

**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)	1,081
Benchmark	MSCI World HDY

**Portfolio characteristics**

Characteristics	Portfolio	Benchmark
# securities	51	365
Dividend yield	2.8%	3.7%
P/E ratio, 12m forward	16.0x	14.4x
Active share	76%	
ESG rating, MSCI	AA	

Risk, 3 year (36m)	Portfolio	Benchmark
Standard deviation	10.2%	10.8%
Sharpe ratio	0.60	0.48
Beta (vs BM)	0.91	
Tracking error	2.9%	
Information ratio	0.33	

**Sector exposures**

Sector	Portfolio	Benchmark	+/-
Financials	17.9%	13.9%	4.0%
Industrials	13.8%	11.3%	2.5%
Real Estate	2.3%	0.2%	2.1%
Health Care	18.5%	16.6%	1.8%
Information Technology	9.1%	7.3%	1.8%
Materials	5.0%	3.2%	1.8%
Communication Services	3.8%	3.7%	0.1%
Consumer Staples*	18.2%	18.7%	-0.5%
Utilities	4.7%	6.2%	-1.5%
Consumer Discretionary	6.2%	10.4%	-4.2%
Energy**	0.0%	8.5%	-8.5%

\*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%
Royal Bank of Canada	2.4%	2.4%
Schneider Electric	2.3%	2.3%
American Tower	2.3%	2.3%
Heineken	2.3%	2.3%
ING Group	2.3%	2.3%
Amdocs	2.3%	2.3%
S&P Global	2.3%	2.3%
London Stock Exchange	2.3%	2.3%
Willis Towers Watson	2.3%	2.3%
Top 10 active share		23.2%

**Cumulative performance (\*)**

Returns in EUR	1m	YTD	1 year	3 years	5 years	10 years	----- Since Launch -----	
Portfolio	2.3%	0.1%	6.8%	19.6%	74.9%	130.5%	Cumulative	Annual.
MSCI World HDY	2.1%	-1.8%	5.3%	16.4%	58.8%	86.6%	230.6%	8.9%
Excess return	0.2%	1.9%	1.5%	3.2%	16.1%	43.9%	121.2%	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 1.0-2.5% 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, 31.05.2025. \*Notes: Gross return before fees.

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