


**FUND INFORMATION**

Strategy launch date*	18/04/2016
Fund launch date	04/12/2019
Strategy AuM*	£4.2bn
No. of holdings	713
Benchmark	MSCI World Index
Morningstar Category	Global Large-Cap Blend Equity
Morningstar Sustainability Rating	 <small>Percent Rank Relative to Global Category: Above Average</small>
Bloomberg	STGEAAE:LX
ISIN	LU1932671149
UCITS	Yes
Management Fee	0.3%
Portfolio Manager	Henrik Wold Nilsen

\* Includes NOK and SEK funds



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 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.

Since inception over three years ago, the Norwegian-domiciled fund has provided index relative returns of +0.7% with 1.5% tracking error<sup>2</sup>. The strategy seeks to provide a low-cost investment solution for the global climate emergency by using six key components:


**DIVESTMENT**

We exclude fossil fuels (>5% of sales) and companies with climate negative exposures (e.g. plastics and meat). The strategy is Paris-aligned and considers climate risk across the value chain.


**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 fund, using full lifecycle emissions where possible, to minimise carbon exposure. The result is a portfolio with significantly lower carbon intensity than the benchmark<sup>3</sup>.


**GREEN SOLUTIONS**

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


**LOBBYING**

Companies are not passive actors in climate policy. We engage with but avoid investing in those lobbying against climate action, using data from InfluenceMap and other sources.


**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.

All information as at 31/03/2022 unless stated.

<sup>1</sup> Source: [Bank of England](#)

<sup>2</sup> Inception date: 27/04/2017. Gross of fees and in GBP. 3-year tracking error.

<sup>3</sup> Based on Trucost data (tons / mUSD sales)

**FUND PERFORMANCE**

	Q1 2022	1- Year	Since Launch
<b>Storebrand Global ESG Plus Lux B GBP</b>	<b>-4.72%</b>	<b>11.68%</b>	<b>14.80%</b>
MSCI World Index	-2.80%	15.23%	14.88%
<i>Relative Return</i>	-1.92%	-3.55%	-0.08%

Performance figures in GBP, net of fees

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

- The fund underperformed the MSCI World Index in Q1, with the relative weakness mainly caused by two effects. First, the underperformance of growth stocks versus value in January. Investing in climate change mitigation is intrinsically a bet that growth will be higher for companies providing climate solutions and lower for fossil fuel-related ones, relative to market expectations. Interest rates rose unexpectedly quickly in January, triggering the largest outperformance for value stocks relative to growth in more than 20 years. The fund's portfolio construction technique seeks to reduce the growth / value tilt introduced by its climate objective by investing less in non-climate growth themes and more in non-climate value themes; this reduced the negative effect on the fund in January, but only partially.
- Second, the fund's avoidance of fossil fuel-related companies detracted 1.6% on a relative basis over the quarter, explaining the bulk of its relative underperformance during the period. In January, the fund lost 0.8% from not investing in fossil fuel-related companies and a further 0.6% from investing in pure-play climate solutions companies. In February, the tragic war in Ukraine led to very high fossil fuel prices, costing the fund 0.5% on a relative basis. However, this was balanced out by a positive 0.5% contribution from investing in pure-play climate solutions as the EU made a renewed effort to hasten the transition from fossil fuels to renewables to end its dependency on Russian commodities. The drag on performance from not owning fossil fuels-related securities continued in March, detracting a further 0.4% from relative returns. For the quarter as a whole, the contribution from climate solutions was neutral.
- Other exclusions detracted 0.5% on a relative basis, with not owning weapons and tobacco producers creating the largest negative effect. The c. 90% proportion of the portfolio which is neither invested in pure-play climate solutions nor in screened companies added 0.2% to relative performance in Q1. This main part of the fund is constructed to reduce its overall tracking error, while also being tilted towards companies expected to benefit from a successful implementation of the Paris Agreement, using multiple data points which include science-based climate plans, carbon intensity and green revenues.
- To summarise, on an index relative basis, the first quarter was disappointing for the fund. This was driven by non-climate change-related topics, namely unexpected interest rate rises driving significant value/growth re-pricing and the war in Ukraine. The strategy seeks to minimise the effects of non-climate change events on the fund's relative performance, but this inevitably has some limitations, particularly during a period of exceptional events.

