

# Nordic High Yield

DNB Fund Nordic High Yield

Svein Aage Aanes, Head of Fixed Income & FX  
DNB Asset Management

# DNB Fund High Yield

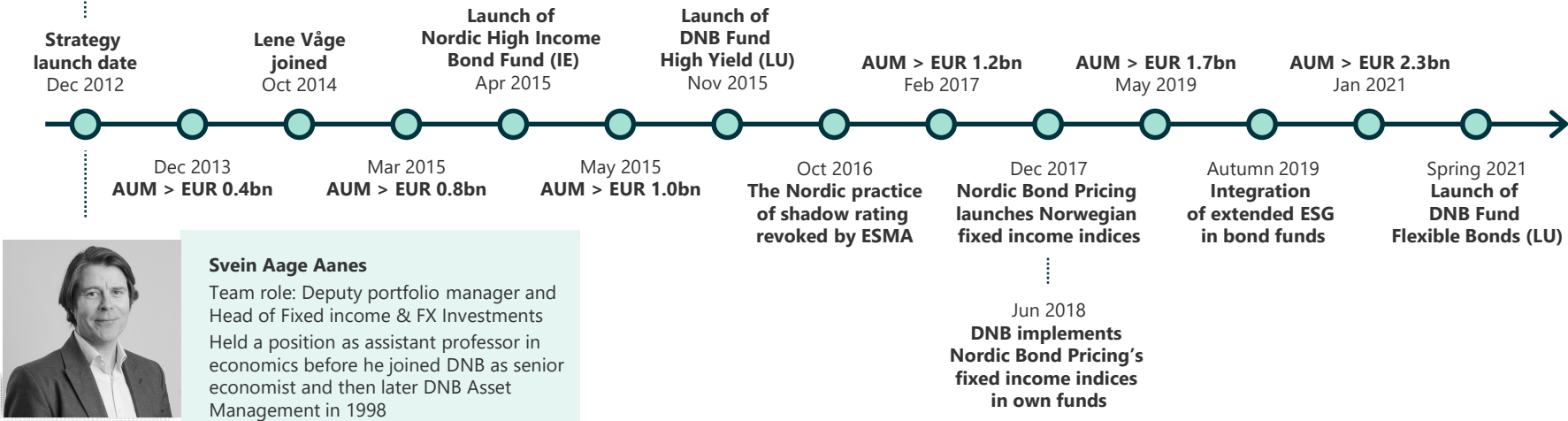
## DNB Asset Management's Nordic high yield investments team



**Anders Buvik**  
 Team role: Lead portfolio manager  
 Holds a PhD degree in finance and enjoys wide industry experience from positions in DNB Life, DNB Markets and Ricardo Private Equity before joining DNB Asset Management in 2012



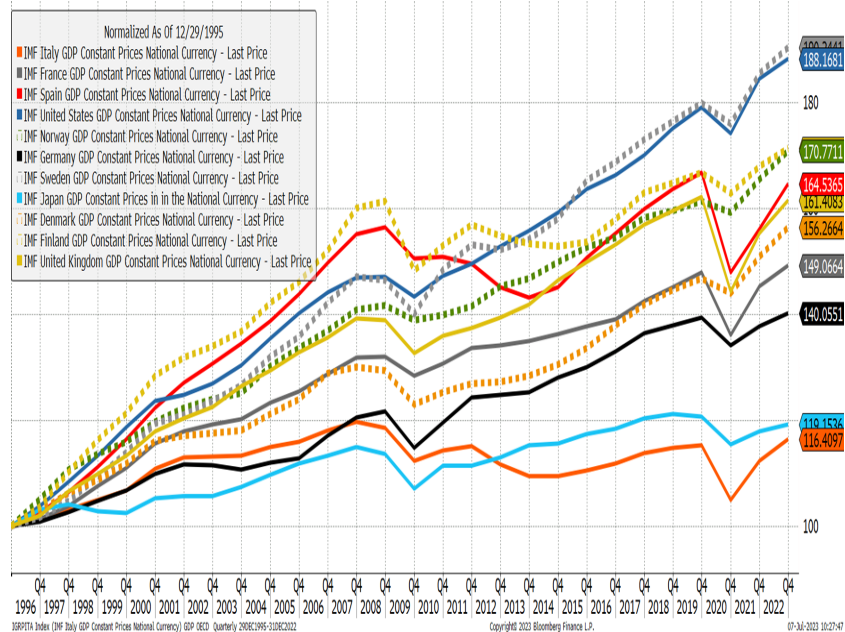
**Lene Våge**  
 Team role: Portfolio manager  
 Holds a master's degree in finance and in Insurance mathematics, has held positions in Norges Bank Investment Management, ABG Sundal Collier and Pareto before joining DNB Asset Management in 2014



