

# DNB Fund Health Care retail A



Monthly Report September 2019

Marketing material

## Key data

Fund category	Sector Equity Health
Management fee (annual)	1.50%
Benchmark index	MSCI World Health Care (RIN)
Inception date	10.10.2017
AUM (millions)	72.14 EUR
NAV	11.99 EUR
UCITS	Yes
ISIN	LU1660425346

## Fund management



Eirik Hernes Larsen is managing the fund DNB Health Care.



Bendicte Kilander Bakke is managing the fund DNB Health Care.

## Fund philosophy

Maximum return on investment over the long term without undue risk. Under normal market conditions, the sub-fund will invest mainly in the health care sector anywhere in the world. The Investment Manager uses its own analysis to identify equities that it believes are most likely to rise in value over time, without regard to any country or index.

## Monthly comment

The health sector developed weaker than the broad market in September. The sector is still characterized by uncertainty related to the election in the US next year and any changed framework conditions for the health industry. Uncertainty varies slightly from month to month influenced by political debates and opinion polls. We believe this fear is exaggerated and expect that companies that develop products that create value for both patients and the healthcare system will be able to pay for this in the future, regardless of the political regime. If we look at how the companies actually do, things are going very well. The results for the first half are good and the number of new medicines approved by US drug authorities are at record highs.

DNB Fund - Health Care had a quiet September with no appreciable change in the value of the fund. The pharmaceutical company, Sanofi, made the most contribution this month after several brokerage houses upgraded the stock and expect increasing profit growth in the coming years. The radiation treatment company, Varian, also had a good month when it became known that radiation therapy equipment was excluded from the recently introduced customs duties in China. Health insurance had a weak month driven by fears of increased costs and any political changes. Our positions in UnitedHealth and Anthem declined most in September.

In the short term, there are many instances that affect stock prices and we do not think we can predict the short term development. What we spend time on is finding good company investments. We are positive about the long-term development of the health sector and recognize that the sector continues to generate competitive returns helped by high rates of innovation, demographic changes, lifestyle diseases and large investment needs in emerging economies. Our investment strategy seeks to capture these trends without taking too high risk.

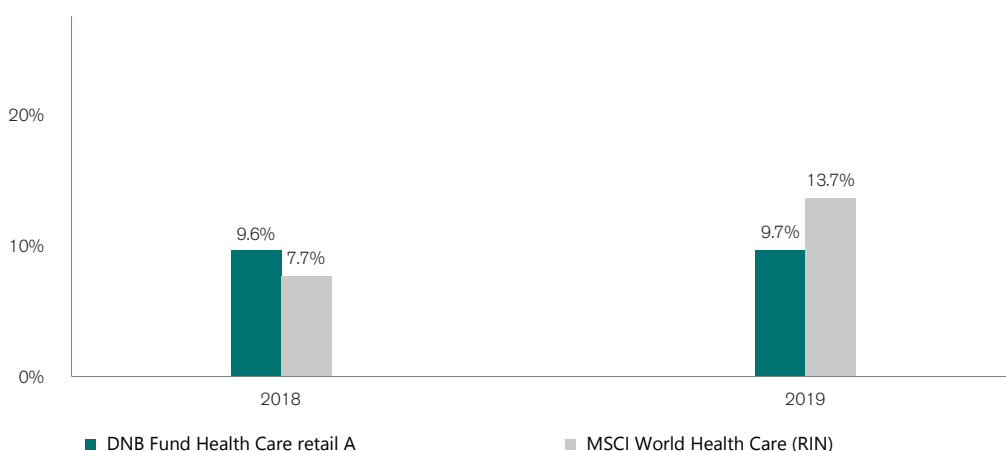
## Return history

	Fund	Index
Last month	1.8%	0.9%
Year to date	9.7%	13.7%
Last year	3.1%	4.6%
Last 3 years	n/a%	n/a%
Last 5 years	n/a%	n/a%
Last 10 years	n/a%	n/a%

Return for periods longer than 1 year are annualized.

Costs are deducted and returns are shown in EUR.

## Annual performance



■ DNB Fund Health Care retail A

■ MSCI World Health Care (RIN)

## Risk information

Moderate risk

1 2 3 4 5 6 7

The risk rating above is an estimate; it is not guaranteed. The rating is based on medium-term volatility (how sharply the share class' price has gone up and down over a recent period, generally several years). Past performance is not a guide to future performance. The value of an investment can go up and down. When you sell your shares, they may be worth less than what you paid for them.

