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OCTOBER 2019

ZURICH MUNICH LUXEMBOURG



The Storebrand way of sustainable investments

Bård Bringedal, CIO – Chief Investment Officer Equities,
Storebrand Asset Management AS





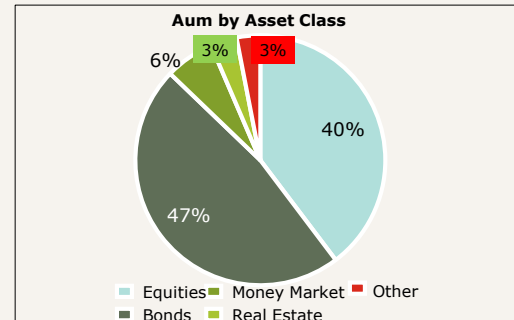
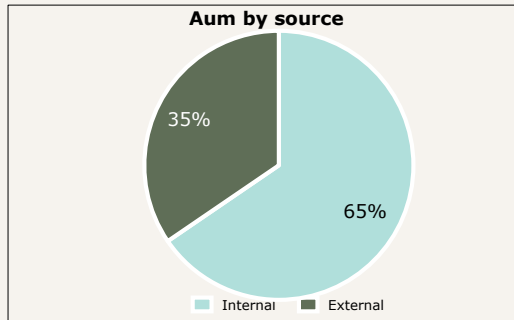
The Storebrand way of sustainable investments

NIMF 2019 Zurich – Munich - Luxembourg

Bård Bringedal (CIO), October 2019

Storebrand Asset Management

- Part of the Storebrand Group
 - Nordic market leader in sustainable investment
 - Founded in 1767 and listed since 1993, €3.0bn market capitalisation
- Storebrand Asset Management launched in 1981
 - €77bn AuM
 - 300 institutional and 90,000 private clients
- 170 employees including 48 investment professionals with average 16 years investing experience*
- Ranked 1st by Prospera** for responsible investments (Nor) and 1st for sustainable investments (Swe)

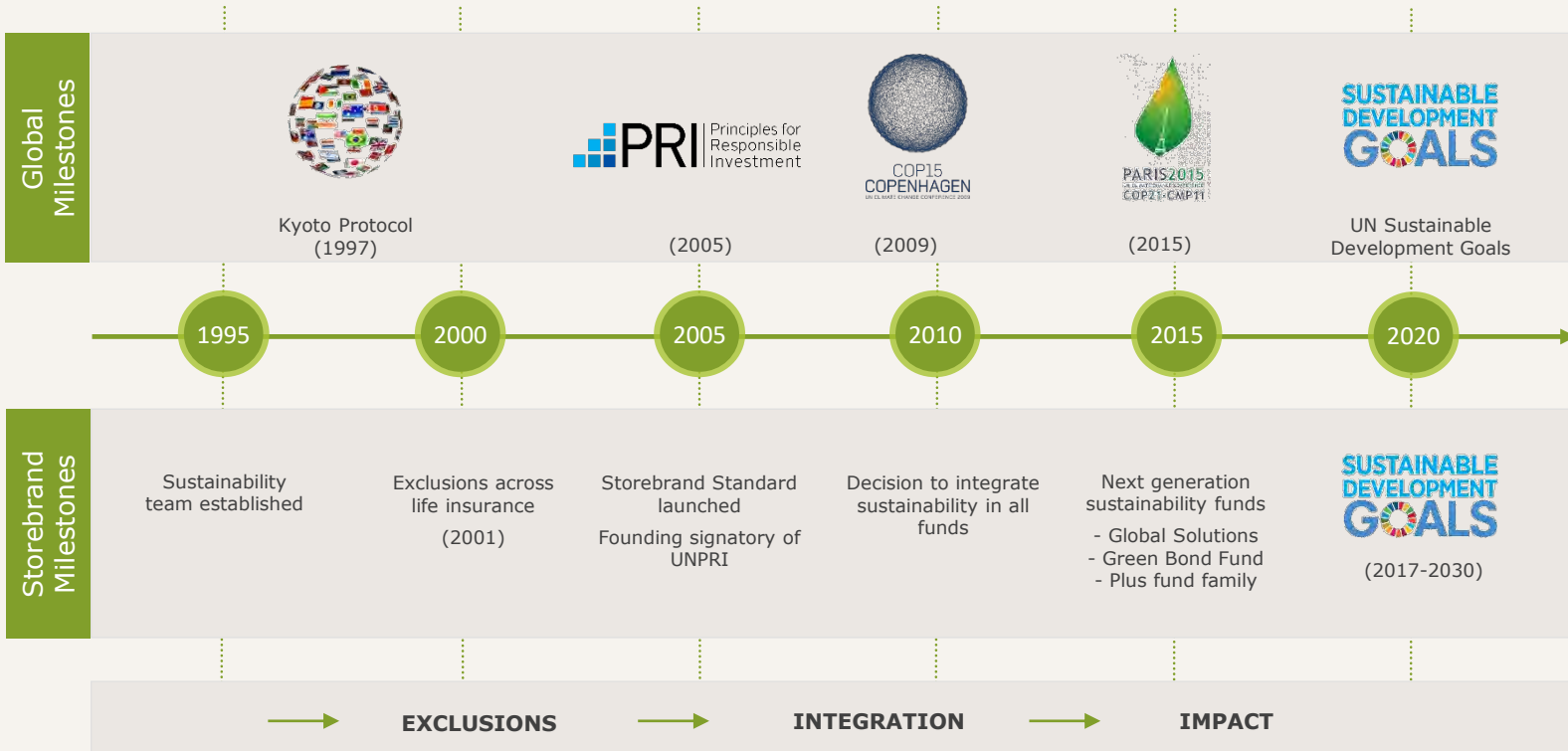


All data as at 31/07/2019

*Doesn't include SKAGEN or SPP

**External Asset Management Survey 2018

History of sustainability at Storebrand



Sustainable investments in Storebrand:

Divest, invest more, be a responsible investor and push for change

1. Storebrand standard

Low TE products

Divest

2. Higher ESG level

ESG Enhanced

Invest more &
Divest

3. Fossil free funds

Fossil free, Invest more
& Divest more

4. Solution funds

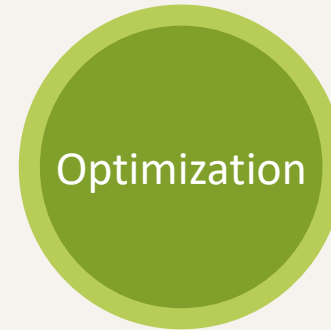
SDG Alignment

Fossil free, Invest more
& Divest more

Managing index-tracking products – a choice of two options



VS



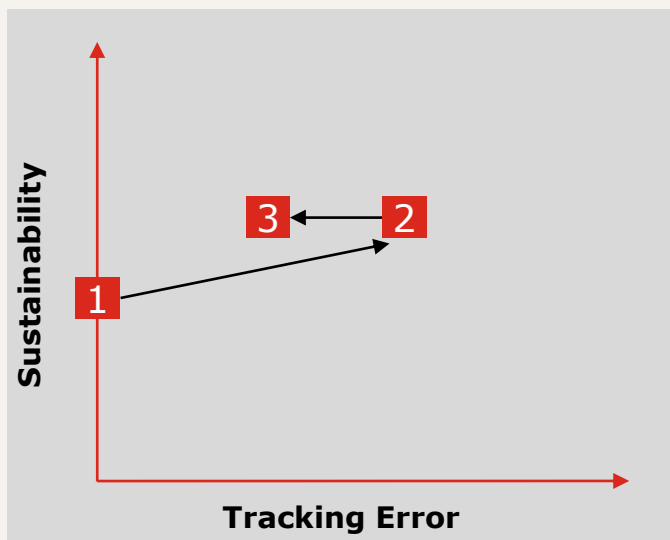
- Identical weights in portfolio and index
- Pros: simple, and low relative risk (tracking error)*
- Cons: this approach requires modification of the index if certain companies are to be excluded from the investment universe

* If there are limitations to the investment universe, the deviation of the modified index from the original index might be substantial

- Company weight in the portfolio and the index deviates, but the aggregate portfolios seeks to replicate the index characteristics as closely as possible
- Pros: allows for index-performance replication, even with limitations to the investment universe
- Cons: increased complexity

Storebrand is an expert in providing sustainable index-replicated returns through optimisation

Achieving sustainable index-like returns



Goal: Replicate index-return, given constraints on investable universe

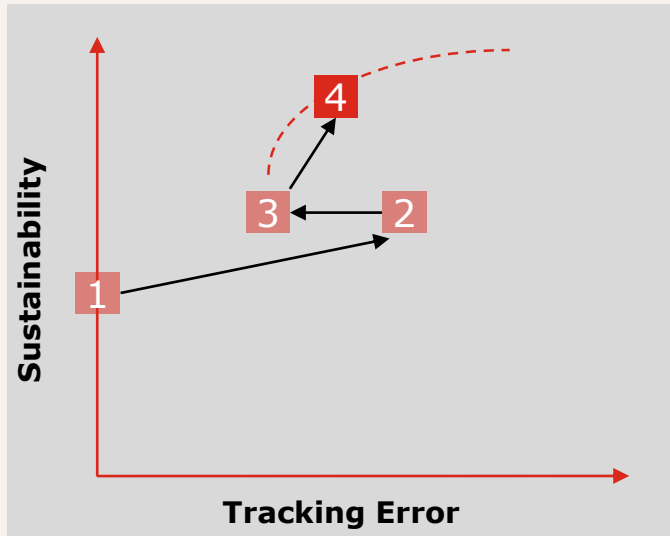
Performance in-line with benchmark for over 14 years

	YTD	1-Year	3-Years	5-Years	10-Years	Since Inception
Global Index Product	20.51%	7.10%	12.37%	12.93%	12.41%	8.88%
MSCI World Index	20.43%	7.00%	12.32%	12.93%	12.43%	8.80%
<i>Relative Return</i>	<i>0.08%</i>	<i>0.10%</i>	<i>0.05%</i>	<i>0.00%</i>	<i>-0.02%</i>	<i>0.07%</i>



Storebrand is an expert in providing sustainable index-replicated returns through optimisation

Raising the bar for Sustainability



Goal: Replicate index-return, given constraints on investable universe and required level of sustainability

What are the effects of increased sustainability level?



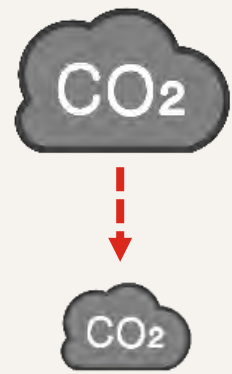
Managing climate aware investments: our approach



1. Engagement and Active ownership



2. ESG-analysis



3. CO2 intensity



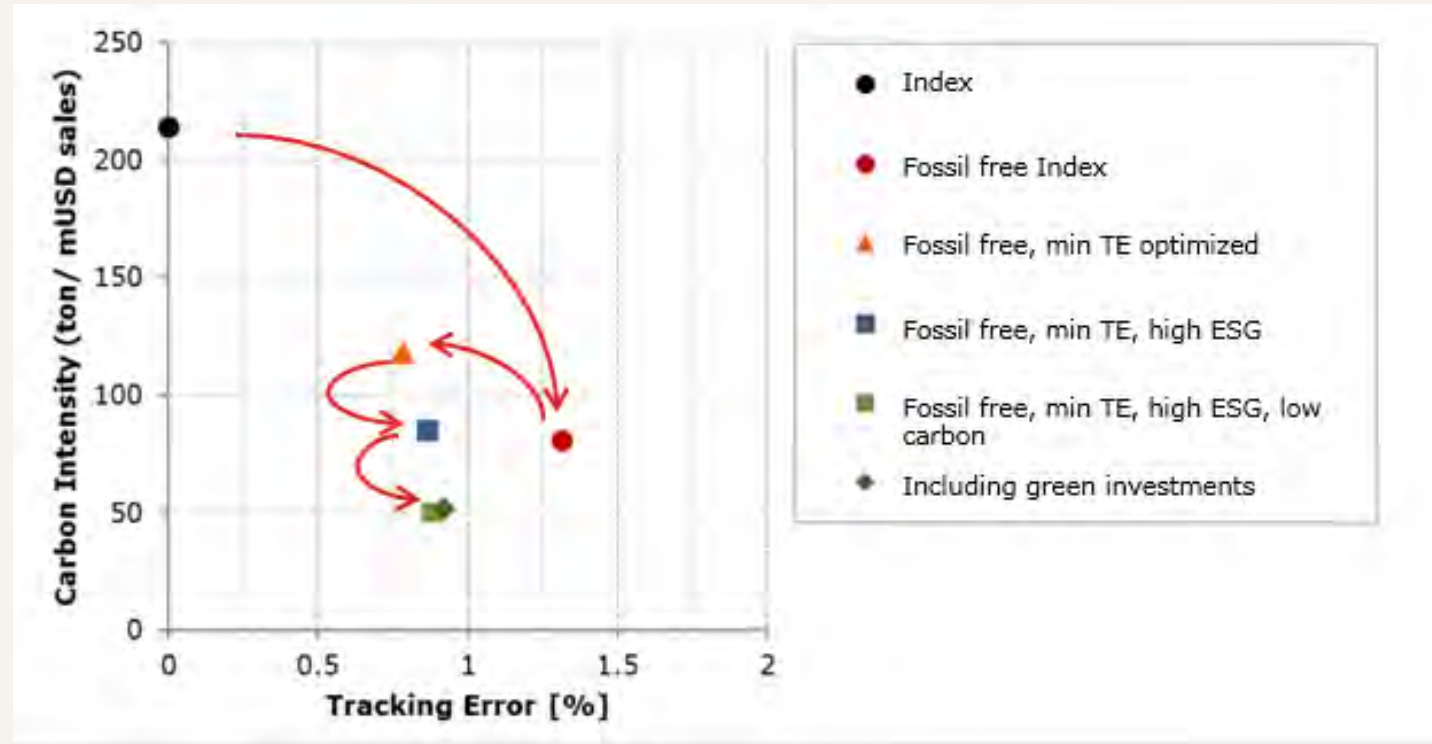
4. Divest (from fossil fuels and climate-negative stocks)



