

## FUND FACTSHEET

DNB Fund Nordic Investment Grade Institutional A (EUR)

ISIN: LU2319926189

Luxembourg UCITS Bond fund provided by DNB Asset Management

**DNB**

Asset Management

### Fund characteristics

2022-02-28

Share class inception date	2021-04-13
Fund inception date	2021-04-13
Share class NAV	EUR 98.66
Share class assets under management	EUR 2.96 million
Fund assets under management	EUR 9.97 million
Asset class	Bond fund
Investment process	Actively managed fund
Market focus	Nordic
Industry focus	Across sectors
Liquidity focus	Investment grade
Fund index	75% NBP Norwegian RM Floating Rate Index+ 25% NBP Norwegian Government Duration 0.5 Index NOK
Fund (portfolio assets) hedging	Yes (EUR)
Share class hedging	No (EUR)
Use of income	Accumulating

### Performance

Fund Index Relative

Note: Due to regulatory requirements, the performance can only be displayed after one year.

### Portfolio risk figures

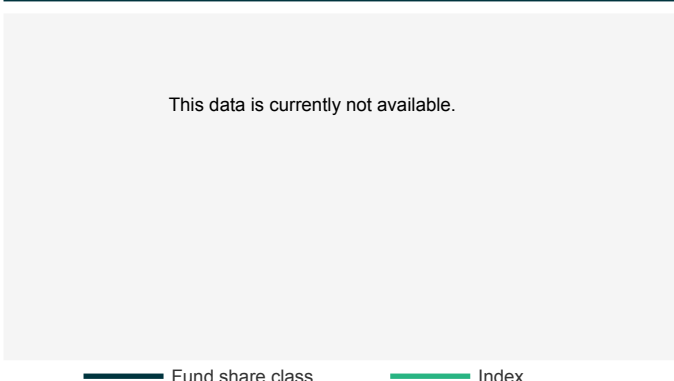
2022-02-25

Risk score from low (1) to high (7)	3
Number of bonds / Number of issuers	42 / 40
Volatility*	0.78%
Sharpe Ratio*	neg.
YTM unhedged portfolio	2.17%
YTM hedged portfolio (est.)	1.04%
Effective duration	0.93
Credit spread duration	4.18
Max drawdown (duration in days)	-1.61% (175)

\*As of 2022-02-25: These figures are calculated 6 months rolling based on weekly return series.

### Fund vs. index performance

2022-02-28



### Market comment

2022-03-14

The volatility which characterized the credit markets late January continued into February and credit spreads have widened throughout the month, both in the Nordic region and internationally. Uncertainty accelerated as fears of the situation in Ukraine increased. Especially in segments like real estate, subordinated bank debt and companies with a significant exposure to Russian markets, we have seen wider credit spreads in recent weeks. Activity in the bond market was relatively low, and especially towards the end of the month, with most market participants side-lined. Despite falling interest rates in the last days of the month, interest rates in NOK, SEK, EUR and USD continued to rise in February. In Norway, an interest rate hike is still likely in March, but the increased level of geopolitical tensions leads to uncertainty about how quickly and how much Western central banks will raise interest rates in the future.

### Fund comment

2022-03-14

February was a rough month for our Nordic bond funds. Higher interest rates and wider credit spreads are the main reason for the negative return. Both the short and the long duration funds returned a little more than -1%. The funds have underperformed their benchmarks. The reason for the underperformance is primarily that the funds have longer credit duration than their benchmarks, and because some segments of the market have widened more in the international markets than in NOK. The trend was clear in the direction of wider credit spreads in the Nordic financial and corporate bond market in February. For financial and corporate bonds with 5years maturity spreads typically widened by 15-30 basis points. For real estate bonds and subordinated debt the widening was 30-70 basis points. Three-month Nibor increased 6 basis point to 1.17%. 5-year swap rates increased 10, 22 and 22 basis points in NOK, SEK and EUR respectively.

### Outlook

2022-03-14

Removal of COVID-19 restrictions has, as expected, increased infection in society, without this leading to congestion in the health care system or unmanageable sickness absence. COVID 19 is therefore not expected to be a major and persistent obstacle to increased activity and further economic recovery. The uncertainty ahead will naturally be linked to developments in Ukraine. The Western world has imposed heavy economic sanctions on Russia. This has already had consequences in Russia. With the onset of capital flight, capital controls have been introduced and the stock markets, which fell sharply after the outbreak of war, were shut down. The Russian ruble has weakened sharply, and the key policy rate has more than doubled to 20 percent. In other markets, the effects of the outbreak of war and the sanctions have so far not been as dramatic beyond increased energy and raw material prices. However, it is still a confusing situation and as it is uncertain how serious the consequences of the conflict and sanctions will be for the global economy, unstable and volatile markets are expected in the future. The Fed is still expected to raise interest rates in March, but due to the crisis in Ukraine, the market's previous expectation of a 50 basis point rise in March has been somewhat reduced. Although the market is now more hesitant, further interest rate hikes are still expected throughout the year.