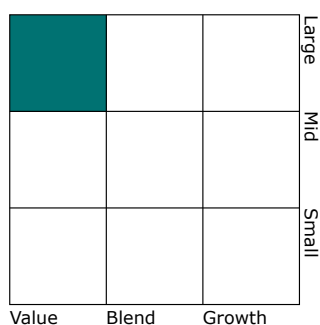
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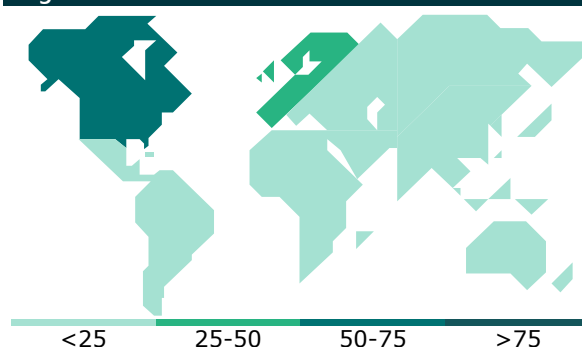
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## Equity stylebox



## Regional distribution



10 largest countries	% stock
United States of America	55.5 %
United Kingdom	17.7 %
France	8.5 %
Switzerland	8.0 %
Germany	3.9 %
Brazil	2.5 %
Denmark	2.1 %
Japan	1.8 %

## Risk data (last 3 years)

### Volatility

n/a %

### Tracking error

n/a %

### Information ratio

n/a

### Active share

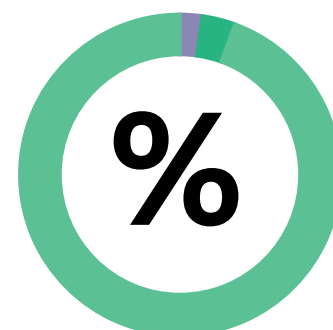
47.9 %

### Sharpe ratio

n/a

## Distribution by sector

	% stock
<b>Cyclical</b>	<b>0.0 %</b>
Basic Materials	0.0 %
Consumer Cyclical	0.0 %
Financial Services	0.0 %
Real Estate	0.0 %
<b>Sensitive</b>	<b>2.2 %</b>
Communication Services	0.0 %
Energy	0.0 %
Industrials	0.0 %
Technology	2.2 %
<b>Defensive</b>	<b>97.8 %</b>
Consumer Defensive	3.3 %
Healthcare	94.4 %
Utilities	0.0 %



## Portfolio

### Top 10 Holdings\*

	Share
Sanofi	8.2%
Johnson & Johnson	7.7%
GlaxoSmithKline	6.1%
Cigna	4.5%
Pfizer	4.4%
AstraZeneca	3.7%
Merck & Co	3.4%
Medtronic	3.4%
Roche Holding	3.4%
Reckitt Benckiser	3.2%

Weight in top 10 holdings

48.0%

Number of assets in portfolio

37

\* Holdings are reported with 1 month delay

### Top over- and underweights\*

	+/- index
Sanofi	6.3%
GlaxoSmithKline	4.1%
Cigna	3.4%
Reckitt Benckiser	3.2%
Dentsply Sirona	2.9%
AbbVie	-1.9%
Unitedhealth	-2.0%
Abbott Laboratories	-2.0%
Thermo Fisher Scientific	-2.2%
Amgen	-2.5%

Shows which companies the fund owns more or less compared to the fund's benchmark.

### Top contributions

	Contribution
Sanofi	0.61%
Varian Medical Systems	0.39%
GlaxoSmithKline	0.17%
Roche Holding	0.13%
Allergan	0.13%
Novartis	-0.11%
Novo Nordisk	-0.13%
Regeneron Pharmaceutical	-0.13%
Anthem	-0.14%
Unitedhealth	-0.23%

Shows which companies contributed most and least to the fund's return in the past month.

## Additional information

Further information can be found in the funds' prospectus, articles of association and key information documentation as well as in the annual and bi-annual reports that are available on dnb.no. This report is produced by morningstar on behalf of DNB Asset Management. Returns, equity, risk targets (excluding active share), sector and land distribution are calculated by morningstar. For funds that invest through another fund, the underlying fund's portfolio is displayed. \*Sensitive portfoliodata is reported with one month lag.