5. Low-carbon solutions

Our strategy: combine all five

5 steps to a climate-aware, index-tracking product

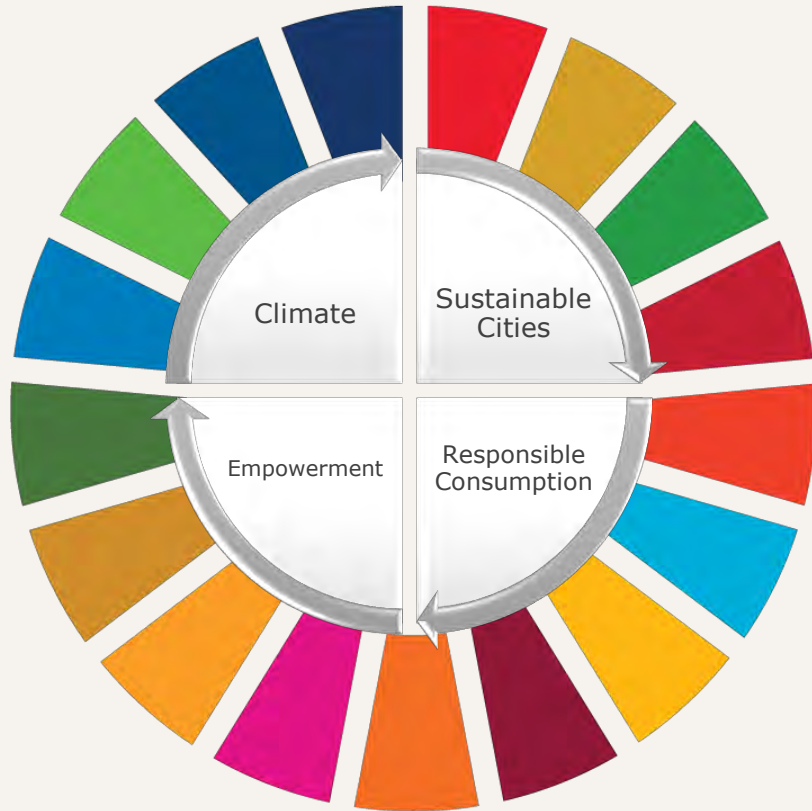


Portfolio construction results

Morningstar Metric	STB Global ESG Strategy	MSCI World Index ¹	MSCI Low Carbon Target Index ¹	MSCI Low Carbon Leaders Index ¹
Low Carbon Designation	Yes	No	No	No
Carbon intensity	67	173	74	97
Carbon risk score	5.7	9.0	7.6	8.3
Fossil fuel exposure	0.8	11.6	8.4	8.8
Carbon solutions involvement	7.5	4.6	4.2	4.5
Portfolio ESG score	58.0	55.7	55.8	55.5
Expected Tracking Error ²	0.8%	0.0%	0.3%	0.5%

Investing in the Sustainable Developments Goals

Themes and investment opportunities



Climate

Companies that offer solutions to climate change issues through their products and services.

Sustainable Cities

Companies that are central to building sustainable cities.

Responsible Consumption

Companies that offer solutions to a more responsible consumption and a circular economy.

Empowerment

Companies that empower by inclusion, as a step to greater diversity and equality.

The Sustainable Development Goals

Key principles for sub-themes



COMPLIMENTARY

Sub-themes must be complimentary – success of one does not mean failure of another. E.g. wind and solar do not compete, and both rely on smarter grids, and better battery capacity

SUPPORTED BY REGULATION

Sub-themes must be supported by regulation. E.g. China Five Year Plan for Renewable Energy Development and/or EU Renewable Energy directive

NECESSARY

Sub-themes must be anchored in the Sustainable Development Goals. E.g. 7 and 13 includes Paris commitments and targets such as "increase substantially the share of renewable energy in the global energy mix"

IMPORTANT INFORMATION

This report is intended for investment professionals only. The content is not to be viewed by or used with retail investors.

Except otherwise stated, the source of all information is STOREBRAND AS as at August 2019.

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.

SKAGEN AS is part of Storebrand Group. Storebrand Asset Management AS owns SKAGEN AS 100%.

Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice.

This is neither an offer to sell nor a solicitation of any offer to buy any financial instruments in any fund or vehicles managed by Storebrand AS. Any offering is made only pursuant to the relevant Prospectus, together with the current financial statements of the relevant fund or vehicle, if available, and the relevant subscription application, all of which must be read in their entirety. No offer to purchase shares can be made or accepted prior to receipt by the offeree of these documents and the completion of all appropriate documentation. The financial instruments have not and will not be registered for sale, and there will be no public offering of the shares. No offer to sell (or solicitation of an offer to buy) will be made in any jurisdiction in which such offer or solicitation would be unlawful. This presentation is not an advertisement and is not intended for public use or distribution.



ESG in Credit: Perception vs Reality of Engagement in High Yield Portfolios

Maciej Woznica, Chief Portfolio Manager, Head of
Credit, Sparinvest

Sparinvest

ESG in Credit: Perception vs Reality of Engagement in High Yield Portfolios

NIMF

October 2019



ESG & Credit

2003: Governance mechanisms have been linked to higher bond ratings and lower bond yields. ¹

2011: Firms with social responsibility concerns pay more for bank loans by 7-18 basis points than firms that are responsible. ²

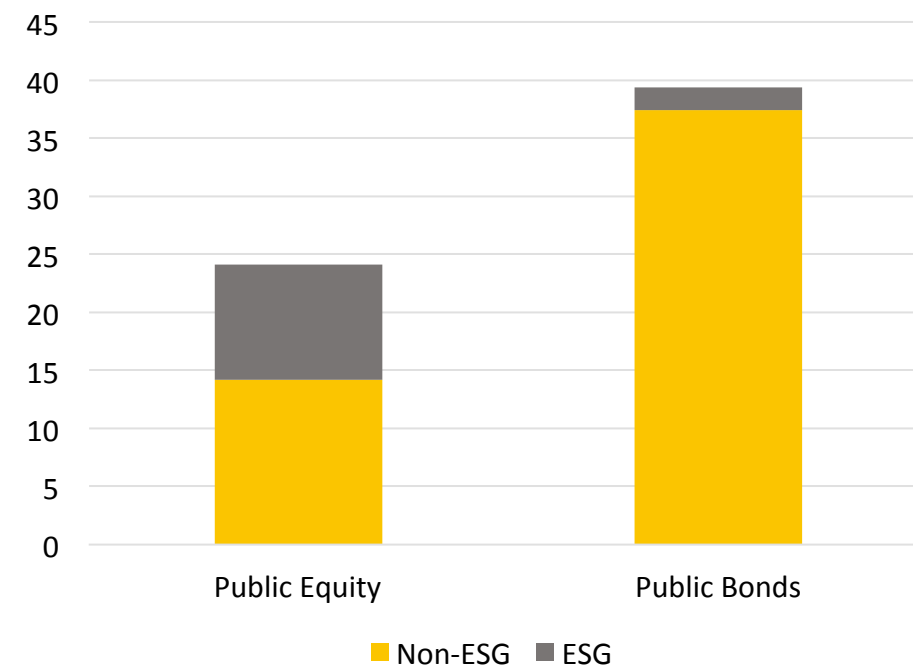
Sources:

¹ "The impact of corporate social responsibility on the cost of bank loans". *Journal of Banking and Finance*, 35(7), 2011, Goss, A. & Roberts, G.S..

² "Effect of corporate governance on bond ratings and yields: The role of Institutional investors and outside directors", *The Journal of Business*, 2003, Bhojraj & Sengupta

Graph: High Meadows Institute: ESG Integration Across Asset Classes

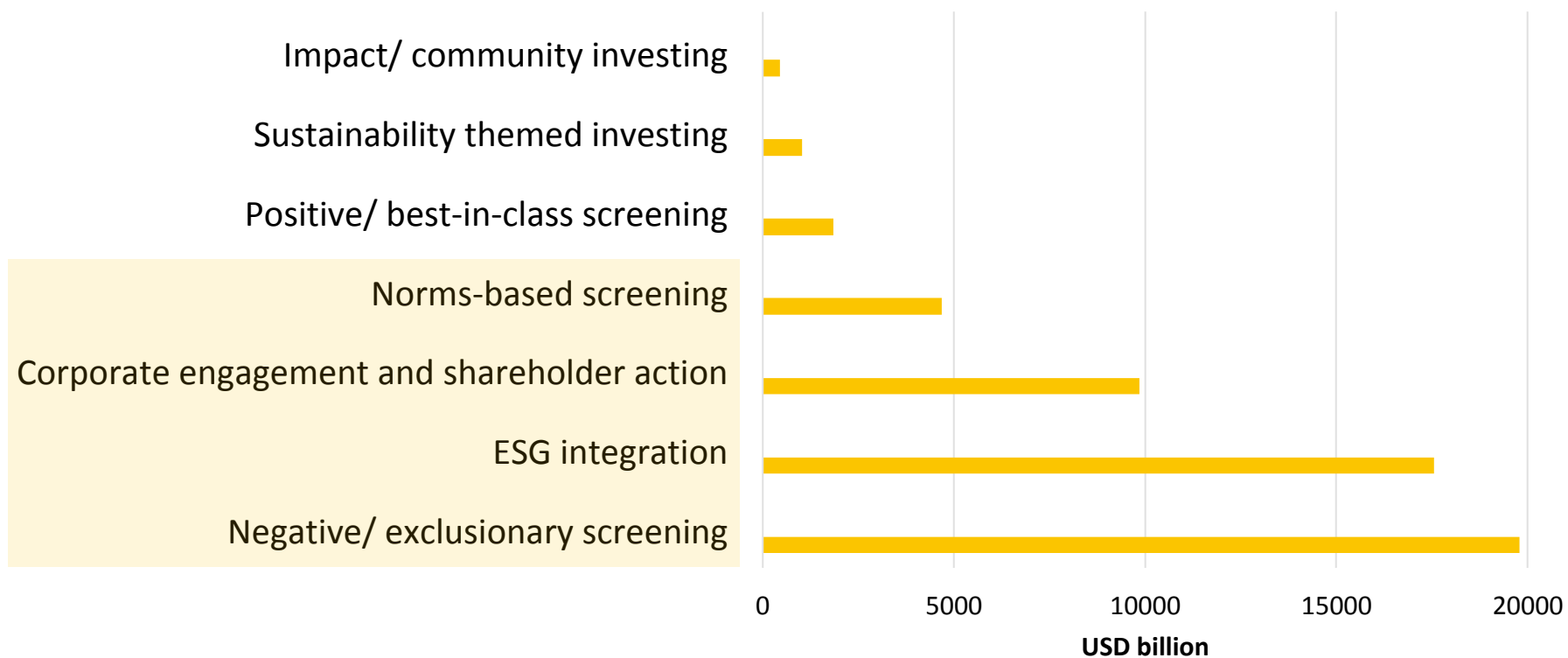
ESG Integration in US (2016)



ESG & Engagement in Perspective

What we do in High Yield is highlighted

Sustainable Investing Assets by Strategy



Source: Assets in USD billion, 2018 Global Sustainable Investment Review

Why Engage in High Yield?