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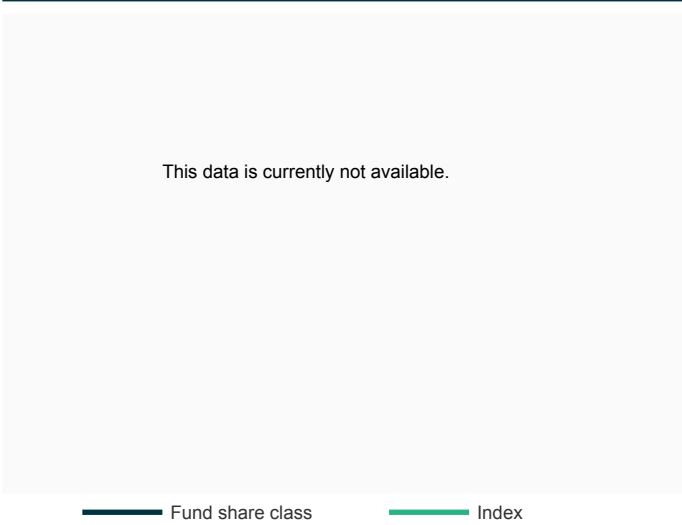
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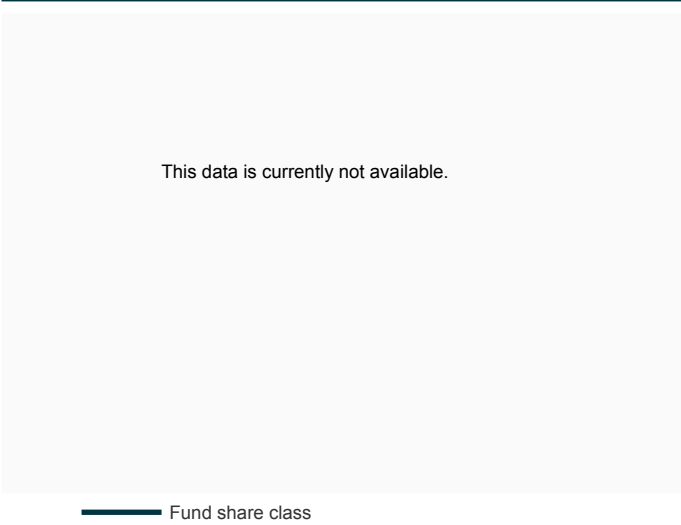
Absolute return

2022-02-28



Relative return

2022-02-28



Absolute return (%)

Note: Due to regulatory requirements, the performance can only be displayed after one year.

Relative return (%)

