October 2025

BankInvest Fundamental Global Equities

## Agenda

People

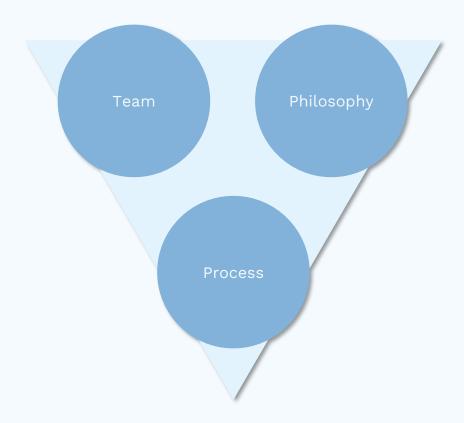
Philosophy

**Process** 

Portfolios

Performance and Risk

Appendix



## Global Strategies ------ Equity Income

- Dividend paying stocks
- BM: MSCI World High Dividend Yield Index
- Around 50 stocks (equal weighted)

### Global Equities

- No dividend requirement
- BM: MSCI World Index
- Around 50 stocks (minimum weight of 0,5%)

## Executive summery

People	<ul> <li>Stable team with diversified set of competences</li> <li>Clear succession plan</li> </ul>						
Philosophy	Risk (incl. ESG/sustainability) is an integrated part of the investment philosophy and therefore in all stages of the investment process Focus on long-term value creation Acknowledge of own short-comings and potential biases						
Process	·	defined and repeatable process with proven track record amental bottom-up stock picking with strong focus on understanding company risks and financials					
Portfolios	<ul> <li>Global Equity Income</li> <li>Diversified portfolio with measured "macro risk"</li> <li>Approximately equal weighted portfolio with no conviction bets mitigates behavioral biases</li> <li>Dividend paying companies only</li> </ul>	<ul> <li>Global Equities</li> <li>Diversified portfolio with measured "macro risk"</li> <li>No conviction bets mitigates behavioral biases</li> </ul>					
Performance and Risk	<ul> <li>Strong performance with excellent risk profile</li> <li>Comprehensive risk and compliance oversight</li> </ul>						

## People

## The team structure promotes a diversified skillset, facilitates intra-team learning and establishes a succession path.



Michael Clemens Chief Portfolio Manager

Developed, designed and started the Global Equity Income strategy in 2011 and the Global Equites strategy in 2021

+30 years experience as (sell-side analyst and buy-side portfolio manager)

Born 1962



Kresten Johnsen Senior Portfolio Manager

Joined the team in 2015

+15 years experience as (sell-side analyst and buy-side portfolio manager)

Born 1986



Aleksander Edemann, CFA
Portfolio Manager

Joined the team in 2020

+6 years experience as (sell-side analyst and buy-side portfolio manager)

Born 1994

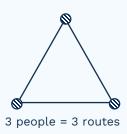
### Team support



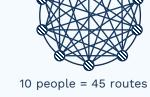
Trading	Trading execution
Risk team	Produce risk reports Report and discuss relevant portfolio and stock specific risks to PM team
ESG team	Produce ESG reports Report and discuss relevant portfolio and stock specific ESG and sustainability issues to PM team
Client Management	Client reporting and client admin. relationships

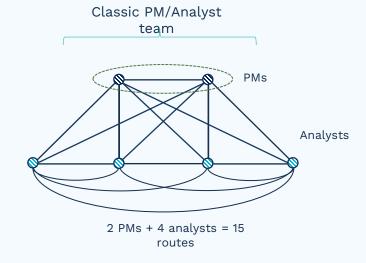
## Strengths of small teams

- Fewer team members result in fewer communication routes [formula:  $\frac{n*(n-1)}{2}$ ]
- Information passes through fewer intermediaries, reducing the risk of information distortion or loss.
- A smaller group minimizes the chances of information overload from excessive or redundant inputs.
- Streamlined communication ensures critical information is effectively shared and understood.





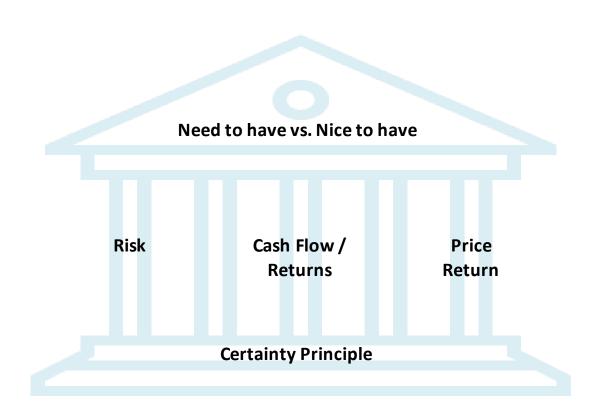




## Investment philosophy

## Investment philosophy

- The most certain aspect of investing is uncertainty. Hence, Risk is the first pillar of our investment philosophy. Risk is multi-dimensional to us and incorporated already into the portfolio design.
- Long-term value generation stem from cash flows and return on investments, not reported earnings or adjusted earnings.
- We do not disregard price return, but since we do not know when the market will be up or down, we are patient and long-term investors. While we care about the generation of free cash flow, we also care about the use of that free cash flow and generally prefer dividends, share buy-backs and small bolt-on acquisitions to large-scale transformative M&A's.
- We prefer "Need to have" over "Nice to have".
  - The resilience of the former over the latter becomes obvious in times of economic uncertainty.
  - "Need to have" products and services will probably thrive better as the battle against climate change might influence the total demand side of the economy.
- We consider downside protection just as important as upside potential.

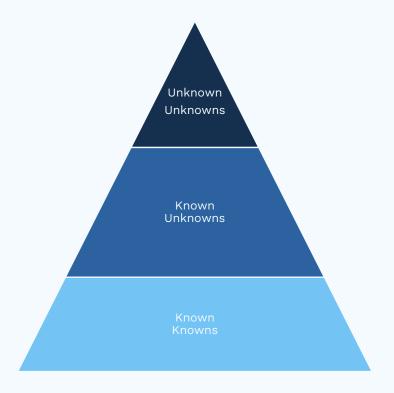


## Inspiration

- Our philosophical approach to risk management is inspired by <u>former US Secretary of State, Donald Rumsfeldt</u> and his mentioning of "<u>unknown</u> <u>unknowns</u>" in a report to the US senate in 2002 about the war in Iraq. The concept has its origin in psychology and is known as the Johari window.
- We are inspired by <u>Warren Buffett</u>, among other things around the <u>circle of competence</u> principle.
  - Following "The circle of competence principle", we do not invest in "narrow" technology companies (IT and bio-tech especially).
- We are inspired by the field of <u>Behavioral Finance</u>, including among others <u>Daniel Kahneman</u> and <u>Amos Tversky</u>, <u>Robert Shiller</u>, <u>Paul Slovic</u>, and others.
  - We therefore acknowledge that we might be wrong, even though we think we know what we are doing.
  - Hence, we generally refrain from large "conviction bets", which mitigate behavioral biases such as overconfidence and reduce tail risk in the portfolio.
  - We are believers in "mean reversion" in many cases, although of course, we understand that "structural breaks" may change the "mean" over time.
  - We believe that too much information may impair the quality of the decision process. Hence, we believe in a team of generalist portfolio managers rather than specialized internal sector analysts, where information for information's own sake, sometimes result in information overload.
- Our investment philosophy is also inspired by the <u>Tour de France metaphor of investing</u> put forward by <u>Terry Smith</u>.
  - In the Tour de France, there are three types of stages: flat stages, time trial stages and mountain stages. Often one cyclist does not excel in all types of stages, but the winner is the cyclist with most endurance and who do not "fall apart" in any type of stage. We see investing the same way: whether the economy is expanding or contracting, whether one factor dominates other factors for a time, whether raw material prices, interest rates or currencies goes up or down, we aim to perform over the long run. This has inspired us to operate a broad diversified "macro neutral" portfolio with around 50 stocks.
- We believe in the "agency cost of free cash flow" theory as formulated by Michael C. Jensen in 1986. Hence, besides focus on return on capital, we also analyze the pattern of return of capital (capital allocation). The latter is also incorporated into one of our valuation models.
- Our focus on "Need to have versus" "Nice to have" is inspired by <u>Maslow's Hierarchy of Needs</u> and experience from economic crisis such as the financial crisis of 2008-2009 and the Covid-19 lockdowns in 2020-21.

