

DNB Grønt Norden

Grønne investeringer i Norden

November 2019

Portfolio manager

Øyvind Fjell

DNB Asset Management AS (Norway)

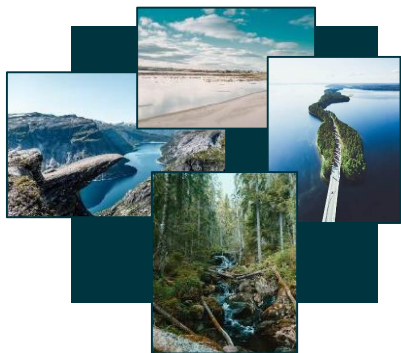
This presentation is intended to be marketing material



Hvorfor Norden

Norden i et nøtteskall

Vill **natur**...



Innovative **forretningsmodeller**...



... og **naturressurser**



... og **selskaper**



... så, hvorfor **Norden**?

- ✓ Avkastning
- ✓ ESG
- ✓ Langsiktig konkurransekraft

DNB Grønt Norden

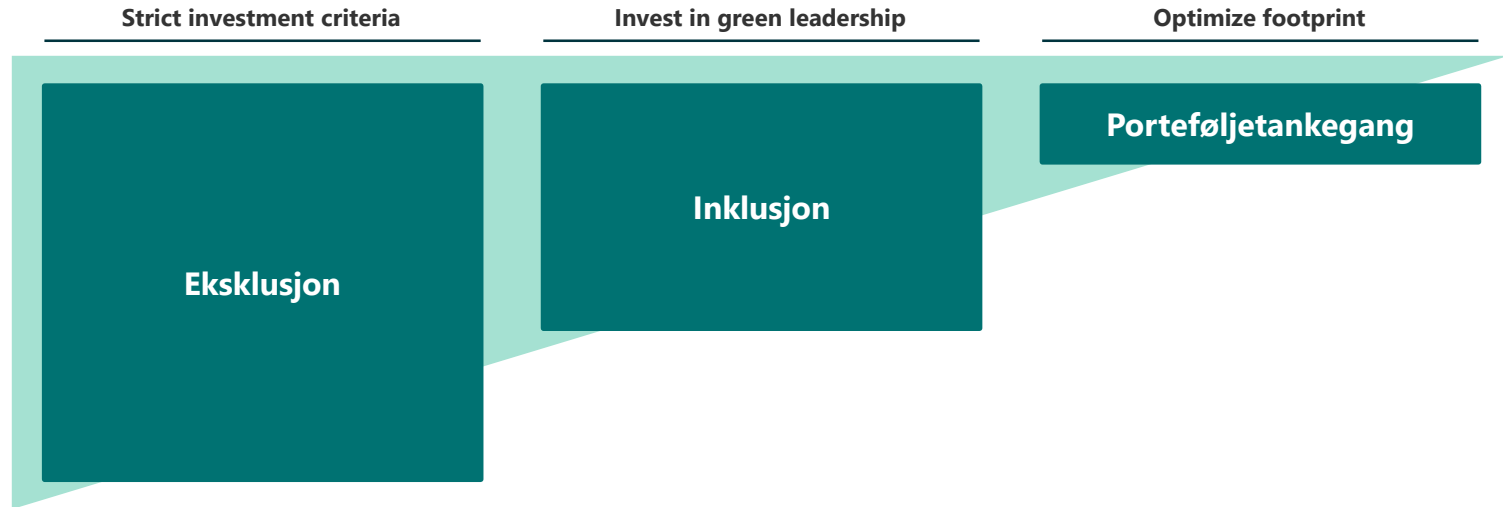
Grønne investeringer i en bærekraftig region

- ✓ DNB Grønt Norden søker spesielt investeringer i selskaper som har en positiv innvirkning på miljøet
- ✓ Disse selskapene tror vi er spesielt attraktive framover drevet av:
 - ✓ Vekst
 - ✓ Teknologi
 - ✓ Regulatoriske forhold
 - ✓ Tilgang på finansiering
 - ✓ Kapitalstrømmer i aksjemarkedet



