

Don't Wait for a Better World, Invest for it

LAPSIF 2021



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**Aligning portfolios with the
Paris Agreement and Net Zero targets**

Traditional indices are not aligned



**MSCI
Japan**



**STOXX
Europe 600**



**MSCI
World**



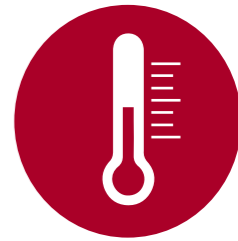
**MSCI
ACWI**



**MSCI Pacific
ex-Japan**



**S&P
500**



**MSCI
China**

**EXAMPLES
OF INDEX
EVALUATIONS**

**CLIMATE
TRAJECTORY**

2.7°C

2.8°C

2.9°C

2.9°C

2.9°C

2.9°C

3.1°C

New Paris aligned indexes do exist, however...

Missing focus on companies with climate transition and mitigation efforts...

The **MSCI World Climate Paris Aligned** Index is based on the MSCI World Index and includes large and midcap companies across 23 Developed Markets countries.

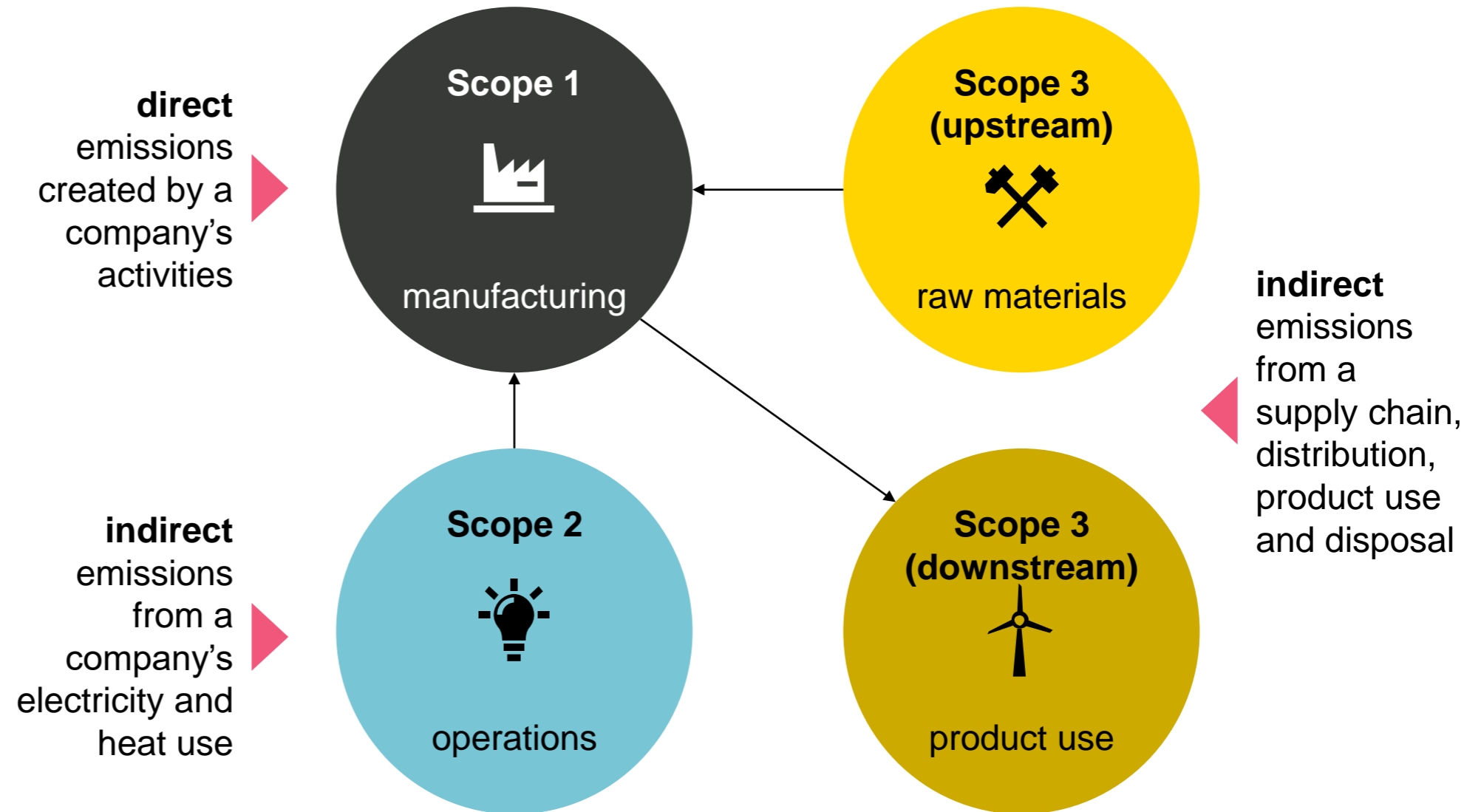
The indexes are designed to **align with a 1.5°C climate scenario** using the MSCI Climate Value-at-Risk and a “self-decarbonization” rate of 10% year on year.