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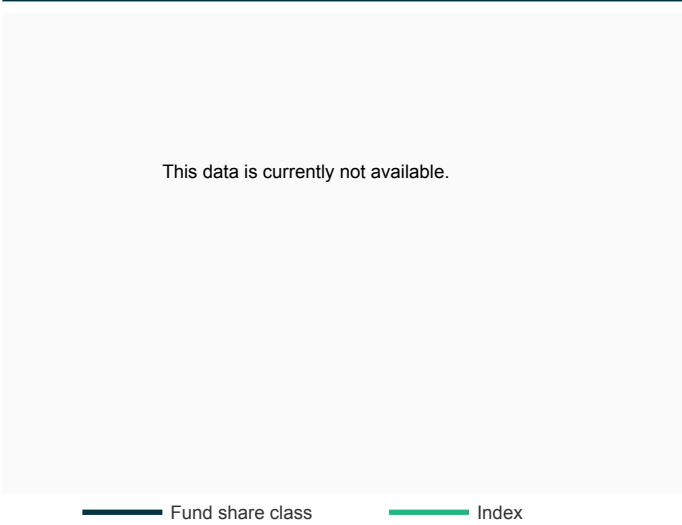
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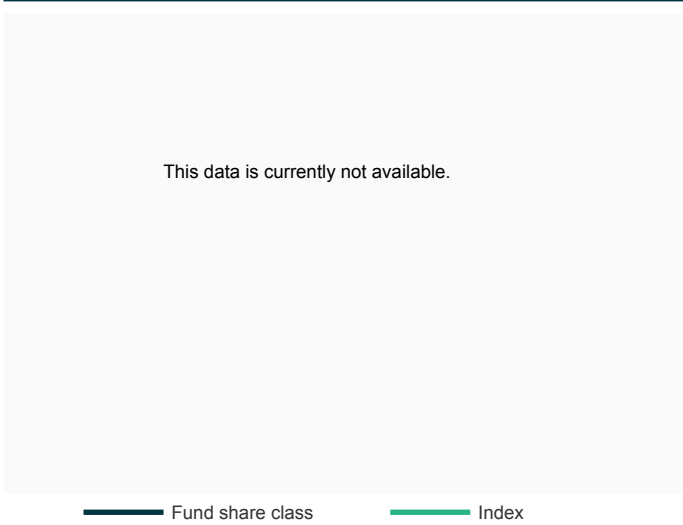
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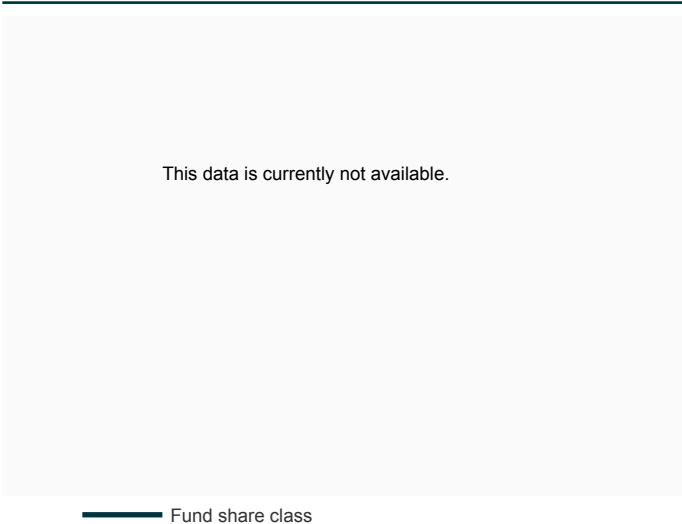
Volatility (6M rolling)\*2022-02-25



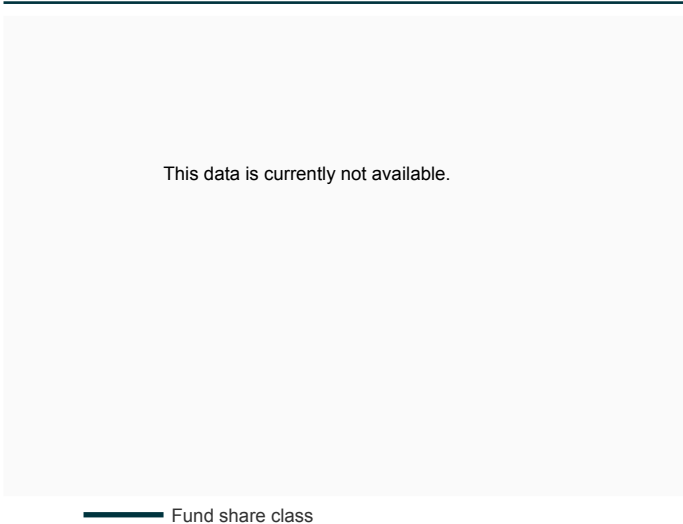
Sharpe Ratio (6M rolling)\*2022-02-25



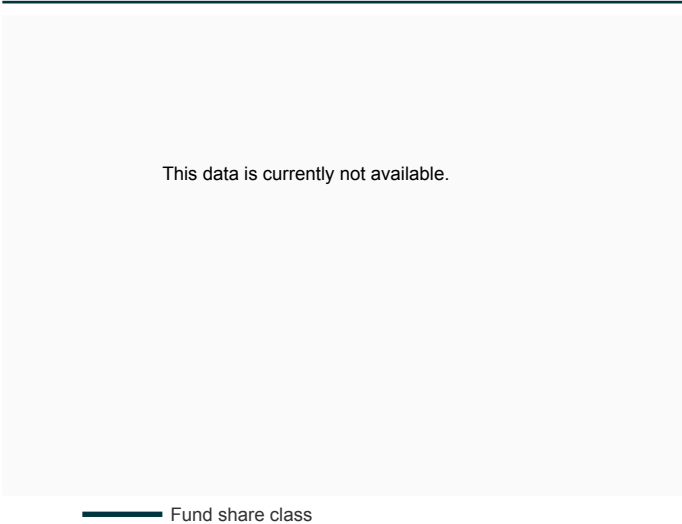
Yield-to-maturity unhedged portfolio2022-02-25



