

**Investment strategy highlights**

BankInvest Global Equity Income is a bottom-up stock picking strategy. The ambition is to achieve a competitive total return with focus on 1) risks, 2) cash flow/dividends, and 3) share price appreciation.

Over the long term, dividend paying stocks have outperformed and shown lower risk than the market – this is well-documented.

**Investment philosophy**

**1) Certainty principle:** The most certain aspect of investing is uncertainty. Hence, risk is the first pillar of the investment philosophy.

**2) Cash flow/dividend focus:** Focus on both generation of cash flow and use of cash flow. Dividends are paid by cash flows. Focusing on companies with high and stable cash conversions.

**3) No conviction:** No conviction bets and equal weighted portfolio.

**4) Strategic focus:** Focus on “Need to have” over “Nice to have” products and services. The resilience of the former becomes obvious in times of economic uncertainty.

**5) Ambition:** Avoiding “losers”, rather than picking “winners”.

**About the strategy**

Inception with current management team	12 May 2011
Total strategy AuM (EURm)	1,118
Benchmark	MSCI World HDY

**Portfolio characteristics**

Characteristics	Portfolio	Benchmark
# securities	51	380
Dividend yield	2.8%	3.6%
P/E ratio, 12m forward	15.9x	14.3x
Active share	76%	
ESG rating, MSCI	AA	

Risk, 3 year (36m)	Portfolio	Benchmark
Standard deviation	9.7%	10.1%
Sharpe ratio	0.77	0.70
Beta (vs BM)	0.92	
Tracking error	2.8%	
Information ratio	0.14	

**Sector exposures**

Sector	Portfolio	Benchmark	+/-
Health Care	19.8%	15.6%	4.2%
Financials	17.9%	13.7%	4.2%
Information Technology	8.6%	5.6%	3.0%
Real Estate	2.3%	0.3%	2.0%
Industrials	12.5%	10.9%	1.6%
Materials	5.2%	4.1%	1.2%
Communication Services	4.5%	4.3%	0.2%
Consumer Staples*	17.7%	18.8%	-1.1%
Utilities	4.9%	6.1%	-1.3%
Consumer Discretionary	6.2%	10.8%	-4.6%
Energy**	0.0%	9.8%	-9.8%

\*Notes: Tobacco accounts for ~3% in benchmark

\*\*Notes: The strategy will not invest in producers of fossil fuels.

**Top 10 holdings relative**

Security	Weight	+/-
Microsoft	2.4%	2.4%
Essity	2.4%	2.3%
American Tower	2.3%	2.3%
Willis Towers Watson	2.3%	2.3%
Amdocs	2.3%	2.3%
Alliant Energy	2.4%	2.3%
DSV	2.2%	2.2%
London Stock Exchange	2.2%	2.2%
ING Group	2.2%	2.2%
Bridgestone	2.3%	2.2%
Top 10 active share		22.8%

**Cumulative performance (\*)**

Returns in EUR	1m	YTD	1 year	3 years	5 years	10 years	----- Since Launch -----	
Portfolio	-3.4%	2.7%	7.9%	24.3%	101.0%	140.1%	Cumulative	Annual.
MSCI World HDY	-3.9%	2.2%	9.0%	22.9%	80.0%	95.5%	244.1%	9.3%
Excess return	0.5%	0.5%	-1.1%	1.3%	21.0%	44.6%	119.3%	2.4%

**Annual performance (\*)**

Returns in EUR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Portfolio	14.2%	16.6%	18.6%	11.9%	13.9%	7.9%	-0.6%	24.9%	-1.7%	32.5%	-1.6%	9.0%	12.9%
MSCI World HDY	10.5%	16.6%	16.7%	7.8%	12.6%	3.8%	-2.9%	25.4%	-8.3%	24.6%	1.5%	5.4%	15.2%
Excess return	3.7%	-0.0%	1.9%	4.1%	1.4%	4.1%	2.3%	-0.6%	6.6%	7.9%	-3.1%	3.6%	-2.3%

**Portfolio construction**

- Approx. 50 stocks with 1.5-2.5% in each stock (equally weighted).
- All sectors in developed markets (excl. fossil fuels and tobacco).
- The portfolio is more-or-less sector neutral (to reduce “macro risk”).

**Portfolio managers**

Manager	Years of experience
Michael Clemens <i>Chief Portfolio Manager</i>	>30
Kresten Johnsen <i>Senior Portfolio Manager</i>	>15
Aleksander Edemann, CFA <i>Portfolio Manager</i>	>5

Source: Bloomberg, BankInvest, 31.03.2025. \*Notes: Gross return before fees.

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