...results in a low number of solution providers among top-10 holdings

COMPANY	%
Apple	4.2
Microsoft	3.4
Amazon	2.6
Tesla	1.6
Alphabet	1.5
Facebook	1.2
Schneider-Electric	1.2
JPMorgan	1.1
Servicenow	0.9
Vonovia	0.9

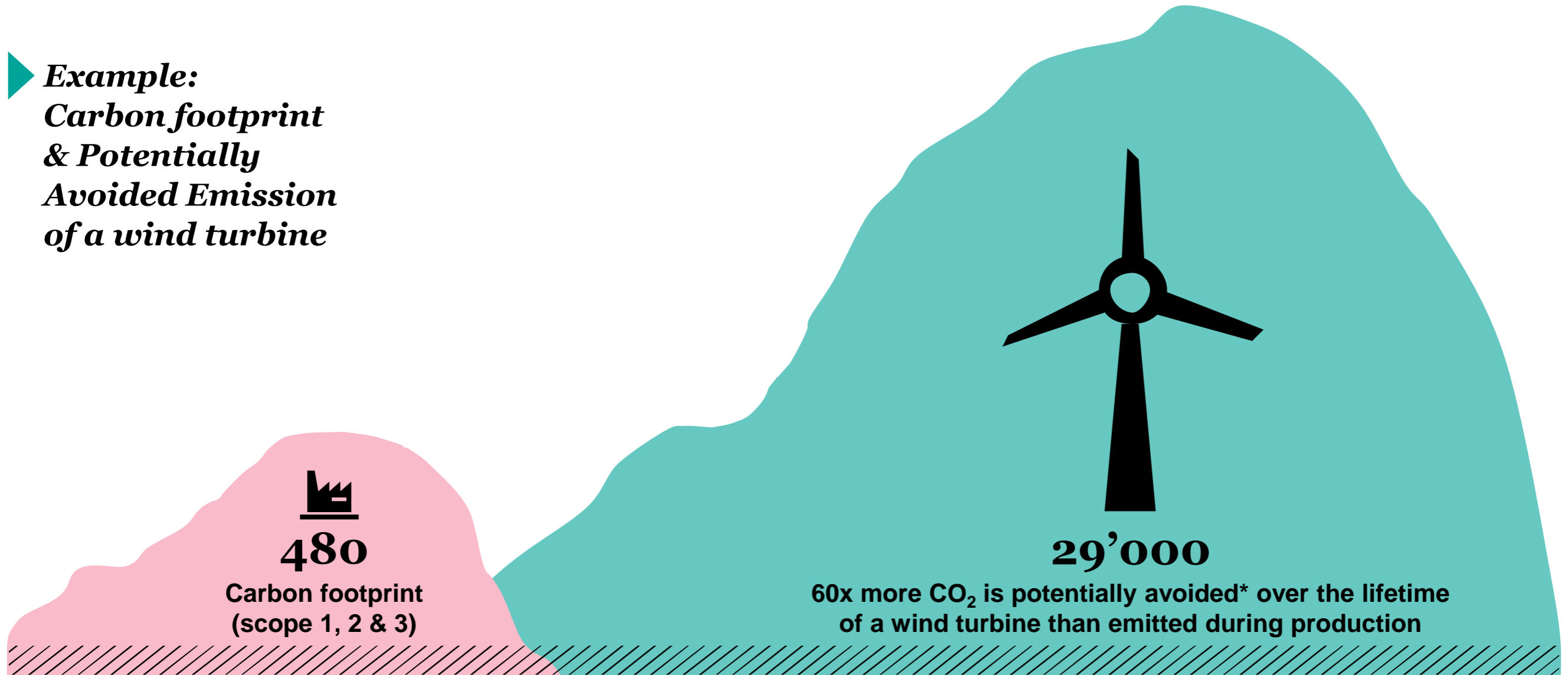
Carbon footprint captures much, but not everything