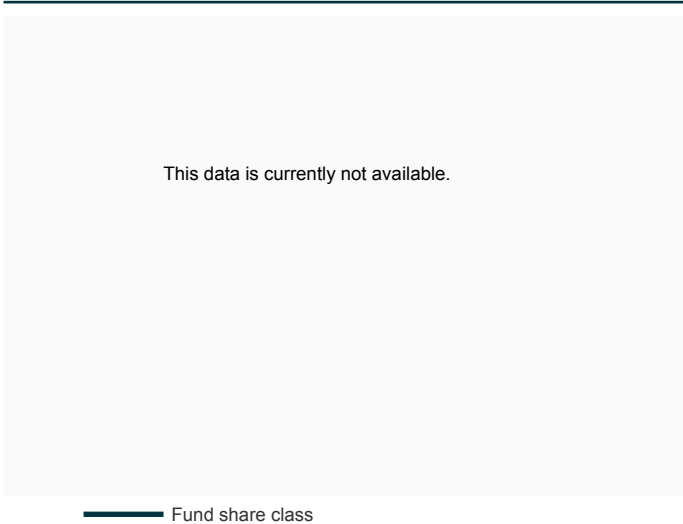
Yield-to-maturity hedged portfolio (est.)2022-02-25



Effective duration2022-02-25



Credit spread duration2022-02-25



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### Top 10 biggest portfolio positions

2022-02-28

Company	Sector	Sub-Sector	Weight (%)
Atrium Ljungberg AB	Financial	Real Estate	5.60
Nykredit Realkredit A/S	Financial	Banks	4.14
SpareBank 1 SMN	Financial	Banks	4.07
Jyske Bank A/S	Financial	Banks	4.03
DNB Bank ASA.	Financial	Banks	4.01
Castellum AB	Financial	Real Estate	3.83
Heba Fastighets AB	Financial	Real Estate	3.75
Landsbankinn HF	Financial	Banks	3.12
Sparebank 1 Nord Norge	Financial	Banks	3.08
BKK AS	Utilities	Electric	3.06
<b>Sum top 10 biggest positions</b>			<b>38.69</b>
<b>Sum top 5 biggest positions</b>			<b>21.85</b>
<b>Sum top 3 biggest positions</b>			<b>13.81</b>
<b>Sum all positions</b>			<b>96.20</b>
<b>Avg top 10 biggest positions</b>			<b>3.87</b>
<b>Avg top 5 biggest positions</b>			<b>4.37</b>
<b>Avg top 3 biggest positions</b>			<b>4.60</b>
<b>Avg all positions</b>			<b>2.41</b>

### Top 10 smallest portfolio positions

2022-02-28

Company	Sector	Sub-Sector	Weight (%)
Balder Finland	Financial	Real Estate	0.95
Securitas AB	Consumer, Non-cyclical	Commercial Services	1.03
DSV Panalpina A/S	Industrial	Transportation	1.47
Lantmännen ek för	Consumer, Non-cyclical	Agriculture	1.88
Fastighets AB Balder	Financial	Real Estate	1.89
Tele2 AB	Communications	Telecommunications	1.90
Epiroc AB	Industrial	Machinery-Constr&Mining	1.92
L E Lundbergforetagen AB	Financial	Investment Companies	1.92
SKF AB	Industrial	Metal Fabricate/Hardware	1.93
Electrolux AB	Consumer, Cyclical	Home Furnishings	1.93
<b>Sum top 10 smallest positions</b>			<b>16.81</b>
<b>Sum top 5 smallest positions</b>			<b>7.22</b>
<b>Sum top 3 smallest positions</b>			<b>3.45</b>
<b>Sum all positions</b>			<b>96.20</b>
<b>Avg top 10 smallest positions</b>			<b>1.68</b>
<b>Avg top 5 smallest positions</b>			<b>1.44</b>
<b>Avg top 3 smallest positions</b>			<b>1.15</b>
<b>Avg all positions</b>			<b>2.41</b>

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SFDR classification: Article 8

The fund promotes environmental or social characteristics.

ESG approaches

Thematic	No
ESG integration	Yes
Exclusions	Yes
Inclusions	No
Voting	No
Dialogues	Yes

ESG integration

ESG data is incorporated into the portfolio management system, and is used to assess ESG risks and opportunities in investment decision-making.

Exclusion criteria (negative screening)

In addition to norms-based screening, the fund avoids investing in companies operating in:

- Coal ≥ 5% + Absolute criterion
- Oil sands ≥ 5%
- Controversial weapons
- Tobacco (production)
- Pornography (production)
- Conventional weapons ≥ 5% (production)
- Alcohol ≥ 5% (production)
- Gambling ≥ 5% (production)
- Energy sector except clean companies (that derive below 5% fossil fuels from revenues and/or in transition)
- Companies with high carbon intensity (CO2eq Intensity above 3000 (t/USDm revenue)
- Fossil fuels

[DNB standard for responsible investments](#)

[Excluded companies](#)

Dialogues

Company dialogues may be undertaken to discuss specific ESG incidents (reactive), or to improve companies general performance in regards to ESG risks and opportunities (proactive).