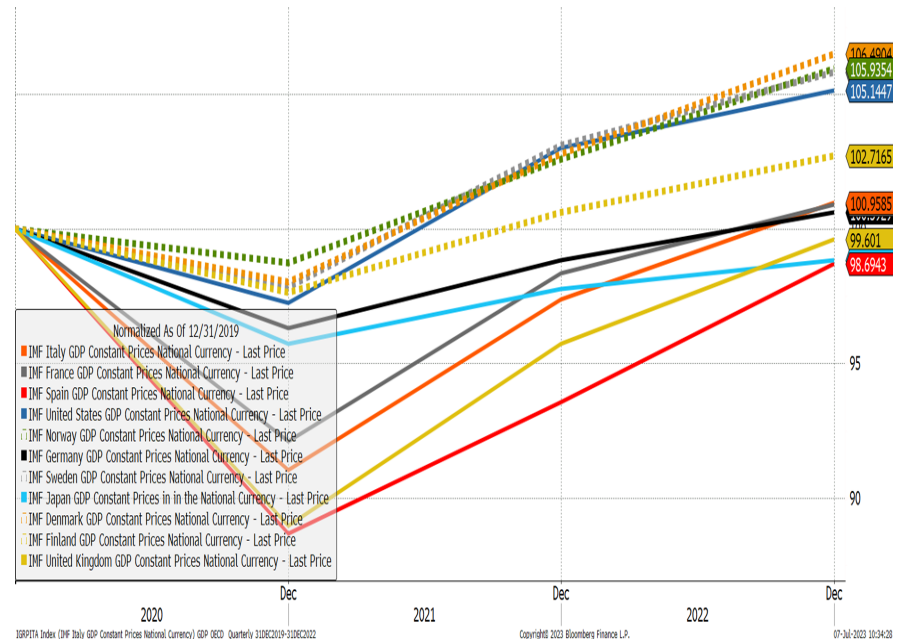
**Svein Aage Aanes**  
 Team role: Deputy portfolio manager and Head of Fixed income & FX Investments  
 Held a position as assistant professor in economics before he joined DNB as senior economist and then later DNB Asset Management in 1998

# The Nordic countries - open economies and strong economic growth

GDP growth performance since 1995



GDP growth performance pandemic (31.12.2019 – 31-12-2021)



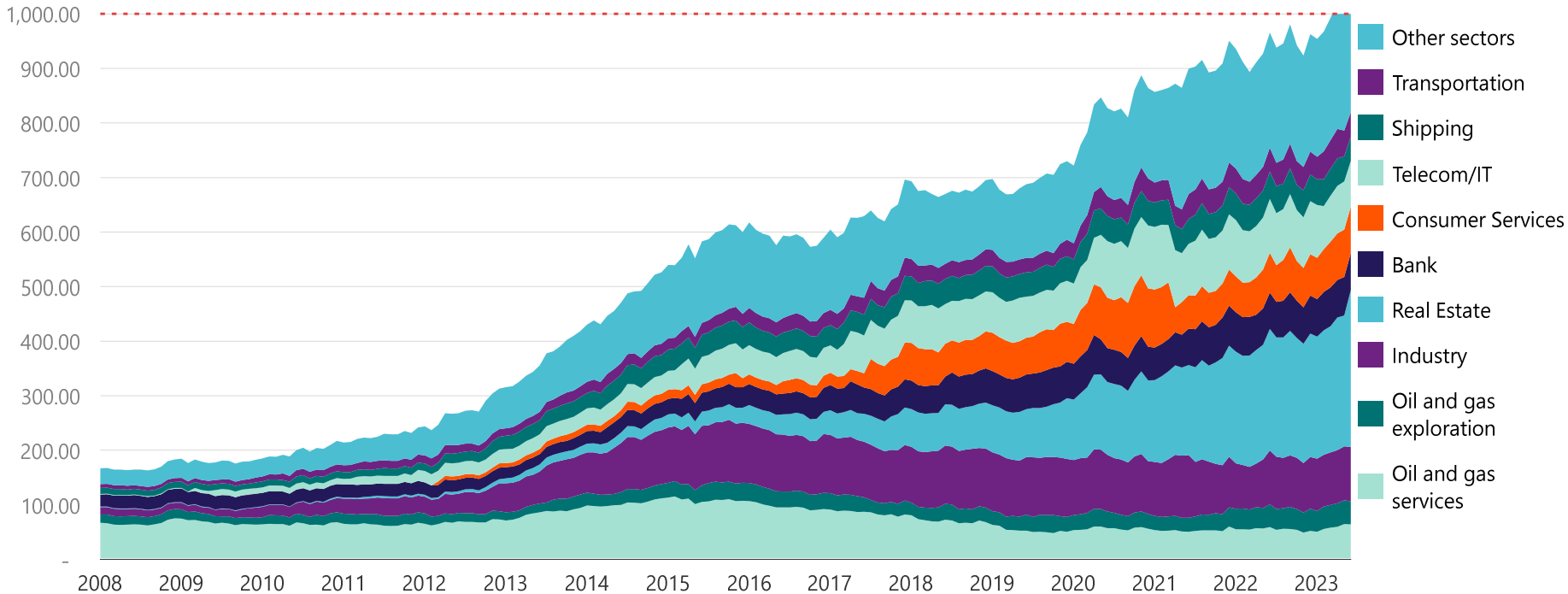
1: Country and regional comparison of development in annual GDP (constant prices) indexed to 100 in 1995.