## Types of risks and how we deal with them

- Former US Secretary of Defense, Donald Rumsfeld once mentioned the presence of "Unknown Unknowns" in decision making." We have adopted this way of thinking about risk.
- The only "sure thing" about investing in stocks is that nothing is sure. Hence, risk and uncertainty needs to be taken seriously from the start.
- In the design of the portfolio and in our daily work, we try to take all three types of risk into consideration.



#### What we don't know we don't know - Risks that we don't know exists

• Black Swan events: Broad diversification, no "conviction bets"

### What we know we don't know – Risk that we know, but don't know for sure which direction it will take

- Macro risks: "Measured" macro risk taking. Maintain broad diversification on sectors and regions/countries
- Technological, regulatory, fashion risks: Focus on business models with manageable risks

#### What we know we know- Risks that we know

- · True cash flow to shareholders decide long-term value creation
- Agency issues: Management misuse of free cash flow on non-value creating investments → Focus on capital allocation
- Risk of default: Try to avoid companies with high debt AND unstable earnings

## Investment procss

## Investment process

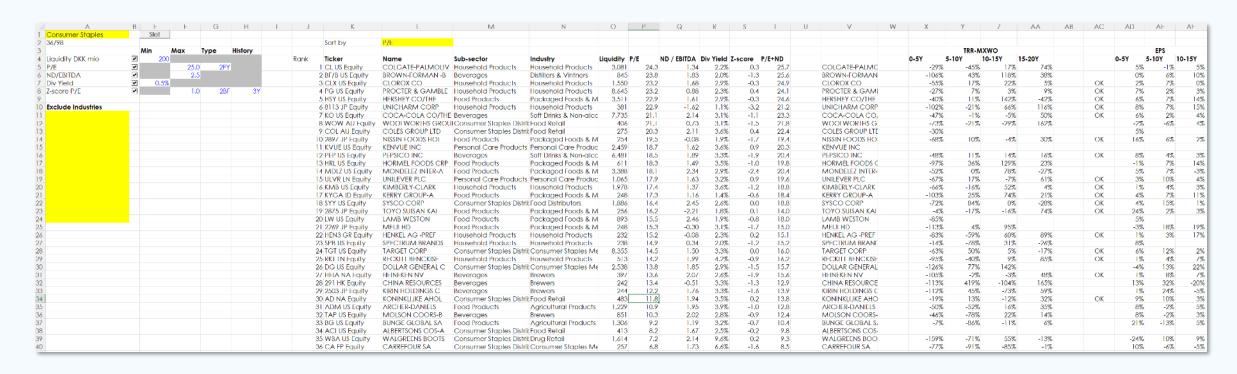
Investment Process Step	Defining Universe	Idea Generation	Research Process	Valuation	Pair Trade Analysis	Portfolio Construction
Key Issues to Consider	<ul> <li>Market cap.</li> <li>Trading liquidity</li> <li>Developed Markets</li> <li>GEI: Dividend paying companies only</li> </ul>	<ul> <li>Analyst meetings</li> <li>Conference participation</li> <li>Meeting corporates</li> <li>Regular and systematic monitoring of portfolio companies and large "peer group" of investable companies</li> </ul>	<ul> <li>How does the industry look in 5-10 years?</li> <li>Can the company compete? / Strategic moat?</li> <li>Full financial analysis with a focus on defining real free cash flow</li> </ul>	Applying various valuation models based on own financial forecasts	Relative valuation and relative upside/downside of two related and competing investment opportunities	Optimal position size of new investments and normal rebalancing due to portfolio maintenance
Risk Management	<ul> <li>Manage illiquidity risk</li> <li>Eliminate excess indebted companies</li> </ul>	Does the company's business fit within our circle of competence?	<ul> <li>Analyze traditional credit metrics.</li> <li>Need to have vs. Nice to have?</li> <li>Identify and assess potential hidden risk factors.</li> </ul>	Integrate business, financial and liquidity risk into discount factors and target multiples	Relative risk profiles may weigh in the decision process if pair-trade analysis is inconclusive	<ul> <li>Manage "macro risk" exposure</li> <li>Manage portfolio liquidity risk</li> </ul>
ESG and Sustainability Management	Apply exclusion lists	Apply exclusion lists	<ul> <li>Analyze potential red flags but apply "Nice to have" and "Need to avoid" principle</li> <li>Abandon ideas with any "Need to avoid" ESG issues</li> </ul>	Integrate ESG and sustainability issues into valuation	Relative ESG and sustainability profiles may weigh in the decision process if pair-trade analysis is inconclusive	Balancing the portfolio's ESG and sustainability profile
Output	Investable Universe	Buy and sell candidates, as well as portfolio maintenance trades	<ul> <li>Understanding of industry dynamics and company's position within</li> <li>Detailed financial modelling</li> <li>Identification of "hidden" risks</li> </ul>	<ul> <li>Fair value point estimate(s)</li> <li>Fair value range</li> <li>IRR estimate</li> </ul>	<ul> <li>Relative attractiveness of new idea vs. existing investment</li> <li>Decision to invest or put on "hold"</li> </ul>	• Final portfolio

#### The investable universe is defined as result of taking into consideration the following:

- Developed markets
- Market cap. and trading liquidity limitations
- Excessive debt and valuation screens
- General and client specific exclusion lists
- [GEI: Dividend paying companies only]
- To this gross list, we apply or "circle of competence" overlay.
- This means, we acknowledge our short-comings when it comes to certain technological or bio-tech/pharma areas. Hence, we refrain from investing in companies with narrow product ranges in these segments.
- Normally, the market cap. and trading liquidity screens eliminate most "young" tech and bio-tech companies already.

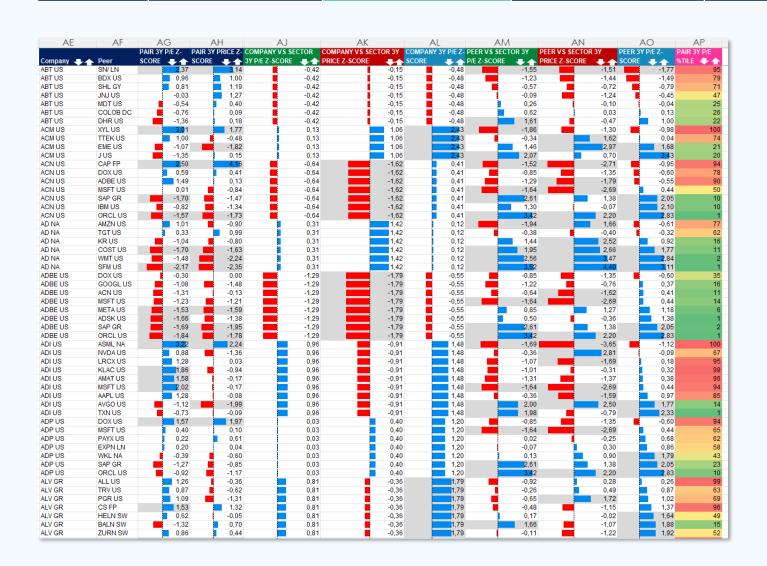


- New ideas (buy or sell) are generated both from external and internal sources.
- External sources include broker research, analyst meetings, participation in conferences and meetings with corporates.
  - We subscribe to research from 14 regional and global brokers.
  - · We participate in conferences when appropriate.
  - We meet with corporate management, either physical or virtual.
- Internal sources include:
  - Quant-based screens based on Bloomberg EQS tool exported into Excel for further analysis. The screens that are imported into Excel for further data treatment are typically sector or sub-sector based, or special case based (Japan). Broad based EQS screens are performed directly on Bloomberg due to data "overload" if imported into Excel.
  - Peer-group Z-score monitoring.
- <u>Ideas for more regular portfolio maintenance</u>, i.e. trading 5-25bp up or down are generated from:
  - Peer-group Z-score monitoring.
  - "Valuation tool", which based on Bloomberg data calculates a range of different variables per stock in the portfolio.



