

FUND FACTSHEET

DNB Fund Health Care Retail A (EUR)

ISIN: LU1660425346. Bloomberg ticker: DNBHCAC LX. WKN: A2DVRC

Luxembourg UCITS Equity fund provided by DNB Asset Management

DNB

Asset Management

Fund characteristics

2022-12-30

Share class inception date	2017-10-10
Fund inception date	2017-10-02
Share class NAV	EUR 16.30
Share class assets under management	EUR 6.72 million
Fund assets under management	EUR 6.72 million
Asset class	Equity fund
Investment process	Actively managed fund
Market focus	Across regions
Industry focus	Health care
Liquidity focus	Large to medium sized listed companies
Fund index	MSCI World Health Care Index
Fund (portfolio assets) hedging	No (EUR)
Share class hedging	No (EUR)
Use of income	Accumulating

Performance

Fund Index Relative

	Fund	Index	Relative
Month-to-date return	-3.95%	-4.67%	0.71%
Year-to-date return	2.93%	0.79%	2.15%
1 month return	-3.95%	-4.67%	0.71%
3 month return	5.32%	3.85%	1.46%
6 month return	3.25%	3.32%	-0.07%
9 month return	2.11%	1.34%	0.78%
1 year return	2.37%	0.14%	2.23%
2 year annualized return	16.25%	14.61%	1.64%
3 year annualized return	7.11%	10.61%	-3.50%
4 year annualized return	10.73%	14.43%	-3.70%
5 year annualized return	10.31%	12.82%	-2.52%
Since inception annualized return	9.80%	11.92%	-2.11%

As of 2022-12-30

Portfolio risk figures

Fund Index Relative

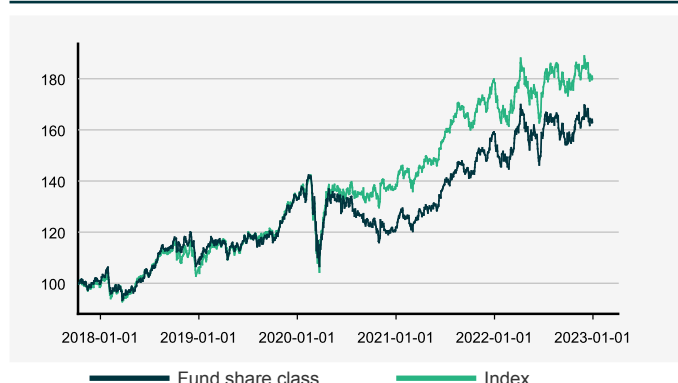
	Fund	Index	Relative
Risk score from low (1) to high (7)	6		
Number of companies	40	139	99
Volatility	13.59%	13.20%	
Tracking Error			4.49%
Sharpe Ratio	0.29	0.41	
Information Ratio			-0.32
Beta (Index)			0.97
Alpha (Index)			-1.16%
Beta (Global Market)			0.55
Alpha (Global Market)			6.32%
Max drawdown	-25.06%	-26.64%	

These figures are calculated 6 months rolling based on weekly return series.

As of 2022-12-30

Fund vs. index performance

2022-12-30



Market comment

2023-01-09

The global stock market finished the year on a weak note, falling 4.2% in December (MSCI World Index, measured in USD). With that, the market fell almost 18% in 2022, marking the biggest decline in the stock market since the financial crisis in 2008. The health care sector fared significantly better, declining 1.2% in the final month of the year (MSCI World Health Care Index, measured in USD) and delivering a return of minus 5% for the year. DNB Fund Health Care had a relatively strong month again and delivered an excess return of 0.7 percentage points in December. However, a stronger Euro exchange rate made a large negative contribution so that the net return for the fund was minus 4.0% (measured in EUR). For the year, the fund delivered a positive return of 2.9%, 2.1 percentage points ahead of our benchmark index.