Source: <https://tradingeconomics.com>, January 2022

# Nordic high yield corporate bond market

## A growing and well diversified market

Nordic high yield market volume development by sector since Jan 2008 in NOK billion



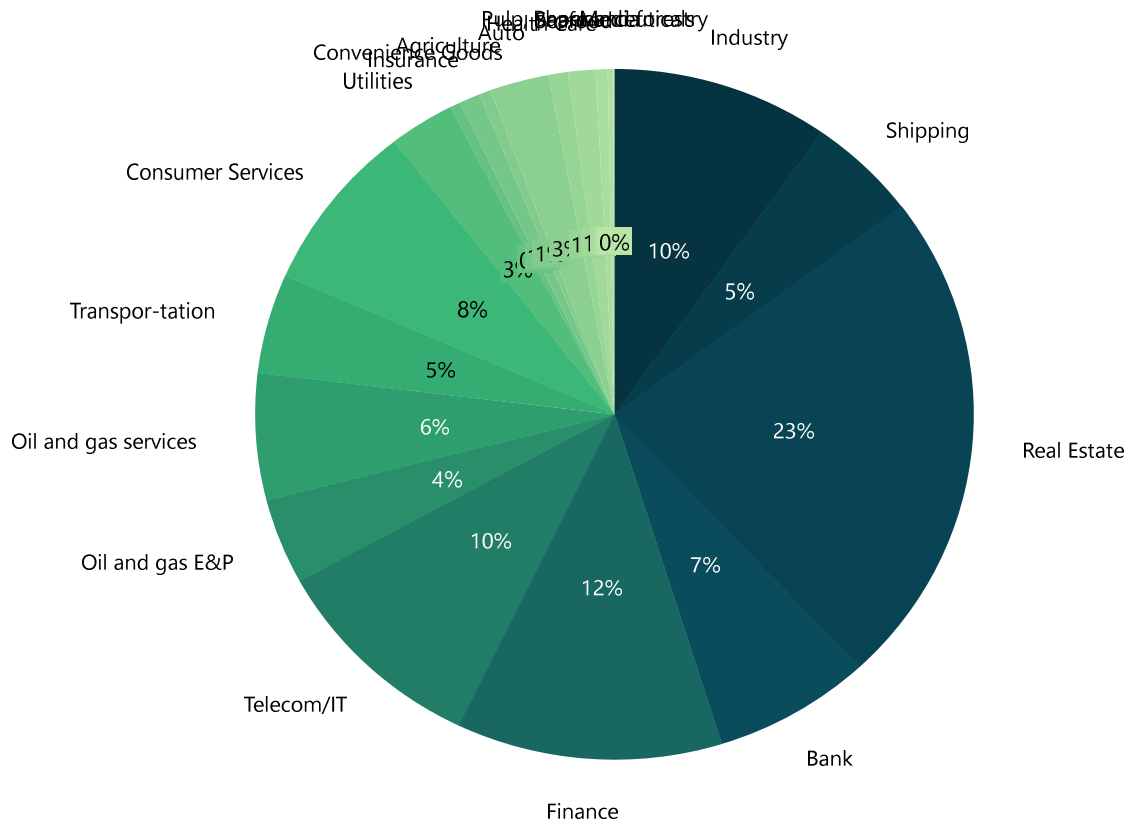
Source: Stamdata, DNB Asset Management (further analysis)

