

# FIRST Høyrente (FIRST Nordic High Yield)

<b>Facts about the fund</b>	FIRST Høyrente
AuM (NOK mill)	NOK 1541 mill
Management company	FIRST Fondene
Portfolio manager	Henry Grepstad
Launch date	17th of March 2011
Benchmark	ST3X
NAV	1033,21
Fund type	NOK Bonds
Liquidity	Daily
Dividend	Accumulated
Currency	NOK
ISIN	NO0010602188
Bloomberg code	FAHOYRE NO Equity

## Terms

Management fee*	0,75 % annually
Performance fee*	10 %
Max mng. Fee	1,00 %
Min. mng. Fee	0,50 %
High water mark	No
Swing pricing	Yes
Min. investment	NOK 1000
Cut-off time	kl 12.00

## Return and risk statistics

Previous month	0,08 %
YTD	4,89 %
1 year	2,55 %
3 years	22,39 %
Since inception	66,61 %
SRRI	3

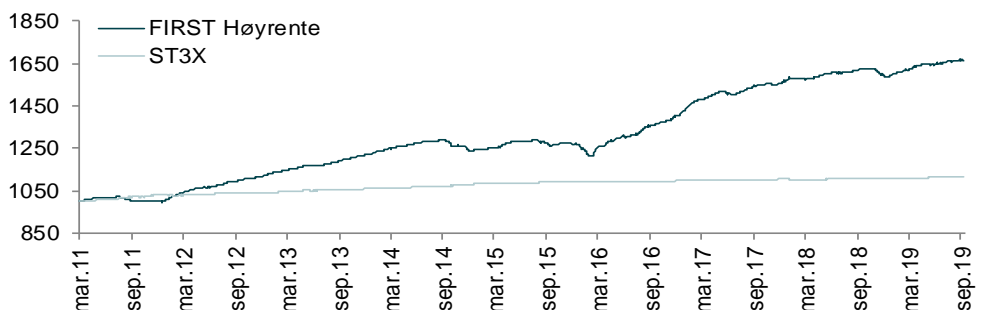
## Contact information

Address	Munkedamsveien 45E 0250 Oslo, Norway
Phone	22 01 55 00
Fax	22 01 55 01
Web	www.firstfondene.no
E-mail	post@firstfondene.no

## Investment philosophy

FIRST Høyrente is an actively managed Nordic high yield bond fund where the fund manager takes active credit exposure. Through close monitoring of the portfolio, we aim to generate a good risk-adjusted absolute return over time. This is achieved through investments in bonds with returns significantly higher than government bonds. Furthermore, through deliberate positioning for changes in credit premiums, all in a well-diversified portfolio. The Interest rate duration in the fund will normally be around 1 year.

Investment decisions are based on fundamental analysis of individual companies and assessments of the interest and credit markets in general. Central to these assessments is where the portfolio manager believes you get the best reward for the risk you take. The fund's investments will be in bonds that have a higher credit and liquidity risk than those in the benchmark index, which consist of government bonds. As a result, the expected return of the fund is higher than the benchmark index. At the same time, investors should expect more fluctuations in the return of the fund than in the benchmark index.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2015</b>	0,3 %	0,5 %	0,5 %	1,5 %	0,8 %	-0,3 %	0,5 %	-0,6 %	-1,2 %	0,6 %	0,4 %	-0,4 %	2,53 %
<b>2016</b>	-2,4 %	-2,1 %	3,9 %	1,8 %	1,1 %	0,7 %	0,7 %	2,5 %	0,9 %	1,1 %	0,8 %	1,5 %	10,83 %
<b>2017</b>	2,8 %	1,7 %	0,8 %	1,2 %	0,8 %	-0,9 %	0,9 %	1,1 %	0,9 %	0,5 %	-0,3 %	0,8 %	10,88 %
<b>2018</b>	1,1 %	0,0 %	0,1 %	0,4 %	1,0 %	0,6 %	0,1 %	0,5 %	0,4 %	0,2 %	-1,2 %	-1,3 %	1,67 %
<b>2019</b>	1,0 %	0,7 %	0,5 %	1,1 %	0,1 %	0,3 %	0,6 %	0,3 %	0,1 %				4,89 %

Key statistics	September	Previous month	Rating	Weight
Yield to maturity	7,9%	7,6%	Investment grade	15 %
Interest rate duration	0,8	0,8	BB+/BB/BB-	25 %
Credit duration	2,0	2,0	B+/B/B-	59 %
			Lower	3 %
			Average rating	BB-

Largest holdings	Weight	Sector	Weight
Golar LNG Partners LP	4.43%	Finance	21 %
GasLog Ltd	3.52%	Shipping	17 %
Havila Holding AS	3.40%	Consumer Cyclical	14 %
DNB ASA	2.93%	Consumer Staples	11 %
European Energy Holding ApS	2.91%	Cash	10 %
DDM Holding AG	2.90%	Oil Service	6 %
American Shipping Co ASA	2.77%	Oil E&P	6 %
Kistefos AS	2.52%	Holding Cos	5 %
Garfunkel / Low ell	2.28%	Alternative Energy	4 %
Hoist Finance AB	2.21%	Real Estate	3 %

\*The performance fee is 10% of the funds return after management fee and beyond the benchmark. The performance based fee is calculated and accumulated daily and paid out annually.

\*\*This fact sheet must not be used as the basis for investment decisions. Historical returns are no guarantee of future performance. Future returns will depend on the market development, managers skills, the funds risk, as well as costs of subscription, administration and redemption. The return may be negative due to currency movements. The yield to maturity may change from day to day and is therefore no guarantee for the return for the period for which it is calculated for. The investor is encouraged to read the fund's simplified prospect.

### Portfolio comment

The fund returned 0,1 % in September. Year to date the return is 4,89 %. The credit duration in the portfolio is now approximately 2,0 years (same as previous month). The yield to maturity is approximately 7,9 % (7,6 % previous month). This implies a net yield of 6,9 %.

After the summer holidays, the activity has picked up gradually as expected, but fewer new bonds came to the market in September than we expected. As expected in the market, the ECB announced that it would resume bond purchases (QE).

The ECB lowered the interest rate to -0,50 % from -0,40 %, while Norges Bank ended up raising the interest rate from 1,25 % to 1,50 % (probably the latest in this round).

We made only minor adjustments in September. Oil service and oil production (E&P) decreased marginally in September (most of the increase in credit premiums in the Norwegian market in September comes from oil service). The sectoral composition and credit maturity of the portfolio is not expected to change significantly in the near future.

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