Storebrand

# Storebrand Global ESG Plus

## Quarterly Fund Update

*Note: This is a marketing communication for professional investors only.*

## Important Information

Except otherwise stated, the source of all information is Storebrand Asset Management AS as at 31st of March 2025. 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. Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. Future fund performance is subject to taxation which depends on the personal situation of each investor, and which may change in the future.

No offer to purchase shares can be made or accepted prior to receipt by the offeree of the fund's prospectus and KIID and the completion of all appropriate documentation. You can download more information including Investor Rights information, full prospectus, Key Information Documents, General Commercial Terms and Annual Reports in Norwegian **here**. The fund is classified in risk profile 5 out of 7 (SRRI score). The value of a fund with risk class 5-7 may increase or decrease significantly due to its com position and the fund company's portfolio management practices.

Storebrand Asset Management AS may terminate arrangements for marketing under the Cross-border Distribution Directive denotification process.

### Storebrand Global Plus Update

*Fund exclusions drive relative underperformance in first quarter as climate solutions show signs of stabilisation*

Against a backdrop of equity market turbulence, Storebrand Global Plus ended April lagging the MSCI World benchmark by around 0.6% year-to-date, closing the gap since the end of Q1 when the fund was around 1.0% behind the index. The majority (c.0.8%) of underperformance during the first quarter was attributable to fossil fuel company exclusions, while avoiding companies in line with Storebrand's exclusion policies cost the fund a further 0.5%.  More positive was the c. 88% of the portfolio which is tilted in favour of companies with science-based transition targets, FTSE green revenues or lower emissions, which added around 0.6% to relative returns while currency differences between the fund and index added 0.1% over the first quarter.

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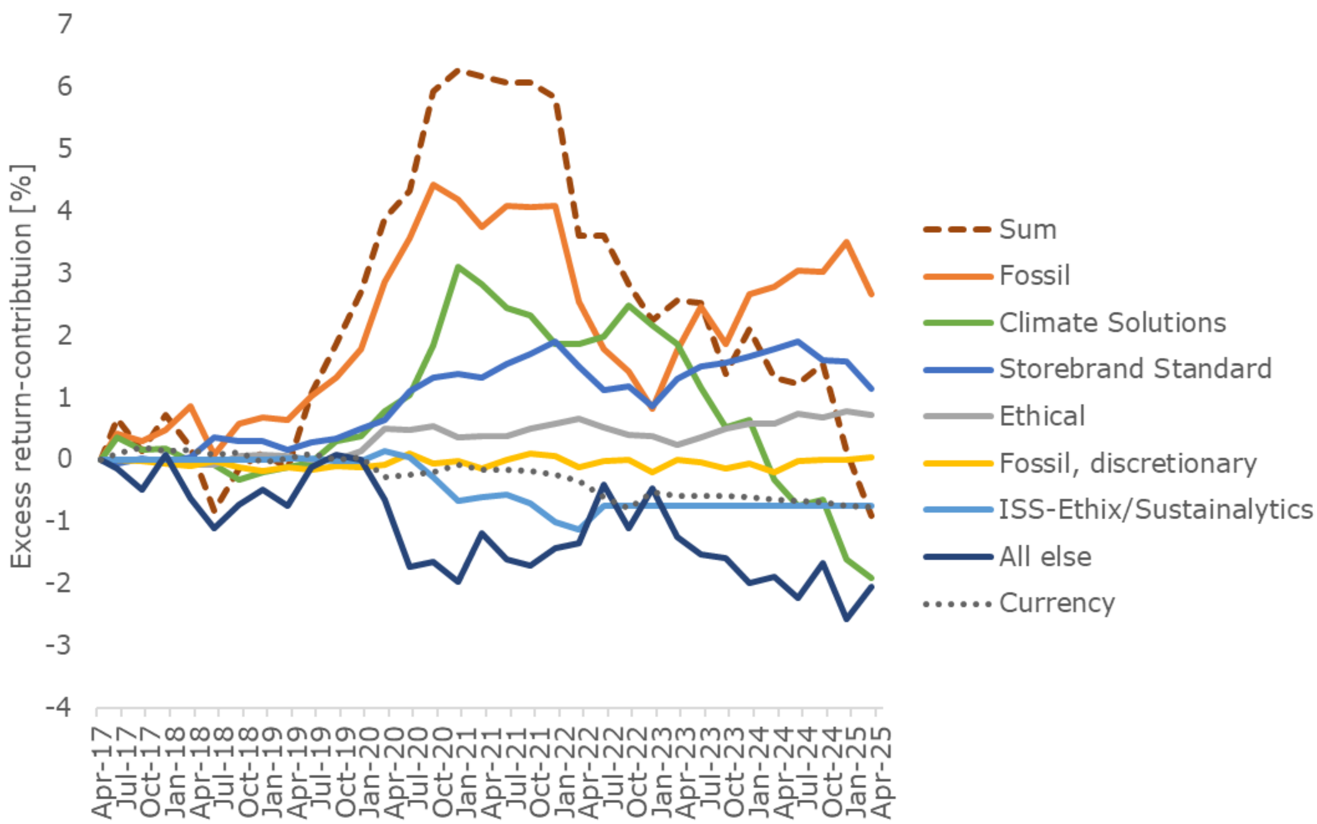
## Climate solutions stabilisation