# Nordic high yield corporate bond market

## The Nordic High Yield market has grown to become well diversified

### Nordic high yield market exposure by sector

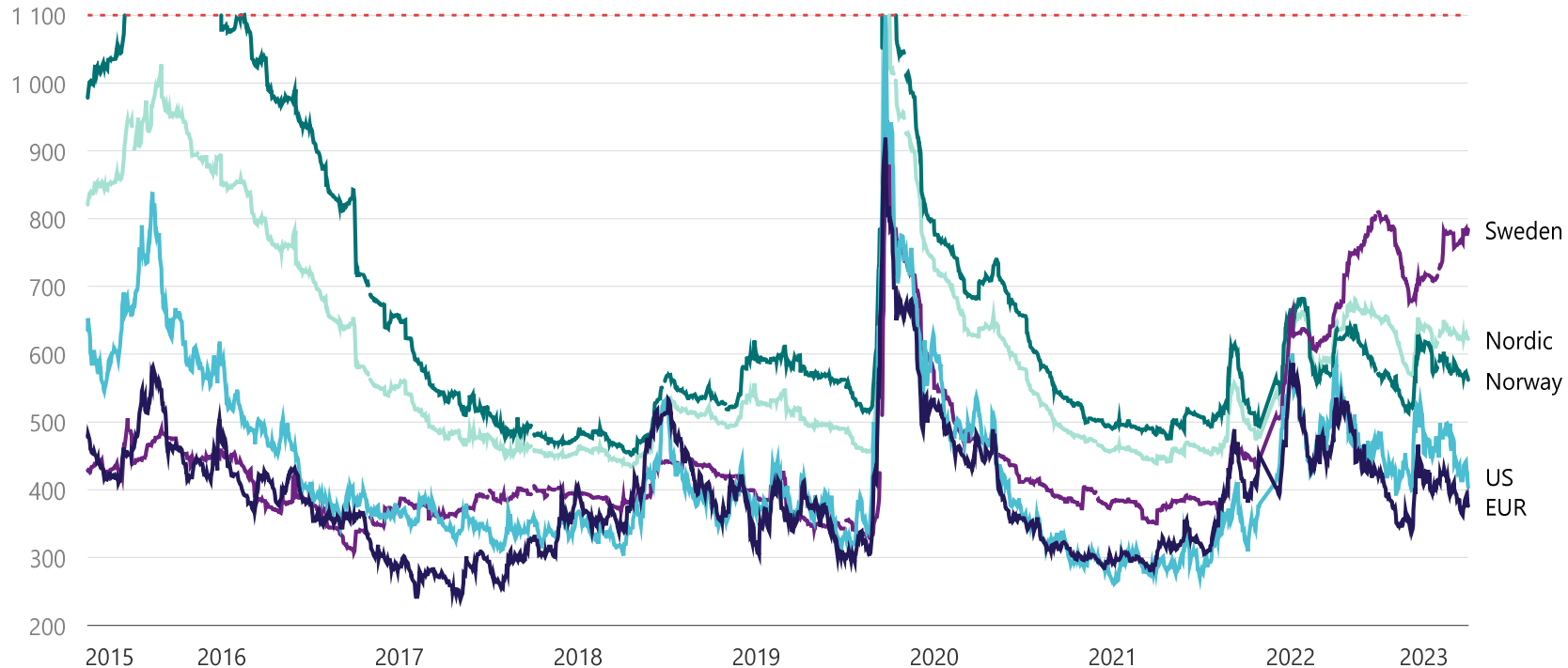
Source: Stamdata (market data, including sector classification), DNB Asset Management (further analysis)