The weak market in December was due, among other things, to increased fears of a recession as the central banks in both the US and the EU increased their benchmark interest rates by 0.5 percentage points and at the same time signalled that more will probably have to be done to bring inflation back under control. These rate hikes spill over into market rates, for example, the interest rate on US 10-year government bonds rose to almost 3.9% during the month, up from 3.6% at the end of November. This compares with a level of around 1.5% at the beginning of the year. Higher interest rates are negative for stocks as it reduces the present value of companies' future cash flows.

These types of periods, where interest rates rises and the market fears a widespread recession, are periods where the health care sector often outperforms. This is part of the reason why health care stocks have performed relatively well in 2022. Pricing is still attractive in our view, for example the sector is priced at around 17.5 times estimated earnings for 2023, which is roughly in line with the average for the broad S&P500 index in the US. In addition, we expect earnings estimates to remain relatively more stable going forward in the healthcare sector. We therefore believe that the health care sector will continue to be an attractive place to invest in 2023.

Fund comment

2023-01-09

Among the companies that contributed the most to the portfolio return in December we again find a couple of our biotechnology holdings, namely Horizon Therapeutics and Exact Sciences. Horizon, a US company that focuses on drugs for rare diseases and which is one of the fund's largest positions, rose more than 13% after it became clear that Amgen is buying the company for USD 116.5 per share. Exact, a US company specializing in the development of cancer diagnostic tests, rose 10% in December after a competitor published data for its colorectal cancer test that was not as strong as expected, potentially increasing the market opportunity for Exact's test. In addition, our underweight in Amgen contributed positively as the stock fell 8% and we do not own any shares in the company. Among the companies that contributed negatively, we find Vertex Pharmaceuticals, a US biotechnology company with a strong position in cystic fibrosis, and Lonza, a Swiss manufacturing company. Both companies fell around 8% in December with no particular company news. We still believe in the long-term potential of both companies and have therefore not made any major changes to our positions. In addition, our underweight in Novo Nordisk contributed negatively as the share rose 6% in December and we do not own any shares in the company.

Outlook

2023-01-09

In the short term, there are many factors that affect stock prices and we do not think we can predict the short-term development. Instead, we spend our time on finding good company investments. We are positive with respect to the long-term development of the health care sector and expect the sector to continue to generate good 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 much risk.

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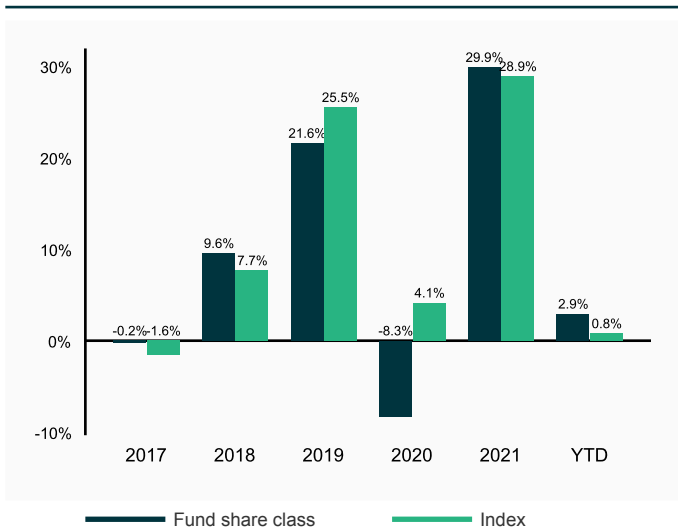
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Asset Management

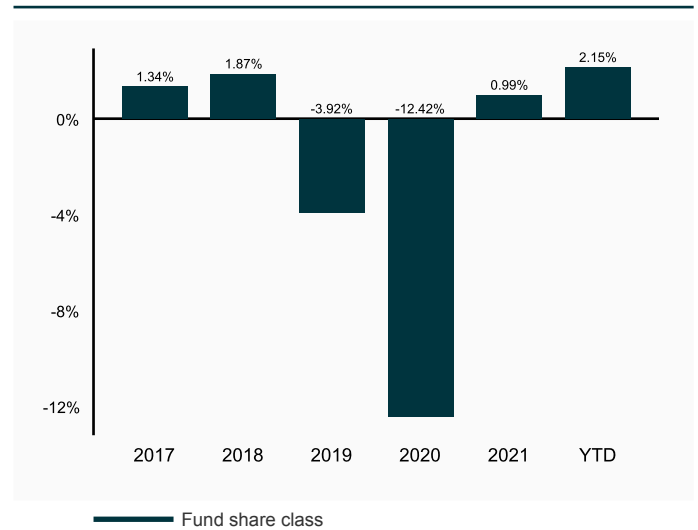
Absolute return (%)

