MCft
Indexing. Reinvented.

NRMVEL

MCFT Nordic Industrial Micro-Vertical Export Leaders

Exporters with global share leadership in micro-verticals, a.k.a. the Nordics' "Mittelstand-style" champions.

Why now

Global supply chains are being rebuilt, but **complex niches still source globally**: factories need ultra-specialized components and instruments where Nordic firms excel (engineering depth, reliability, sustainability standards). These leaders monetize **switching costs, certification moats, and service networks**, often with **price discipline and FCF resilience**. They appear attractive in a higher-rate, capex-led world.

Why it's different

Typical regional indices overweight big multi-industry conglomerates or cyclicals. This index isolates **micro-vertical export champions**, i.e. firms that win on **precision, certification, and lifetime service**, not commodity cycles, capturing the "Nordic Mittelstand" effect: **sticky global customers, pricing power, and durable FCF**.

What's in

Pump/Valves & Flow Control (industrial pumps, dosing, seals)

Machine Vision & Metrology (2D/3D vision, laser/optical metrology, barcode/ID)

Test & Measurement / Instrumentation (electrical, acoustic, environmental, non-destructive testing)

Motion Control (servo/linear actuators, drives, precision gearing)

Specialty Connectors, Sensors & Cables (harsh-environment, marine/offshore, med-tech grade)

Filtration & Process Equipment, Packaging Machinery sub-systems, Power Electronics sub-components

What's out

Heavy/integrated OEMs (e.g., trucks/ships) lacking niche purity; broad EPC/contractors; commodity producers (steel, pulp, aluminum); generic distributors; IT services; domestic utilities/telecoms; shipping lines; consumer durables without industrial niche; companies with preponderant domestic sales (low export intensity).

Simple rules

Investability: Listings on Nordic exchanges (Nasdaq Stockholm, Copenhagen, Helsinki, Iceland; Oslo Børs); full-mcap ≥ $200m; 3-month ADTV ≥ $1m; primary lines only

Companies included in the following MCFT Thematics (AI-powered proprietary classification): Industrial Machinery; Contract Manufacturing; Machine Vision; Quality Assurance; Compliance Testing; Lab Services

Quality guards: FCF > 0 (TTM), Gross Profitability > 0 (TTM)

Weighting: Optimized weighting with minimum variance algorithm (3 years rolling windows of returns), under constraints: single-name max 5%; country max 60% (prevents Sweden dominance).

Maintenance: Quarterly rebalancing. Annual MCFTsub- thematics list review.

Scenarios

Tends to work when
- × Global manufacturing PMIs stabilize/expand and capex resumes (automation, quality control, energy efficiency)
- × Nearshoring/reshoring still imports specialized subsystems that are hard to localize quickly
- × Higher-for-longer rates favor businesses with positive FCF and pricing power over levered, low-margin peers
- × Regulatory/certification complexity rises (safety, sustainability), reinforcing switching costs

May lag when
- × Broad industrial recessions lead to order deferrals and inventory digestion
- × A strong local currency (SEK/DKK/NOK) dampens translated earnings; sudden FX volatility hits exporters
- × Large-cap commodity cyclicals or mega-OEMs rip in early-cycle rebounds (style headwind)
- × Supply-chain snags (components, logistics) or sanctions/export-control shifts delay shipments to key markets

Overview

Code **NRMVEL**
Inception **2025/10/10**
Currency **EUR**
Series **PR** / **GTR** / **NTR**
Rebalancing freq. **Quarterly**
Constituents **33**

Performance

Return YTD **+13.7%**
Return 1Y **+10.5%**
Return 5Y **+79.9%**

Volatility **20.7%**
Max drawdown **45.4%**
Beta **1.09**

Top 10

Kone (FIN) **6.0%**
Schouw & Co (DNK) **6.0%**
Alfa Laval (SWE) **6.0%**
Hexpol (SWE) **6.0%**
Nilfisk Holding (DNK) **6.0%**
SKF (SWE) **5.2%**
Norbit (NOR) **5.0%**
Kitron (NOR) **4.6%**
Valmet (FIN) **4.5%**
Lifco (SWE) **4.5%**

Key exposures

Countries (Top 3)
SWE **60.0%** - DNK **15.3%** - FIN **15.1%**

Sectors (Top 3)
Industrials **67.5%** - Information Technology **17.1%** - Materials **9.3%**

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