# Nordic high yield corporate bond market

## A premium in credit spreads to EU/US High Yield

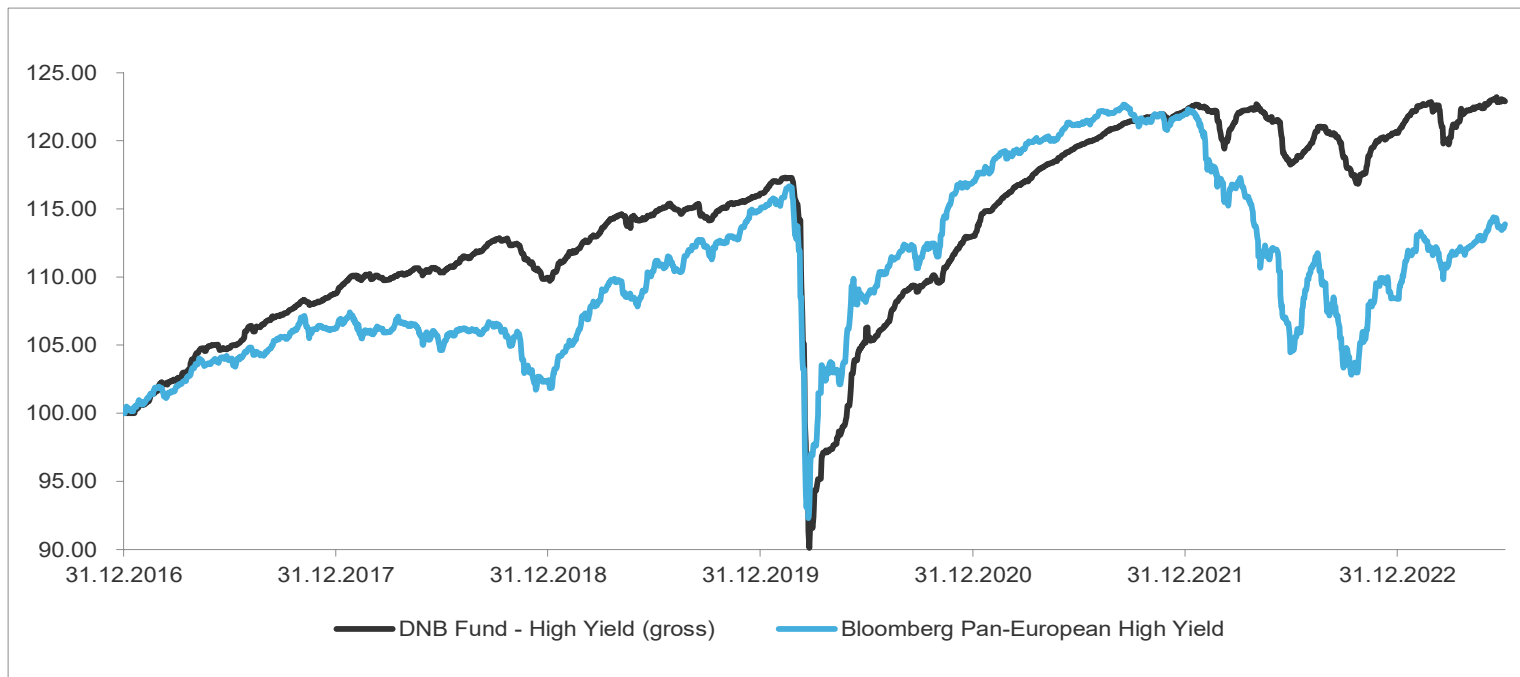
Nordic high yield market credit spread development versus regional peers since October 2015



