


**FUND INFORMATION**

Strategy launch date	18/04/2016 <sup>3</sup>
Fund launch date	04/12/2019
Strategy AuM	€4.2bn
No. of holdings	760
Benchmark	MSCI World Index
Morningstar Category	Global Large-Cap Blend Equity
Morningstar Sustainability Rating	 Percent Rank Relative to Global Category: Above Average
Bloomberg	STGEAAE:LX
ISIN	LU1932670927
UCITS	Yes
Management Fee	0.3%
Portfolio Manager	Henrik Wold Nilsen



Henrik Wold Nilsen, Senior Portfolio Manager

- ❖ Joined Storebrand Asset Management in 2010
- ❖ Masters in theoretical high energy physics (University of Bergen, 2005)
- ❖ Doctorate in experimental high energy physics (University of Freiburg, Germany, 2009)
- ❖ Post-doctoral position in Freiburg in connection with research lab CERN, Geneva (2009-2010)

**ABOUT STOREBRAND**

Storebrand Asset Management is Norway's largest private asset manager with €100.3bn AuM and a specialist in sustainable investing.

Rather than only applying ESG criteria to a proportion of assets, Storebrand believes sustainability must be implemented across entire portfolios. All assets are managed according to the industry-leading Storebrand Standard sustainability criteria.

Climate change poses a growing threat to our future, including the stability of our financial system<sup>1</sup>. Global equity markets contain high carbon risk and fossil fuel exposures, meaning that traditional passive investments represent increasing unmanaged climate risks.

To address this problem, we have been managing sustainable index funds since 2005, successfully optimising portfolios to minimise climate risk and tracking error. Our funds' performance demonstrates that incorporating sustainability has not diminished returns.

**INVESTMENT STRATEGY**

Storebrand Global ESG Plus is a unique fossil-free global equity strategy which aims to provide long-term capital growth through a model-based portfolio of developed market equities. The fund is managed systematically and seeks to reproduce the risk and return profile of the MSCI World Index whilst excluding companies within fossil fuel related industries and with additional ESG criteria and sustainability focus.

The strategy seeks to provide a low-cost investment solution for the global climate emergency by using five key components:


**ENGAGEMENT**

We are active owners and engage on behalf of all assets we manage, both individually and via collective forums such as Climate Action 100+


**DIVESTMENT**

We exclude fossil fuels (>5% of sales) and companies with climate negative exposures (e.g. plastics and meat). The strategy also applies extra exclusion criteria beyond the Storebrand Standard.

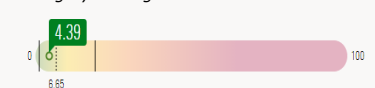

**GREEN SOLUTIONS**

We allocate <10% of the portfolio to climate solutions companies, such as renewable energy, green transport, recycling, water and energy efficiency


**LOW CARBON FOOTPRINT**

We optimise the portfolio, using full lifecycle emissions where possible, to minimise carbon exposure

**Morningstar Carbon Risk Score: 4.39**  
Category Average: 6.65


**ESG SCORE**

We have developed a proprietary ESG rating system to analyse over 4,500 companies, using qualitative and quantitative assessment of sustainability risks and opportunities

Since inception over three years ago, the Norwegian-domiciled fund has provided index relative returns of +1.6% with 1.2% tracking error, low carbon risk, low stranded asset risk, high exposure to green revenues and a stronger ESG score<sup>2</sup>.

All information as at 30/06/2021 unless stated.

<sup>1</sup> Source: Bank of England.

<sup>2</sup> Inception date: 27/04/2017. Gross of fees and in EUR. 3-year tracking error. Other metrics based on Morningstar and internal analysis of fund vs. competitors and low carbon index strategies.

<sup>3</sup> Includes NOK and SEK funds.

## FUND PERFORMANCE

	Q2 2021	YTD 2021	1-Year	Since Launch
<b>Storebrand Global ESG Plus Lux B EUR</b>	<b>6.53%</b>	<b>15.99%</b>	<b>33.29%</b>	<b>18.22%</b>
MSCI World Index	6.78%	16.64%	31.69%	16.48%
<i>Relative Return</i>	<i>-0.25%</i>	<i>-0.65%</i>	<i>1.60%</i>	<i>1.75%</i>

