

# Swisscanto (LU) Equity Fund Responsible Global Energy AT

Equity | reinvesting | September 2022 - Marketing Material

## Fund Description

The fund invests worldwide primarily in equities of companies from the energy sector. All securities are analysed as part of a multi-stage investment process that includes not only the valuation but also the quality of the companies.

## Product line and sustainability approaches in use

When selecting investments, the product lines and sustainability approaches illustrated below and described in the "Explanations regarding product lines and sustainability approaches" are used.



Note: Greyed-out product lines and approaches are not applicable to the assets in question.

## Swisscanto Sustainability Rating

high **A B C D E F G** low

## Awards



## Profile/Suitability

This product is suitable for investors who

- have a long-term investment horizon.
- would like to participate in the development of the equity market in the global energy sector.
- prefer an attractive ESG profile.
- are interested in high capital growth.
- are willing to accept large price fluctuations.

## Risk Indicator

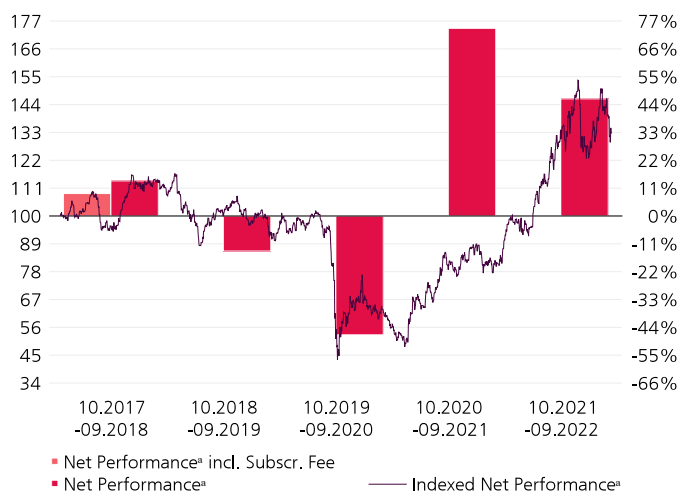
low **1 2 3 4 5 6 7** high

## Fund Facts

NAV per Share (30.09.2022)	EUR 1'003.93
52-Week High (07.06.2022)	EUR 1'163.23
52-Week Low (20.12.2021)	EUR 696.99
Fund Domicile	Luxembourg
Share Class Currency	EUR
Fund Currency	EUR
Accounting Year End	31.03.
ISIN-Number	LU0102843504
Bloomberg	SWLFENG LX
Share Class Launch Date	10.12.1999
Inception Date Fund	10.12.1999
Start Performance Calculation	01.01.2000
Change in sustainability policy	05.10.2020
Share Class Volume (million)	EUR 15.36
Fund Volume (million)	EUR 15.36
Shares Outstanding	15'299.840
Benchmark	MSCI® World Energy 10/40 TR Net EUR
Flat-Rate Management Fee p.a.	1.45%
Flat Fee p.a.	1.80%
Total Expense Ratio p.a.	1.85%
Swinging Single Pricing	Yes
Management Company	Swisscanto Asset Management International S.A., Luxembourg
Portfolio Management	Zürcher Kantonalbank
Custodian Bank	RBC Investor Service Bank S.A.

# Performance

## Indexed Performance and Performance in %<sup>1</sup>



Indexed performance (left scale). Performance in percent (right scale).

## Performance in %<sup>2</sup>

Since	1m	3m	1yr	3yrs p.a.	5yrs p.a.	10yrs p.a.
Net Performance <sup>a</sup>	-7.26	4.07	46.26	10.56	5.80	2.58
Gross performance <sup>b</sup>	-7.12	4.56	48.99	12.63	7.78	4.50
Benchmark	-7.11	4.75	48.63	11.43	7.34	4.33

## Period Specific Performance in %<sup>1,2</sup>

Period	10.2017 -09.2018	10.2018 -09.2019	10.2019 -09.2020	10.2020 -09.2021	10.2021 -09.2022
Net Performance <sup>a</sup> incl. Subscr. Fee	8.86	n.a.	n.a.	n.a.	n.a.
Net Performance <sup>a</sup>	13.86	-13.84	-46.93	74.11	46.26
Gross performance <sup>b</sup>	15.99	-12.23	-45.94	77.36	48.99
Benchmark	16.89	-11.88	-46.18	72.95	48.63