Source: Bloomberg, DNB Markets Credit Research

# DNB Fund High Yield

## DNB Fund High Yield vs. Bloomberg European High Yield benchmark

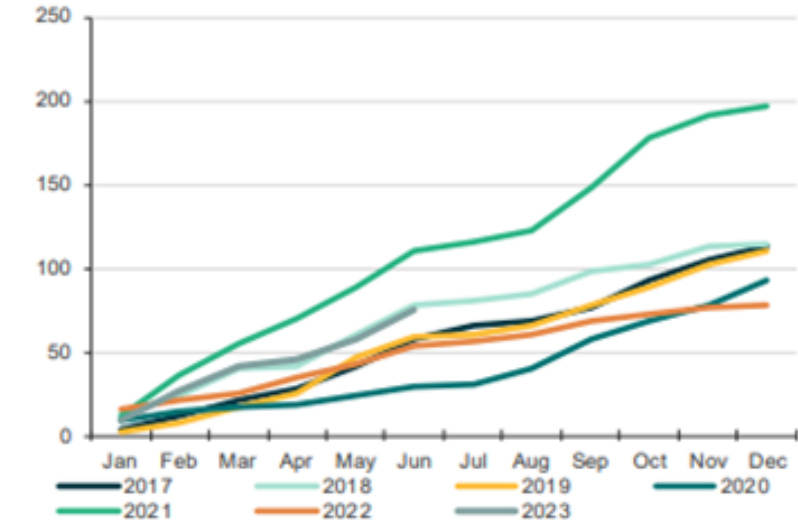


Source: Bloomberg, DNB Asset Management

# Nordic high yield corporate bond market

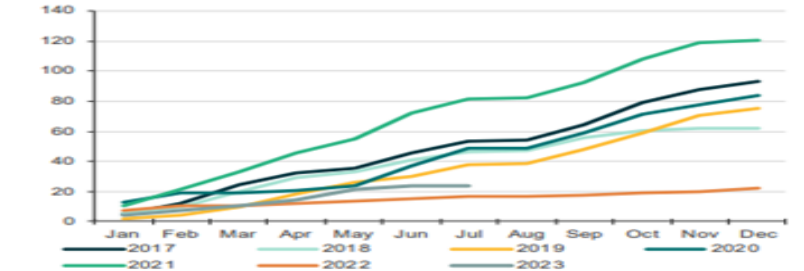
## New issuance has kept up well in 2022/23 relative to other high yield markets

### Nordic corporate high yield primary market, monthly issuance, cumulative (NOKbn equivalents)



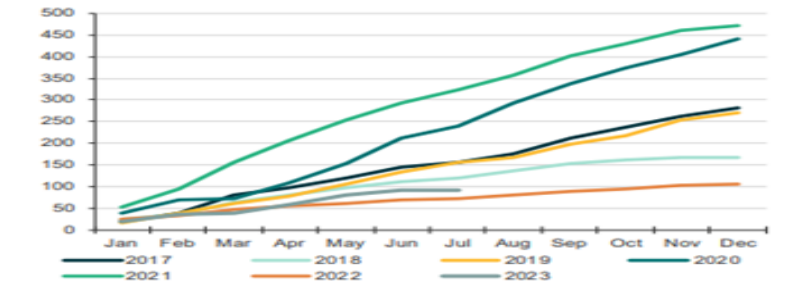
Source: Stamdata and Bloomberg (underlying data), DNB Markets (further calculations)

### European corporate high yield primary market, monthly issuance, cumulative (EURbn equivalents)



Source: S&P LCD (underlying data), DNB Markets (further calculations)