#### Excel-based screen (Bloomberg data import)

- We have defined screens on sector, sub-sector, "special" countries (Japan, Australia) and total market screen (see snip).
- To the screens, we apply the internal exclusion list and certain liquidity, valuation, debt, yield and Z-score criteria.
- The output changes according to the limits provided for each criteria. Performance consistency and EPS growth consistency are checked with "OK".
- The choice of sector or sub-sector search typically takes its origin in a possible sell candidate from that same sector or sub-sector and/or from an unwarranted "macro risk", which we typically identify as excessive sector and sub-sector deviations from benchmark.



#### Peer group Z-score monitoring

- In total 600 pair trades are analyzed weekly or ad hoc.
- The most extreme Z-scores may act as input to either regular portfolio maintenance (5-10-15-20-25bp trades), or new idea generation (Buy or Sell).
- Data is daily Bloomberg data on price and consensus P/E.
- The list of companies and peer group companies is reviewed and maintained continuously.
- Example: ADI US (Analog Devices) are compared to both semi-cap stocks, software companies, chip makers and its direct competitor (TXN US). This will give us a sense of the relative valuation of the analog chip stocks (ADI and TXN) relative to other segments of the tech/IT sector.
- This data rich table may be supplemented with a visual presentation in a pair-trade chart (see later under "Pair Trade Analysis") to get a feeling for the potential relative performance upside/downside and see the current Z-score in a historical content.
- This tool is used for generating new ideas and for general portfolio maintenance.

Research Process



1.2% 2.9% 7.1%

#### "Valuation tool"

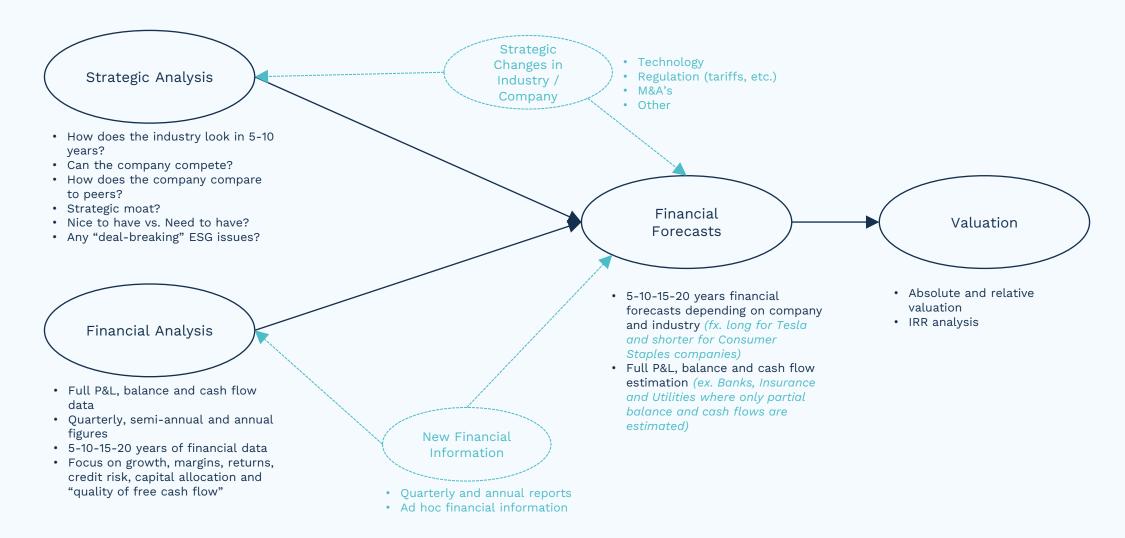
- Data is sourced from Bloomberg.
- Various return, earnings, valuation, debt metrics, yield and Z-scores are calculated for each stock in the portfolio.
- Each column can be ranked from "high to low" and vice versa.
- Generally, stocks with good performance, high increase in P/E ratio, high Z-scores, etc. are candidates for selling, while the opposite is true for candidates for buying.

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Investment

**Process Step** 

Defining Universe



- Capital investments
- Taxes
- Pensions
- Recurring non-GAAP / exceptional items
- Capital allocation
- Amortization of acquired intangible assets
- Share-based compensation (see next slide)
- Composition of organic growth

Here only special items are mentioned. "Standard items" such as growth, margins, return on capital, credit risk, etc. are naturally also analyzed.

#### Capital investments

- Is the company investing enough to maintain its capital equipment and machinery (PPE) up-to-date?
- · Here we look at relevant ratios such as capex/sales and capex/D&A and compare with history and peers.

#### Taxes

- Is the tax rate unusually low or high? Why?
- Is the company paying adequate cash taxes compared to expensed taxes?

#### Pensions

- Are pension obligations over- or underfunded? Any drag in CFFO from unfunded pension obligations.
- Are assumptions realistic and appropriate (discount rate, expected return on plan assets)?
- How big influence does non-cash pension income/expense have on reported GAAP/Non-GAAP earnings?
- Asymmetric valuation of pension obligations and pension assets.

#### Recurring non-GAAP special items

- Some companies define their Non-GAAP profits exclusive of what they define as "special items". These items could involve restructuring costs/severance costs, litigation costs, etc.
- If we see a regular pattern in these costs year after year, our financial budgets will include an estimate of such costs, which of course will reduce true free cash flows compared to any Non-GAAP profit measure.

#### Capital allocation

- While some prefer to evaluate the ESG quality of the board of directors by the percentage of female members and the split of the role of CEO and Chairman, we prefer to look at the actual decisions the board makes to judge the quality.
- To this end, capital allocation in the form om dividends, buy-backs, debt paydown and M&A spending goes a long way in our view. We are believers in the theory of "agency cost of free cash flow" and therefore besides analyzing return on capital, we also analyze return of capital.

#### Amortization of acquired intangible assets

- We regard amortization of acquired intangibles expenses as a legitimate Non-GAAP adjustment to reported results (adjusting for any tax impact naturally).
- "All-in" ROIC metrics will automatically increase as these assets are amortized.

#### Composition of organic growth

- We like to decompose organic growth into "volume" and "price" components.
- We also acknowledge that some organic growth stem from merely increasing local prices to reflect FX devaluation. Hence, we also track "organic growth + FX impact", which we seldom see in research from other parties. This is especially important for forward estimation.

Portfolio

Construction

Fair Value

Difference

#### Defining true free cash flow to shareholders

- In our view, analysts are often sloppy when defining free cash flow to equity.
- While the example in the table is hypothetical, it illustrates how we adjust standard cash flow presentations to arrive what we believe is a more truthful view of the real cash flow.
- A common mistake is lack of adjusting for non-cash compensation in the form of share-based compensation. It does have a cost in the form of dilution of existing shareholders. We treat the expense as "cash" and subtract it.
- We calculate "cash conversion" as "CC = FCFE / Net profit to shareholders". CC is a key input in calculating "target P/E" and hence Fair Value [ target P/E = CC / (CoE - g), where "g" is growth in FCFE and CoE is cost of equity ].
- In the example, the difference is 8% in the fair value estimate, which we find meaningful.

