

PERFORMANCE The fund performed +0.7% in December, which corresponds to a performance of +8.4% for 2025. European banking stocks (Stoxx600 Banks) increased with +7.9% in December, while AT1 CoCo's were positive with +0.1% (ICE BofAML CoCo index). European banking stocks are positive with +67.0% for 2025 while AT1 CoCo's are positive with +2.4% for the same period.

MARKETS Equities in the European banking sector had a strong month in December. Bond performance were coupons as prices were mainly flat. The ECB proposed a broad simplification of EU prudential rules, including a potential reshaping of the capital stack and AT1/T2 bonds, while also protecting the important resilience of the banking sector. The proposition lacked details and market participants were confused as they find it difficult to understand what ECB means. This is a recommendation and from past experience, it will take time be implemented (if it is implemented). The markets and spreads didn't react to the news.

HIGHLIGHTS OF 2025 Strong earnings for European Banks as net interest income seemingly bottoming out. No sign of asset quality deterioration with lower provisions than anticipated. Capital ratios are comfortable around 16.3% in average for the sector (EBA). The EBA stress test underlines healthy bank fundamentals.

US Banks seems to get less restrictions as FED unveiled plans to roll back some capital rules. Another advantage for US Banks compared to European Banks. We do not expect the ECB to announce similar or other less restrictions any time soon

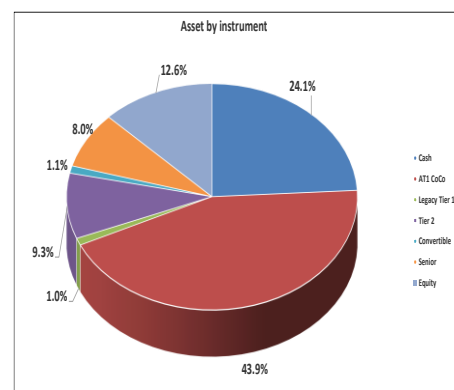
Strong new issuance market in 2025 for the banking sector across the capital structure. Most of the new issues have seen a high demand, and they have been hugely oversubscribed pushing spreads to new lows. Expected supply for 2026 is less than previous years according to Bloomberg, and especially within the AT1's. We believe this will continue to favour the asset class.

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	Weekly/Weekly
Base currency	EUR
Minimum investment (EUR)	125,000
Annual management fee	1.00%
Performance fee	20%, hurdle rate 5%
AUM (EURm)	35.3
Number of holdings	46
Portfolio Manager	Lux Nordic
Launch date	30.11.2010

Performance data

Net asset value per share	234.27
Since inception	134.3%
YTD	8.4%
1 year	8.4%
3 year	42.8%
5 year	30.4%



PORTFOLIO STATISTICS

Yield to call	6.15%
Yield to maturity/perpetuity	6.86%
Modified duration	2.36
Credit duration	3.28
Credit spread	350

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Returns, net of fees - EUR

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010													-3.1%
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%	4.1%	0.7%	0.8%
2021	0.1%	0.9%	0.8%	0.7%	0.5%	0.2%	0.4%	0.5%	-0.1%	0.2%	-1.3%	1.2%	4.1%
2022	-0.5%	-3.0%	-0.1%	-2.1%	-0.5%	-6.5%	3.2%	-1.7%	-5.6%	1.9%	2.4%	0.0%	-12.3%
2023	4.6%	0.1%	-7.1%	0.3%	1.2%	13.8%	1.6%	0.3%	0.6%	0.5%	1.2%	2.0%	19.4%
2024	1.3%	-1.6%	2.6%	0.1%	3.1%	-0.3%	0.8%	1.0%	1.3%	0.5%	0.7%	0.5%	10.4%
2025	1.3%	1.1%	0.3%	-1.0%	1.6%	0.9%	1.0%	0.5%	1.3%	-0.1%	0.5%	0.7%	8.4%