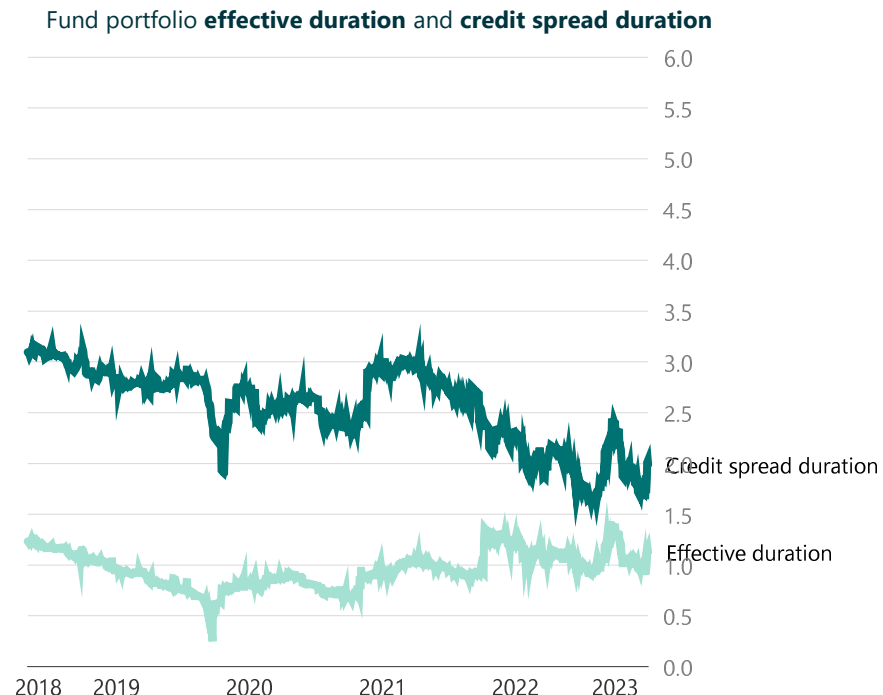
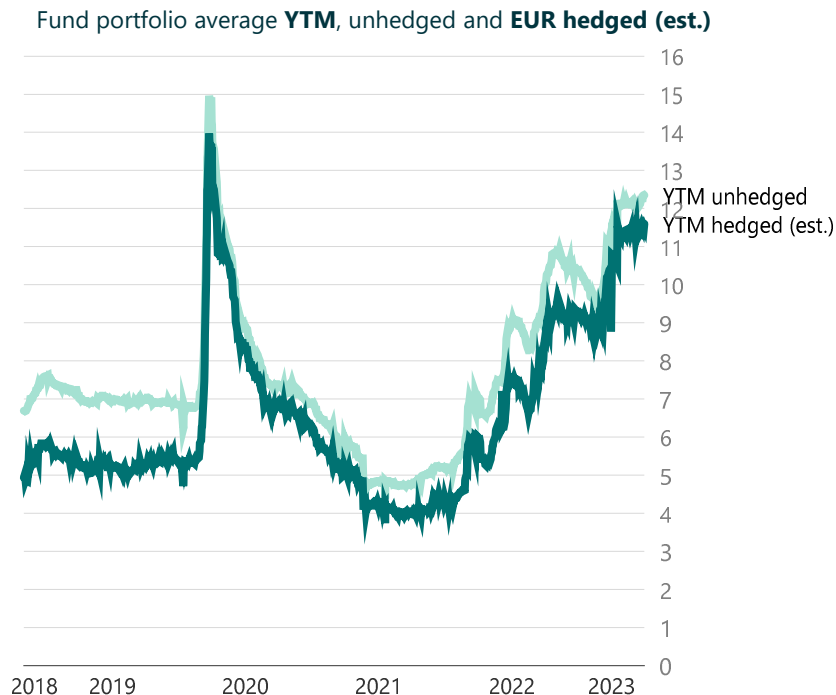
### US corporate high yield primary market, monthly issuance, cumulative (USDbn equivalents)



Source: S&P LCD (underlying data), DNB Markets (further calculations)

# DNB Fund High Yield

## Fund portfolio yield and duration history



Source: Barra One, Simcorp Dimension, DNB Asset Management

Note! Due to change of risk calculation provider the history in this graph only starts 1 November 2018

Source: Barra One, Simcorp Dimension, DNB Asset Management

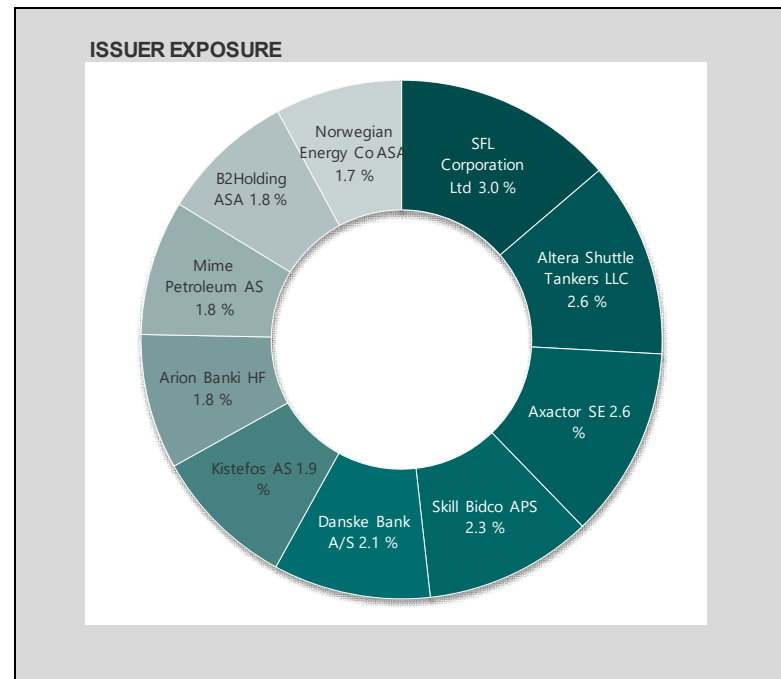
Note! Due to change of risk calculation provider the history in this graph only starts 1 November 2018