	Standard approach	Our approach
	арргоасп	арргоасп
Pre-tax profit	1.250	1.250
Taxes	-250	-250
Net profit	1.000	1.000
	Standard	Our
	approach	approach
Net profit	1.000	1.000
Depreciation and amortization	200	200
Deferred taxes	10	10
Share-based compensation	75	75
Other non-tax items	0	0
Change in net working capital	-50	-50
Cash Flow From Operations	1.235	1.235
Investments in PPE	-275	-275
Other investments	0	0
Cash Flow From Investing Activities	-275	-275
CFFO	1.235	1.235
Investments in PPE	-275	-275
Share-based compensation		-75
Free Cash Flow to Equity	960	885
Cash Conversion	96%	89%
Cost of Equity	8,5%	8,5%
Long-term CAGR	3,0%	3,0%
Target P/E	17,5	16,1

17.455

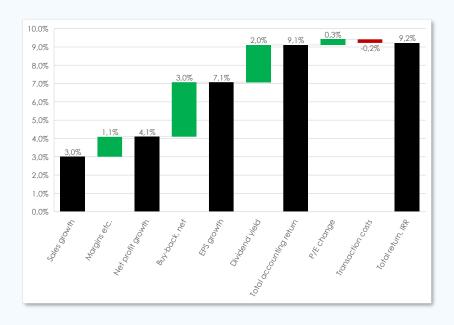
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-8%

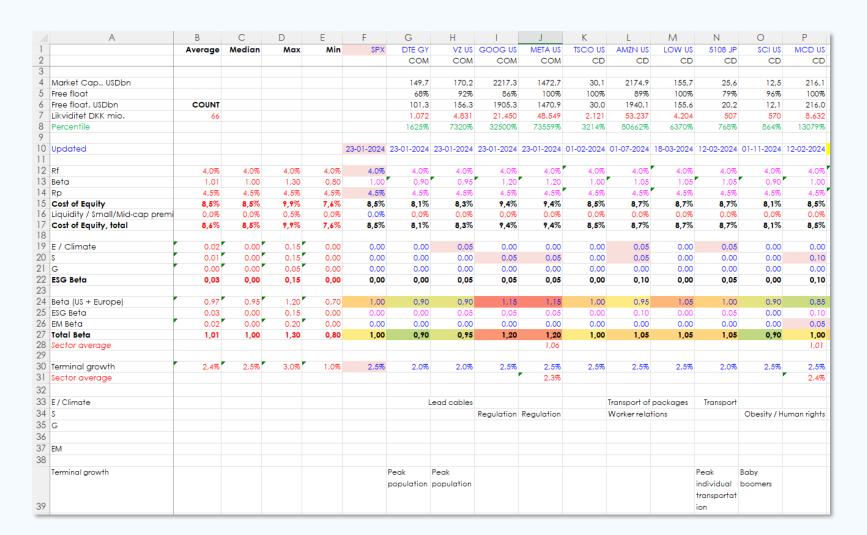
- Our fundamental valuation relies on our own internal models and estimates. We do not use external databases such as Bloomberg, HOLT, etc. as input to our valuation models. The main reason is that the definition of free cash flows and the valuation of "non-standard" elements in the DCF-model is often lacking quality. Another reason is of curse, that we want our estimate of fair value per share to reflect our view of the company and not somebody else's.
- Our valuation models are all internally developed. We apply a broad range of valuation models:
  - DCF-valuation based on free cash flow to firm (traditional non-financial firms).
  - Dividend discount valuation (mostly for regulated US utilities).
  - FCFE-valuation based on free cash flow to equity.
    - This method is mostly applied as an enhanced Gordons Growth Model (all firms).
    - Besides the "Base case", a "Worst case" and "Best case" estimate are often produced as well.
    - In a few instances, we also apply Monte Carlo simulation to this model's input.
    - If possible, we calculate a fair value at each year-end back in time and compare with the actual share price to assess the "stability of the fair value" compared to the share price.
  - Sum-of-the-parts valuation (were appropriate and possible).
  - Internal Rate of Return analysis (all firms).
- Where discount rates (Cost of Equity and/or WACC) are applied, our starting point is an "average US/European" company. We then adjust this "Developed Markets" cost of capital estimate for "Size" (trading liquidity), special ESG- and sustainability risks and "excess" Emerging Market exposure. In theory, the standard CAPM model is thus enhanced into a multi-factor APT (Arbitrage Pricing Theory) model. We compare all estimates of cost of equity within sectors and across sectors to achieve consistency in our assumptions.
- We generally do not apply peer group multiples on a specific company to arrive at a fair value estimate. The reason is that we distinguish between "Price" and "Value". Price can be observed in the market and is objective, while Value must be estimated and hence is subjective to a large extend.
- While we do not apply "peer group P/E" as input, we do calculate a "target P/E" multiple based on theoretical foundations. This target P/E is just a "derivative" of the FCFE-valuation model as described above.

- Our FCFE valuation model distinguish between components of free cash flow, each valued independently. If buy-back is a normal use of free cash flow and if the share price is below our fair value estimate, we believe that this fact adds additional value. And vice versa.
- A simplified Worst-Best case analysis is also performed.

Amdocs			BASE CASE			12. november	2024	
	Adj. EPS	<b>Cash Conversion</b>	FCFE / sh	DPS	Buy-backs	N	/I&A	
Adj. EPS (local FX)	7,13							
Cash Conversion	83%	83%						
Adj. ESP	7,13	83%	5,92	2,14	2,14		1,64	
% of Adj. EPS	100%	83%	83%	30%	30%		23%	
Cost of Equity		8,3%	8,3%	8,3%	8,3%		8,3%	
Sustainable growth rate		3,4%	3,4%	3,4%	3,4%		3,4%	
Fair Value / share		100,5	122,0	44,1	44,1		33,8	
Current Share Price			93,0					
% upside / downside			31%					
Buy-back upside / downside			16%		6,9			
M&A premium (after synergies)			5%				-1,7	
Adj. Fair Value / share			127,2	44,1	51,0		32,1	
% upside / downside			37%					
Implied Cost of Equity			9,8%				_	
						WORST	BASE	BEST
Current P/E, x			13,0	Adj.	EPS	6,78	7,13	7,49
Target P/E, x			17,1	EPS F	-lex	-5%	0%	5%
Target P/E, x (incl. BB + M&A, net)			17,8	Cash	Conversion	81%	83%	85%
SENSITIVITY			ALERTS	CC FI	lex	-2%	0%	2%
EPS Flex (%) (default = 0%)			0%	FCFE	/sh	5,49	5,92	6,37
Cash Conversion Flex (%-points) (de	efault = 0%)		0%	FCFE	Index	93%	100%	108%
Buy-back upside (default 100% inclu			50%	Cost	of Equity	9,3%	8,3%	7,8%
				CoE	Flex	1,0%	0,0%	-0,5%
		Growth rate	Duration (years)	CAG	R Growth	2,4%	3,4%	3,9%
Short-term growth rate		4,0%	10	CoE I		-1,0%	0,0%	0,5%
Medium-term growth rate		3,3%	10	FV /s		•	122,0	165,3
Long-term growth rate		2,5%	5	•		80,1	•	•
Blended growth rate		3,4%	25		sh Index	66%	100%	135%
					e price	93,0	93,0	93,0
					de / Downside	-14%	31%	78%
				Targe	et P/E	11,8	17,1	22,1



- Our IRR analysis rely mostly on three variables: EPS growth, dividend growth and exit P/E multiple in 4-5-6 years.
- We usually like to illustrate the IRR in a waterfall chart to see the "components" of total IRR.
- Transaction costs may vary from stock to stock depending on market cap. and estimated market impact.



