

# Global High Dividend

## Swedbank Robur Global High Dividend

### Semi-Annual Report 2020

Manager: Fredrik Mattsson  
 Fund company: Swedbank Robur Fonder AB  
 Type of fund: Equity funds  
 Launch date: 6/12/2013

Share classes open to trading: A  
 Benchmark index: MSCI World All Country Net  
 Base currency: SEK

#### Risk indicator



The fund's 5 largest holdings	Market value, tSEK	% of fund
Microsoft	115,598	6.9
Apple	81,505	4.8
Taiwan Semiconductor	63,275	3.8
Nestle	53,716	3.2
Brookfield Renewable Partners	50,092	3.0

#### Investment policy

Global High Dividend is an actively managed equity fund that invests globally in shares that can be expected to provide a high dividend yield, which means that the size of the dividend in relation to the share price is high. The fund has an active investment strategy with a long-term investment horizon and selects those companies that are considered to have an attractive valuation in relation to future earnings potential. Generally, companies with high direct returns have a more mature business model which tends to give them a lower risk profile. In the management of the fund, sustainability criteria are applied, read more in the fund's information brochure.

#### Fund performance

During the first half of 2020, the fund fell by -4.8%. The benchmark index fell by -6.7% during the same period.

The fund's investment process is oriented to holdings in a high proportion of so-called value and quality companies with higher dividends and these were favoured during the period in relation to the fund's benchmark index.

Among the companies that contributed strongly to the absolute return are Microsoft, Apple and Givaudan. Both Microsoft and Givaudan contributed strongly to the fund's return relative to the benchmark index, along with Galenica. Microsoft is an American IT company. Givaudan and Galenica are both Swiss companies. Galenica is active in the health sector, while Givaudan produces fragrance and flavour extracts.

Citigroup, Brookfield Properties and Icade were among the companies in which the fund still has holdings and which made a strong negative contribution to the absolute return. Citigroup and Brookfield Property also made a strong negative contribution to the relative return, helped by the fact that the fund had no holdings in Amazon.

The management's strategy is to manage a high-level global portfolio with a long-term investment horizon. The focus for fund holdings is operational quality and long-term strategic thinking. The companies should generally have a good capacity to generate attractive cashflow on invested capital, have a high and preferably increasing dividend calculated together with a share buyback programme. The strategy includes focusing on investments in companies with sustainable business models that hopefully result in stable earnings over time.

#### Performance



#### Market performance

Most stock markets ended at minus for the first half of 2020, as stock markets fell very sharply in February and March and failed to recover the full fall later.

One exception was the technology-heavy US Nasdaq stock exchange, whose index rose 11.6% in the first half of the year. The Global Index MSCI World fell by -6.2%. Among the weakest stock markets were those in Latin America, but also several European markets. The Stockholm Stock Exchange (OMXSB) recorded a decline of -3.5% for the half year.

The best sectors globally were Technology and Consumer Goods, while the Finance and Energy sectors performed worst.

The Swedish krona strengthened marginally against both the dollar and the euro during the half year.

#### Other

The fund may use derivative instruments including OTC derivatives in its investment policy. The fund used derivatives to a limited extent during the period. According to Swedbank Robur's internal rules, the lending of securities is not permitted. There have been no conflicts of interest in connection with the fund's investments.

## Share classes

The fund has 22 share classes, of which only class A, is currently open for trade. Share class A pays no dividends and is traded in SEK. Other share classes are not currently open for trade. The various share classes differ with regard to fees, dividends, threshold for subscription charges, currency for subscription and redemption plus specific terms and conditions for distribution. The units in a share class have equal rights to the assets in the fund. More information on the fund's unit classes can be found in the information brochure.

Basic facts	30/06/20	31/12/19	31/12/18	31/12/17	31/12/16	31/12/15	31/12/14	31/12/13	31/12/12	31/12/11
Fund assets, tSEK	1,684,483	1,987,076	1,394,397	1,453,460	1,444,636	972,035	747,940	364,609	-	-
Share value class A, SEK	559.13	590.32	432.35	440.87	413.11	371.05	344.48	269.85	-	-
Number of class A outstanding units, thousands	3,013	3,366	3,225	3,297	3,497	2,620	2,171	1,351	-	-
Fund return closing price (incl div) class A, %	-4.8	36.5	-1.9	6.7	11.3	7.7	27.7	-0.6	-	-
Benchmark index (incl div) class A, %	-6.7	33.7	-1.9	11.7	16.2	5.2	27.0	0.5	-	-