2022-12-30



Relative return (%)

2022-12-30



Absolute return (%)

2022-12-30

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-4.72	-1.44	6.95	0.93	-0.92	-0.73	4.72	-5.47	-0.97	6.18	3.27	-3.95	2.93
2021	3.02	-3.61	6.17	0.24	1.59	5.97	2.12	3.46	-2.40	5.53	-1.75	6.78	29.89
2020	-0.83	-3.59	-6.32	11.37	1.65	-2.51	-3.88	-0.32	-2.26	-5.72	3.65	1.40	-8.28
2019	4.52	0.55	1.25	-1.66	-1.40	3.30	1.09	-0.02	1.81	2.98	5.12	2.41	21.59
2018	2.57	-4.00	-2.49	2.56	2.31	2.00	6.38	4.13	2.44	-1.84	5.11	-8.94	9.56
2017	-	-	-	-	-	-	-	-	-	0.04	0.03	-0.32	-0.24

Relative return (%)

2022-12-30

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	1.33	-0.79	1.14	0.35	0.11	0.05	-1.15	-0.76	0.42	-1.27	1.89	0.71	2.15
2021	1.24	-0.98	0.36	-1.12	0.66	0.25	-1.61	0.22	1.09	1.16	-0.89	0.51	0.99
2020	-0.68	2.42	-2.81	-0.44	-0.79	-0.22	-2.76	-1.23	-2.84	-1.48	-2.45	0.62	-12.42
2019	-0.24	-2.20	-1.02	0.74	0.44	-1.15	-0.05	-1.10	0.90	0.38	-0.85	0.83	-3.92
2018	0.78	-1.56	1.04	-0.88	-1.69	0.69	0.46	0.60	0.24	2.39	-0.41	0.01	1.87
2017	-	-	-	-	-	-	-	-	-	0.72	0.12	0.45	1.28

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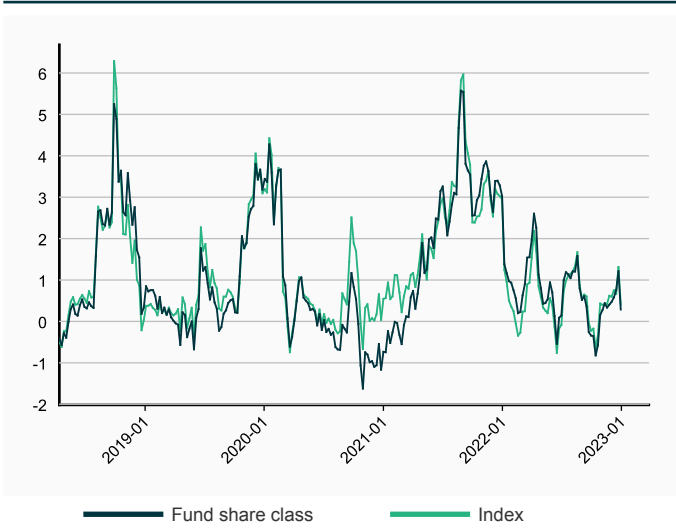
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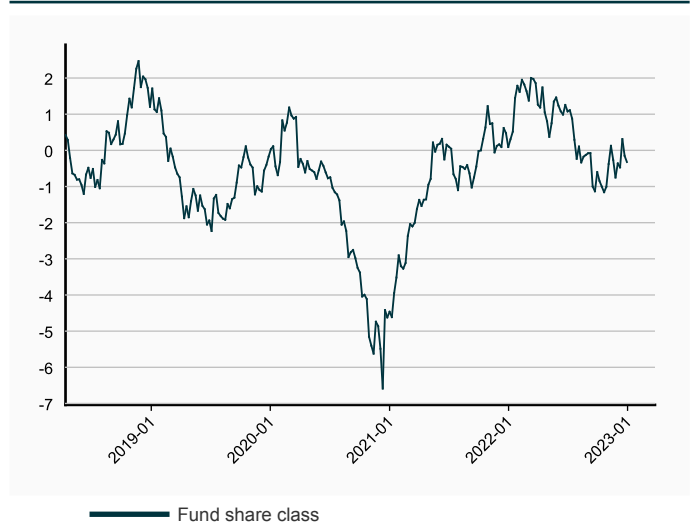