## Historical Risk Figures annualised/realised

	1yr	3yrs	5yrs
Volatility Fund	28.55%	36.87%	30.84%
Volatility Benchmark	28.84%	37.18%	31.15%
Beta	0.99	0.99	0.99
Sharpe Ratio	1.35	0.29	0.20
Jensen's Alpha	-1.16%	-0.68%	-1.36%
Information Ratio	-1.18	-0.52	-1.06

## Portfolio Data

	Fund	BM
Number of Positions	30	55
Effective Cash	4.63%	n.a.
Number of direct investments	31	n.a.

<sup>1</sup> Year/period: Since start performance calculation or at the longest for the last five years/periods.

<sup>2</sup> Minor deviations can be caused by rounding errors.

<sup>a</sup> The performance shown is less all regular fund fees incurred. Further potential costs incurred, which can be directly charged to the fund assets, are disclosed in the fund prospectus.

<sup>b</sup> The gross performance indicated is before deduction of any regular fund fees incurred.

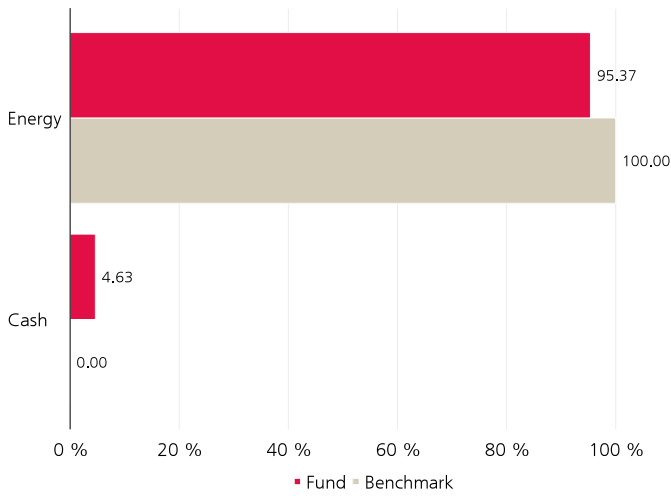
The performance stated refers to the past and is not a reliable indicator of future results. The calculation is made in the reference currency of the share class. Performance in other currencies may rise or fall as a result of currency exchange rate fluctuations. The performance data assume that any dividends will be reinvested. The data take into account the costs incurred at fund level (such as administrative fees).

The net performance including issue surcharge represents the performance after deduction of fees, but takes into account the maximum issue surcharge incurred of 5.00%.

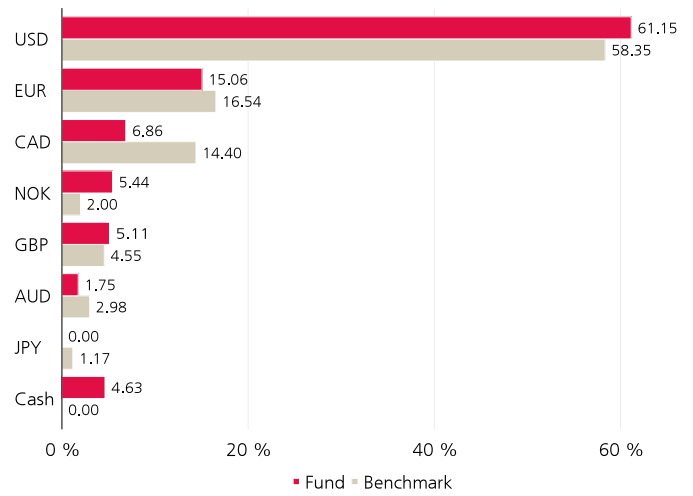
Source: RBC Investor Services Bank S.A.