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## FUND FACTS

<b>Legal Form</b>	SICAV	<b>Auditor</b>	Ernst & Young S.A.
<b>Country of Domicile</b>	Luxembourg	<b>Financial Authority</b>	CSSF
<b>Performance Fee</b>	20 %	<b>Custodian</b>	Caceis Bank Luxembourg Branch 5, Allée Scheffer L-2560 Luxembourg
<b>TER</b>	1.60 %	<b>Appeals Board</b>	DNB Asset Management S.A.
<b>Entry Fee</b>	5.00 %	<b>Fund Information</b>	<a href="http://www.dnb.no/lu/en/funds">www.dnb.no/lu/en/funds</a>
<b>Exit Fee</b>	0.00 %	<b>Management Company</b>	DNB Asset Management S.A.
<b>Trading</b>	Daily	<b>Contact Information</b>	13, rue Goethe L-1637 Luxembourg
<b>Settlement Period</b>	2-5 Business days		
<b>Minimum recommended holding period</b>			

## ADDITIONAL RISK INFORMATION

The value of an investment in the share class can go up and down. When you sell your shares, they may be worth less than what you paid for them. If your currency as an investor is different from the share class currency, changes in currency exchange rates could reduce any investment gains or increase any investment losses. This share class has a high volatility (how sharply the share class' price has gone up and down in a recent period, generally several years). The sub-fund's manager may also invest in derivatives.

**Concentration Risk:** To the extent that the sub-fund invests heavily in a company, industry or country that is heavily affected by an adverse event, its share price could fall.

**Liquidity Risk:** Certain securities could become hard to value, or to sell at a desired time and price.

**Management Risk:** Portfolio management techniques that have worked well in normal market conditions could prove ineffective or detrimental during unusual conditions.

**Derivatives Risk:** Certain derivatives could behave unexpectedly or could expose the sub-fund to losses that are significantly greater than the cost of the derivative.

**Counterparty Risk:** The sub-fund could lose money if an entity with which it does business becomes unwilling or unable to honor its obligations to the fund.

**Credit Risk:** Issuers of debt securities - even highly rated ones - could be unable to make payments to investors, or the fear of this risk could cause the value of their debt securities to fall. (only applicable for bond funds)

To understand the here mentioned key terms, we highly recommend you to visit our glossary on [www.dnb.no/lu/glossary](http://www.dnb.no/lu/glossary). If you should have any further questions, please do not hesitate to contact us.

## DISCLAIMER

Investments in mutual funds/alternative investment funds always entail a financial risk. In volatile or uncertain market conditions, significant fluctuations in the value or return on that investment may occur. Investments in foreign securities or currencies involve additional risk as the foreign security or currency might lose value against the investor's reference currency. Alternative investments products and investment strategies (e.g. hedge funds or private equity) may be complex and may carry a higher degree of risk. Such risks can arise from extensive use of short sales, derivatives and leverage. Furthermore, the minimum investment periods for such investments may be longer than traditional investment products. Alternative investment strategies (e.g. hedge funds) are intended only for investors who understand and accept the risks associated with investments in such products. Historical returns, past performance and financial market scenarios are no guarantee of future returns. Investments in funds can both increase and decrease in value, and there is no guarantee that an investor will get the entire invested amount back. Significant losses are always possible. Further information can be found in the funds' prospectus, articles of association or management regulations, respectively, and key information documentation as well as in the annual and semi-annual reports that are available on [www.dnb.no/lu](http://www.dnb.no/lu). Further information can be found free of charge in the funds' prospectus, management regulations/articles of incorporation and in the annual and bi-annual reports that are available in English and in German on [www.dnb.no/lu](http://www.dnb.no/lu), or at DNB Asset Management S.A.'s premises at 13, rue Goethe, L-1637 Luxembourg, at the information agent in Germany (DNB Bank ASA Filiale Deutschland, Neuer Wall 72, 20354 Hamburg) and at the representative in Switzerland (CACEIS Switzerland S.A., route de Signy 35, CH-1260 Nyon). Fund's key information documentation are also available free of charge in various languages on [www.dnb.no/lu](http://www.dnb.no/lu). DNB Fund has been registered with Commission de Valores. The fund may not be offered, sold or delivered within the United States. DNB Asset Management S.A. is a company in the DNB Group, organisation number in the Luxembourg Trade and Companies Register RCS B 34 518. Potential investors should carefully study the various risks associated with investing in the fund as detailed in the prospectus before investing. The most recent prospectus and the periodical reports may be obtained free of charge from the management company. Past performance is no guarantee for future performance. For Swiss investors only: Swiss Representative: CACEIS (Switzerland) SA, Route de Signy 35, CH-1260 Nyon, Switzerland Paying Agent: CACEIS Bank Luxembourg, Luxembourg, succursale de Nyon, Route de Signy 35, CH-1260 Nyon