Asset Management

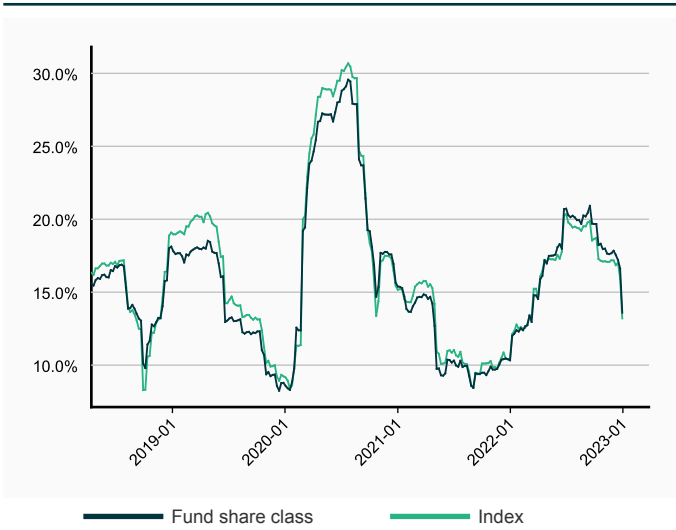
Sharpe Ratio (6M rolling)* 2022-12-30



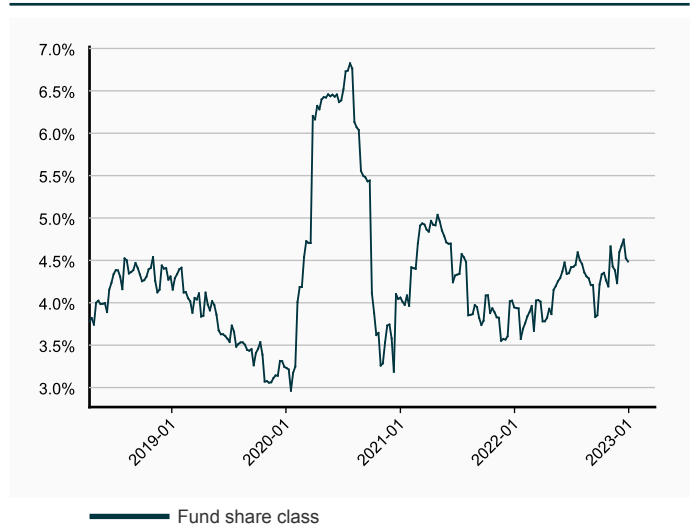
Information Ratio (6M rolling)* 2022-12-30



