

PERFORMANCE The fund increased +0.1% in October, which corresponds to a year to date performance of -3.8%. European banking stocks (Stoxx600 Banks) increased with -0.7% while AT1 CoCo's were negative with -0.7% (ICE BofAML CoCo index). European banking stocks are negative for the year with -41.9% while AT1 CoCo's are negative with -7.4%.

COVID-19 RESTRICTIONS GETTING STRICKTER COVID-19 escalation precipitates global risk-asset weakness. Pervasive risk-off sentiment last week of October due to surging virus outbreaks and reintroduction of more stringent public health measures fuelled cascading equity indices, commodities and widening credit spreads. Many countries are now heading into a "lock-down" light which will undoubtedly have economic impact. However, Central Banks and Governments have announced willingness to support the economy with further stimulus.

ECB SAYS MORE STIMULUS LIKELY IN DECEMBER The ECB was widely expected to keep monetary policy unchanged at last week's meeting, while at the same time acknowledge that the economic outlook had deteriorated and announce that stimulus were expected in December. The ECB will look at all tools available and we expect several new measures to be announced in December, except a rate cut.

EBA CONFIRMS LEGACY TIER 1 TREATMENT The European Banking Authority (EBA) finally released its long awaited report on legacy instruments. As we expected, AT1s must always be subordinated to Tier 2 instruments, meaning treating legacy Tier 1 (instruments that stops being Tier 1 post 2021) as Tier 2 creates "infection risk" of the remaining AT1 stack. The bank cannot use the full amount of existing AT1's if the reclassify legacy Tier 1 as Tier 2.

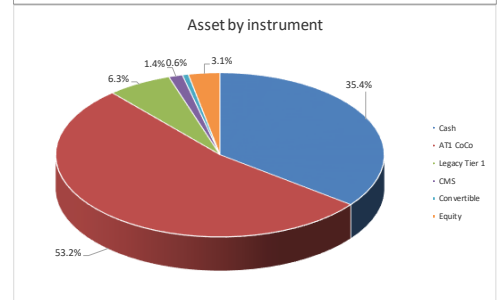
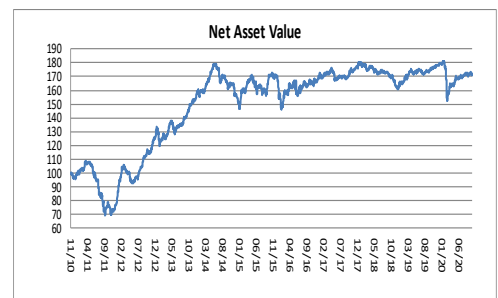
Banks have to options to address "infection risk": (1) call bonds whenever possible, including regulatory par or make-whole calls, or (2) amend the Terms and Conditions of the bond, which we believe would require consent from bond holders. We believe most of legacy Tier 1 bonds will be called or bought back post 2021. Our fund currently holds two legacy Tier 1's.

Fund data and facts

Share class	BI (accumulating)
ISIN	LU0560186115
Bloomberg ticker	NDISEBI LX
Depository Bank	BIL Luxembourg
Domicile	Luxembourg
Lock-up	No
Subscriptions/redemptions	Daily/Bi-monthly
Base currency	EUR
Minimum investment (EUR)	125,000
Annual management fee	1.00%
Performance fee	20%, hurdle rate 5%
AUM (EURm)	33.1
Number of holdings	28
Portfolio Manager	Lux Nordic
Launch date	30.11.2010

Performance data

Net asset value per share	171.38
Since inception	71.4%
YTD	-3.8%
1 year	-2.3%
3 year	-2.2%
5 year	0.5%



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Returns, net of fees - EUR

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010													
2011	2.3%	3.1%	1.4%	3.2%	-0.9%	-7.4%	-3.7%	-11.2%	-11.9%	6.1%	-10.5%	5.0%	-23.8%
2012	18.1%	14.6%	4.1%	-4.1%	-6.9%	2.4%	3.4%	6.3%	6.3%	3.2%	3.7%	5.3%	69.8%
2013	2.6%	-3.5%	0.9%	5.2%	3.3%	-4.7%	2.7%	1.3%	3.4%	4.9%	3.9%	1.2%	22.8%
2014	1.4%	2.0%	2.0%	3.2%	4.9%	1.4%	-3.4%	-1.2%	-2.0%	-2.4%	1.2%	-4.8%	1.9%
2015	-5.6%	8.8%	0.2%	3.8%	-0.4%	-3.4%	1.3%	-2.6%	-0.7%	7.9%	0.6%	-0.5%	8.8%
2016	-7.6%	-3.3%	4.6%	2.7%	1.6%	-5.0%	2.5%	2.2%	-1.9%	2.6%	-1.3%	0.8%	-2.7%
2017	3.0%	-0.2%	1.3%	0.3%	-1.0%	-2.1%	0.8%	0.4%	-0.4%	3.3%	-0.2%	1.1%	6.5%
2018	1.5%	-0.4%	-2.2%	1.5%	-2.6%	-0.6%	1.4%	-0.4%	-0.3%	-1.8%	-2.3%	-2.1%	-8.2%
2019	1.9%	2.1%	0.2%	3.2%	-1.1%	0.7%	0.2%	-0.9%	0.8%	0.7%	1.0%	0.5%	9.7%
2020	0.6%	-1.3%	-10.5%	3.9%	1.3%	1.0%	0.4%	1.7%	-0.4%	0.1%			-3.8%