Idea Generation

- This is a "snip" of our database for comparing cost of equity estimates across companies within sectors and across sectors.
- Our "base case" is based on the S&P 500 index (column F) and from that estimate, we change the beta component of the CAPM-model as deemed appropriate.
- We adjust for trading liquidity (proxy for "Size") in lines 7 and 16 and for ESG factors in lines 19-22 and 25, as well as (excess) Emerging Market exposure in line 26.
- While the standard CAPM beta is found in line 24, the adjusted multi-factor beta is found in line 13 and 27.
- The database consists of many columns with similar information on other companies.

Investment

**Process Step** 

Defining Universe

- Since we operate a portfolio of around 50 stocks, a new stock idea will sometimes have to replace and existing stock in the portfolio. To help facilitate this decision, we apply pair trade analysis.
- While both stocks are analyzed "independently", we also compare the relative valuation and the relative performance to improve the timing of the switch.
- In our view, pair trades comes in a number of versions:
  - Close pair trades, fx. Visa Mastercard, March & McLennan-AON, CMS Energy-DTE Energy, etc.
  - Intra-sector pair trades, fx. Microsoft SAP, Applied Materials-KLA Corp., JP Morgan-Royal Bank of Canada, Company A-Sector, etc.
  - Inter-sub-sector pair trades, fx. Banks Insurance, Auto manufacturers Tire manufacturers, Pharmaceuticals - Med-tech, etc.
- Generally, the more alike the two pair-trade stocks are, the less risk is involved in the pair trade, but unfortunately, also typical lower relative upside/downside.
- Our pair-trade tool is based on Bloomberg data and look at relative valuation (P/E, EV/EBITDA, P/BV) for the stocks in question. Historical mean (median), standard deviation and Z-scores (normalized standard deviation) are calculated and presented both numerical and graphically.
- The charts to the right illustrate (some of) the graphical output from a pair-trade between AON US and MMC US.
- The tool is flexible as regards to time-period and allows us to calculate relative returns on the movements in the Z-score. As can be seen, the relative movements in valuation was moderate until early 2023, when AON underperformed, which lasted until mid-2024, where the stock began to outperform.
- Typically, we would require at least +/- 1.5 standard deviation (Z-score) to initiate a pair trade (switch) but if the new stock idea has a better risk-profile (i.e. lower credit credit, better ESG-score and better cover some unwarranted "macro risk"), then a trade can be initiated, as long as the pair trade does not signal relative downside risk.







Investment Process Step	Defining Universe	Idea Generation	Research Process	Valuation Process	Pair Trade Analysis	Portfolio Construction
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- Our portfolio construction, monitoring and analytical system is **Aladdin from BlackRock**. This is supplemented with internal portfolio analytical models in Excel and general portfolio analytical tools in Bloomberg.
- All new ideas and trade proposals are first entered into our proprietary "Portfolio Rebalancing Model" in Excel, which draws on data from Aladdin, which again draws on (ESG) data from MSCI, among others.
- When a new buy proposal is entered along with the proposal of selling an existing stock into our "Portfolio Rebalancing Model", we can see the impact on sector and subsector allocation, regional allocation and overall portfolio ESG and sustainability score. Given our focus on taking only "measured macro risk", we are extra observant on how the new trade proposals impact our sector and sub-sector weightings. A standard deviation metric on our relative sector weights before and after the proposed trades indicate if we take higher or lower "macro risk" with the proposed trades.
- If trades are approved, a "Trading List" is generated and the resulting trades are entered into Aladdin's "portfolio construction" tool. Trade compliance is performed automatically (Middle Office) and if approved, the trade is forwarded to the Trading Desk for execution. We do not perform our own trades, only the orders.
- On very large pro rata orders (large inflow or outflow), we usually use the "auto FX" option in Aladdin, while on smaller and fewer trades, we usually re-calibrate FX accounts the following day.

• Screen shots of our Internal "Portfolio Rebalancing Model": Example of pair trade of two close competitors. No real change in sector, regional composition of portfolio, nor in ESG and sustainability profile.

Opdateret 02-12-2024	Up	date		Trades 0,00%	Tradin	gList
Name	Sector	Weight	Active	Trade	New Weight	New Active
DEUTSCHE TELEKOM N AG	Communication Services	2,48%	2,48%		2,48%	2,489
VERIZON COMMUNICATIONS INC	Communication Services	2,21%	1,00%		2,21%	1,009
LOWES COMPANIES INC	Consumer Discretionary	2,33%	2,33%		2,33%	2,339
BRIDGESTONE CORP	Consumer Discretionary	2,13%	2,00%		2,13%	2,009
SERVICE CORPORATION INTERNATIONAL	Consumer Discretionary	2,05%	2,05%		2,05%	2,059
PROCTER & GAMBLE	Consumer Staples	2,49%	-0,26%		2,49%	-0,269
PEPSICO INC	Consumer Staples	2,19%	0,73%		2,19%	0,739
KONINKLIJKE AHOLD DELHAIZE NV	Consumer Staples	2,11%	1,90%		2,11%	1,909
RECKITT BENCKISER GROUP PLC	Consumer Staples	2,09%	1,82%		2,09%	1,829
NESTLE SA	Consumer Staples	2,07%	0,59%		2,07%	0,599
COCA-COLA	Consumer Staples	2,03%	0,33%		2,03%	0,339
HEINEKEN NV	Consumer Staples	2,03%	2,03%	-2,03%	0,00%	0,009
SSITY CLASS B	Consumer Staples	1,79%	1,68%		1,79%	1,689
UNILEVER PLC	Consumer Staples	1,52%	0,55%		1,52%	0,559
CARLSBERG CLASS B	Consumer Staples	0,00%	-0,07%		2,03%	1,969
WILLIS TOWERS WATSON PLC	Financials	2,44%	2,44%		2,44%	2,449
/ISA INC CLASS A	Financials	2,29%	2,29%		2,29%	2,299
ALLIANZ	Financials	2.27%	1.48%		2,27%	1.489
TRAVELERS COMPANIES INC	Financials	1,96%	1,96%		1,96%	1,969
NG GROEP NV	Financials	1,91%	1,91%		1,91%	1,919
ROYAL BANK OF CANADA	Financials	1,90%	1,90%		1,90%	1,909
DEUTSCHE BOERSE AG	Financials	1,85%	1,85%		1,85%	1,859
5&P GLOBAL INC	Financials	1,64%	1,64%		1,64%	1,649
IDELITY NATIONAL INFORMATION SERV	Financials	1,56%	1,56%		1,56%	1,569
ABBOTT LABORATORIES	Health Care	2,09%	2,09%		2,09%	2,099
UNITEDHEALTH GROUP INC	Health Care	2,00%	2,00%		2,00%	2,009
ABBVIE INC	Health Care	1,90%	-0,20%		1,90%	-0,209
ELEVANCE HEALTH INC	Health Care	1,89%	1,89%		1,89%	1,899
SANOFI SA	Health Care	1,87%	1,16%		1,87%	1,169
ASTRAZENECA ADR REPRESENTING .5 PL	Health Care	1,80%	0,45%		1,80%	0,459
IOHNSON & JOHNSON	Health Care	1,78%	-0,65%		1,78%	-0,659
CVS HEALTH CORP	Health Care	1,62%	1,13%		1,62%	1,139
PFIZER INC	Health Care	1,61%	0,65%		1,61%	0,659
NOVARTIS AG	Health Care	1,59%	0,24%		1,59%	0,249
ROCHE HOLDING PAR AG	Health Care	1,55%	0,17%		1,55%	0,179
TEL INTERNATIONAL INC	Industrials	2,22%	2.22%		2,22%	2,229
AECOM	Industrials	2.11%	2.11%		2,11%	2,119
PAYCHEX INC	Industrials	2,03%	1,72%		2,03%	1,729
RENTOKIL INITIAL PLC	Industrials	1,90%	1,81%		1,90%	1,819
DSV	Industrials	1,84%	1,84%		1,84%	1,849
WOLTERS KLUWER NV	Industrials	1,64%	1,64%		1,64%	1,649
BRENNTAG	Industrials	1,55%	1,50%		1,55%	1,509
AMDOCS LTD	Information Technology	2,42%	2,42%		2,42%	2,429
MICROSOFT CORP	Information Technology	2,42%	2,37%		2,37%	2,379
CAPGEMINI	Information Technology	2,37%	2,37%		2,37%	2,377
	Information Technology	2,11%	0.56%		2,11%	0.569
CISCO SYSTEMS INC	Information Technology  Materials		-,			-,
AVERY DENNISON CORP	Materials Materials	1,93%	1,93%		1,93%	1,939
LYONDELLBASELL INDUSTRIES NV CLASS		1,76%	1,62%		1,76%	1,629
AMERICAN TOWER REIT CORP	Real Estate	2,14%	2,14%		2,14%	2,149
ALLIANT ENERGY CORP	Utilities	2,41%	2,31%		2,41%	2,319
NEXTERA ENERGY INC	Utilities	2,30%	1,27%		2,30%	1,279