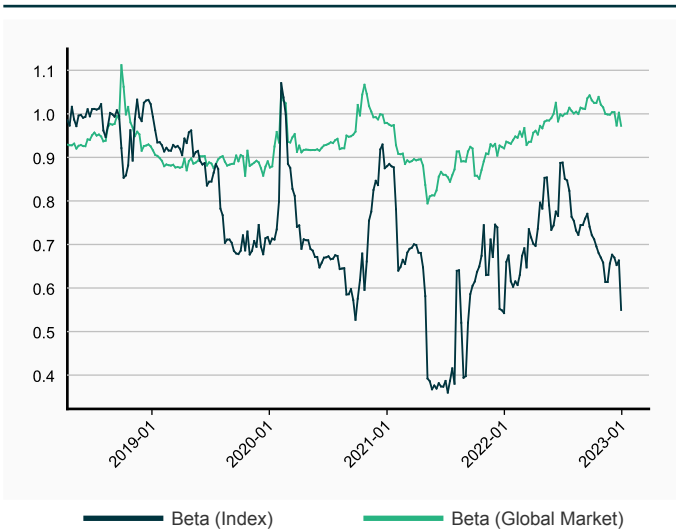
Volatility (6M rolling)* 2022-12-30



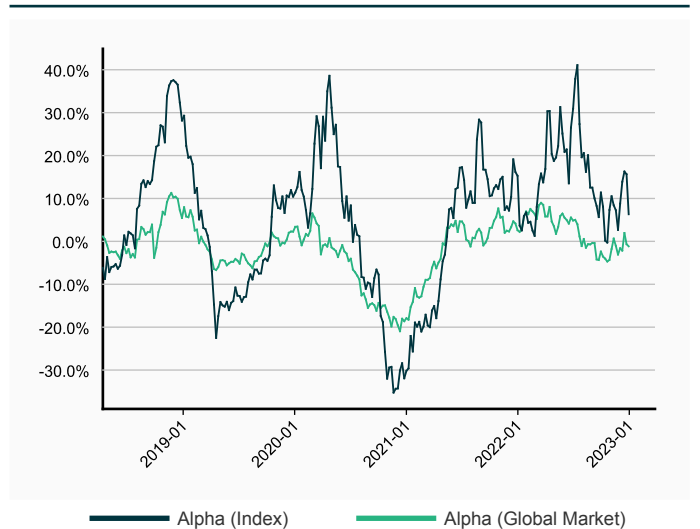
Tracking Error (6M rolling)* 2022-12-30



Beta (6M rolling)* 2022-12-30



Alpha (6M rolling)* 2022-12-30



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Top 10 biggest portfolio positions

2022-12-30

Company	Sector	Sub-Sector	Weight (%)
Johnson & Johnson	Health Care	Pharmaceuticals Biotechnology & Life Sciences	8.20
AstraZeneca Plc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	6.94
Eli Lilly & CO	Health Care	Pharmaceuticals Biotechnology & Life Sciences	6.15
Roche Holding AG	Health Care	Pharmaceuticals Biotechnology & Life Sciences	6.05
Lonza Group AG	Health Care	Pharmaceuticals Biotechnology & Life Sciences	4.84
Thermo Fisher Scientific Inc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	4.71
Pfizer Inc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	4.35
Unitedhealth Group Inc	Health Care	Health Care Equipment & Services	4.12
Vertex Pharmaceuticals Inc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	3.68
Humana Inc	Health Care	Health Care Equipment & Services	3.03
Sum top 10 biggest positions			52.08
Sum top 5 biggest positions			32.18
Sum top 3 biggest positions			21.29
Sum all positions			98.63
Avg top 10 biggest positions			5.21
Avg top 5 biggest positions			6.44
Avg top 3 biggest positions			7.10
Avg all positions			2.47

Top 10 smallest portfolio positions

2022-12-30

Company	Sector	Sub-Sector	Weight (%)
NMC Health PLC	Health Care	Health Care Equipment & Services	0.00
Fresenius Medical Care AG & Co KGaA	Health Care	Health Care Equipment & Services	0.40
BioNTech SE	Health Care	Pharmaceuticals Biotechnology & Life Sciences	0.42
Envista Holdings Corp	Health Care	Health Care Equipment & Services	0.42
Elekta AB	Health Care	Health Care Equipment & Services	0.72
Danaher Corp	Health Care	Pharmaceuticals Biotechnology & Life Sciences	0.72
ICON Plc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	0.81
Xenon Pharmaceuticals Inc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	0.84
Smith & Nephew PLC	Health Care	Health Care Equipment & Services	1.05
Merck Kgaa	Health Care	Pharmaceuticals Biotechnology & Life Sciences	1.08
Sum top 10 smallest positions			6.47
Sum top 5 smallest positions			1.96
Sum top 3 smallest positions			0.82
Sum all positions			98.63
Avg top 10 smallest positions			0.65
Avg top 5 smallest positions			0.39
Avg top 3 smallest positions			0.27
Avg all positions			2.47