Sustainability indicator

The fund shall have a low average carbon footprint.

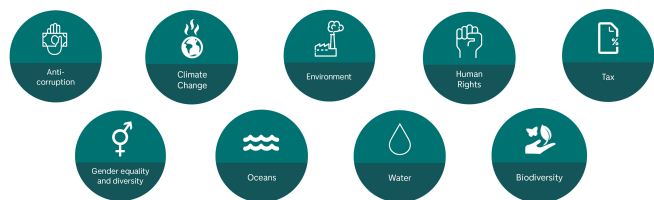
Key figures*	Fund	Index
ESG score (from 1 to 10)	8.03	-
Weighted avg. tCO2/USDm revenue	11.83	-

Source: 2021 MSCI ESG Research LLC. Reproduced by permission.

\*As of 2022-02-28

Standard setting

Standard setting is an important element of active ownership. As part of this, we develop and publish expectation documents within important areas, which we use to contribute to the improvement of standards in the market, and to form the basis of engagements with companies:



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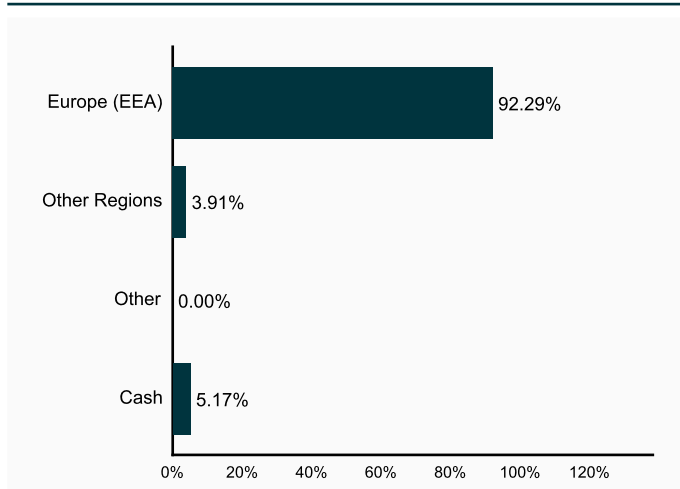
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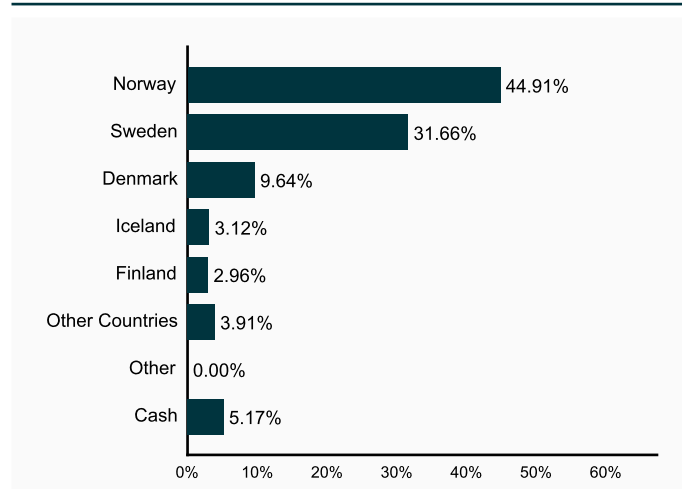
### Regional breakdown