Std. of sector deviations		4,25%	2,65%				4,25%	2,65%
Sector	GEI	Relative	Relative	Benchmark	Benchmark	New GEI	<b>New Relative</b>	New Relative
2 Dec 2024			Ex E&T		Ex E&T			Ex E&T
Communication Services	4,68%	0,25%	-0,39%	4,44%	5,08%	4,68%	0,25%	-0,39%
Consumer Discretionary	6,51%	-4,76%	-6,39%	11,27%	12,90%	6,51%	-4,76%	-6,39%
Consumer Staples	18,32%	-0,07%	0,54%	18,39%	17,78%	18,32%	-0,07%	0,54%
Energy	0,00%	-9,77%	0,00%	9,77%	0,00%	0,00%	-9,77%	0,00%
Financials	17,82%	4,06%	2,07%	13,76%	15,75%	17,82%	4,06%	2,07%
Health Care	19,69%	4,99%	2,86%	14,70%	16,83%	19,69%	4,99%	2,86%
Industrials	13,30%	2,27%	0,67%	11,04%	12,63%	13,30%	2,27%	0,67%
Information Technology	9,01%	3,18%	2,34%	5,83%	6,67%	9,01%	3,18%	2,34%
Materials	3,69%	-0,68%	-1,31%	4,37%	5,00%	3,69%	-0,68%	-1,31%
Real Estate	2,14%	1,84%	1,80%	0,29%	0,34%	2,14%	1,84%	1,80%
Utilities	4,72%	-1,43%	-2,32%	6,15%	7,04%	4,72%	-1,43%	-2,32%
Cash	0,13%	0,13%	0,13%	0,01%	0,01%	0,13%	0,13%	0,13%
Sum	100,00%			100,00%	100,00%	100,00%		
Sector	GEI	Relative	Relative	Benchmark	Benchmark	New GEI	New Relative	New Relative
2 Dec 2024			Ex E&T		Ex E&T			Ex E&T
Banks	3,81%	0,73%	0,29%	3,07%	3,51%	3,81%	0,73%	0,29%
Insurance	6,7%	0,54%	-0,35%	6,1%	7,02%	6,68%	0,54%	-0,35%
Other Financials	7,34%	2,78%	2,12%	4,55%	5,21%	7,34%	2,78%	2,12%
Pharma & Biotech	12,09%	-1,09%	-2,99%	13,18%	15,08%	12,09%	-1,09%	-2,99%
Med Tech	2,09%	1,17%	1,04%	0,92%	1,05%	2,09%	1,17%	1,04%
Other HC / service	5,50%	4,90%	4,82%	0,60%	0,69%	5,50%	4,90%	4,82%
Cap goods	3,66%	-3,79%	-4,87%	7,45%	8,53%	3,66%	-3,79%	-4,87%
Other Industry	9,64%	6,06%	5,54%	3,58%	4,10%	9,64%	6,06%	5,54%
c () (c ·	5 000/	5 420/	5 220/	4.470/	4.500/	5.000/	5 420/	5.220/
Software/Service	6,90%	5,43%	5,22%	1,47%	1,69%	6,90%	5,43%	5,22%
Semi	0,00%	-1,57%	-1,80%	1,57%	1,80%	0,00%	-1,57%	-1,80%
Other IT	2,10%	-0,68%	-1,08%	2,78%	3,18%	2,10%	-0,68%	-1,08%
Std. of region deviations		4,59%	4,28%				4,59%	4,28%
Region	GEI	Relative	Relative	Benchmark	Benchmark	New GEI	New Relative	
2 Dec 2024	_		Ex E&T		Ex E&T			Ex E&T
Europe	35,97%	10,46%	8,63%	25,52%	27,34%	35,97%	10,46%	8,63%
United Kingdom	7,30%	1,09%	0,95%			7,30%	1,09%	0,95%
North America	61,76%	-0,74%	2,23%	62,50%	59,53%	61,76%	-0,74%	2,23%
United States	57,64%	-2,28%	0,40%	59,91%	57,24%	57,64%	-2,28%	0,40%
Canada	4,12%	1,54%	1,83%	2,59%	2,29%	4,12%	1,54%	1,83%
Japan	2,13%	-5,36%	-6,19%	7,49%	8,32%	2,13%	-5,36%	-6,19%
Asia	0,00%	-1,82%	-2,08%	1,82%	2,08%	0,00%	-1,82%	-2,08%
Pacific	0,00%	-2,39%	-2,41%	2,39%	2,41%	0,00%	-2,39%	-2,41%
Middle East	0,00%	-0,28%	-0,32%	0,28%	0,32%	0,00%	-0,28%	-0,32%
Latin America	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Cash	0,13%	0,13%	0,13%	0,01%	0,01%	0,13%	0,13%	0,13%
Sum	100,00%			100,00%	100,00%	100,00%		

	GEI	Relative	BM	New GEI
Active Share	75,9%			75,8%
# of shares	50			51
P/E	15,4x		14,2x	
Div Yield	2,9%		3,6%	
ESG	7,12	0,00	7,12	7,15
Carbon	145,37	-35,01	180,39	145,55
Carbon Ex utilities	34,77	-61,64	96,41	34,95
SDG	15,56	-0,30	15,86	15,67
2.17 Weight	63%	5%	58%	63%
SBT Weight	11%	-1%	12%	11%

### Trading list to enter into Portfolio Construction tool in Aladdin

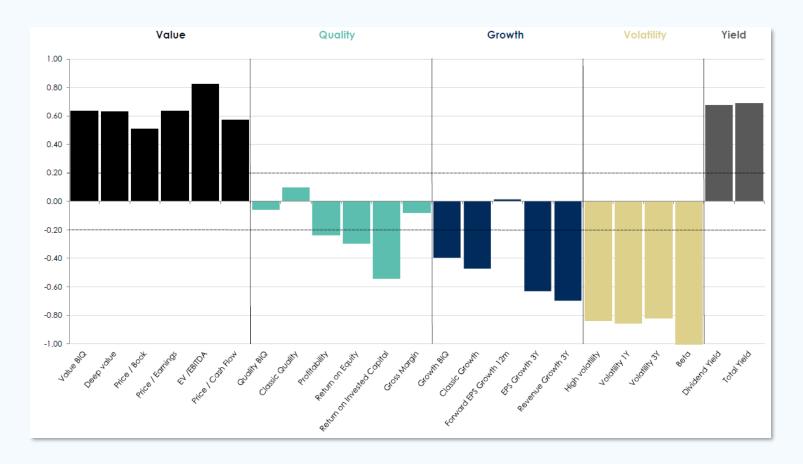
Name	Buy	Sell
CARLSBERG CLASS B	2,03%	
HEINEKEN NV		-2,03%

## Portfolios

## Global Equity Income

- The portfolio usually have around 50 stocks. We strive to maintain an approximately equal weighted portfolio with a minimum weight of 1.0% weight per investment to make all investment count. We do not believe in "conviction bets" and hence have no very large (active) positions.
- An approx.equal weighted portfolio with no conviction bets have the following advantages:
  - Reduces behavioral biases such as "overconfidence" and hence eliminates the illusion of "conviction bets".
  - This in turn, reduces tail risk in portfolio performance.
  - Makes all investments "count" either you're in or you're out no "dipping the toes"
- We are stock pickers, not "market timers" or "macro followers". This means that we strive to reduce any "macro bets" where appropriate. Since we do not invest in fossil fuels, we manage the portfolio exclusive of this sector's weighting in the benchmark.
- We believe that company specific risks follows the "law of large numbers", while "macro bets" are more 50:50 outcomes and tend to increase portfolio volatility without increasing portfolio return.
- We do not hedge FX as we consider it a zero-sum game, which only adds costs and complexity to the daily management of the fund.

