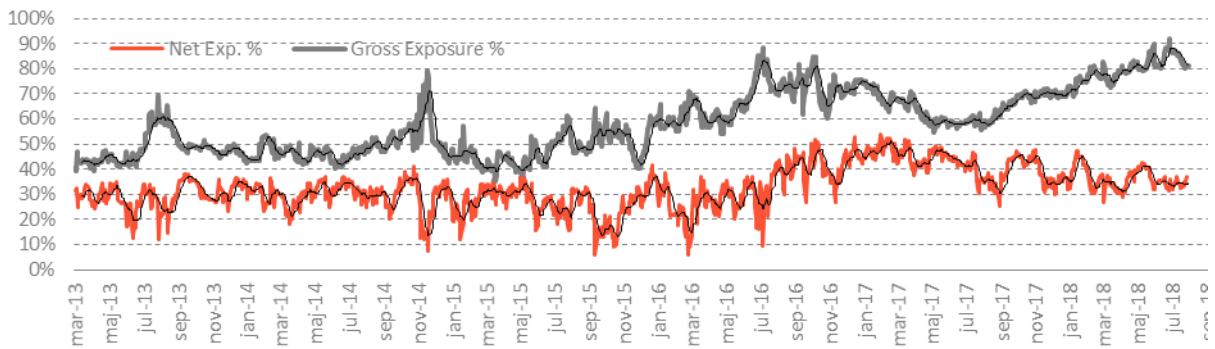
### Volatility (90 day)



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



## Equity Net & Gross Exposure (non-beta adj)



### Fund Manager's comment:

In July most companies have reported their results for the second quarter. Within the capital goods sector (which has been a net long position for the fund), sales, orders and earnings were slightly ahead of analysts' forecast. Results among the Nordic banks were also slightly ahead of expectations, apart from Danske Bank. Macro statistics for Q2 came in strong and are still indicating a relatively strong and robust economic growth. The OECD leading indicators are, however, a cause for concern. The picture here is very different compared to last year, where we saw a synchronized global growth. Looking into the coming quarters the US is outshining the Eurozone, Japan and UK in terms of economic growth outlook. Adding to this is of course the ongoing multilateral trade disputes, and the lack of stringency in the communicated trade policy from the US. Trade war, or fear of one, could easily dampen investments and economic activity going forward, thereby posing a meaningful threat to risky assets. We need to continue to monitor this closely, and to continue to protect the fund properly if this were to materialize during the coming months or quarters.

Norron Target had a relatively disappointing month, posting a flat performance in a strong market. Reasons being 1) a slight reversal in the positive alpha trend we have had year to date 2) cost of hedging.

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