2022-02-28



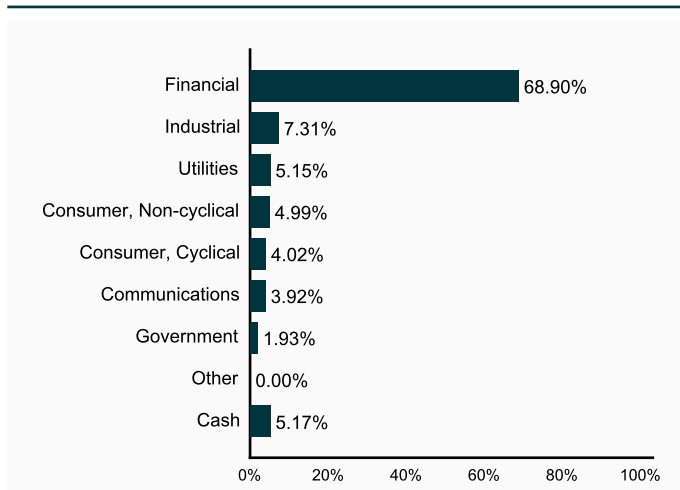
### Country breakdown

2022-02-28



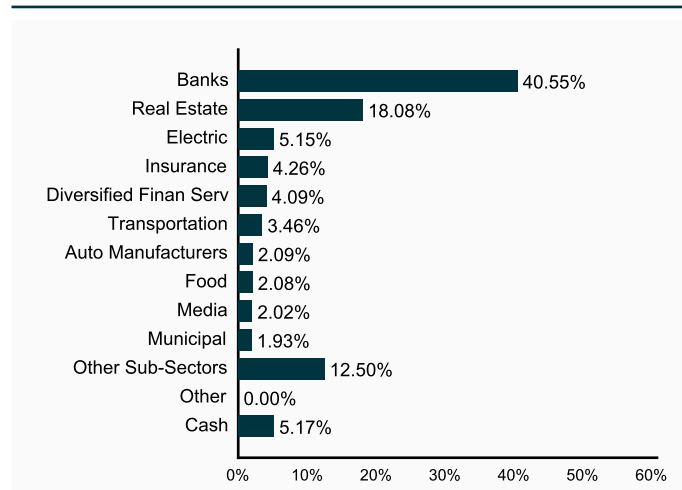
### Sector breakdown

2022-02-28



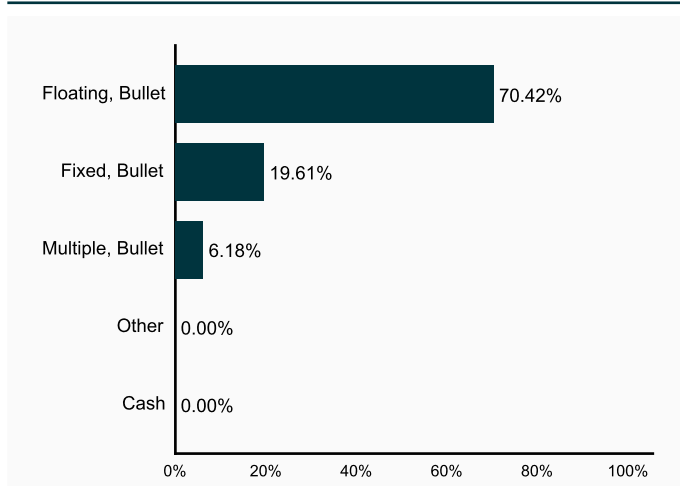
### Sub-sector breakdown

2022-02-28



### Interest type breakdown

2022-02-28



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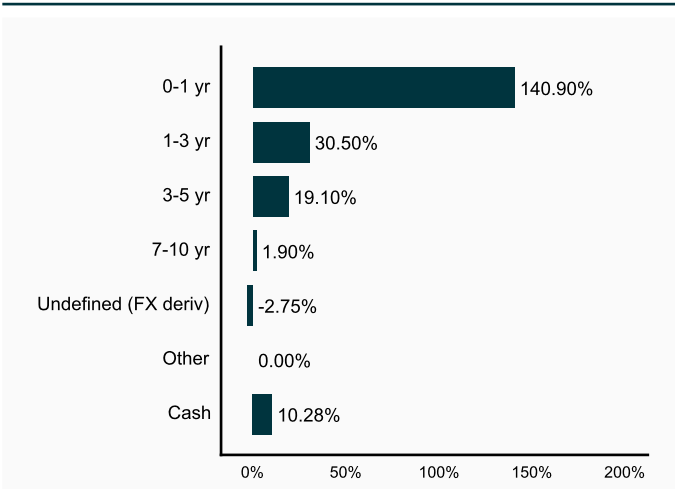
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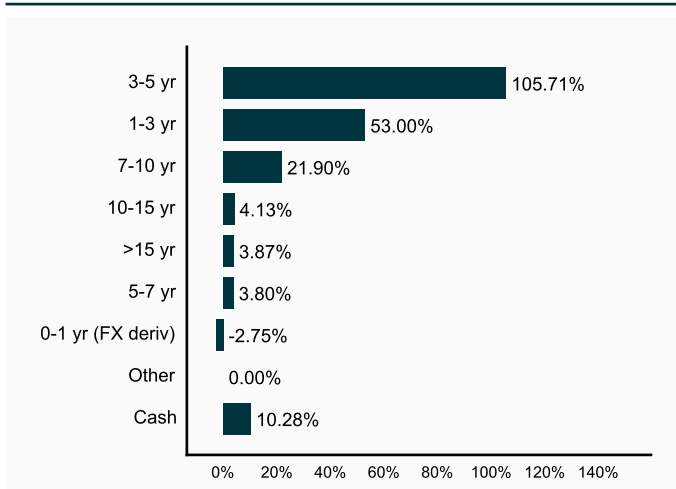
### Effective duration breakdown