Investment process

ESG criteria



- Stricter investment criteria beyond DNB's ESG-standard¹
- No fossil energy (coal & oil), betting, alcohol or weapons
- No investments with high CO₂-intensity

- Identify and invest in companies with beneficial impact on environment
- Themes include climate change, water management, energy efficiency, waste management, water & air pollution, deforestation and biodiversity

- Portfolio ESG-score to be higher than relevant index at all times
- Portfolio carbon footprint to be significantly lower than index at all times

¹ Exclusion of companies producing controversial weapons, tobacco, pornography, companies who derive 30% of their income from oil sands extraction or thermal coal, or base 30% or more of their operations on thermal coal

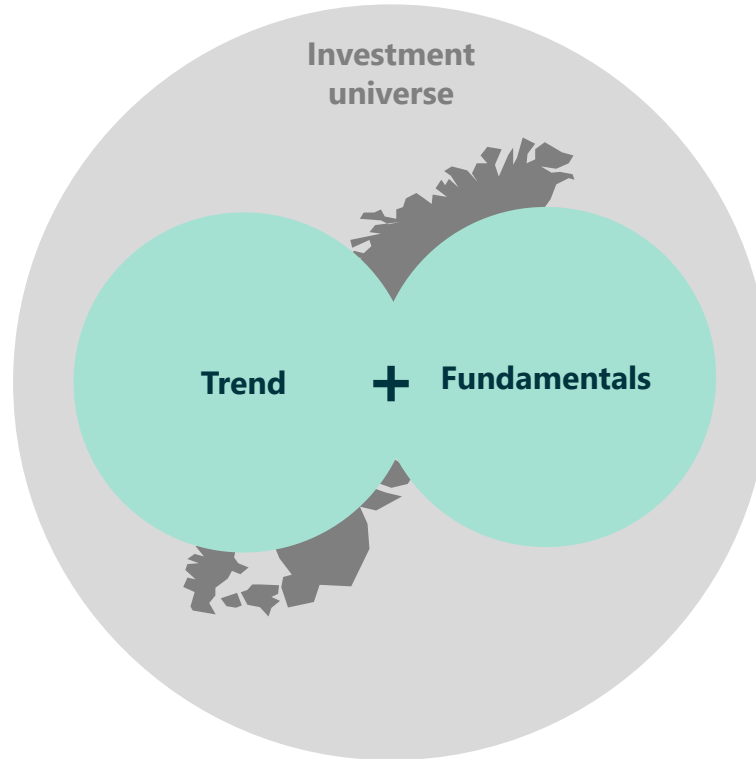
² ESG score calculated as value weighted average of MSCI ESG-score. ³ As per May 2019, the carbon footprint shall be more than 26% lower than index for the portfolio as a whole

Investment process

Combining trend and fundamental analysis



- Screen for and identify companies with longer term positive share price trends as proxy for underlying value creation or change
- Continuously monitor company performance relative to broad index and sector performance to gauge if trends are strengthening or weakening
- Agnostic approach to stock picking – elimination of known biases



- Evaluation of business model and company positioning
- Evaluation of historical company value creation and returns
- Evaluation of company products/technology and long-term industry attractiveness as well as short term company dynamics
- Assessing company's valuation given expected value creation, hereunder underlying earnings expectations

Investment Case: Vestas Wind

Med vinden i ryggen

Investment Case

- Vestas er global markedsleder i et marked i solid vekst
- Selskapet tar markedsandeler og øker sin installerte base hurtig
- Aksjekurs i dag reflekterer ikke eksponering eller overgang til mer stabil forretningsmodell

Value Creation

- Selskapet har en høy avkastning på sin sysselsatte kapital
- Forretningsmodellen vil føre til stadig mer stabil inntjening og høyere marginer
- Teknologisk utvikling vil trolig kunne bidra positivt til marginer framover

Valuation

- 2020 P/E 16, EV/EBIT 11
- FCF-yield 5-7%
- Solid balanse – cash er 20% av market cap