## Holdings and positions in financial instruments as per 30 June 2020

Transferable securities on a regulated or equivalent market outside the EEA

	Number / Nom	Market value, tSEK	% of fund
Real estate			89.3
Brookfield Property Partners (US)	170,000	15,722	0.9
Digital Reality Trust (US)	23,000	30,056	1.8
Grand City Properties (LU)	125,000	26,869	1.6
Grand City Properties Right of Subscription (LU)	125,000	916	0.1
Icade (FR)	30,033	19,502	1.2
ProLogis (US)	45,000	38,765	2.3
		131,830	7.8
Finance			
Apollo Global Management (US)	69,000	31,080	1.8
Cembra Money Bank (CH)	25,000	22,610	1.3
Citigroup (US)	55,185	25,903	1.5
Investor B (SE)	40,000	19,588	1.2
NN Group (NL)	67,000	20,936	1.2
Orix (JP)	150,426	17,296	1.0
Partners (CH)	2,000	16,816	1.0
Sampo (FI)	100,000	31,698	1.9
Zurich Financial Services (CH)	8,500	27,759	1.6
		213,687	12.7
Health Care			
AstraZeneca SDB (GB)	23,267	22,757	1.4
Galenica Sante (CH)	46,000	30,597	1.8
Johnson & Johnson (US)	32,602	42,057	2.5
Merck (US)	32,000	22,819	1.4
Novo Nordisk (DK)	61,000	36,848	2.2
Pfizer (US)	70,000	21,088	1.3
Takeda Pharmaceutical (JP)	63,000	20,981	1.2
		197,147	11.7
Industrials			
3M (US)	10,449	15,119	0.9
ABB (CH)	99,446	20,723	1.2
Eaton (US)	51,350	41,257	2.4
Itochu (JP)	145,000	29,133	1.7
JAC Recruitment (JP)	86,700	8,569	0.5
SGS (CH)	1,072	24,309	1.4
Siemens (DE)	13,612	14,795	0.9
Vestas Wind Systems (DK)	35,568	33,781	2.0
Watsco (US)	16,000	26,171	1.6
		213,858	12.7
Information technology			
Apple (US)	24,000	81,505	4.8
Chicony Electronics (TW)	840,663	22,659	1.3
Cisco Systems (US)	110,000	47,851	2.8
Microsoft (US)	62,000	115,598	6.9
Taiwan Semiconductor (TW)	639,000	63,275	3.8
		330,889	19.6
Communication services			
China Mobile (HK)	287,044	18,059	1.1
KDDI (JP)	72,800	20,376	1.2
Telenor (NO)	150,000	20,241	1.2
Verizon Communications (US)	76,618	38,872	2.3
		97,549	5.8
Consumer staples			
Colgate-Palmolive (US)	47,254	32,041	1.9
Danone (FR)	35,000	22,665	1.3
Essity (SE)	96,756	29,114	1.7
Nestle (CH)	52,000	53,716	3.2
		137,536	8.2

	Number / Nom	Market value, tSEK	% of fund	
Consumption, infrequently bought commodities				
Xinyi Glass (HK)	1,564,000	17,873	1.1	
		17,873	1.1	
Commodities				
Givaudan (CH)	1,200	41,583	2.5	
International Flavors Fragrances (US)	21,499	24,301	1.4	
LyondellBasell Industries (US)	35,000	20,901	1.2	
WestRock (US)	56,804	14,505	0.9	
		101,290	6.0	
Utilities				
Brookfield Renewable Partners (CA)	113,100	50,092	3.0	
Contact Energy (NZ)	325,000	12,179	0.7	
		62,271	3.7	
Other financial instruments			4.2	
	Number / Nom	Market value, tSEK	% of fund	
Funds				
Consumer Discretionary Select Sector SPDR Fund	31,523	37,068	2.2	
S&P 500 SPDR	12,330	35,080	2.1	
		72,148	4.3	
	Exposure, tSEK	% of fund	Market value, tSEK	% of fund
OTC Derivative instruments				
FXFwd-CHF/SEK-20200925	291	0.0	291	0.0
FXFwd-EUR/SEK-20200925	432	0.0	432	0.0
FXFwd-USD/SEK-20200925	-1,859	-0.1	-1,859	-0.1
	-1,136	-0.1	-1,136	-0.1
Total financial instruments with positive market value			1,576,800	93.6
Total financial instruments with positive market value			-1,859	-0.1
Total financial instruments			1,574,941	93.5
Net other assets and liabilities			109,542	6.5
Fund assets			1,684,483	100.0
<b>Fund facts</b>				
Risk and performance measures				30/06/20
Standard deviation fund, %				15.7
Standard deviation benchmark index, %				18.1
Active share, %				87.1
Tracking error, %				3.9
Average annual yield 2 years, %				
*Share class A				10.3
Average annual yield 5 years, %				
*Share class A				8.5
External comparison				30/06/20
Morningstar fund type				Global, big dividend
Morningstar fund ratings				5 of 5
Expenses				30/06/20
Management fee as % of average fund assets*				
-Share class A				1.02
Transaction costs, tSEK*				220
Transaction costs as a % of traded securities*				0.01
Annual charges, %				
-Share class A				1.02
Management costs in SEK. Savings amount SEK 10 000*				
-Share class A				110