2022-02-28



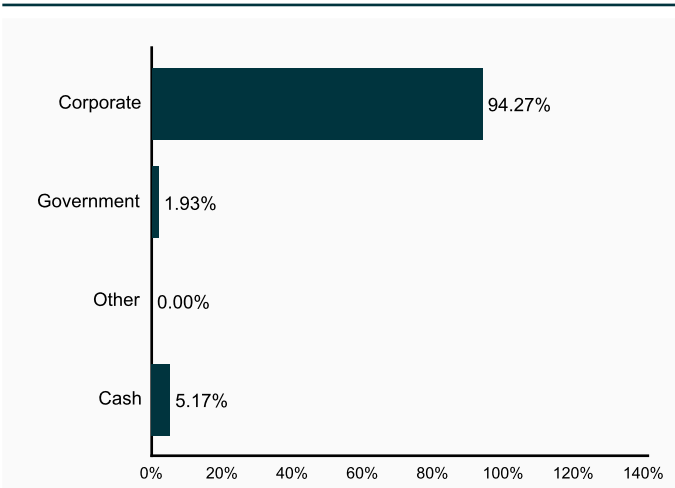
### Credit spread duration breakdown

2022-02-28



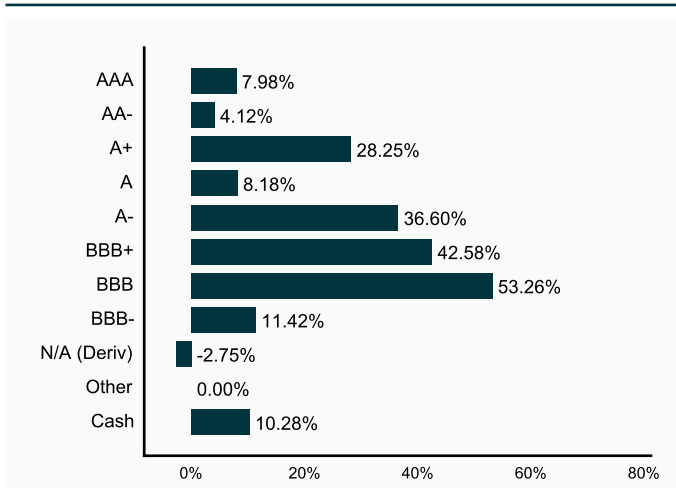
### Super sector breakdown

2022-02-28



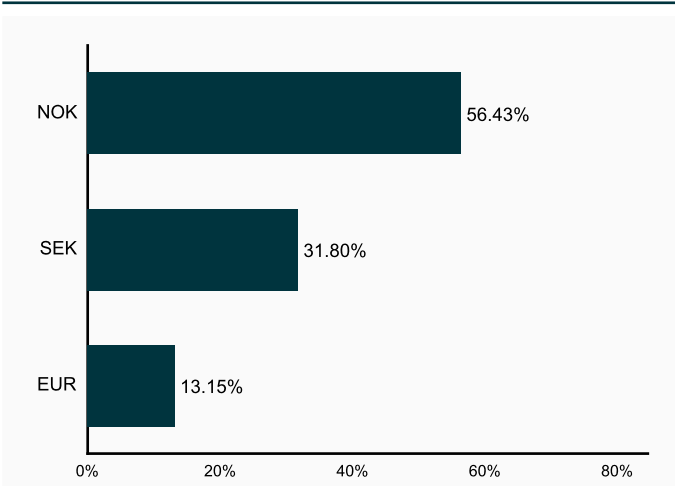
### Credit rating breakdown

2022-02-28



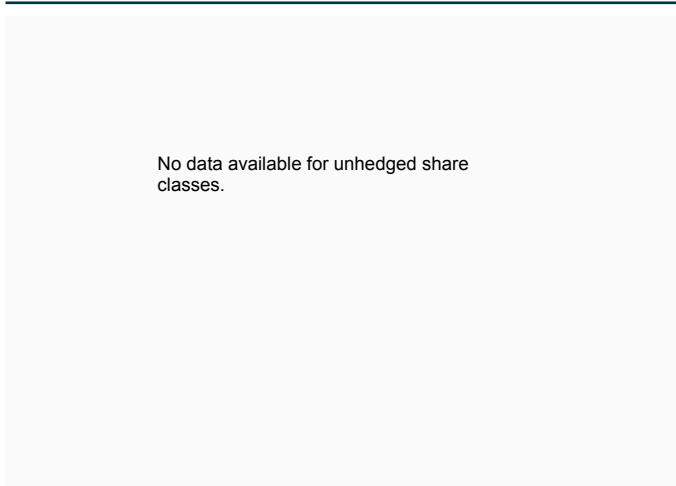
### Currency breakdown before hedging

2022-02-28



### Currency breakdown after hedging

2022-02-28



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### Risk factors

Counterparty risk	The risk that an entity with which the fund does business becomes unwilling or unable to honour its obligations to the fund.
Liquidity risk	The risk that one or more of the funds investments could become hard to value, or to sell at a desired time and price.
Derivate risk	The risk that certain derivatives could behave unexpectedly or could expose the fund to losses that are significantly greater than the cost of the derivative.
Credit risk	The risk that an issuer is unable to honour its debt obligations, or the fear of this risk could cause the value of their debt securities to fall.
Interest rate risk	The risk that the values of fixed income securities will vary inversely with changes in interest rates.
Currency risk	The risk that a negative change in a currency to which the fund is exposed causing these currency denominated investments to lose value.
Management risk	The risk that portfolio management techniques that have worked well in normal market conditions prove ineffective during unusual conditions.
Sustainability risk	The risk that the occurrence of an environmental, social or governance event would exert material negative impact on the value of a given investment and result in value fluctuation.

### Conditions

Minimum subscription	EUR 1,000,000
Liquidity	Daily
Cut-off	13:00 CET
Settlement	Normally 2 business days
Swing pricing	No
Management fee	0.20%
Performance fee	None
Subscription fee	None
Redemption fee	None
Transaction costs (ex post)	-
Ongoing charges (ex post)	-
Incidental costs (ex post)	-

### Distribution and tax status

Legal status	SICAV
Austria	Yes
Finland	Yes
France	Yes
Germany	Yes
Iceland	No
Italy	No
Liechtenstein	Yes
Luxembourg	Yes
Norway	No
Portugal	Yes
Spain	Yes
Sweden	No
Switzerland	Yes
UK	No

### Target market

Investor type retail	No
Investor type professional	Yes
Basic investor	Yes
Informed investor	Yes
Advanced investor	Yes
No capital loss	No
No capital guarantee	Yes
Loss beyond capital	Neutral
Execution only	Both
Execution with appropriateness test	Both
Independent investment advice	Both
Non-independent investment advice	Both
Portfolio management	Both