Triggers

- Kvartalsrapporter
- Ordre på nye møller
- Konsolidering i bransjen



Investment Case: Scatec Solar

Here Comes the Sun

Investment Case

- Høy etterspørsel etter solparker, som stadig faller i pris
- Scatec er et spill på etterspørselen i fremvoksende markeder spesielt
- Aksjekursen i dag reflekterer ikke den langsiktige vekstpotensialen selskapet har

Value Creation

- Scatec har dyp kompetanse innenfor konstruksjon, utvikling og finansiering av solparker i krevende områder
- Selskapet drar nytte av stadig fallende priser på solpaneler
- Over tid vil selskapet generere en høy og stabil kontantstrøm fra produsende solparker

Valuation

- Eksisterende solparker har en verdi på NOK 70-80/aksje
- Vekstbanen til selskapet går trolig høyere og varer lenger enn markedet tror
- Relativt åpenbar M&A-kandidat

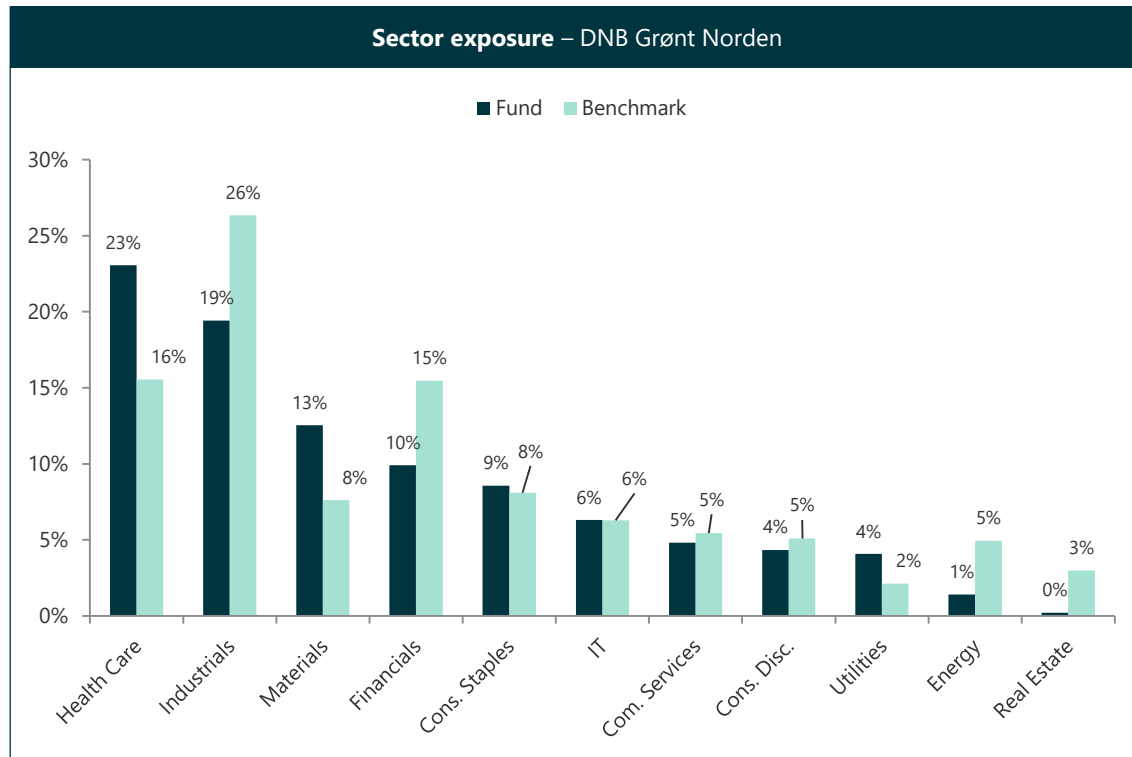
Triggers

- Nye prosjekter
- Oppdateringer rundt regulatoriske støtteordninger
- Release-prosjektet