Why WE engage?

- Make higher returns
- Make an active difference
- Justify our investments

Why issuers engage with US?

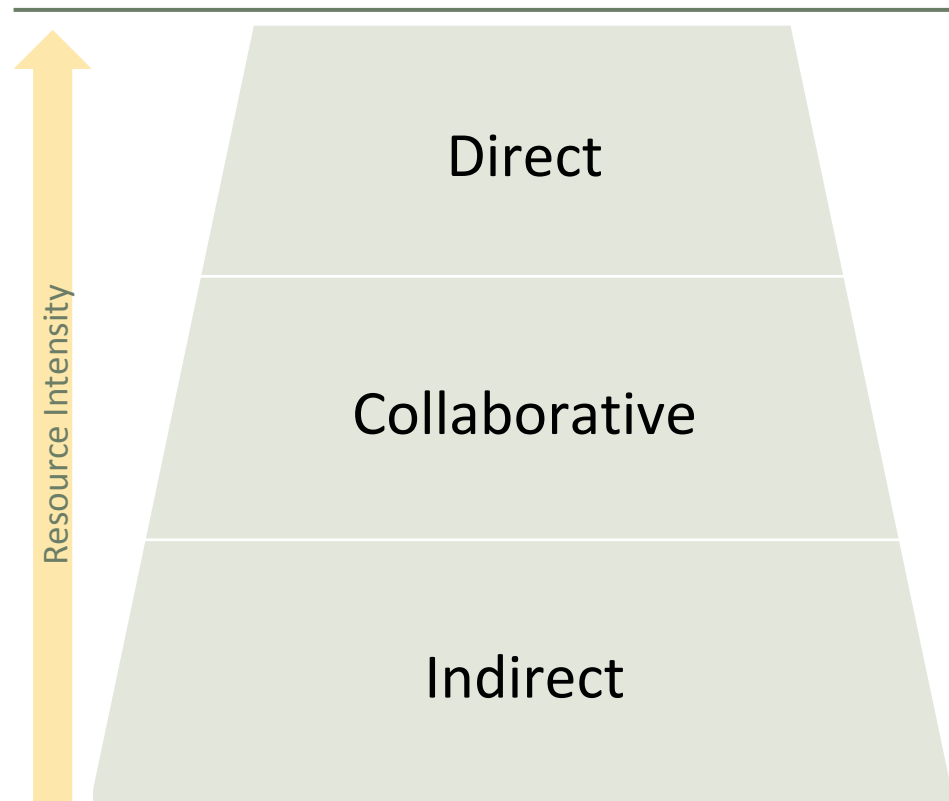
- We are an investor
- Realistic goals
- Cost of capital

“Multiple studies have found that positive ESG momentum is better indicator of future investment gains than absolute ESG performance”, Michael Cappucci

What Is Engagement?

Engagement Approaches

Impact through dialogue
 Strategy to get Public
 Commitment



Sparinvest own initiative,
 direct contact,
 single issuer or thematic

On behalf of larger group of
 like-minded investors,
 Sparinvest can be lead or co-lead

Through membership organisations,
 lending our voice with like-minded
 investors, no contact to issuers

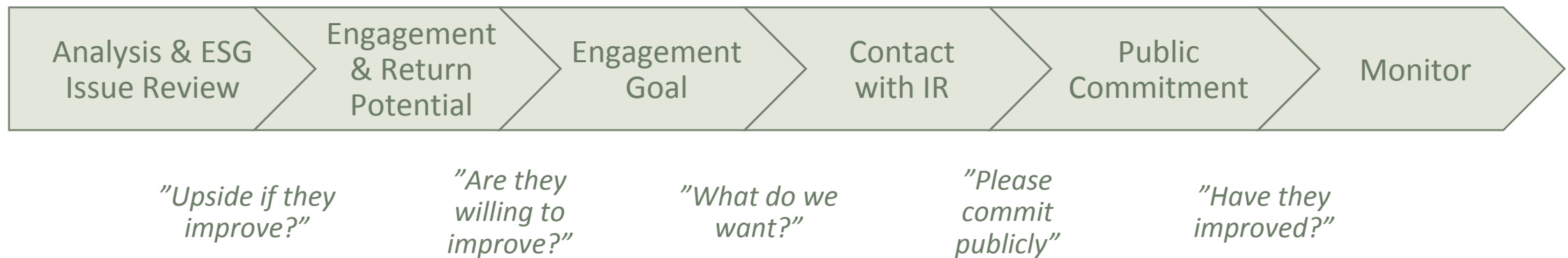
How Many Engagements?

“Over the last 3 years we have engaged with over 300 companies”

“We engage directly with a handful of companies per year”

Year	Count of Engagements		
	Direct	Collab.	Indirect
2019	4+41*	2	63
2018	6+61*	2	99
2017	5	1	105
2016	2	0	115

Engagement Process



Does it Perform?

GIPS track record since June 2016 has outperformed our traditional "brown" benchmark by 1.1% pa!



Source: Sparinvest, Performance as of 20190830, Gross of fees
 Benchmark: The BofA Merrill Lynch Global High Yield (EUR Hedged), Metrics as of 20190830
 Fund return : Sparinvest SICAV Value Bonds – Global Ethical High Yield EUR I: 20171215

Thank You For Your Time

More Information?

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Equities Low Volatility – Low Volatility and High Quality in Combination

Claus Grøn Therp, Senior Portfolio Managers Equities,
Jyske Capital A/S Jyske Bank



Equities Low Volatility – Low Volatility and High Quality in Combination



“Winning by not losing”

Agenda

1. Why is Low volatility an attractive investment strategy ?

- Risk is not rewarded
- Better risk adjusted long term return
- Lower drawdown

2. Use of ESG data in portfolio selection

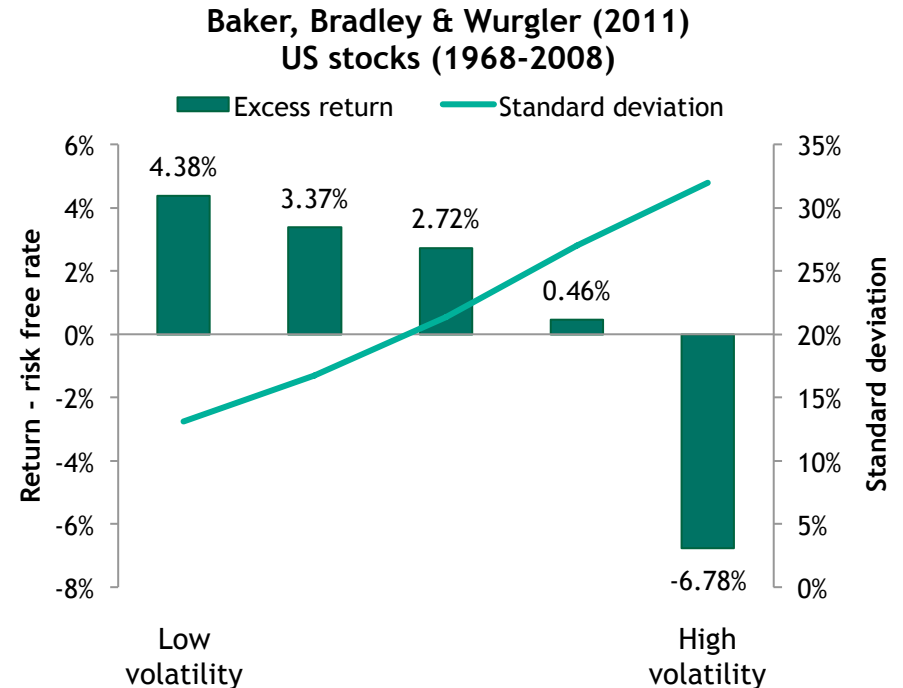
- Historical use of ESG data
- Future use of ESG data
- Benefit for our investment selection

3. The fund: Equities Low Volatility

- Structure
- Allocation sector
- Performance
- Drawdown protection

1: Better risk-adjusted return

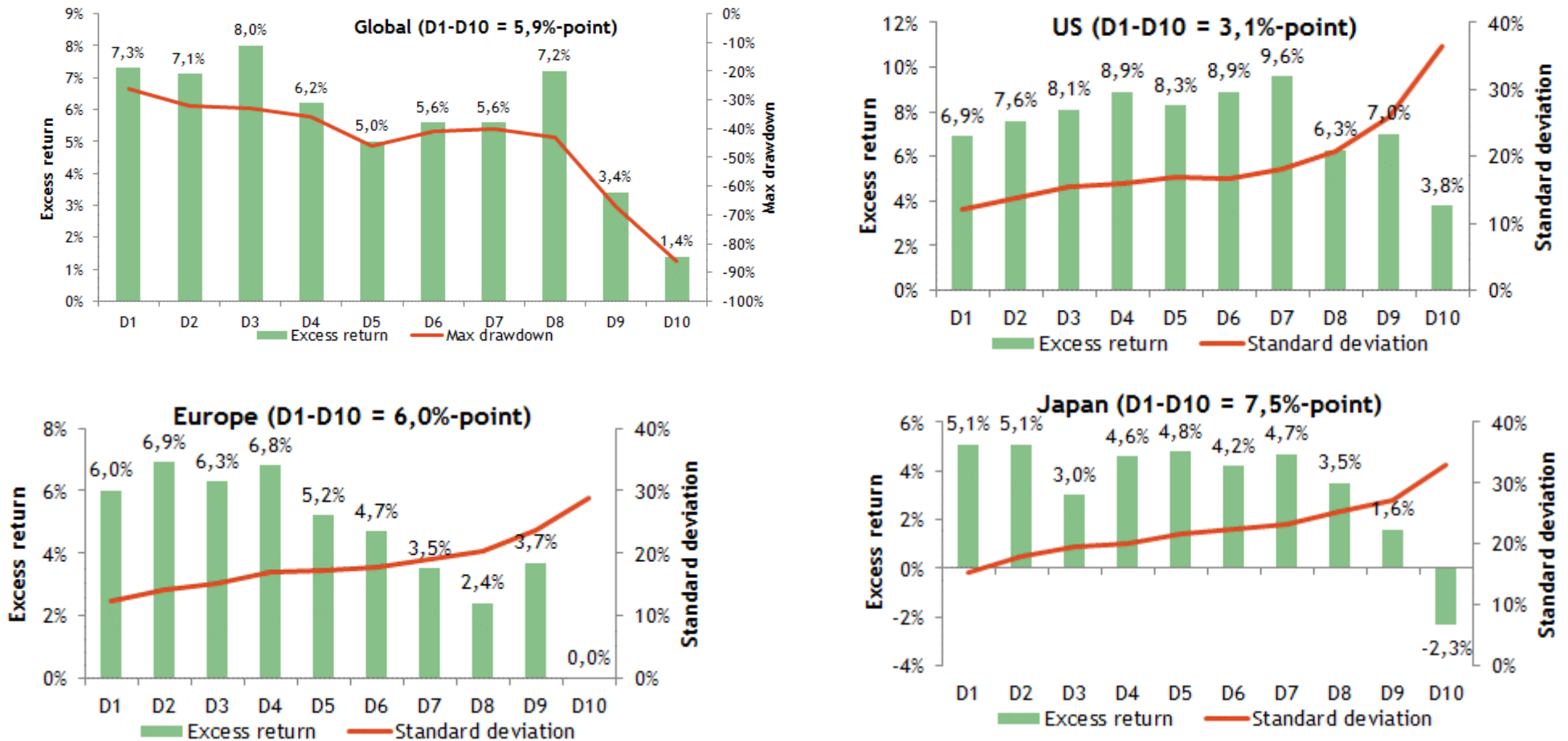
- **Risk and return do not walk hand in hand**
 - Proven in several academic studies over different time periods and in different markets (US, Europe, Japan and EM)
- **Stocks with low risk/volatility realize higher returns than can be explained by classical theories like CAPM**
- **There exists a low-risk/low-volatility anomaly**
- **The anomaly can not be explained by other factors**
 - Value, momentum, size etc.
- **Investors overpay for high risk stocks**



Note: Calculated as geometrical return based on historical volatility over the past 60 months and for equal-weighted volatility quintiles with monthly rebalancing. Based on data from the Centre for Research on Security Prices (CRSP) for the period January 1968 to December 2008.