# Breakdowns

## Breakdown by Sectors in %

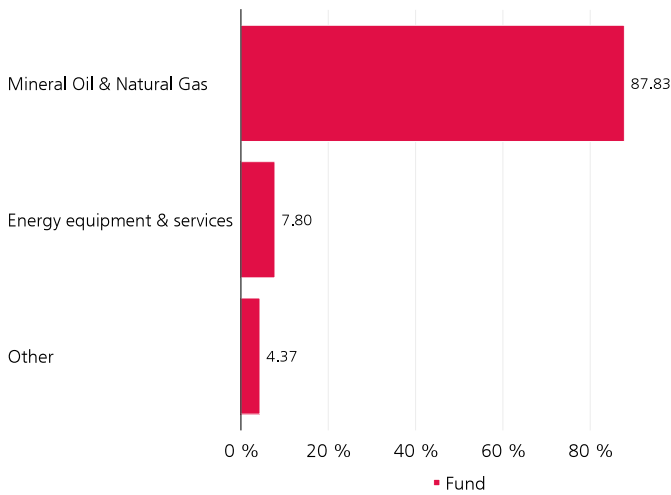


## Breakdown by Currency in %

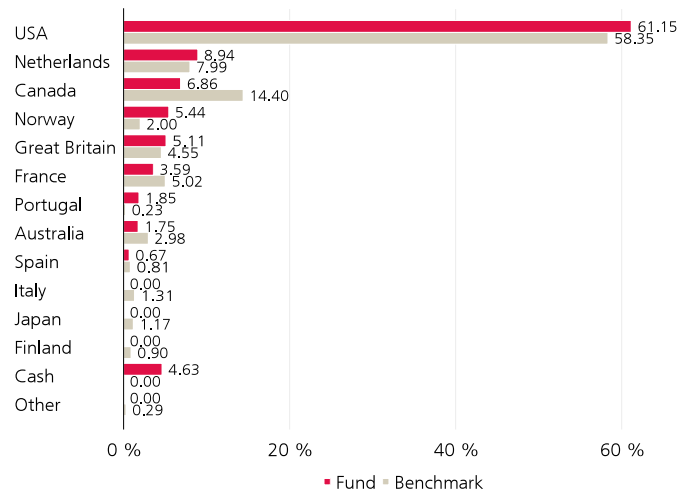


Minor deviations can be caused by rounding errors.

## Breakdown by Investment Theme in %



## Breakdown by Country in %



Minor deviations can be caused by rounding errors.

## Largest Positions in %

	Fund	BM
Shell PLC	8.94	7.99
Chevron Corp	7.54	9.07
Exxon Mobil Corp	6.79	8.99
EOG Resources Inc	5.07	3.18
Enbridge Inc	5.01	3.67
ConocoPhillips	4.68	5.67
BP PLC	4.65	4.55
Pioneer Natural Resources Co	4.33	2.42
TotalEnergies SE	3.59	5.02
Marathon Petroleum Corp	3.52	2.61

# Explanations regarding product lines and sustainability approaches

## Product lines

The sustainability product range comprises two product lines in which different sustainability approaches are applied. The «Responsible» product line includes as standard the application of further exclusions, systematic ESG analysis as an integral part of the investment process and a reduction in the CO<sub>2</sub>e intensity of the investments. In addition to the aforementioned approaches, the «Sustainable» product line includes the application of even more extensive exclusions and also invests in SDG leader or ESG leader (Sustainable Purpose). The «Traditional» product line (non-sustainability oriented) takes a blacklist into account. Depending on the asset class, engagement/voting can also be used for all product lines.

## Voting engagement



As a shareholder and lender, an active and continuous dialogue is maintained with the corporate management. Companies are urged to set ambitious CO<sub>2</sub>e reduction targets, implement them consistently and provide transparent reporting in this context. Voting rights are exercised in accordance with our voting guidelines, which are based on Swiss and international corporate governance rules and the United Nations Principles for Responsible Investment (UN PRI). In the case of equity investments, voting behaviour is published transparently on [www.swisscanto.com/voting](http://www.swisscanto.com/voting).

## Swisscanto blacklist



Blacklist exclusions predominantly of manufacturers of prohibited weapons (cluster bombs and cluster munitions, anti-personnel and landmines, biological and chemical weapons, nuclear weapons, systems or material\*, enriched uranium\* as well as blinding laser weapons and incendiary weapons). In the evaluation, we primarily rely on Swiss legislation and agreements that have been ratified by Switzerland and are recognised internationally. In general, our evaluation is also consistent with the recommendations for exclusion made by SVVK-ASIR. \*Only in the case of proliferation contrary to the Non-Proliferation Treaty (NPT).