<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	5.0%
Microsoft Corp	4.0%
Amazon Inc	2.8%
Alphabet Inc A	1.6%
Alphabet Inc C	1.3%
NVIDIA Corp	1.1%
UnitedHealth Group	0.9%
Meta Platforms Inc	0.9%
JP Morgan Chase & Co	0.9%
Nestle	0.8%
<b>TOTAL</b>	<b>19.3%</b>

**Sector breakdown:**

Information Technology	25.0%
Health Care	13.3%
Industrials	12.7%
Financial Services	12.2%
Consumer Discretionary	10.1%
Telecoms	8.2%
Consumer Staples	7.6%
Materials	3.7%
Utilities	3.7%
Real Estate	3.6%
Energy	0.0%

**Country breakdown:**

United States	66.2%
Japan	6.9%
United Kingdom	4.1%
Canada	3.9%
France	3.6%
Switzerland	3.0%
Germany	2.3%
Australia	1.6%
Netherlands	1.5%
Sweden	1.1%

**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 is marketing communication and this document is intended for professional investors only.*

*Except otherwise stated, the source of all information is the Storebrand Luxembourg SICAV as at 31/03/2022.*

*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.*

*Future fund performance is subject to taxation which depends on the personal situation of each investor, and which may change in the future.*

*Storebrand SICAV is an investment company with variable capital (société d'investissement à capital variable) incorporated under the form of a société anonyme in the Grand Duchy of Luxembourg. It qualifies as a UCITS and falls under the supervision of the Luxembourg financial supervisory authority, Commission de Surveillance du Secteur Financier (the CSSF). Storebrand SICAV has appointed Fund Rock Management Company S.A. to act as its designated management company and further FundRock has appointed Storebrand and SKAGEN AS as its investment managers.*

*No offer to purchase shares can be made or accepted prior to receipt by the offeree of the fund's prospectus and KIID and the completion of all appropriate documentation. You can download more information including subscription/redemption forms, full prospectus, Key Investor Information Documents (KIID), General Commercial Terms, Annual Reports and Monthly Reports in English language from Storebrand's webpages (details available at [www.storebrandfunds.co.uk](http://www.storebrandfunds.co.uk)).*

*Investors' rights to complain is made available to investors pursuant to our complaints handling policy and procedure. The summary of investor rights in English is available here: [www.storebrandfunds.co.uk](http://www.storebrandfunds.co.uk)*

*The Storebrand SICAV may terminate arrangements for marketing under the Cross-border Distribution Directive denotification process.*

*The Storebrand SICAV has registered its 6 Sub-Funds (SKAGEN Kon-Tiki Lux, SKAGEN Focus Lux, SKAGEN Global Lux, SKAGEN m2 Lux, Storebrand Global Solutions Lux and Storebrand Global ESG Lux) for public distribution in Luxembourg, the UK, Germany, Austria, the Netherlands, Belgium and France.*

**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 UK Investors**

*The Storebrand SICAV has appointed SKAGEN AS UK Branch to act as Facility Agent and local representative in the UK. SKAGEN's London Office is located at 15 Stratton Street, London, W1J 8LQ. The SKAGEN AS UK Branch is authorised by Finanstilsynet and subject to limited regulation by the Financial Conduct authority. Details about the extent of the authorisation and regulation by the Financial Conduct Authority are available on request. The SKAGEN AS UK Branch has temporary permission from the UK FCA to carry out its authorised activities under the UCITS Directive.*

**Important Information for German Investors**

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

**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 Payin g- Information and Contact Agent for the SICAV. Raiffeisen Bank International AG's offices are located at Am Stadtpark 9, 1030 Vienna, Austria.*