Source: Malcolm Baker, Brendan Bradley and Jeffrey Wurgler (2011), "Benchmarks as Limits to Arbitrage: Understanding the Low Volatility Anomaly", Financial Analysts Journal, Vol. 67, No. 1, January/February

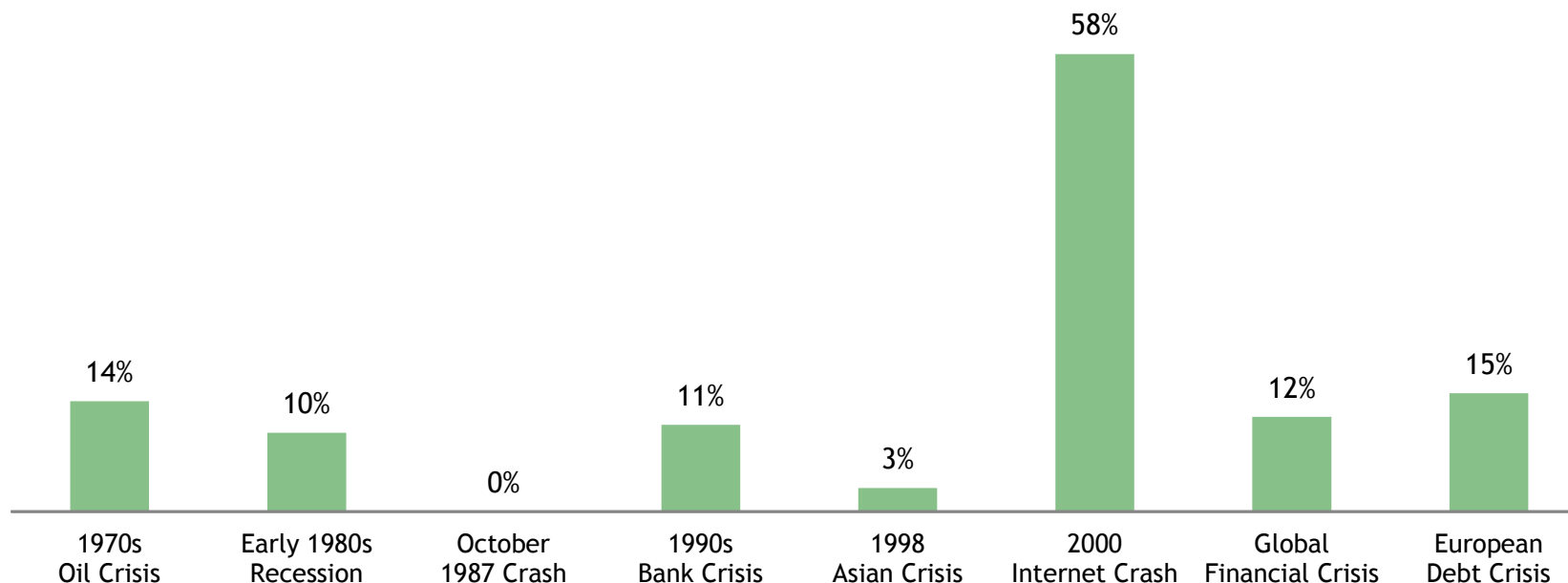
1: The volatility effect



Note: Volatility effect 1986-2006, global equity portfolio, volatility data for three years return, split into decile, monthly rebalanced.

1: Better Protection in Down Markets

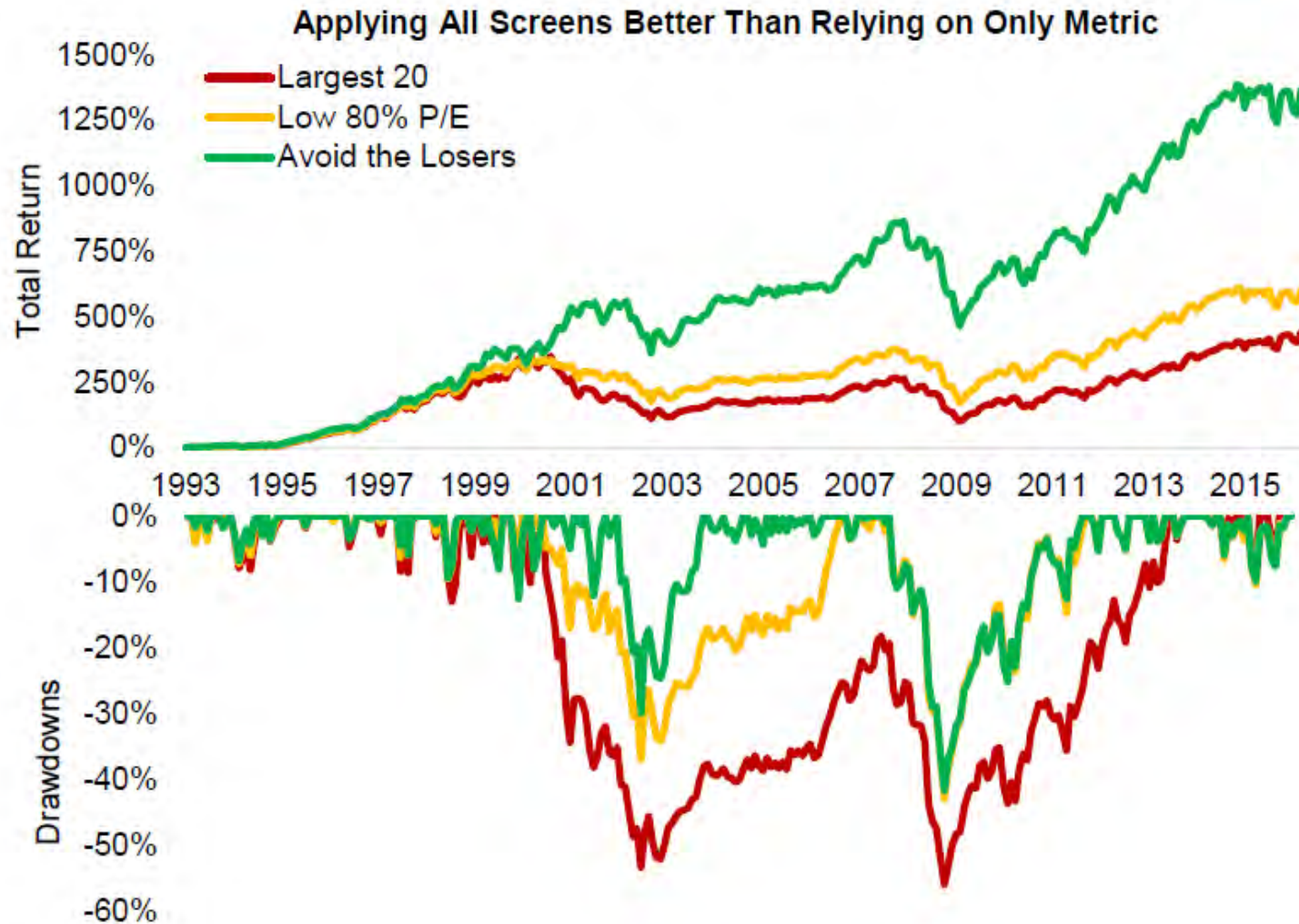
Excess return for the 20% least volatile global equities



MSCI World:	-40%	-17%	-20%	-24%	-12%	-46%	-46%	-4%
Low Volatility:	-26%	-6%	-20%	-13%	-9%	11%	-33%	11%

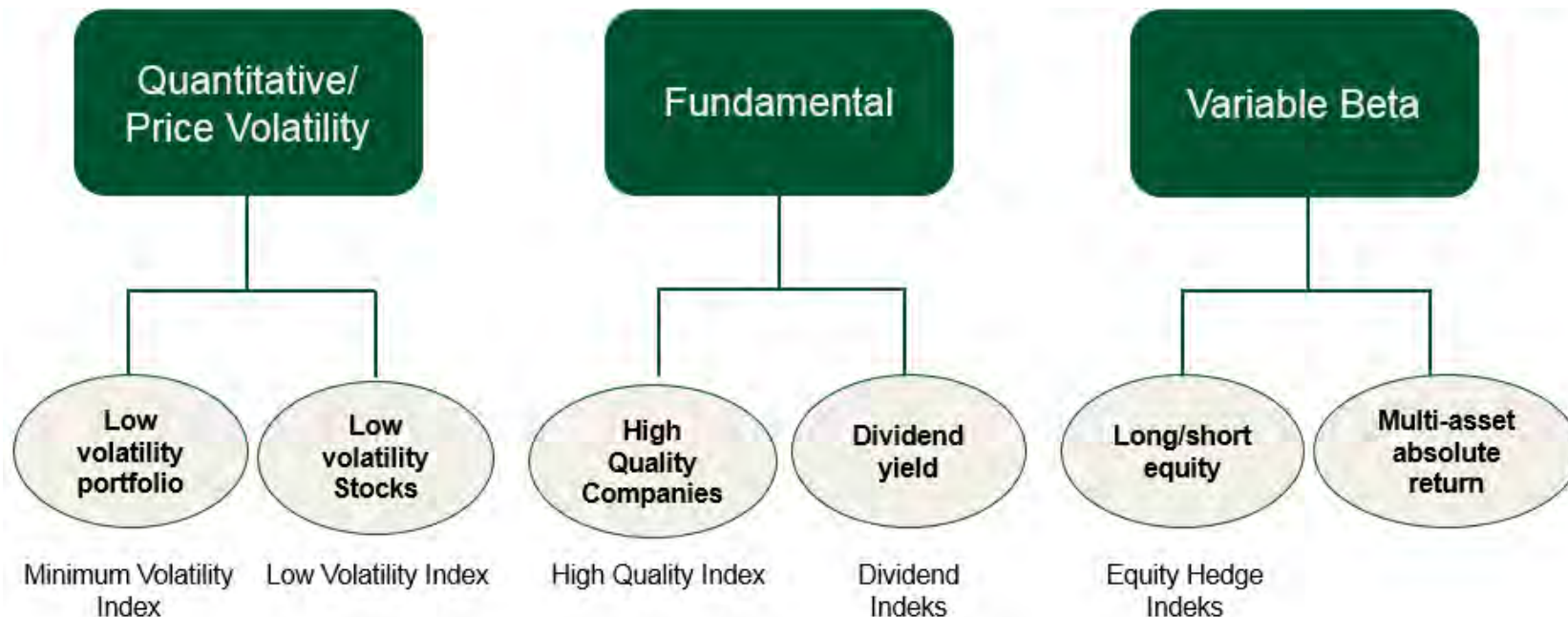
Note: Returns are for a marketcap weighted MSCI World index, USD hedged, and for the lowest quintile based on two years of historical volatility. Numbers may not sum do to rounding. Crisis periods are March 1973-September 1974, April 1981-July 1982, September 1987-November 1987, January 1990-September 1990, July 1998-September 1998, April 2000-September 2002, July 2008-February 2009 and May 2010-September 2011.

1: Avoid the losers and note the lower drawdowns



1: Summary of why investors may consider Low Vol.

- Risk and return do not walk hand in hand
- Remember to avoid the most risky assets
- Low risk anomaly can not be explained by other factors - size, value or momentum
- There is better protection of wealth in low risk investment strategies
- A large part of the higher longer term return comes from less negative return in bearish markets.
- There are many different Low Volatility strategies



2: Use of ESG data in portfolio selection

Before

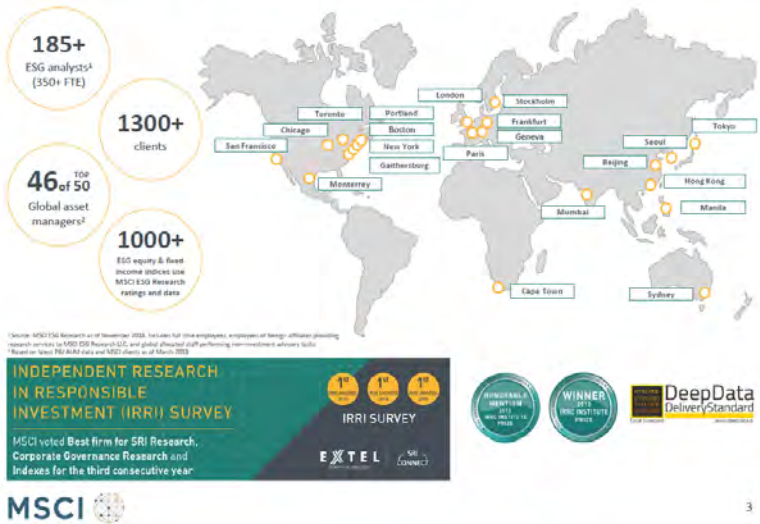
- Only used data from Sustainalitics
- More a search of what to exclude, than a detailed analysis
- The ESG data did not provide much details in the degree of wrongdoing
- Our knowledge of excluded stocks was limited
- No information about the portfolio overview.

Now

- Significant increase in our resources towards embedded ESG in to our portfolio management
- Combination of MSCI ESG and Sustainalitics
- Much higher level of details in data
- MSCI manages to provide data, which can be used in our stocks selection
- MSCI provides summary reports on portfolio level.