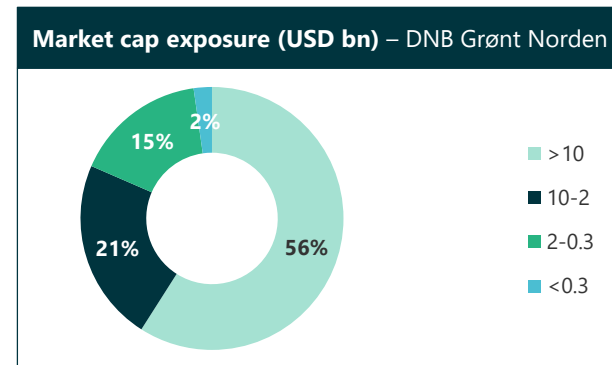
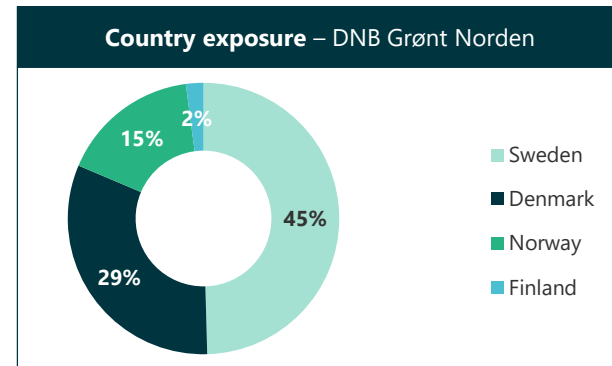


Sector and country exposure for DNB Grønt Norden

Sector and geographical exposure is a result of bottom-up selection



Source: DNB Asset Management AS (31 October 2019)