Expenses	30/06/20
Management costs in SEK. Savings amount SEK 100/month*	
-Share class A	6.76
Turnover	30/06/20
Turnover rate, times/year	0.2
Derivative instrument	30/06/20
Highest derivative gross exposure, %	42.7
Lowest derivative gross exposure, %	15.8
Average derivative gross exposure, %	19.5
Purchase and sale of financial instruments	30/06/20
Turnover through funds managed by Swedbank Robur Fonder AB, %	1.9

Rounding differences can occur  
See explanations in the glossary at [swedbank.se/fonder](http://swedbank.se/fonder)  
\* Based on previous 12 months.

## Counterparties to OTC Derivative Instruments

BofA Securities Europe SA, Danske Bank A/S, Nordea Bank ABP

## Corporate and group exposure

Company/Group	% of fund
Grand City Properties SA	1.6

## Statement of financial position

Assets, tSEK	30/06/20	31/12/19
Negotiable securities	1,503,930	1,735,800
OTC derivatives with positive market value	723	0
Fund units	72,148	83,250
Total financial instruments with positive market value	1,576,800	1,819,050
Cash assets and other liquid assets	100,569	161,644
Prepaid expenses and accrued income	15	132
Other assets	15,237	7,830
Total assets	1,692,621	1,988,656
Liabilities, tSEK	30/06/20	31/12/19
OTC derivatives with negative market value	1,859	1,233
Total financial instruments with negative market value	1,859	1,233
Accrued costs and prepaid income	237	346
Other liabilities	6,042	0
Total liabilities	8,138	1,579
Fund assets	1,684,483	1,987,076
Items included in the balance sheet tSEK	30/06/20	31/12/19
Collateral is set for OTC derivative instruments	1,360	0
Change of fund assets, tSEK	30/06/20	
Fund holdings at the beginning of the year	1,987,076	
Unit issue	204,624	
Unit redemption	-390,535	
Profit for the year according to the profit/loss statement	-116,682	
Fund assets at year-end	1,684,483	

## Description of benchmark index

The fund's benchmark index provides a relevant reference in relation to the fund's investment policy, type of assets, markets and, where relevant, industries. The benchmark index return includes dividends taking into account the tax effects (net dividend).

## **Risk assessment method**

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The fund company measures the total exposure of the fund using the commitment approach on a daily basis. The commitment approach calculates the fund's global exposure from using derivatives. This calculation involves converting derivative positions into a comparable position in the underlying assets of the derivative. A delta calculation is also done for options and similar. When calculating total exposure, the fund company considers netting and hedging.

## **Portfolio risks**

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Equity funds normally have higher potential for long-term value growth. But any investment in an equity fund also has a high risk, as share prices may fluctuate significantly in equity markets. Material risks in the fund that are not fully reflected in the risk/return indicator are:

- Currency risk. The fund invests in securities in other currency than Swedish krona and is thus subject to exchange rate movement.

- As the fund invests in derivatives to some extent,

the fund risk profile is affected to a limited extent.

## **Withholding tax**

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There is some uncertainty in different countries about how much tax Swedish funds should pay on dividends on foreign shares. Swedbank Robur monitors developments in each individual country and reports and pays taxes according to the prevailing view at any given time. The assessment in different countries may change and Swedbank Robur will adjust the accounting and payment according to current practice. Swedbank Robur's view is that in most cases the Fund is entitled to a reduction under agreement, internal local law or EU law.

## **Accounting principles**

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This half-yearly report has been prepared as regulated by the Swedish Investment Funds Act (2004:46), the Swedish Financial Supervisory Authority's regulations FFFS 2013:9, ESMA's guidelines, and takes into account the guidelines for accounting for key performance indicators regarding mutual funds and special funds issued by the Swedish Investment Fund Association.

## **Valuation principles**

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The fund's financial instruments including liabilities and derivatives are valued at market value corresponding to the trade price on the balance sheet date (30 June 2020). If the closing day is not a trading day, the valuation from the last trading day prior to the closing day is used. If the valuation cannot be obtained, or is misleading as so deemed by the fund company, valuation may be made according to generally accepted valuation principles.

The Board of Directors and CEO of Swedbank Robur Fonder AB hereby issue a half-yearly report for 2020 for Global High Dividend.

Stockholm, 17 August 2020

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Liza Jonson,  
CEO

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Chair

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Marianne Flink

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Lennart Jacobsen