2: The additional provider – scaling up

INTRODUCING MSCI ESG RESEARCH



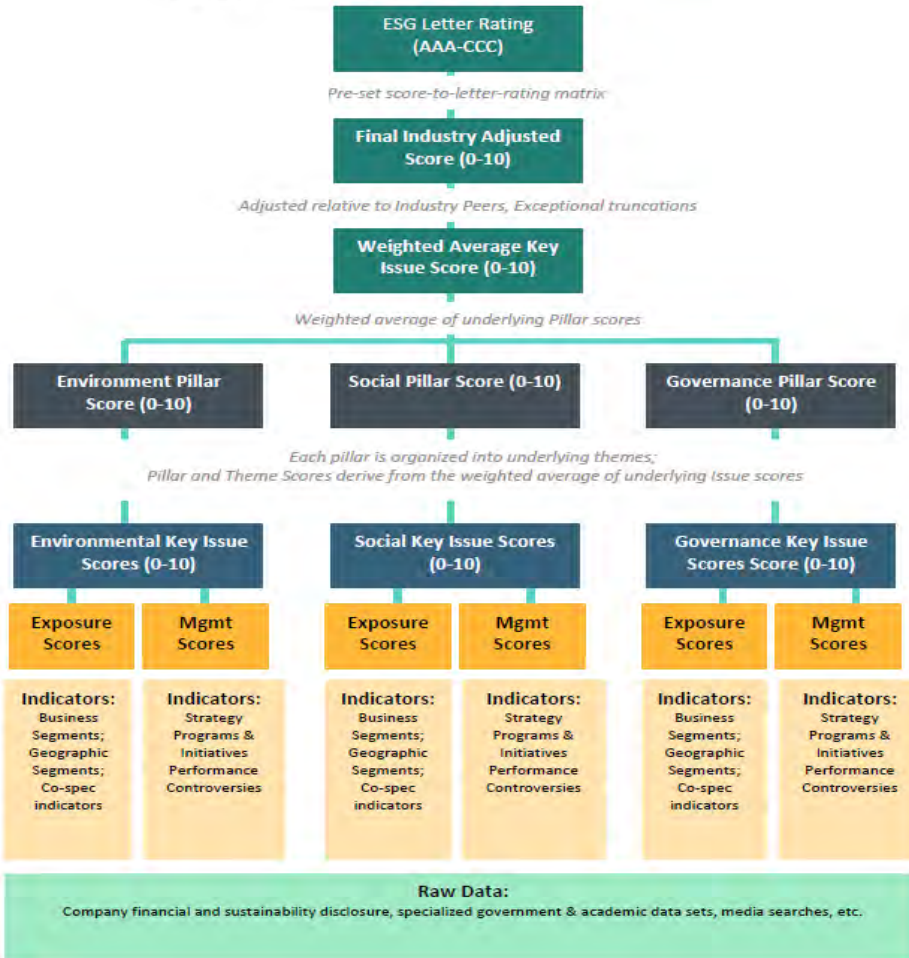
INTEGRATING ESG ACROSS YOUR ENTIRE INVESTMENT PROCESS



- Very strong provider of data
- MSCI is the leading provider
- MSCI has a structure of their research, which makes it easier to embed into stock selection

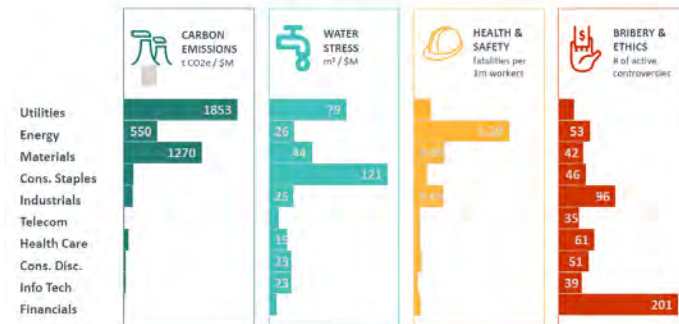
2: Rating methodology and risk by sector

Figure 7 Hierarchy of ESG Scores



HOW TO CHOOSE?

WHICH ESG ISSUES ARE SIGNIFICANT?



23

CONTROVERSY CASE SEVERITY ASSESSMENT

Nature of Impact (How bad?)



E.g. Procedural filings; potential injury or rights violations; potential denial of opportunity; little or no actual damage

E.g. Death or serious permanent injury; habitat destruction; destruction of traditional livelihood; long duration multi-country ethics violations; etc.

Scale of Impact (How big?)



E.g. Fewer than 10 people; highly localized environmental impacts; locally investigated ethics violations; etc.

E.g. More than 1000 people; wildlife species; globally/whole watershed or river system; etc.

= Severity

	Very Serious	Serious	Medium	Minimal
Extr. Widespread	Very Severe	Very Severe	Severe	Moderate
Extensive	Very Severe	Severe	Moderate	Moderate
Limited	Severe	Moderate	Minor	Minor
Low	Moderate	Moderate	Minor	Minor

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2: Current ESG profile and our risk model

	Equities Low Volatility	MSCI AC W	MSCI Min. Vol.	MSCI EM
ESG	5,9	5,6	5,8	3,7
E	5,8	54	5,4	4,6
S	4,4	4,7	4,7	4,7
G	5,5	5,2	5,5	4,1
Leaders	22%	25%	26%	12%
Laggards	7%	9%	10%	13%

- The fund clearly has less exposure to “laggards”
- Note our aim of “winning by not losing”
- ESG score which is a little higher than the Global market, MSCI Min. Vol. and especially MSCI EM
- It is not must to have most exposure toward “leaders”

Johnson & Johnson

QUANT RISK SCORE

4,9

TOTAL RISK SCORE

4,0

	Quant value	Rank vs. PF	PM Score (1-5)
QUALITY			2,9
FINANCIAL LEVERAGE			4
Traditional Leverage	0,08	#1/T	
HOLT Leverage	15,32	#1/T	
Interest Coverage	21,7	#1/T	
HOLT Fixed Charge Ratio	1,43	#1/T	
Net Book Debt/EBITDA	0,50	#1/T	
Credit rating	AAA		
ACCOUNTING QUALITY			2
Overall Score	Below Average		
Revenue Recognition	Average		
Expense Recognition	Above Average		
Cash Flow	Average		
Balance Sheet	Below Average		
EPS Convention Type	Adjusted		

	Quant value	Rank vs. PF	PM Score (1-5)
PRICE STABILITY			5,0
VOLATILITY			5
Volatility (30D)	19,4	#1/T	
Volatility (200D)	21,1	#1/T	
Volatility (999D)	18,0	#1/T	
DRAWDOWNS			5
Drawdown (Last 3 years)	-17,3	#1/T	
Den Globale Finansielle Krise	-26,5	#1/T	
Den Europæiske Gældskrise	-11,5	#1/T	
Boblen på det Kinesiske A-marked	-14,5	#1/T	
Rentefrygt	-17,3	#1/T	
SHORT INTEREST	0,5%		5
SUSTAINABILITY			1,0
ESG Rank			
- Environmental			
- Social			
- Governance			
Management incentive score			
Tax rate			

	Quant value	Rank vs. PF	PM Score (1-5)
FUNDAMENTAL STABILITY			5,0
DIVERSIFICATION			4
Top 5 customers share of revenue	6,6	#1/T	
Top 5 suppliers share of COGS	3,9	#1/T	
FUNDAMENTAL STABILITY			5
Variability	-0,40	#1/T	
Operating leverage	1,5	#1/T	
Economic Moat	Wide		
Economic Moat trend	Stable		
HOLT eCap	SAND		
GROWTH			
Sales growth	2,7%		
Organic sales growth	2,0%		
EPS growth	4,2%		
Asset growth	2,9%		
M&A growth (Total of last five years)			
Capex growth	1,0%		
Net share issuance growth	-1,1%		

2: The MSCI ESG Portfolio report

Portfolio
544 LOW VOLATILITY

Primary Benchmark
MSCI AC WORLD



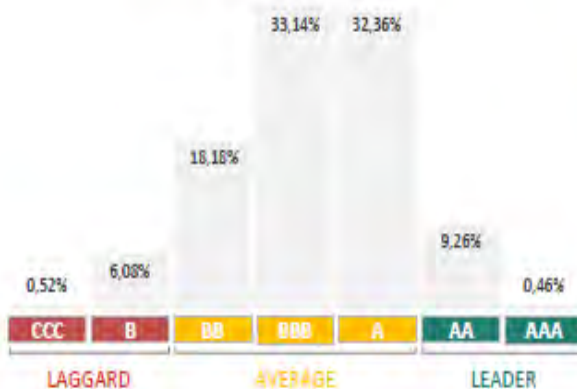
PORFOLIO ESG RATING SUMMARY

ESG Quality Average
8% above benchmark

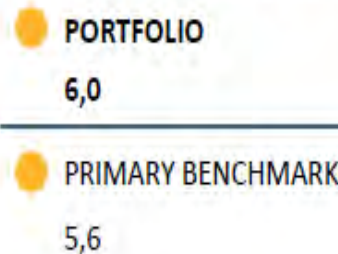
ESG Ratings Distribution Leaders 03% under benchmark
Laggards 03% under benchmark

ESG Ratings Momentum Upward momentum 01% under benchmark
Downward momentum 04% under benchmark

MSCI ESG Fund Metrics Distribution
(as of April 1, 2019)

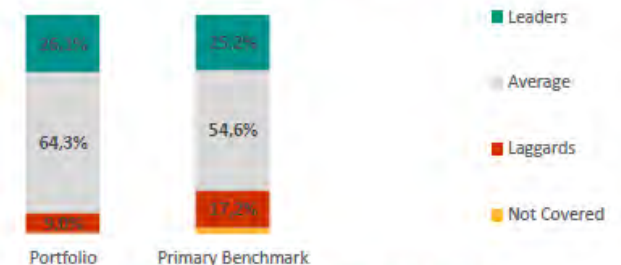


MSCI ESG Quality Score



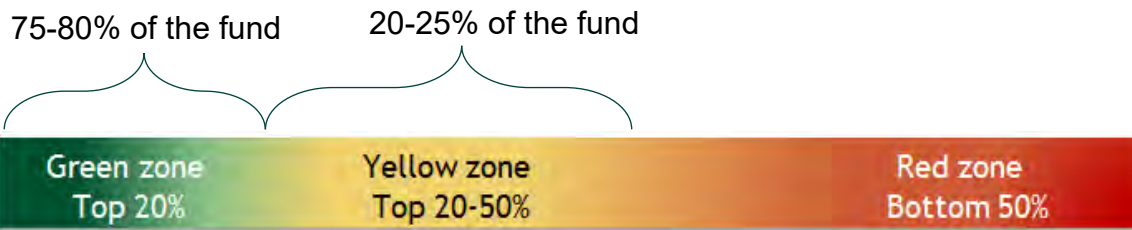
- Very High
- High
- Moderate
- Low
- Very Low

Governance Risk
(Global Percentile)



Laggards 08% less than benchmark
Leaders 01% greater than benchmark

3: The Fund, Equities Low Volatility

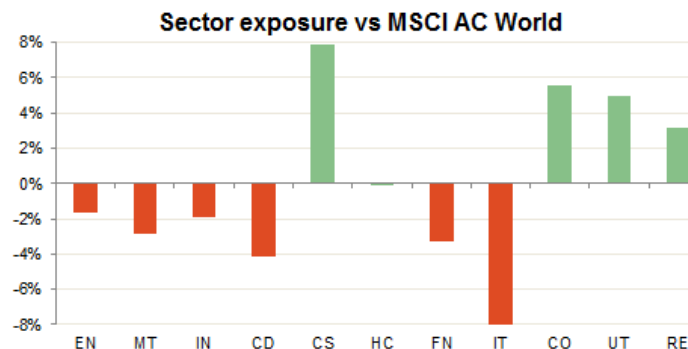
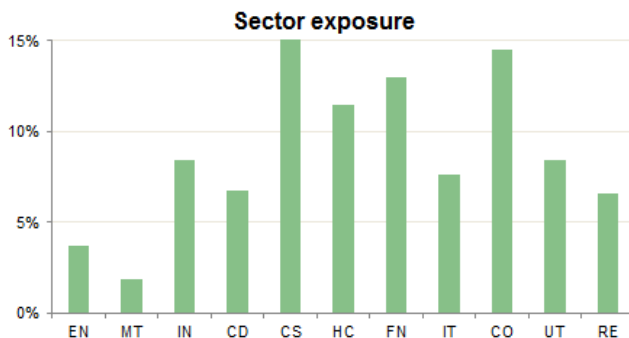