Portfolio holdings and portfolio bets in DNB Grønt Norden, end of October 2019

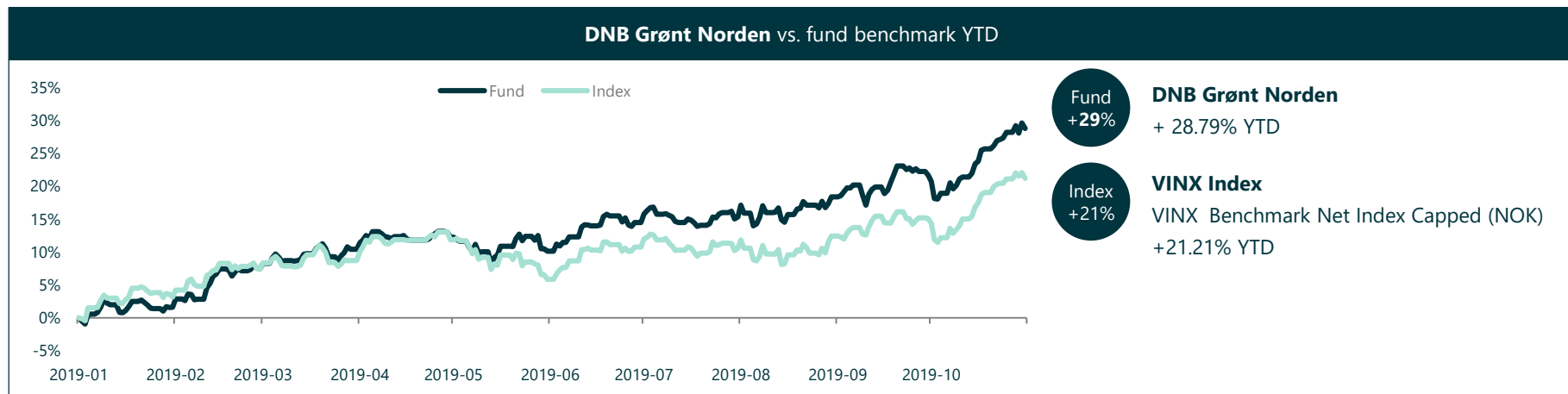
Topp-10 innehav DNB Grønt Norden

Top 10 holdings	Holding	Biggest overweight bets	Por. bet	Biggest underweight bets	Por. bet	
	Novo Nordisk A/S	9.55 %	Vestas Wind Systems A/S	5.39 %	Kone Oyj	-2.34 %
	Vestas Wind Systems A/S	7.01 %	Genmab A/S	4.75 %	Assa Abloy B	-2.27 %
	Essity Aktiebolag B	6.40 %	Essity Aktiebolag B	4.47 %	Atlas Copco A	-2.19 %
	Telefonaktiebolaget Lm Ericsson B	6.27 %	Bonheur Asa	4.22 %	Equinor ASA	-1.98 %
	Genmab A/S	5.97 %	Telefonaktiebolaget Lm Ericsson B	3.69 %	Nokia Oyj	-1.95 %
	Bonheur Asa	4.22 %	Svenska Cellulosa Ab Sca B	3.56 %	Sampo Oyj	-1.86 %
	AstraZeneca PLC	4.16 %	Scatec Solar ASA	3.09 %	Sandvik AB	-1.74 %
	Svenska Cellulosa Ab Sca B	4.09 %	Holmen AB - B	3.05 %	Upm-Kymmene Oyj	-1.62 %
	DSV A/S	3.94 %	AstraZeneca PLC	3.01 %	Coloplast A/S	-1.60 %
	Holmen AB - B	3.34 %	Zealand Pharma A/S	2.74 %	Neste Oyj	-1.49 %
	54.95 %					

Source: DNB Asset Management AS, portfolio holdings in SimCorp Dimension

DNB Grønt Norden

Meget konkurransekraftig avkastning i 2019



The performance represented is historical; past performance is not a reliable indicator of future results and investors may not recover the full amount invested. The value of shares can greatly fluctuate as a result of the fund's investment policy and cannot be ensured, you could lose some or all of your invested money

Performance	Fund	Benchmark	Relative
YTD (%)	28.79	21.21	7.58
Volatility (%)	9.75	10.56	
Alpha (%)	0.26		
Beta	0.86		
Sharpe ratio	1.51	1.25	
Correlation	0.93		
Information ratio	0.39		
Tracking error (%)	3.88		

* YTD performance as at 30 Sept 2019. Other key figures based on 3-year annualised data

Fund facts	
Inception:	24.11.1989
Base currency:	NOK
Fee structure Grønt Norden:	Mgmt fee 1.40% p.a.
Bloomberg*:	VESGRNO NO
ISIN*:	NO0010102866
Benchmark:	VINX Benchmark Net Index Capped NOK

* Share class: Norden C

Disclaimer



The presentation has been prepared in accordance with DNB Asset Management's General Business Terms. The presentation was prepared for internal use as information for our clients and is not intended for public use or distribution. The information contained herein may not be reproduced without DNB Asset Management's prior consent.

This presentation was prepared on the basis of publicly available information. DNB Asset Management does not warrant that the information in the presentation is exact, correct or complete. The opinions expressed herein reflect the views of DNB Asset Management at the time. Asset Management reserves the right to change its opinion without notice. Any written material distributed must be seen in the context of the oral presentation. DNB Asset Management will not accept responsibility for direct or indirect losses incurred as a result of the interpretation and/or use of information in this presentation.

This presentation is not an offer or recommendation to purchase or sell financial instruments. Investments in financial instruments are associated with risk, including the possibility that all or part of invested funds may be lost. Historical returns are no guarantee of future returns.

DNB Bank ASA and/or other entities in the DNB Group or employees and/or representatives of the DNB Group may trade in or hold positions in the presented or related financial instruments and may give financial advice or provide banking services linked to such financial instruments. Rules regarding confidentiality and other internal rules limit the exchange of information between different units and group companies in the DNB group. The employees in DNB who prepared this presentation may thus be prevented from using, or be unaware of, information held in other units/companies in the DNB Group that may be relevant to this presentation.

DNB Asset Management AS is an entity within the DNB Group registered in the Registry of Business Enterprises under Enterprise Number 880 109 162.



Asset Management