## GEI: Factor exposure vs. MSCI World

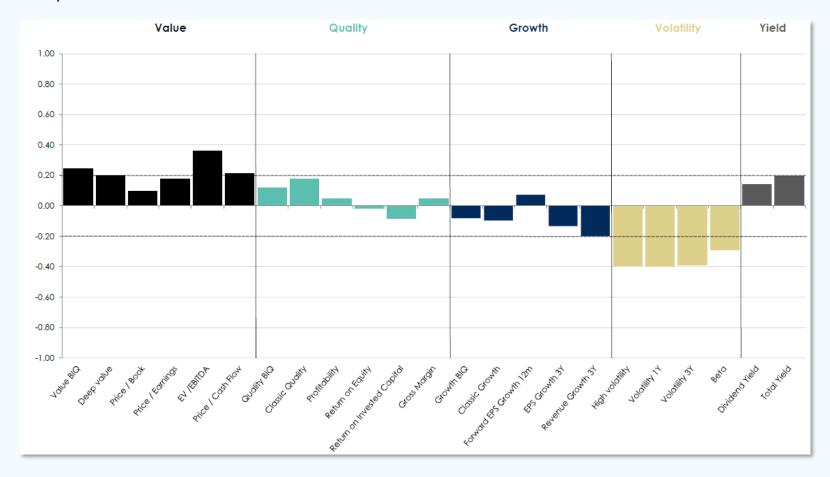


Compared to MSCI World, the portfolio is overweighted value and yield and underweighted quality, growth and volatility.

## Global Equities

- The portfolio usually have around 50 stocks. We strive for a minimum weight of 0.5% weight per investment to make all investment count. We do not believe in "conviction bets" and hence have no very large positions.
- A portfolio with no conviction bets have the following advantages:
  - Reduces behavioral biases such as "overconfidence" and hence eliminates the illusion of "conviction bets".
  - This in turn, reduces tail risk in portfolio performance.
- We are stock pickers, not "market timers" or "macro followers". This means that we strive to maximize the company specific attribution to total return reduce any "macro bets" where appropriate.
- We believe that company specific risks follows the "law of large numbers", while "macro bets" are more 50:50 outcomes and tend to increase portfolio volatility without increasing portfolio return.
- We do not hedge FX as we consider it a zero-sum game, which only adds costs and complexity to the daily management of the fund.

## GE: Factor exposure vs. MSCI World



Compared to MSCI World, the portfolio is underweighted volatility. No significant over/underweight in Value or Growth.

### Exclusion criteria

#### General BankInvest exclusion criteria

BankInvest has a general ban on investing in companies involved in the production of controversial weapons such as cluster munitions, land mines, chemical and biological weapons and nuclear weapons outside the Non-Proliferation Treaty as well as companies in which more than 5% of the revenue comes from coal mining and production of tar sands, oil exploration in Artic areas and production and distribution of tobacco.

Exclusion may also be a possibility if a company breaches international norms and does not demonstrate any will to take responsibility and change its behavior as described in the section on Norm-based screening.

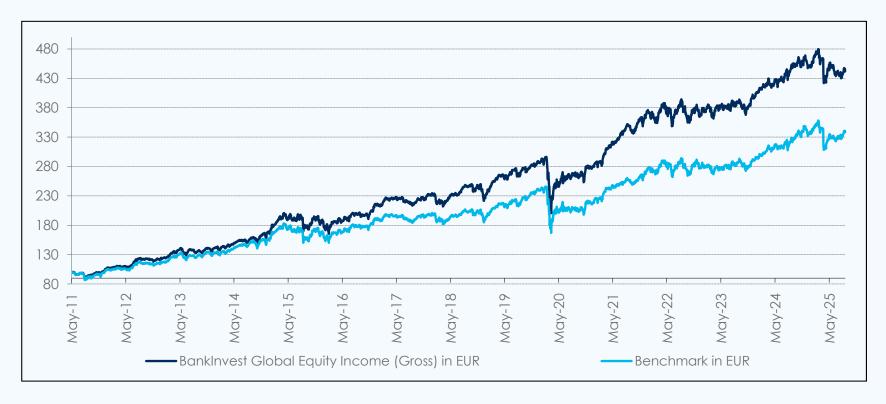
The Responsible Investment Committee has the decision-making power to exclude a company from BankInvest's investment universe, which decision is typically recommended on the basis of an analysis made by the Chief Sustainability Officer.

#### Additional exclusion criteria for the fund

In the Global Equity Income Strategy, we further exclude all producers of fossil fuels. We made that decision in 2020 on the back of institutional client pressure and our own analysis of what impact the exclusion would have on portfolio performance. The conclusion of that analysis was that, historically being invested in fossil fuels (multinational oil companies) were neutral to portfolio returns, while going forward, we feared that the transformation journey many large-cap oil companies was about to begin, would likely entail investments at below-average returns.

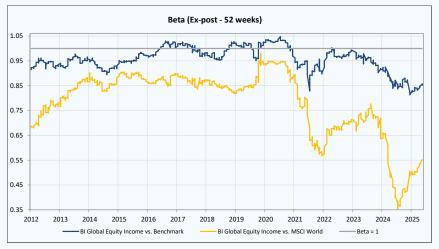
## Performance (and Risk)

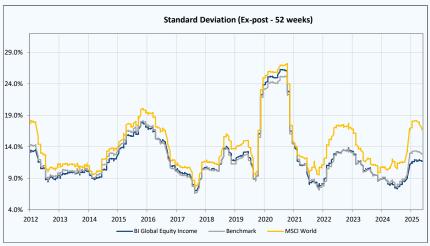
## GEI: Performance since start in May 2011 as of 29/08/2025

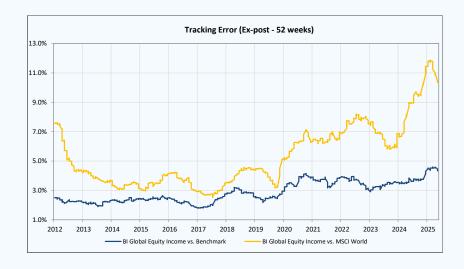


Return 12/05/2011 - 29/08/2025	Total Return	Annualized Return**
BankInvest Global Equity Income (Gross) in EUR	341.74%	10.95%
Benchmark in EUR*	238.46%	8.90%
Excess Return (arithmetic)	103.28%	2.05%
*Benchmark is MSCI World High Dividend Yield Index	**For pe	eriods larger than one year