We combine equities with low volatility and companies with high quality

- We use a combination of qualitative (80%) and quantitative (20%) analysis

Quality (50%)	Value (35%)	Momentum (15%)
CFROI Level	Cash-flow model	Target price
CFROI Trend	Analysts	EPS
CFROI Volatility	Multiples	Analyst rating

- The most attractive 80-120 global equities, no benchmark
- Risk control: Four weights 0,6%, 1,1%, 1,6% and 2,1%.
- Use MOAT analysis from Morningstar



3: Performance - “winning by not losing”

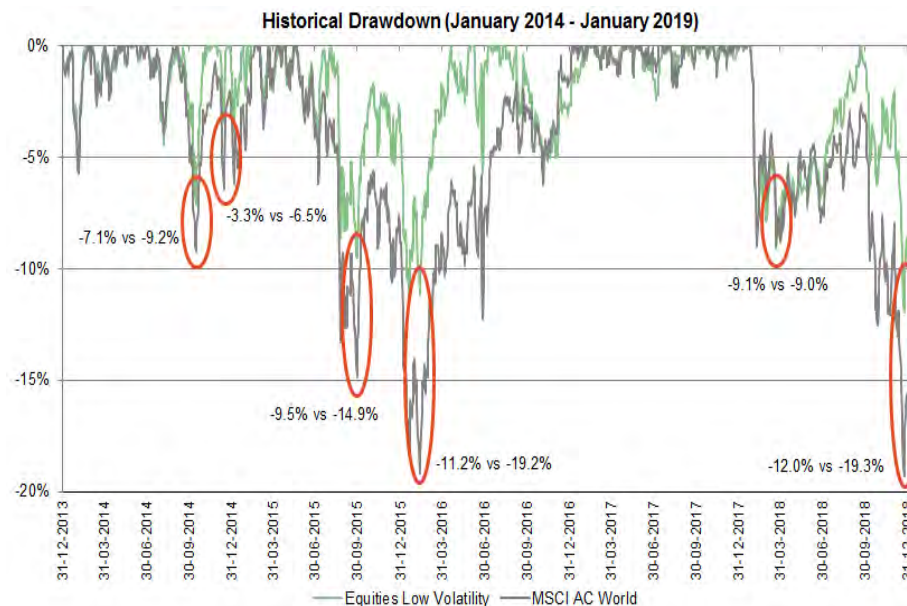
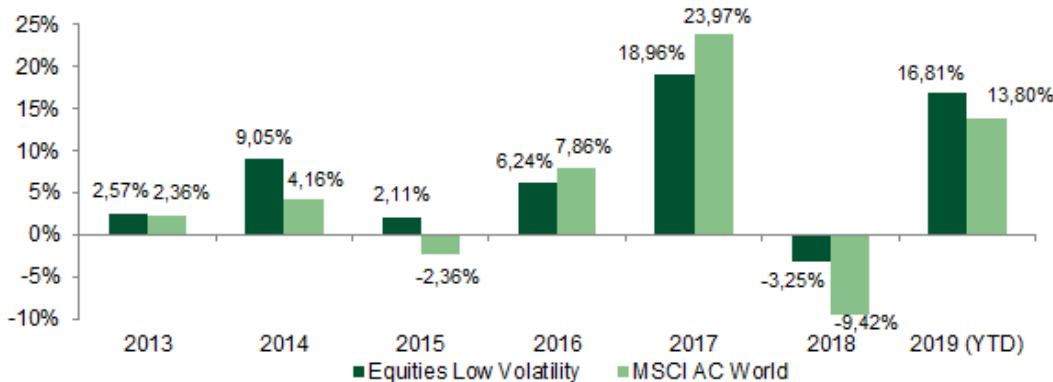
Returns for Equities Low Volatility

	YTD	1 year	3 years	5 years	Since inception
Equities Low Volatility	16,08%	13,61%	35,12%	48,80%	62,16%
MSCI AC World	16,23%	5,74%	39,08%	34,85%	46,56%
Difference	-0,14%	7,86%	-3,96%	13,95%	15,60%

Key ratios (since inception)

	Equities Low Volatility	MSCI AC World
Annualized return	8,89%	6,48%
Standard deviation	9,16%	11,36%
Sharpe ratio	0,97	0,57
Tracking error	4,53%	
Information ratio	0,70	
Beta	0,75	

Morningstar rating



Note: Returns are based on the fund "Jyske Invest Equities Low Volatility", before costs, period 9. December 2013 to August 31, 2019 .

Facts – Products within Equities Low Volatility

Facts	Jyske Invest Equities Low Volatility CL	Jyske SICAV Equities Low Volatility, USD IC	Jyske SICAV Equities Low Volatility, EUR RC
ISIN	DK0060512358	LU1529111657	LU1529111574
Investor type	Retail and institutional	Institutional	Retail
Launch date	06.12.2013	01.02.2017	01.02.2017
Fund AUM	USD 31,620,000	EUR 68,926,000	EUR 68,926,000
Approvals	DK, NL, SE, GB, DE, GI, NO, LU, ES, FR, AU	DE, SE, NO, LU	DE, SE, NO, LU
Morningstar Rating	★ ★ ★ ★ ★	Not rated yet	Not rated yet
Fund type	Equity funds	Equity fund	Equity fund
Management Fee	1.400 %	0.625 %	1.250 %
Strategy AUM (30.06.2019)	EUR 505,464,000	EUR 505,464,000	EUR 505,464,000

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**DNB Fund Renewable Energy –
A global long only environmentally sustainable
renewable energy equity fund**

Jon Sigurdson, Lead Portfolio manager,
DNB Asset Management S.A.



DNB Fund Renewable Energy

A global long only environmentally sustainable renewable energy equity fund

NIMF 2019

Portfolio managers

Jon Sigurdson
Christian Rom

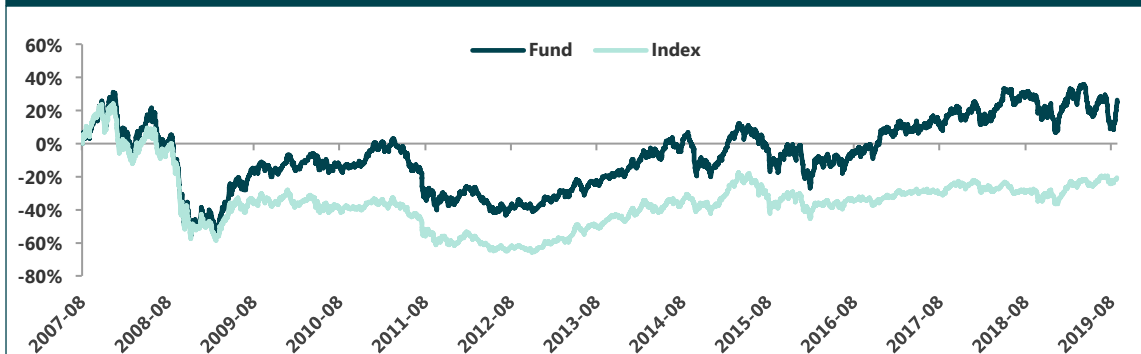
DNB Asset Management AS (Norway) / DNB Asset Management S.A. (Luxembourg)



DNB Renewable Energy's performance since inception

More than 10 years track record in global environmental investments

DNB Fund Renewable Energy vs. fund benchmark since inception



* DNB Fund Renewable Energy Retail A net of fees (13 September 2019)

DNB Fund Renewable Energy

- ✓ Long only UCITS equity fund investing in companies enabling a better environment
- ✓ Experienced, dedicated and research driven team
- ✓ Strong performance record
- ✓ Concentrated portfolio
- ✓ Sector with strong growth outlook, improving value creation and attractive valuation

Performance (net of fees)	Fund	Benchmark	Relative	Key Figures*	Fund	BM
YTD	16.49 %	24.22 %	-7.73 %	Annualised return (%)	9.79	6.65
1 month	12.73 %	4.38 %	8.35 %	Volatility (%)	19.61	12.50
1 year	-0.29 %	13.71 %	-14.00 %	Alpha in %	0.20	
3 year*	9.79 %	6.65 %	3.13 %	Beta	1.26	
5 year*	3.89 %	3.16 %	0.74 %	Correlation	0.85	
10 year*	3.72 %	1.73 %	1.99 %	Information ratio	0.28	
Since inception*	1.88 %	-1.85 %	3.73 %	Tracking error in %	12.60	

* Annualised data

* Annualised 3 year monthly data

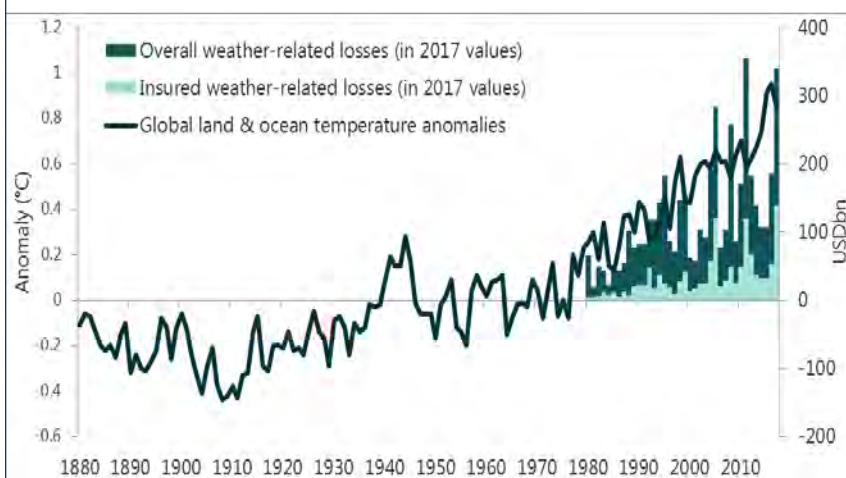
Past performance is no guarantee of future returns. Future returns will among other factors depend on the market development, the manager's skill, the portfolio / fund's risk exposure and the costs involved associated with subscription, management and redemption. Returns can sometimes be negative as a result of negative returns.

Source: DNB Asset Management AS (as at 13 September 2013)

The investment case for climate & environment

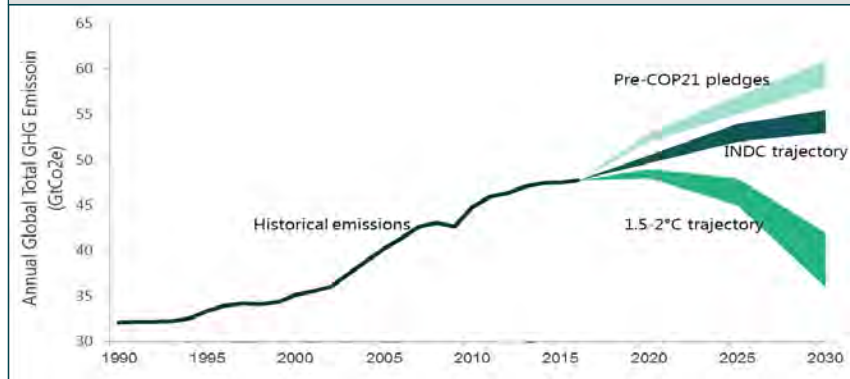
The need for environmentally sustainable solutions is unprecedented

Global temperature anomalies increasing with emissions.



COP21 deal aims to limit global warming <2°C

195 countries (>95% of global emissions) signed the COP21 deal to limit global warming to "well below 2°C". Included in the deal is 5yr reviews of the countries "emission targets" (INDC) starting in 2018.



Climate change already materialising in increasing economic loss through weather-related losses, productivity loss and prevention measures:

- "UN highlights that that there could be a \$2tn loss* in productivity in the global economy by 2030 due to the effects of a hotter world."
- "IEA research shows that annual investments need to double to roughly 2% of global GDP/yr up to 2030 to get to the 2°C trajectory."
- IPCC report: "Investment in mitigating energy sector emissions would hit an annual average of around \$900bn/ year from 2015 to 2050."