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Asset Management

Top 10 relative contributors (YTD)

2022-12-30

Company	Sector	Sub-Sector	Rel. contrib. (%)
AstraZeneca Plc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	1.36
Neurocrine Biosciences Inc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	1.23
Vertex Pharmaceuticals Inc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	1.22
Eli Lilly & Co	Health Care	Pharmaceuticals Biotechnology & Life Sciences	0.92
Horizon Therapeutics Plc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	0.79
Biomarin Pharmaceutical Inc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	0.67
Intuitive Surgical Inc	Health Care	Health Care Equipment & Services	0.56
Zoetis Inc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	0.55
Cigna Corp	Health Care	Health Care Equipment & Services	0.54
Align Technology Inc	Health Care	Health Care Equipment & Services	0.43
Sum top 10 relative contributors			8.27
Sum top 5 relative contributors			5.52
Sum top 3 relative contributors			3.81
Sum all relative contributors			16.58
Avg top 10 relative contributors			0.83
Avg top 5 relative contributors			1.10
Avg top 3 relative contributors			1.27
Avg all relative contributors			0.10

Top 10 relative detractors (YTD)

2022-12-30

Company	Sector	Sub-Sector	Rel. detr. (%)
Lonza Group AG	Health Care	Pharmaceuticals Biotechnology & Life Sciences	-1.85
Gn Store Nord A/S	Health Care	Health Care Equipment & Services	-1.51
Exact Sciences Corp	Health Care	Pharmaceuticals Biotechnology & Life Sciences	-0.94
AbbVie Inc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	-0.92
Aurinia Pharmaceuticals Inc			-0.88
Novo Nordisk A/S	Health Care	Pharmaceuticals Biotechnology & Life Sciences	-0.68
Roche Holding AG	Health Care	Pharmaceuticals Biotechnology & Life Sciences	-0.56
Laboratory Corp Of America Holdings	Health Care	Health Care Equipment & Services	-0.48
Amgen Inc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	-0.43
ICON Plc	Health Care	Pharmaceuticals Biotechnology & Life Sciences	-0.40
Sum top 10 relative detractors			-8.66
Sum top 5 relative detractors			-6.10
Sum top 3 relative detractors			-4.30
Sum all relative detractors			-13.28
Avg top 10 relative detractors			-0.87
Avg top 5 relative detractors			-1.22
Avg top 3 relative detractors			-1.43
Avg all relative detractors			-0.08

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SFDR classification: Article 6

The fund integrates sustainability risks into its investment decisions, without promoting ESG principles.

ESG approaches

Thematic	No
ESG integration	Yes
Exclusions	Yes
Inclusions	No
Voting	Yes
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 \geq 30% of revenues + Absolute criterion
- Oil sands \geq 30% of revenues
- Controversial weapons
- Tobacco (production)
- Pornography (production)
- Cannabis for recreational use

[DNB standard for responsible investments](#)

[Excluded companies](#)

Voting

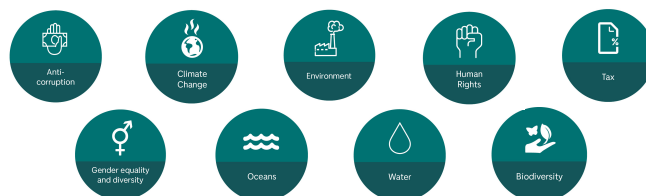
A way of influencing companies in a positive direction is by voting at general meetings. Our voting guidelines for Norway state that we shall vote at all Norwegian general meetings for listed companies we have ownership in, and we have adopted a systematic approach to determining which global companies meetings we will vote at.

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).