Performance figures in EUR, net of fees

## INVESTMENT STRATEGY COMMENTARY<sup>1</sup>

- Despite continued oil price strength in the second quarter – Brent Crude rose from USD 63.5 to USD 75 – most of the largest oil and fossil fuel companies lagged the broader market. The fund gained 0.4% on a relative basis from being fossil free, equalising the negative contribution in the previous quarter.
- Renewable energy companies saw a continued reversal of their strong returns from last year. The fund allocates 10% weight to climate solutions companies, with around one third invested in renewable energy which detracted 0.2% on a relative basis during Q2. Low-carbon transportation, particularly train companies, also faced headwinds as commuting and travel have not yet benefited from the initial reopening post COVID; the sector detracted 0.2% on a relative basis. The other climate solution categories delivered mostly positive contributions, adding +0.1% in total. Overall, the climate solutions portfolio detracted 0.3% in relative terms.
- Companies screened based on the Storebrand Standard exclusion criteria contributed +0.3% to relative return in the quarter. Ninety percent of the fund is invested in companies which are neither fossil nor pure-play climate solution providers. Within this main part of the fund we apply several filters to overweight companies which are well-positioned for the low-carbon transition. For example, the strategy prefers those with low greenhouse-gas emissions; with emissions mitigation plans certified by the third-party Science Based Targets Initiative; and with significant revenue contributions from climate mitigation products (though not pure play and therefore not part of the 10% allocation mentioned above). Portfolio weights within this part of the strategy are also influenced by the tracking-error minimising portfolio construction technique. During Q2, this part of the portfolio detracted 0.5% on a relative basis, with the negative contributions coming from a broad range of companies and no single holding detracting more than 0.05%.
- The best performing positions relative to benchmark during the second quarter were not owning Johnson & Johnson (screened on product safety; +0.06%), not owning Tesla (screened due to labour union rights issues; +0.05%), and being overweight the Hydro renewable company Verbund (+0.05%). The largest detractors were being overweight the Japanese machinery producer Komatsu (-0.05%), being underweight the Canadian software company Shopify (-0.05%) and being overweight the Norwegian bank DnB (-0.04%).

<sup>1</sup> Attribution figures based on the NOR fund but expected to be similar for the LUX fund

## PORTFOLIO INFORMATION

### Top 10 Holdings:

Apple Inc	3.8%
Microsoft Corp	3.5%
Amazon Inc	2.5%
Alphabet Inc C	1.3%
Facebook Inc A	1.3%
JP Morgan Chase & Co	1.0%
Alphabet Inc A	0.9%
NVIDIA Corp	0.8%
Mastercard Inc	0.8%
UnitedHealth Group	0.7%
<b>TOTAL</b>	<b>16.8%</b>

### Sector breakdown:

Information Technology	24.0%
Financial Services	12.7%
Industrials	12.6%
Health Care	12.1%
Consumer Discretionary	10.3%
Telecoms	9.1%
Consumer Staples	7.6%
Real Estate	3.4%
Utilities	3.4%
Materials	3.7%
Energy	0.0%

### Country breakdown\*:

United States	64.1%
Japan	8.1%
United Kingdom	4.3%
France	4.2%
Canada	3.8%
Switzerland	3.0%
Germany	2.9%
Australia	1.7%
Sweden	1.1%
Netherlands	1.1%

\* As at 31/05/2021

## WHY INVEST IN STOREBRAND GLOBAL ESG PLUS?

- ❖ Core-holding strategy with broad and consistent climate adjustments
- ❖ Reduces climate risk by not investing in the fossil fuel value chain
- ❖ Increases exposure to climate solutions via 10% dedicated allocation
- ❖ Low carbon footprint
- ❖ High ESG score
- ❖ Systematic, risk-minimising portfolio construction, expected tracking error below 1%

**Important Information**

*This report is intended for investment professionals only. Except otherwise stated, the source of all information is Storebrand AS as at 31 March 2021. Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice.*

*Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments.*

*The Luxembourg domiciled Storebrand SICAV (10, rue du Château d'Eau, L-3364 Leudelange Grand Duchy of Luxembourg) is registered with all relevant financial regulators in the countries below.*

*SKAGEN AS is part of Storebrand Group. Storebrand Asset Management AS owns SKAGEN 100%. The Storebrand SICAV has appointed the SKAGEN AS as global distributor of the SICAV's sub-funds.*

**Important Information for German Investors**

*Storebrand Asset Management AS has appointed SKAGEN AS Branch Germany to act as Information Agent. SKAGEN Fund's Frankfurt Office is located in Barckhausstrasse 1, 60325 Frankfurt, Germany. The SKAGEN AS Branch in Germany acts as local market representative.*

**Important Information for Luxembourg Investors**

*Storebrand SICAV has appointed Fund Rock Management Company S.A. to act as its designated management company. FundRock Management Company S.A.'s offices are located at: 33, rue de Gasperich, 5826 Hesperange, Grand Duchy of Luxembourg.*

**Important Information for Belgian Investors**

*The Storebrand SICAV has appointed Caceis Belgium SA/NV to act as the Financial Service Provider for the SICAV. Caceis Belgium SA/NV's offices are located at: Avenue du port 86C B320, 1000 Brussels Belgium.*

**Important Information for French Investors**

*The Storebrand SICAV has appointed CACEIS Bank as the Centralizing Correspondent for the SICAV. CACEIS Bank's offices are located at 1-3 Place Valhubert, F-75013 PARIS, France.*

**Important Information for Austrian Investors**

*The Storebrand SICAV has appointed Raiffeisen Bank International AG to act as Local Paying, Information and Contact Agent for the SICAV. Raiffeisen Bank International AG's offices are located at Am Stadtpark 9, 1030 Vienna, Austria.*