The fund's c. 12% allocation to climate solutions companies detracted 0.3% from relative returns during the first quarter. As figure 1 illustrates, this category has been the main driver of the fund's relative underperformance in recent years, with returns trending downwards – particularly from renewable energy companies – from mid-2022 and costing the fund around 3% on a relative basis in 2024. Although performance has remained lacklustre this year, the category shows signs of stabilisation.

**Figure 1: Category attribution since launch**




Several European utility and energy companies announced plans to cut investment in renewables during the first quarter due to market headwinds, including RWE, EDP, Orsted, BP and Equinor. More encouraging has been the plans revealed across Europe and in China to make hundreds of billions of dollars in grid investments, driven by the need to generate a greater proportion of energy from electricity rather than liquid fuels, and to facilitate a higher share or renewables in the production mix.

This is against a more challenging backdrop for climate mitigation policies in Europe this year, notably regarding upcoming EU laws which will back-pedal on previous commitments, targets and reporting standards in response to the introduction of US tariffs and a desire to raise defence spending and industrial competitiveness. This has been driven by political pressure in different member states from across the political spectrum.

In the US, where the backlash against ESG has continued to gather pace but has also started to meet resistance, companies are noticeably talking less about climate issues. Analysis by Bloomberg shows that mentions of sustainability (including climate change, global warming, ESG, clean energy and green energy) on earnings calls were 75% fewer in the first quarter compared to their 2022 peak, with the biggest drops among consumer discretionary and financial companies.


Despite the prevailing political noise and negative sentiment, clean energy companies have delivered positive performance under the new US administration. The S&P Global Energy Transition Index is up 2.5% since President Trump's inauguration, outperforming the broader market by around 6% over the same period . More climate solutions analysis is included in our latest white paper, The Future of Paris Aligned Investing.

## Strategy enhancement

From the start of the second quarter, small adjustments have been made to the fund's fossil fuel exclusion criteria. The coal screen has been tightened to now exclude companies generating over 1% of revenues (from 5%) and the electric utilities screen has been loosened to include companies producing up to 50% from fossil fuels (from 5%) provided they are investable according to PAB screening, have SBTi approved climate plans, high EU Taxonomy-aligned capex and demonstrate reductions in fossil fuel revenues. Five electric utility companies involved in power generation, transmission and electricity distribution are now investable for the fund as a result of these enhancements.

A video recording of the Global Plus fund Q1 update is available here: [Storebrand Global Plus Q1 2025 Update]

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NB: Performance figures as at 31/03/2025 unless stated, gross of fees and based on Norwegian-domiciled fund in NOK.

[1)] *Source: MSCI. MSCI World Index -3.2% in USD, 20/01/25 – 30/04/2025*