

FIRST Rente (Investment Grade)

Facts about the fund	FIRST Rente
AuM (NOK mill)	NOK 1295 mill
Management company	FIRST Fondene
Portfolio manager	Henry Grepstad
Launch date	10th of September 2010
Benchmark	50 % ST4X 50% ST5X
NAV	1030,23
Fund type	NOK Bonds
Liquidity	Daily
Dividend	Accumulated
Currency	NOK
ISIN	NO0010584113
Bloomberg code	FLANGRE NO Equity

Terms

Management fee	0,60 % annually
Performance fee	No
Min. investment	NOK 1000
Cut-off time	kl 12.00
High water mark	No
Swing pricing	Yes

Return and risk statistics

Previous month	0,06 %
YTD	2,49 %
1 year	2,06 %
3 years	9,44 %
Since inception	39,72 %
SRRI	2

Contact information

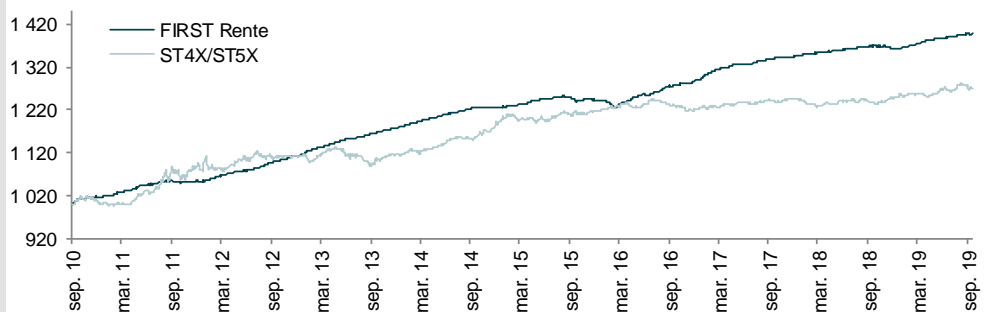
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Investment philosophy

Through active management and by taking a somewhat higher risk than the benchmark index, FIRST Rente aims to provide an annual relative excess return after costs of 1 - 3%. The fund will also try to achieve a positive absolute return on an annual basis.

The fund takes active positions based on analysis and assessments of the interest rate and credit markets. The fund will also take specific exposures to changes in interest rates and the slope of the yield curve. Exposure to the credit market is taken through investments in bonds where the fund considers the payment for the risk to be good. The fund will always have a minimum of 80% of the portfolio invested in Investment Grade bonds.

The fund's investments will be in bonds that generally have a higher credit and liquidity risk than the benchmark index, which consists solely of government bonds. The fund's return is expected to be higher than the return on the benchmark because of the higher risk, but at the same time, one must expect greater fluctuations in the fund's return.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	0,2 %	0,3 %	0,3 %	0,5 %	0,3 %	0,1 %	0,4 %	0,1 %	-0,7 %	0,0 %	0,1 %	-0,1 %	1,41 %
2016	-0,3 %	-1,0 %	1,0 %	0,7 %	0,7 %	0,0 %	0,6 %	0,9 %	0,2 %	0,4 %	0,1 %	0,6 %	3,87 %
2017	0,9 %	0,8 %	0,4 %	0,4 %	0,4 %	0,0 %	0,3 %	0,3 %	0,3 %	0,2 %	0,0 %	0,2 %	4,26 %
2018	0,3 %	0,2 %	0,1 %	0,2 %	0,2 %	0,2 %	0,2 %	0,2 %	0,1 %	0,0 %	-0,2 %	-0,1 %	1,27 %
2019	0,3 %	0,4 %	0,4 %	0,4 %	0,2 %	0,2 %	0,3 %	0,3 %	0,1 %				2,49 %

Key statistics	September	Previous month	Rating	Weight
Yield to maturity	3,0%	2,9%	AA and higher	32 %
Interest rate duration	0,6	0,5	AA- to A-	19 %
Credit duration	2,3	2,3	BBB+ to BBB-	38 %
			High yield	13 %
			Average rating	A-

Largest holdings	Weight	Sector	Weight
DNB ASA	7.25%	Financial	35 %
Oslo Kommune	5.44%	Industrial	23 %
Avinor / Statnett	5.15%	Government	19 %
Sparebanken Vest	4.69%	Covered	12 %
BKK AS	3.74%	Utilities	12 %
SpareBank 1 Nord Norge	3.63%		
Trondheim Kommune	3.36%		
Stavanger Kommune	3.11%		
Fana Sparebank	2.29%		
Storebrand ASA	2.26%		

Portfolio comment

The fund returned 0,1 % in September. Year to date the fund is up 2,49 %. The yield to maturity is approximately 3,0 % (2,4 % net, after fees). The average credit rating for the portfolio is estimated to A- (same as previous month). The interest rate duration is approximately 0,6 years (up from 0,5 previous month), and the credit duration is approximately 2,3 years now (same as previous month).

As expected in the market, the ECB announced that it would resume bond purchases (QE). The ECB also 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 do not see a good risk / reward to being aggressively positioned for lower credit premiums now, and therefore have a large amount of municipal bonds with AA rating and OMFs with AAA rating. The fund can maximum have 20 % in High Yield. We now have 13 % exposure (up from 12 % last month). We will most likely have a 10-15 % exposure to High Yield this autumn.

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