Source: NOAA, Munich RE

* UNDP Climate Change and labour: Impacts of heat in the workforce

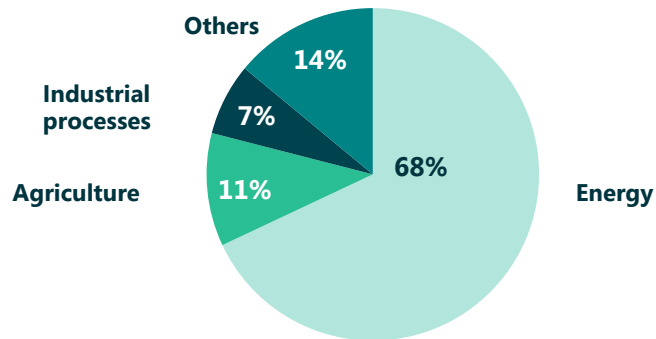
Source: EC JRC EDGAR, UNEP, BNEF

Global emissions

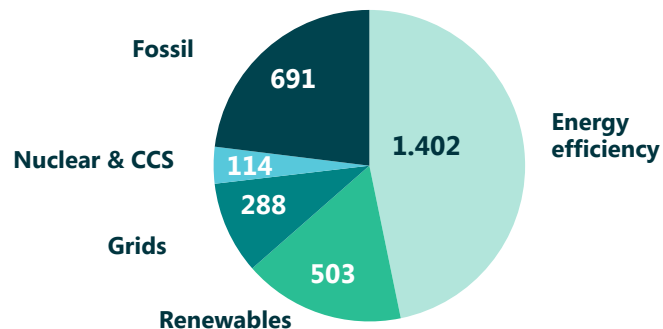
The energy sector is accountable for ~67% of global GHG emissions

The investment universe is defined as companies that can capitalize from enabling a better environment for the world. These will mostly be related to Renewable Energy and Resource Efficiency as ~67% of Green House Gas (GHG) emissions relate to energy, and emissions is seen as the major but not only environmental challenge.

Established share of global anthropogenic GHG



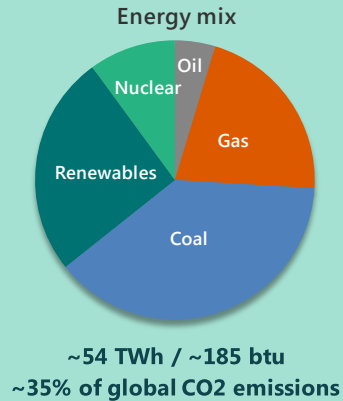
Required annual investment (450 scenario), USDbn



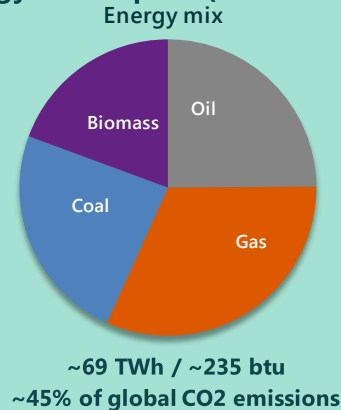
Source: IEA, Acciona

Cost competitive renewables are merging the energy silos Growing and broadening addressable market over time

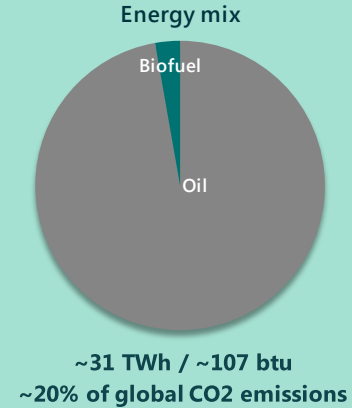
Power sector (electricity)



Industry, Commercial and Residential energy consumption (excl electricity)



Transportation



Ever more cost competitive renewables are merging the energy silos - growing and broadening addressable market over time

Source: US DOE, IEA, BP, World Energy Council, DNB estimates

Investment process

Stock selection

Identified investment universe

~3,000 stocks

- Business significantly driven by enabling better environment
- Size criteria: >USD 100m in market capitalization
- Liquidity: >USD 1m in average daily traded value

Analysis of individual stocks

~700 stocks
Evaluation with models

- Construct proprietary «bottom-up» model by company
- Darwinian approach
- Well-defined and proven fundamental approach to identify companies with attractive risk-reward

~350 stocks
Regularly updated models

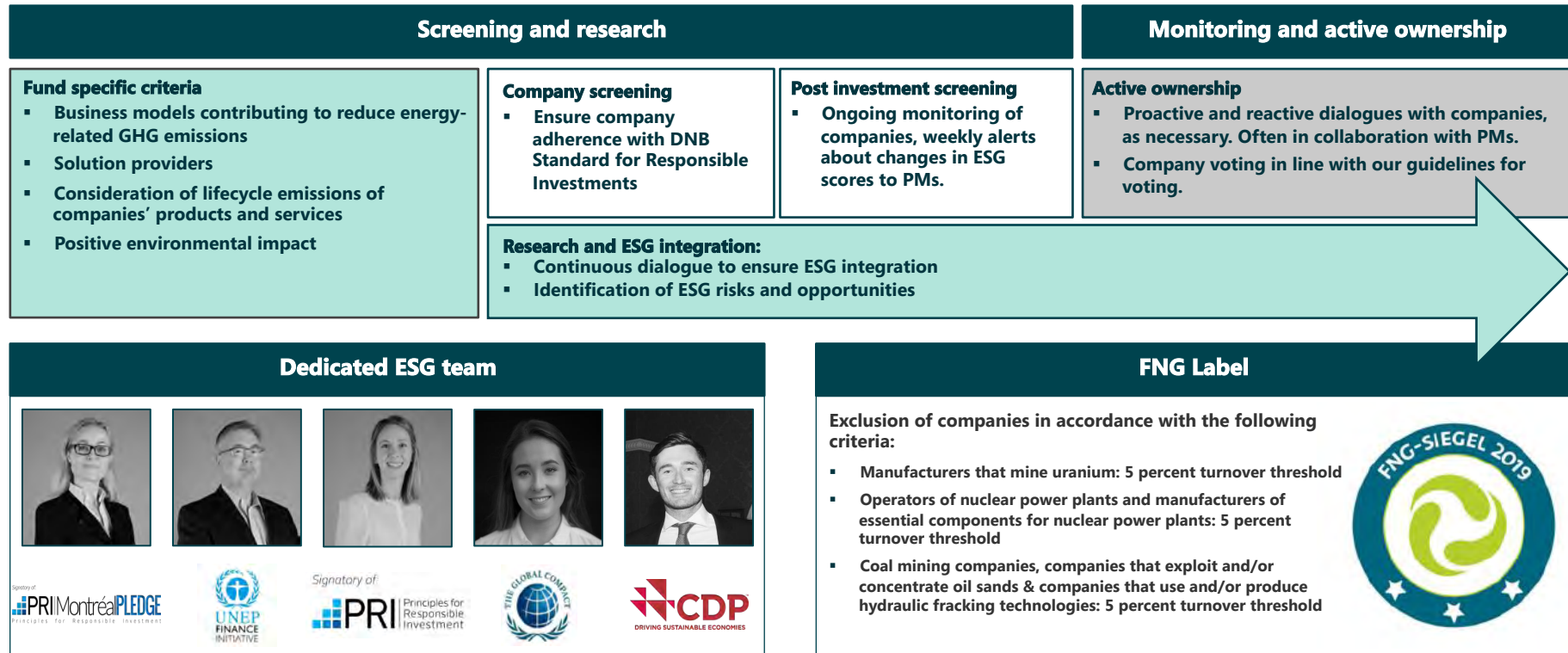
Stocks selected

25-45 best ideas

- Best ideas formed by proven fundamental analysis
- Construction of portfolio consisting of 25-45 best ideas
- High conviction ideas clearly over-weighted in portfolio

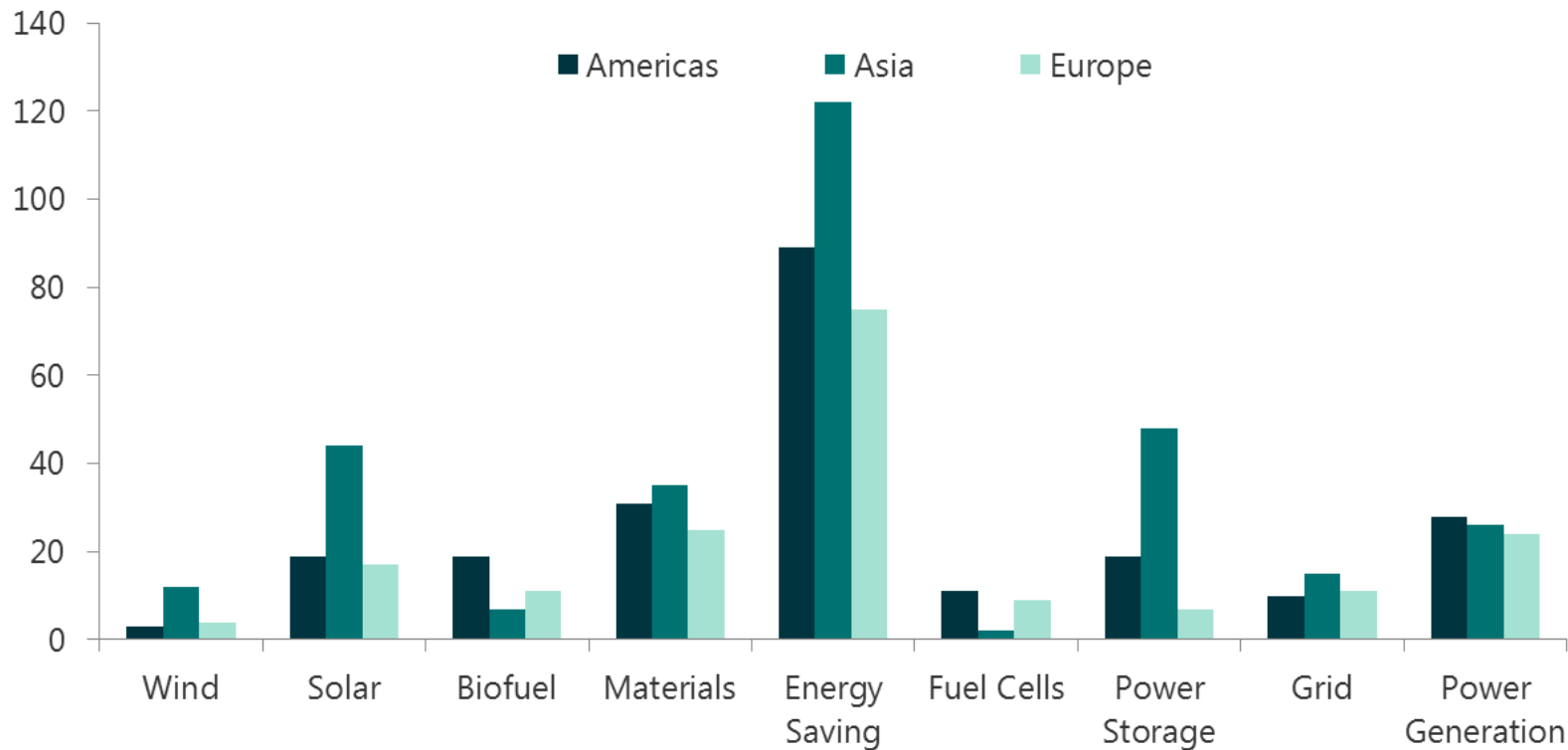
Integration of ESG in DNB Asset Management

Evaluation of ESG risks and opportunities is part of our DNA



The investment universe

Our definition of the sub-sectors in the Environmental universe



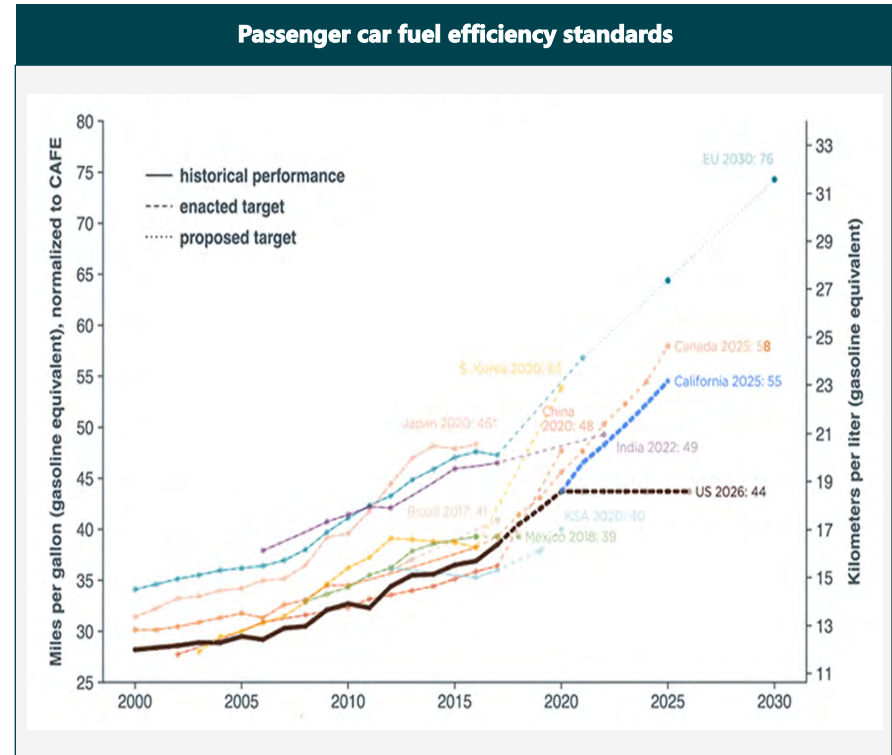
Source: DNB Asset Management

Vehicle efficiency

High growth visibility at attractive valuation

- ✓ Increasing fuel efficiency standards across the world well into the future giving high growth visibility
- ✓ Investing in supplier companies with key technologies that enable lower emissions
- ✓ OEMs de-emphasizing parts production
- ✓ Consolidated healthy industries with high entry barriers like scale, trust, technologies/know how, brands etc.
- ✓ Several markets have better outlook than market expectations, and it's a lot more than automobiles
- ✓ Valuation extremely attractive
- ✓ Cash flow to improve and drive re-valuation and/or shareholder friendly actions