## Further exclusions



Application of further exclusion criteria, in addition to the Swisscanto blacklist, to reduce ESG risks and with the aim of not investing in securities with ESG-critical business models. The exclusion criteria apply to companies associated with the extraction of coal (>5% revenue), coal reserves (excluding metal production), production of weapons and ammunition, manufacture of military hardware (>5% revenue), production of pornography, child labour and/or UN Global Compact violations (excluding green/sustainable bonds, if applicable). In the event of potential violations by companies of the UN Global Compact Principles (United Nations standard on human and labour rights, environmental standards and anti-corruption) resulting from our screening, we seek dialogue as part of our engagement and urge companies to change their behaviour. If no change in behaviour occurs within a reasonable period of time, existing investments will be sold. In addition to the exclusion criteria for business activities, we also maintain an exclusion list for states. When preparing this exclusion list, we primarily take into account socio-economic risk dimensions such as money laundering and corruption.

## Systematic ESG integration



The systematic analysis of ESG criteria forms an integral component of the active investment process, with the aim of identifying risks and opportunities based on ESG trends at an early stage. ESG criteria supplement the pure financial analysis and lead to more informed investment decisions.

## Paris Agreement 2 °C



In accordance with the Paris climate target, the investment activity of the portfolio is aimed at reducing the CO<sub>2</sub>e intensity of the investments by at least 4% percent per year. The investment strategy target is based on the CO<sub>2</sub>e intensity of the investment universe at the end of 2019.

## Sustainable Purpose



The "Sustainable Purpose" approach focuses on returns through investments in companies and countries with societal benefits (SDG Leaders). SDG Leaders use their innovative capacity to create ecologically and socially responsible products and services. In doing so, they contribute to the fulfilment of one or more of the UN's Sustainable Development Goals (UN SDGs). For diversification purposes, a best-in-class approach can also be used to invest in securities that are rated above average in terms of ESG criteria (ESG Leaders).

Note: Greyed-out product lines and approaches are not applicable to the assets in question.

## Sustainability approaches

The sustainability approaches apply to all assets or to a substantial part of the assets. Detailed information on this can be found in the prospectus, fund agreement or investment guidelines.

## CO<sub>2</sub>e

CO<sub>2</sub>e equivalents (CO<sub>2</sub>e) are a measure to standardise the climate impact of the greenhouse gases carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and fluorinated greenhouse gases (CFCs). All of these gases remain in the atmosphere for different lengths of time and do not contribute equally to the greenhouse effect.

## ESG

ESG stands for the aspects of environment (E), social (S) and governance (G).

## **SVVK-ASIR**

The Swiss Association for Responsible Investments (SVVK) is an association of institutional investors and was founded in 2015. The association provides services to its members so that they can focus their investment decisions on the environment, society and the economy.

## **Swisscanto Sustainability Rating**

The proprietary Swisscanto Sustainability Rating provides information on the current sustainability level of the portfolio. It is calculated from the values of the collective assets and individual securities contained in the portfolio and is divided into seven sustainability classes from A (highest level) to G (lowest level). To calculate the rating, companies and countries are assessed on the 4 pillars of our sustainability research: controversial areas of business (controversy), sustainable corporate governance (ESG), greenhouse gas emissions (climate) and impact of products on the environment and society (Sustainable Purpose). The Swisscanto Sustainability Rating is recalculated once per quarter end.

# Comments to the Fund

## **Target Investor Group - Term**

All Investors

## **Target Investor Group - Description**

A class is offered to all investors. The second letter «A» indicates that the class distributes profits. A flat rate administrative fee is charged.

## **Flat Fee (FF)**

The FF is used for management, asset management and, where compensated, the sale of the fund as well as for compensation of the custodian bank for services provided by it. The FF is composed of the flat-rate management fee (FMF) and the flat-rate administration fee (costs for management and for administration).

## **Flat-Rate Management Fee (FMF)**

The FMF is used for asset management and, where compensated, the sale of the fund. The FMF is a component of the FF.

## **Total Expense Ratio (TER)**

The TER refers to the commissions regularly charged to the fund assets (operating expenses) and is expressed as a percentage of the fund's assets. The figure quoted relates to the level of the TER in the past financial year and does not guarantee that the level will be similar in the future.

