

# Soothing October for Storm

Stockholm (HedgeNordic) – Storm Bond Fund, the Norwegian managed High Yield Fund, experienced returns of 1.2% for October, pushing its net YTD returns up to 11.2%.

Storm Bond Fund invests across various credit ratings based on a detailed risk/reward analysis, where its management team, among them CIO/Founding Partner Morten E. Astrup and Portfolio Manager & Analyst Morten Venold, is the largest investor in the fund.

According to Mr Astrup, the overall credit quality of the portfolio is to be considered better than ever. Storm Bond Fund is well positioned for yield compression going into the winter season due to the risk of restructuring applying to only 4% of the portfolio in bonds. The credit duration of the portfolio has increased to 3.9 years due to the purchase of longer dated notes, based on improved credit metrics in selected bonds. Its interest duration rests at a comfortable 1.6 years.

Storm Bond Fund bought Stena 2024 bonds in the low 80s yielding north of 11% for the next 8 years on the basis of the company's excellent balance sheet, book equity, cash and credit facilities and other investments. Despite a business unit in drilling that concerns investors, with the diversified sector mix and a host of other factors, Storm considers the risk/reward to be attractive. Storm also took part in the newly issued 5-year bond from Teekay LNG Partners. It sold its position in Outokumpu 2021 and reduced its exposure in Borgestad.

Storm's Yield to maturity is currently 10.6%, while the yield to call is 14.1%. The effective active portfolio coupon is 7.2%.

Storm Bond Fund's investment process is based on a top-down screening of the universe and a detailed bottom-up analysis of its individual companies.