## GEI: Measurable Risk as of 29/08/2025

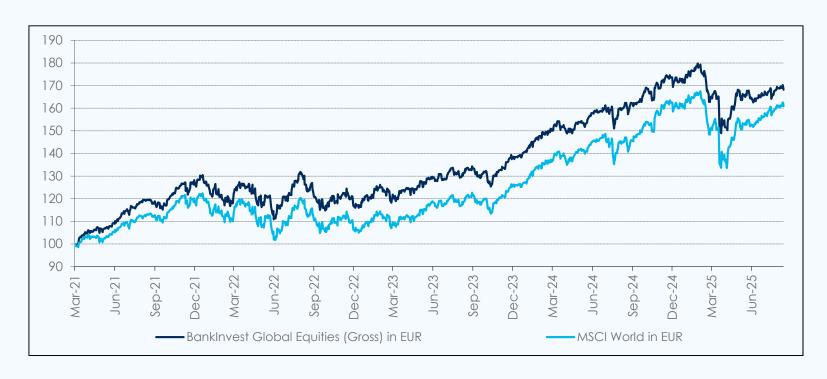






	3 Year (36M)			5 Y	5 Year (60M)			10 Year (120M)		
	Portfolio	BM	Rel	Portfolio	ВМ	Rel	Portfolio	ВМ	Rel	
Return / Perf (ann)	5.82%	6.73%	-0.91%	10.83%	10.42%	0.41%	9.39%	7.79%	1.60%	
St Dev / Tracking Error	9.60%	10.10%	3.27%	11.06%	10.70%	3.35%	11.55%	11.38%	3.04%	
Sharpe* / Information	0.61	0.67	-0.28	0.98	0.97	0.12	0.81	0.68	0.53	
Beta (vs BM)	0.90			0.99			0.98			
*rFr = 0										

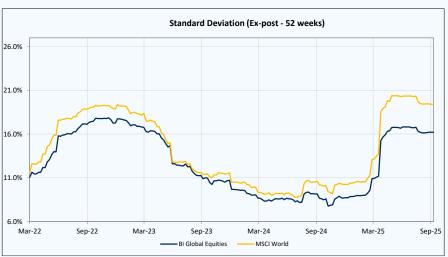
### GE: Performance since start in March 2021 as of 29/08/2025



Return 16/03/2021 - 29/08/2025	Total Return	Annualized Return**		
BankInvest Global Equities (Gross) in EUR	68.16%	12.38%		
Benchmark in EUR*	60.92%	11.27%		
Excess Return (arithmetic)	7.24%	1.10%		
*Benchmark is MSCI World Index	**For pe	**For periods larger than one year		

## GE2: Measurable Risk as of 29/08/2025







Risk - Ex-post (Gross of fee)									
	1 Year (52W)			3 Year (36M)					
	Portfolio	MXWO	Rel	Portfolio	MXWO	Rel			
Return / Perf (ann)	3.79%	11.13%	-7.33%	10.90%	12.65%	-1.75%			
St Dev / Tracking Error	16.21%	19.38%	4.74%	11.51%	12.91%	2.57%			
Sharpe* / Information	0.23	0.57	-1.55	0.95	0.98	-0.68			
Beta (vs BM)	0.82			0.88					
*rFr = 0									

## Risk and compliance oversight

Extensive risk and compliance oversight at four levels within the organization.

Responsibility / Frequency	Daily / Weekly	Monthly	Quarterly / Semi-Annual	
PM team	Stock and portfolio liquidity. Portfolio "macro risk". Position sizing.			
Risk team	Ad hoc alert to CIO in case of extraordinary volatility in weekly performance. CIO then typically investigate closer.	Risk team discuss with PM team on a broad range of portfolio and individual stock risk metrics and issues every six weeks.		
ESG team	Ad hoc alerts to PM team in case of new ESG or sustainability issues.	ESG team discuss with PM team on portfolio and individual stock ESG- and sustainability metrics and issues every six weeks. General ESG and sustainability trends and inhouse initiatives are also discussed.		
Middle Office Risk Management Function (separate from Risk team)	Daily compliance checks according to investment mandate and exclusion lists.	Portfolio liquidity stress test reports to Senior Management in BankInvest (cc: PM team).	Portfolio market risk stress test reports to PM team, BankInvest management and Board of Directors (semi-annual reporting to BoD though)	

# Appendix: BankInvest group

## About the BankInvest Group

BankInvest was founded in 1969 and is a leading asset manager based in Copenhagen, Denmark, with total assets under management of around EUR 20bn (end-2023).

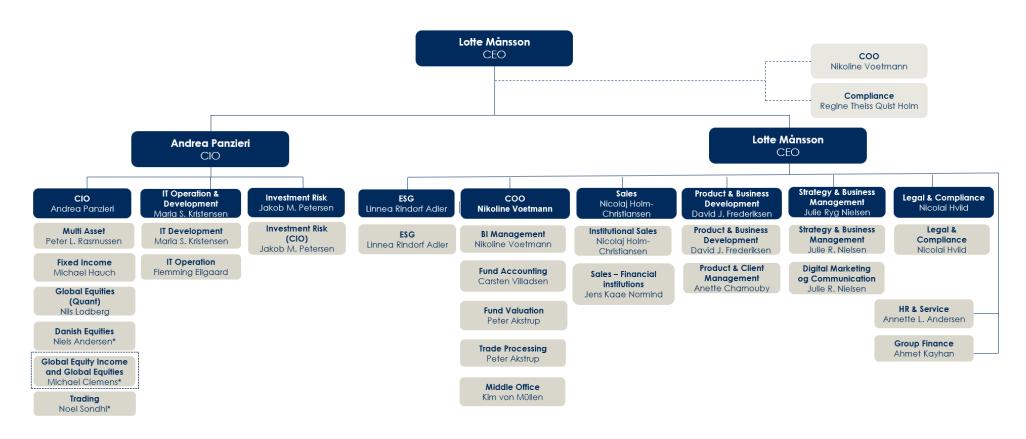
- The ownership is very stable and consists of 38 Danish regional and nation-wide banks.
- The majority of assets are managed for retail clients through the owner banks, with the remaining assets being managed for institutional clients in Denmark and abroad.
- Assets under management are well diversified across asset classes, fixed income, equities, alternative investments and asset allocation mandates.
- The BankInvest group comprises several financial companies and employs a total of around 125 people.



## Responsible investing

- All BankInvest strategies comply to UN PRI investment guidelines and support UN Global Compact initiatives.
- BankInvest is also a signatory of the Montreal Carbon Pledge, the Net Zero Asset Managers Initiative, the CDP and Climate Action 100+.

## BankInvest organization

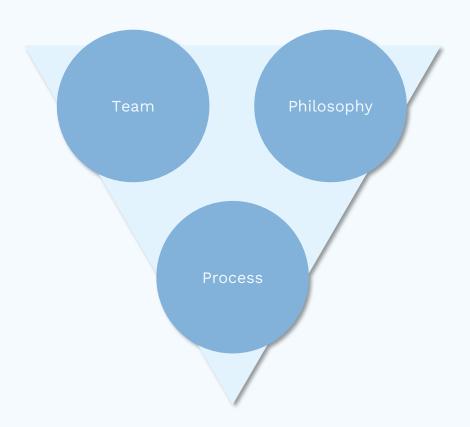


## Legal Information & Disclaimer

This document is produced by the BankInvest Group (BankInvest) and should be considered as marketing material. The purpose is to provide general information about the fund and should not be considered as an investment recommendation. Any reference to companies and securities should only be viewed in relation to the fund's portfolio- and risk profile. BankInvest does not assume any responsibility for the completeness or accuracy of the disclosed information whether it is provided by BankInvest or obtained from public sources that BankInvest consider reliable. BankInvest accepts no liability for transactions or omissions made on basis of the information provided in this document. We recommend that you obtain your own professional advice before making any investment.

Past performance is not a reliable indicator of future performance. The fund is an actively managed UCITS-ETF, and the fund's holdings are available at www.bankinvest.dk. Any investment decision should be based on the information contained in the relevant prospectus, the Key Information Document as well as the most recently published annual and semi-annual reports which are all available at www.bankinvest.dk.

### Presentation outline



Global Strategies -----Equity Income

- Dividend paying stocks
- BM: MSCI World High Dividend Yield Index
- Around 50 stocks (equal weighted)

### Global Equities

- No dividend requirement
- BM: MSCI World Index
- Around 50 stocks (minimum weight of 0,5%)