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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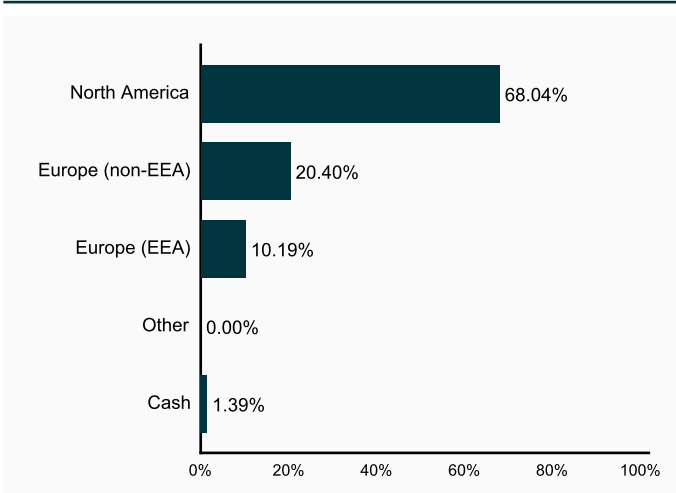
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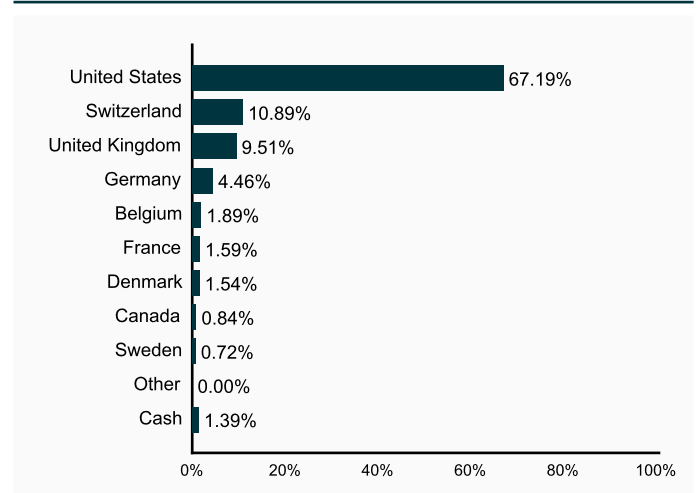
Geographical breakdown