# DNB Fund High Yield

## Sector and largest issuer exposures

Exposure by Sector (Stamdata definition)	Portfolio		
	Portfolio weight	Bonds	Issuers
Industry	11.7 %	18	16
Shipping	15.3 %	18	12
Real estate	14.1 %	30	24
Bank	7.9 %	14	8
Finance	10.2 %	17	13
Telecom/IT	1.2 %	2	2
Oil and gas E&P	10.1 %	12	9
Oil and gas services	4.6 %	9	7
Transportation	4.6 %	5	4
Consumer services	2.7 %	5	5
Utilities	0.3 %	1	1
Insurance	1.1 %	1	1
Convenience goods	2.5 %	4	3
Agriculture	2.2 %	2	2
Auto	0.0 %	0	0
Health care	0.8 %	2	1
Seafood	0.3 %	1	1
Pulp, paper and forestry	1.3 %	1	1
Media	0.5 %	1	1
Pharmaceuticals	0.0 %	0	0
Public sector	0.0 %	0	0

Source: Bloomberg, Stamdata, DNB Asset Management (further analysis)



# Disclaimer

This presentation is for internal use only in client communication. The content has not been produced for public distribution. This material is confidential and has been provided to its recipient and should not be copied, duplicated, distributed, published or otherwise transmitted to another person on whole or in part without the express written consent of DNB Asset Management S.A.

The presentation is based on publicly available information and no guarantee is given regarding the reliability, correctness, accuracy or completeness of the information (including but not limited to numerical data, comments, analyses, opinions, estimations and strategies) contained in this document. Information and opinions presented in this material have been obtained or derived from sources which are deemed reliable, but neither DNB Asset Management S.A. nor any DNB Wealth Management entity makes any representation nor give any guarantee as to their accuracy, adequacy, quality or completeness. Unless indicated to the contrary, all figures are unaudited. All valuations mentioned herein are subject to DNB Wealth Management entities valuation policies and procedures.

This document does neither constitute an offer to the public or on a private basis to subscribe for or purchase any of the financial instruments mentioned nor investment research, research recommendations, investment recommendations or information recommending or suggesting an investment strategy, and it does not contain research or financial analysis. The information contained in this document has been provided as a general market commentary and does not constitute any form of personal recommendation, investment advice, legal, tax, accounting or other advice or recommendation or any other financial service. It does not take into account the investment objectives, financial situation or needs, or knowledge and experience of any persons. The information provided is not intended to provide a sufficient basis on which to make an investment decision. It is recommended that any person potentially interested in the elements described in this document shall seek to obtain relevant information and advice (including but not limited to risks) prior to taking any investment decision.

The statements in the presentation reflect the views of DNB Asset Management S.A. at the time the presentation was made, and DNB Asset Management S.A. reserves the right to change its view of the matter without giving notice.

The written material issued which is distributed must be seen in the context of what is communicated verbally during the presentation. DNB Asset Management S.A. cannot be held liable for any direct or incidental, special or consequential losses caused by the interpretation of and/or use of this presentation, regardless of whether such losses are foreseeable or not. The liability of DNB Asset Management S.A. or of any DNB Wealth Management entity may not be engaged as regards any investment, divestment or retention decision taken by a person on the basis of the information contained in this document. Such person shall bear alone all risks of losses potentially incurred as a result of such decision.

This presentation is not an offer or recommendation to the public or on a private basis for the purchase or sale of financial instruments. It should be noted that the presented product involves investment risk, including the possibility of loss of the entire or part of the invested amount. Historical returns, past performance and financial market scenarios are no guarantee of future returns. Investments in financial instruments 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.

DNB Bank ASA and/or other companies in the DNB Group or employees and/or employee representatives in the Group may trade with or hold positions in the above-mentioned or related instruments, or provide financial advice and banking services in this regard. Rules on confidentiality and other internal rules restrict the exchange of information between different units of the DNB Group. Employees in DNB Asset Management S.A. who have prepared this presentation may therefore be prevented from using and/or being informed of such information which may exist in other companies in the DNB Group and which may be relevant for this presentation.

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 (1400).

Paying agent in Switzerland is CACEIS Bank, Paris, succursale de Nyon / Suisse, Route de Signy 35, CH-1260 Nyon.

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.

DNB

Asset Management