## ESG Glossary

### ESG score

Environmental, Social and Governance (ESG) score is a classification of a company on a scale from 1 – 10 after how well the company manages risks and opportunities related to environmental, social and governance topics. The classification is based on data from MSCI, and is an assessment of the company's ability to satisfy international, publicly accepted and measurable norms for sustainability. The ESG score of the sub-fund is calculated as a weighted average of the ESG score of the companies in the portfolio.

### Carbon intensity

The carbon intensity of a company is measured by the amount of tonnes of CO2 equivalents per million USD revenues. Today this consists of Scope 1 and 2 emissions. Scope 3 emissions is not yet included due to lack of data but will presumably be included in the future.

### Weighted average carbon intensity (WACI)

A metric for measuring the carbon intensity of a portfolio. Is calculated by the amount of tonnes of CO2 equivalents emitted per million USD in revenues (tCO2e/USDm). The carbon intensity of the sub-fund is the sum of all companies' emissions adjusted by their respective weight in the portfolio.

### CO2 equivalents (CO2e)

The standard unit for greenhouse gas emissions. Is used to compare the emissions from various greenhouse gases, by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.

### Types of greenhouse gas emissions\*

#### Scope 1:

Direct GHG emissions. Includes emissions that occur from sources that are owned or controlled by the company.

#### Scope 2:

Electricity indirect GHG emissions. Includes emissions from purchased or acquired electricity, steam, heat and cooling.

#### Scope 3:

Other indirect GHG emissions. Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. Some examples of scope 3 activities are extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services.

\*As defined by [The Greenhouse Gas Protocol](#)

## MSCI ESG Research Ltd

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## Disclaimer

Investments in 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 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 free of charge in the funds prospectus, the management regulations / articles of association and the annual and semi-annual reports, which are available in English and German at <http://www.dnbam.com/> or from DNB Asset Management S.A., 13, rue Goethe, L-1637 Luxembourg, from the Information Office in Germany (DNB Bank ASA Filiale Deutschland, Neuer Wall 72, 20354 Hamburg) and from Representative in Switzerland (1741 Fund Solutions Ltd, Burggraben 16, 9000 St. Gallen, Switzerland) are available. Not all funds and/or fund units are sold in all countries. This information as well as the key investor information of the funds is available free of charge in various languages at [www.dnbam.com](http://www.dnbam.com).

DNB Fund has been registered with the Commission de Valores.

The Paying Agent in Switzerland is: Tellco Ltd, Bahnhofstrasse 4, 6430 Schwyz, Switzerland.

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