2022-12-30



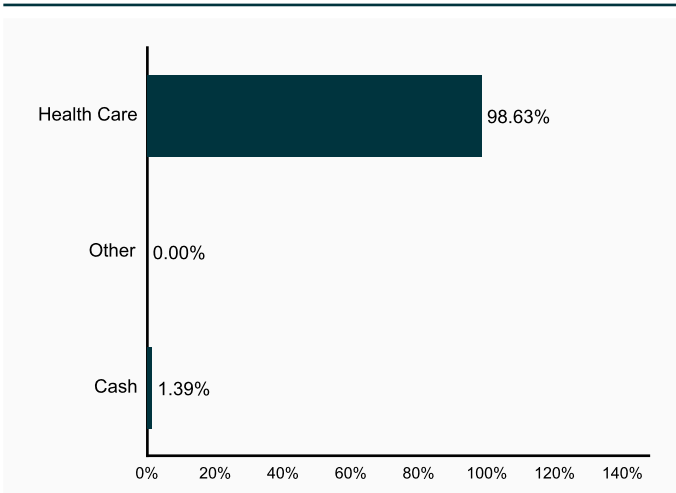
Country breakdown

2022-12-30



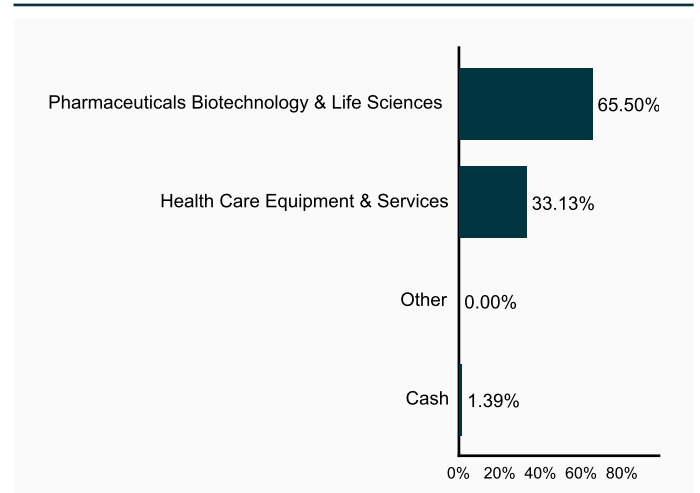
Sector breakdown

2022-12-30



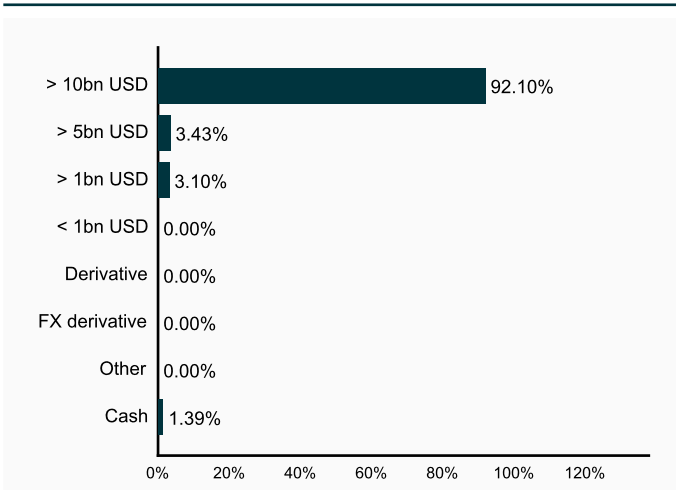
Sub-sector breakdown

2022-12-30



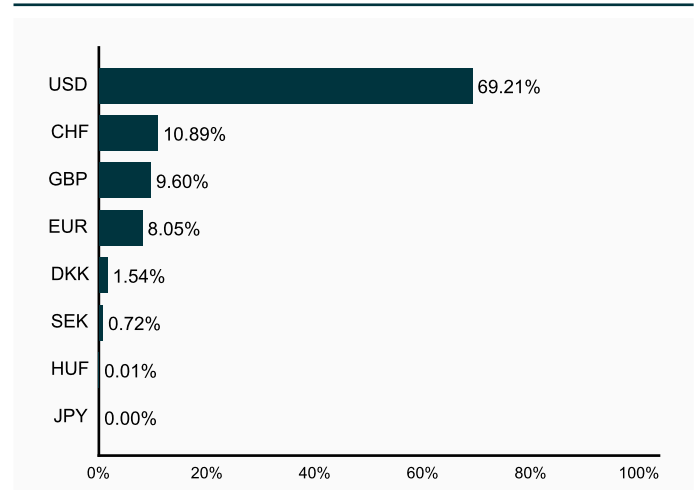
Market cap breakdown

2022-12-30



Currency breakdown

2022-12-30



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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.
Company risk	The risk that something will happen to one or more companies in which the fund have invested causing those investments to lose value.
Concentration risk	The risk that a negative event or shift in a particular sector or geography to which the fund's investments are exposed causing those investments to lose value.
Liquidity risk	The risk that one or more of the fund's investments could become hard to value, or to sell at a desired time and price.
Systematic risk	The risk that e.g. an economic shock or political instability in the market in which the fund invests causing all of the fund's investments to lose value.
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 0
Liquidity	Daily
Cut-off	13:00 CET
Settlement	Normally 2 business days
Swing pricing	No
Management fee	1.50%
Performance fee	20% of excess performance
Subscription fee	Maximum 5%
Redemption fee	None
Transaction costs (ex post)	0.31%
Ongoing charges (ex post)	1.58%
Incidental costs (ex post)	0.00%

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	Yes
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.

DNB Fund has been registered with the Commission de Valores.

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

Fund units may not be offered, sold or transferred in the United States. DNB Asset Management S.A. is a company of DNB Group, registered in the Luxembourg Commercial and Company Register under number B 34 518.