

DAM's Benchmark policy

DNB Asset Management S.A. ("DAM") policy on benchmark use requires the use of relevant benchmarks for all funds. DAM will as far as possible try to use pre-calculated index values from an authorized party/index producer.

However benchmarks combining two different index families there are no natural 3rd party calculation agent, so these combined benchmarks are produced by DAM. An example of this type of benchmark would be 50% MSCI world + 50% Barclays' global aggregate. Our default rebalancing methodology is daily rebalancing. However we do also have benchmarks using different methodologies

Rebalancing/blending methodologies used in DAM:

- Market capital weighted
- Daily rebalancing/constant weights
- Monthly rebalancing (month end)
- Yearly rebalancing
- Floating weights (no rebalancing)
- Yield to index series conversion

Index families used in DAM

Equity

- MSCI
- OBI (OSEBX, OSEFX, OBX)
- Winderhill NEX
- VINX
- Morningstar
- LPX

Bonds/Money market

- Barclays
- OBI
- NBP
- Nordic custom HY index
- GET1B (German short term interest rate)
- USGG3M (US short term interest rate)
- OMRX T-BILL

All indices used are replicated at securities level by DAM using the index producers published methodology. This implies that if DAM does not receive an index level value from an index producer, DAM would be able to produce an estimated value with a high level of accuracy. This is not a permanent solution, but a possible help if there are delays in receiving an index value. If there is a permanent problem in receiving an index value, DAM will consider changing the benchmark to the identified "backup" benchmark.

Current use of benchmarks for funds registered in Luxembourg

Fund name	Current Benchmark	Future BM	Backup benchmark
DNB FUND – GLOBAL ESG	MSCI AC World Index Net.		Morningstar Universe
DNB FUND - ASIAN SMALL CAP	MSCI AC Asia Pacific ex Japan Index Net.		Morningstar Universe
DNB FUND - GLOBAL EMERGING MARKETS ESG	MSCI Emerging Markets Index Net.		Morningstar Universe
DNB FUND – NORDIC EQUITIES	VINX Capped SEK Index Net.		MSCI Nordic
DNB FUND – INDIA	MSCI Daily TR Net Emerging Markets India.		Morningstar Universe
DNB FUND - PRIVATE EQUITY	MSCI World Index Net.	LPX	MSCI Universe
DNB FUND - RENEWABLE ENERGY	WilderHill New Energy Global Innovation Index (NEXUST)		MSCI Universe
DNB FUND – TECHNOLOGY	MSCI custom (Technology, Media and Telecom) benchmark	MSCI calculated TMT	Morningstar Universe
DNB FUND – HEALTH CARE	MSCI World Health Care Index.		Morningstar Universe
DNB FUND – ECO ABSOLUTE RETURN	ST1X for the Class retail A (NOK), OMRX TBILL for the Class retail A (SEK), German 3 mth Bubill for the Class retail A (EUR) and USGG3M for the Class retail A (USD)		Local Money market indecies
DNB FUND – TMT ABSOLUTE RETURN	ST1X for the Class retail A (NOK), OMRX TBILL for the Class retail A (SEK), German 3 mth Bubill for the Class retail A (EUR) and USGG3M for the Class retail A (USD)		Local Money market indecies
DNB SICAV – High Yield	Barclays Global Aggregate Corporate Bond Index	Nordic Bond Price HY	Barclays or NBP
DNB SICAV – Norway Investment Grade	Barclays Global Aggregate Corporate Bond Index	Nordic Bond price RM	Barclays or NBP

There no internal calculation of benchmarks for Luxembourg registered funds.
All benchmarks follow the published methodology of the index contributor mentioned above.

Benchmark regulation

The introduction of the EU Benchmark regulation (BMR) will affect DAM's future use of benchmarks. BMR has a transition period until 1 January 2020. DAM will make use of the transitional provisions made available in Article 51 of the regulation

Definition

REGULATION (EU) 2016/1011 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

Purpose

The purpose of these guidelines is to ensure common, uniform and consistent application, in relation of non-significant benchmarks, of the oversight function requirements in Article 5 of the Benchmarks Regulation, the input data provision in Article 11 of the Benchmarks Regulation, the transparency of the methodology provision in Article 13 of the Benchmarks Regulation and the governance and control requirements for supervised contributors provision in Article 16 of the Benchmarks Regulation.

DAM position

DAM's use of benchmarks is defined as

- Non-significant benchmarks (less than EUR 50 billion)
- DAM is a benchmark user