## **Swinging Single Pricing (SSP)**

Upward or downward correction in the net asset value pertinent for the calculation of the issue and redemption prices depending on whether issues or redemptions of units predominate. The correction (swing factor) is based on the size of the costs incurred by the investment fund in adjusting the portfolio in line with the asset inflows/outflows (neutralises the costs incurred by the investment fund in adjusting the portfolio in line with asset inflows/outflows). The (gross/net) performance shown may contain a swing-price adjustment.

## **Benchmark comparison**

This is just a benchmark comparison. The fund's performance does not depend on the benchmark, particularly in terms of the portfolio composition.

## **Explanation of general risks**

Investment involves risks, especially with regard to fluctuations in value and return. Investments in foreign currencies are subject to exchange rate fluctuations. Custody and counterparty risks represent further significant risks. We hereby refer to the detailed description of various risks which are included in the prospectus.

## **Risk Indicator**

The historical data used to calculate the risk and return category cannot be used as a reliable indication of the future risk profile. The reported risk and return category may well be subject to change. The lowest risk category cannot be compared with a risk-free investment. There is no capital guarantee or capital protection. The risk of capital loss is borne by the investor.

## **Breakdown Allocations**

Allocation refers to invested fund capital adjusted to 100%. Minor deviations can be caused by rounding errors. The weighting of the money market may include the synthetic exposure from the equity hedging strategy.

## **Volatility**

Volatility is a statistical measure of risk which indicates the extent to which the absolute return on an investment or a portfolio fluctuates on average around its mean value in the course of a year.

## **Beta**

Indicates the relative fluctuation range of a stock compared to the market as a whole. It measures the sensitivity of the stock in terms of fluctuations in its price compared to the market as a whole. If the value is between 0 and 1, the price change is below that of the market. If the beta is greater than 1, the price change of the stock is higher than that of the market on average. If it is less than 0, this describes a movement in the price of the stock counter to market trends. At 0, there is no apparent relationship.

**Sharpe Ratio**

The Sharpe ratio is a performance measure which indicates the risk-adjusted excess return (difference between the portfolio return and the risk-free return) compared to the investment risk incurred (volatility).

**Jensen's Alpha**

Jensen's alpha measures the additional return achieved versus a comparable passive investment (i.e. an investment with the same market risk or beta). Jensen's alpha is used to assess the performance of a portfolio manager. It differs from the relative – or excess – return, which is not risk-adjusted.

**Information Ratio**

The information ratio shows the relationship between under/overperformance and tracking error. It indicates how much more or less return was achieved per unit of active risk incurred or the extent to which the active risk paid off in the form of a higher return.

**Effective Cash**

Under cash, we report the total effective liquidity of all bank accounts as a percentage. Cash in foreign currencies is converted into the fund currency and added.

**Direct Investment**

Under number of direct investments (directly held investments), we report the total of all individual investments without the individual positions of the Swisscanto target funds.

**Swiss Sustainable Fund Awards**

Swisscanto was named "Best Asset Management Company" by the SWISS SUSTAINABLE FUND AWARDS (SSFA) in 2022 and "Best Swiss Asset Management Company" for 2021. This annual award ceremony is organised by the Geneva Forum for Sustainable Investment and the Zurich Forum for Sustainable Investment. The award for the "Best Asset Management Company" or "Best Swiss Asset Management Company" is given to the asset manager that manages the most funds nominated for an award by the SWISS SUSTAINABLE FUND AWARDS (SSFA). Fund nominations and winners are determined by a jury at its discretion, taking into account ESG criteria and fund performance. Further information on the SWISS SUSTAINABLE FUND AWARDS (SSFA) is available at [www.voxia.ch/de/swiss-sustainable-funds-awards-2022](http://www.voxia.ch/de/swiss-sustainable-funds-awards-2022).

**ISO Certification**

Asset Management at Zürcher Kantonalbank is ISO 9001 certified. The ISO 9001 certification guarantees that the authorised user has a management system that meets the requirements of a suitable and recognised standard and has been successfully certified/assessed by the Swiss Association for Quality and Management Systems (SQS).

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The current fund documents (prospectus, contractual terms, key investor information documents (KIID) and annual/half-yearly reports) can be obtained free of charge from [swisscanto.com](http://swisscanto.com) or in paper form from Société Générale London Branch, Société Générale Securities Services Custody London, SG House, 41 Tower Hill, London EC3N 4SG (facilities agent in the United Kingdom).