Source: International Council on Clean Transportation (ICCT)

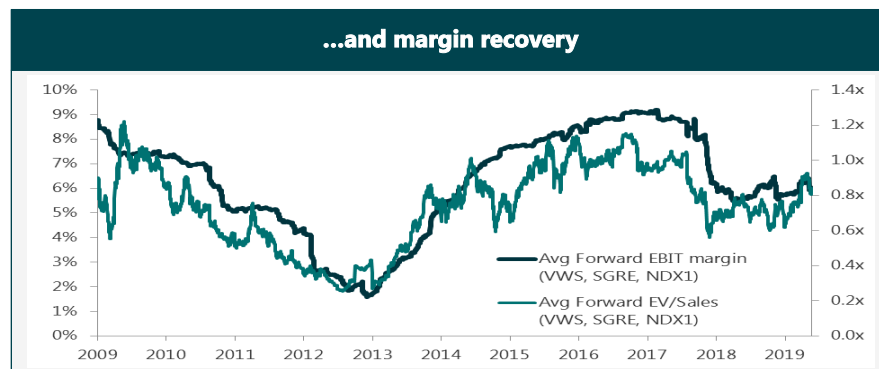
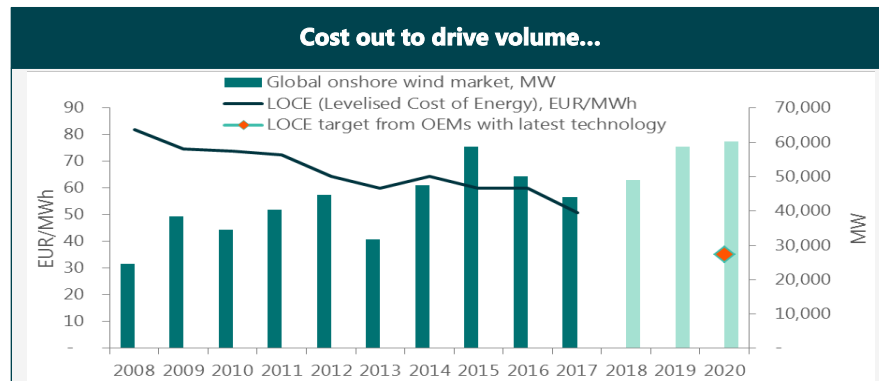


Wind

Consolidated industry with great growth potential

- ✓ Proven track record of cost down driven by technology innovation and supply chain optimization
- ✓ The strong cost down have made wind one of the most cost competitive sources of electricity, providing a great growth outlook. Currently only 5% of total electricity market
- ✓ Clear cyclical properties given high share of fixed cost, but strong growth in share of recurring services revenues
- ✓ Wind's cost competitiveness is moving it past unstable subsidy schemes which have exaggerated boom/bust cycles in the past
- ✓ Consolidated industry
- ✓ Cycle bottoming as volume expectations are too low

Source: BNEF, MAKE, Bloomberg

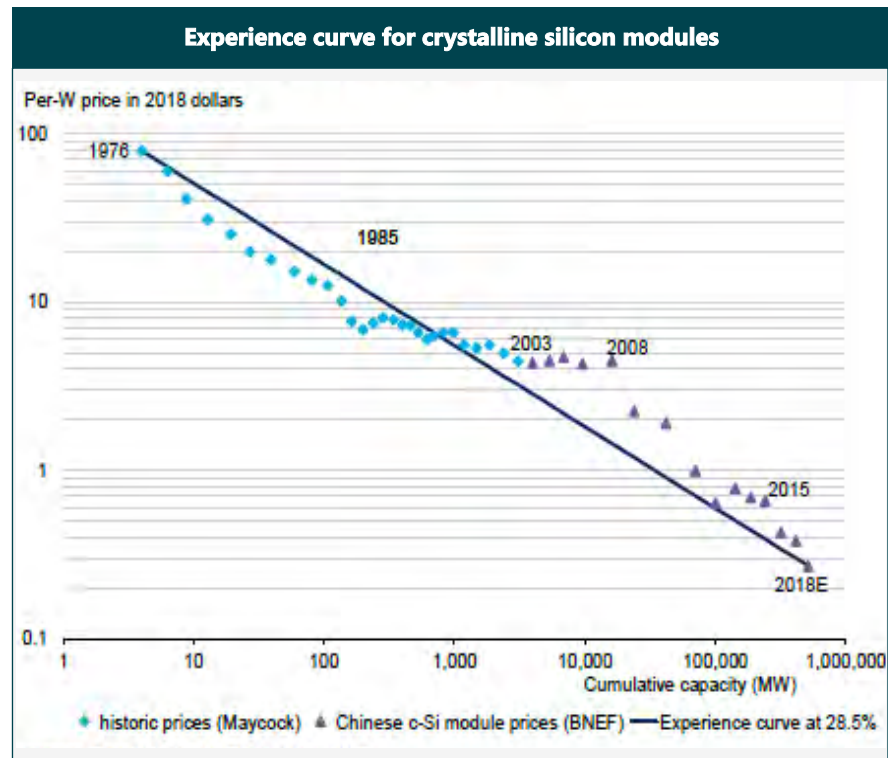


Solar

Prefer technology driven companies

- ✓ Solar is increasingly becoming price competitive in selective markets due to falling prices.
- ✓ Technology curve will continue to develop, hence prefer technology driven companies.
- ✓ Business model evolving, addition of storage, O&M creates new revenue streams.
- ✓ Contracting structure creates near to mid-term visibility.

Source: Paul Maycock, BNEF

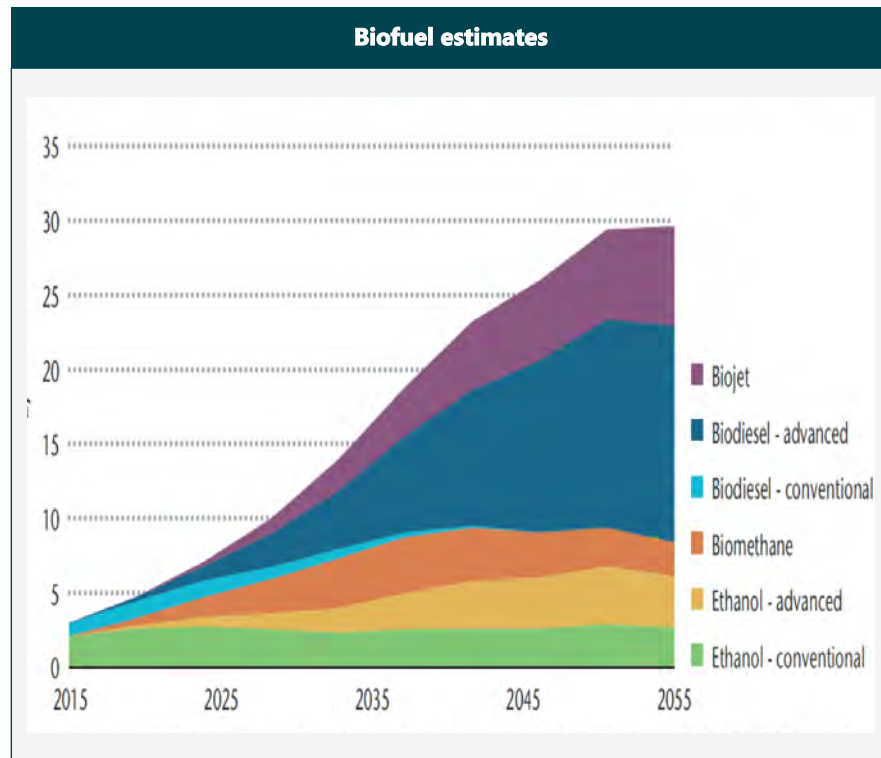


Biofuels

Competitive solution to lower carbon reduction

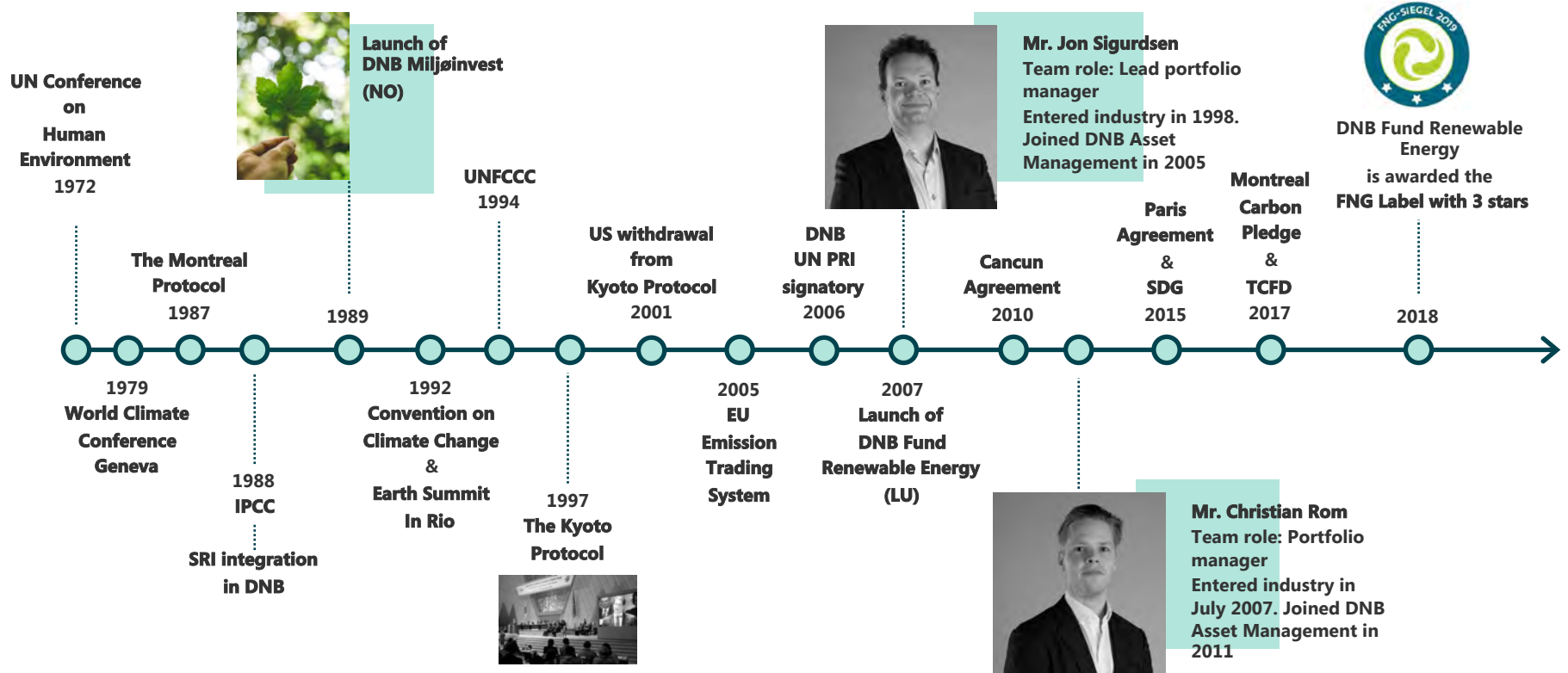
- ✓ The right biofuels saves a lot of carbon, policy environment is building
- ✓ Feedstock analysis is key – both from price and environmental point of view
- ✓ US produced biofuels very competitive on price
- ✓ Large untapped markets
- ✓ Biofuels is local support/energy security
- ✓ Octane needs is growing and could give another leg for ethanol
- ✓ Lack of market focus

Source: IEA



DNB Asset Management's global environmental renewable energy investments team

An experienced management team in a rapidly evolving sector



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Asset Management

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