► **Example:**
Carbon footprint of a wind turbine



Potentially Avoided Emission, the missing piece

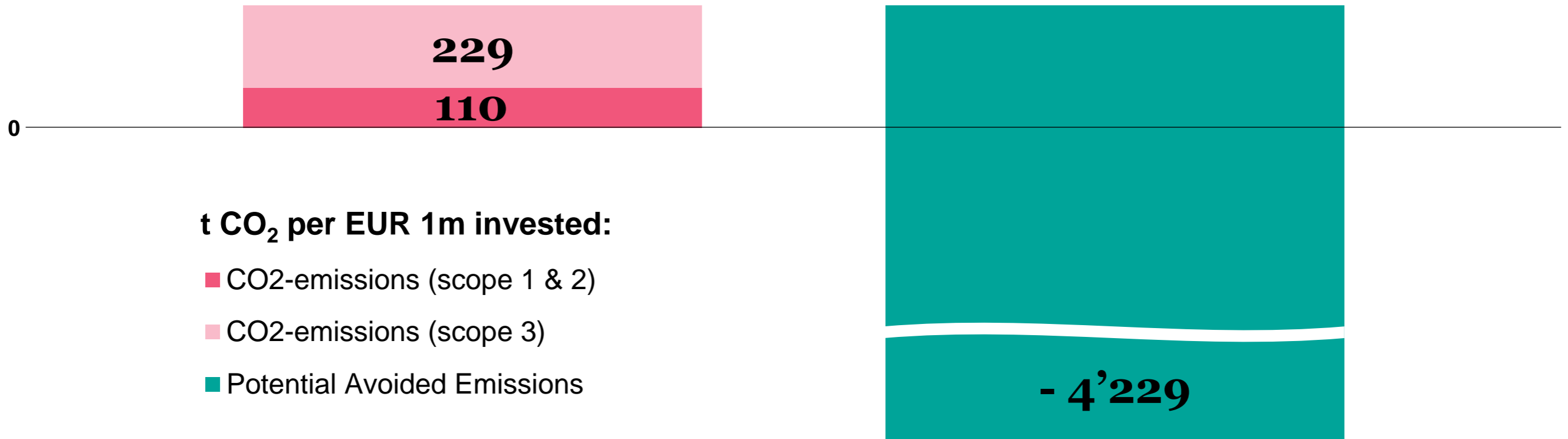
► **Example:**
*Carbon footprint
& Potentially
Avoided Emission
of a wind turbine*



*Potentially Avoided aEmissions over the lifetime of a wind turbine; t CO₂ per MW of wind power installed.
Source: Vestas, Sustainability Report 2020, Vontobel Asset Management.

A portfolio view – products and services of companies can help to avoid significantly more emissions than they cause

► **Representative portfolio***
Example:



**A proactive approach can
deliver environmental change**

Linking sustainable challenges and opportunities

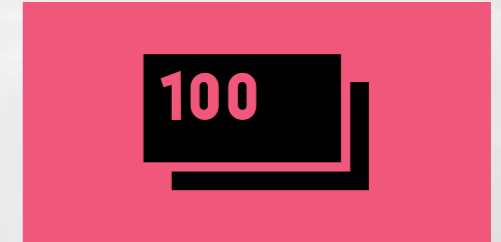
The UN Sustainable Development Goals provide a common language for responsible companies and investors.



193 countries
signed in 2015



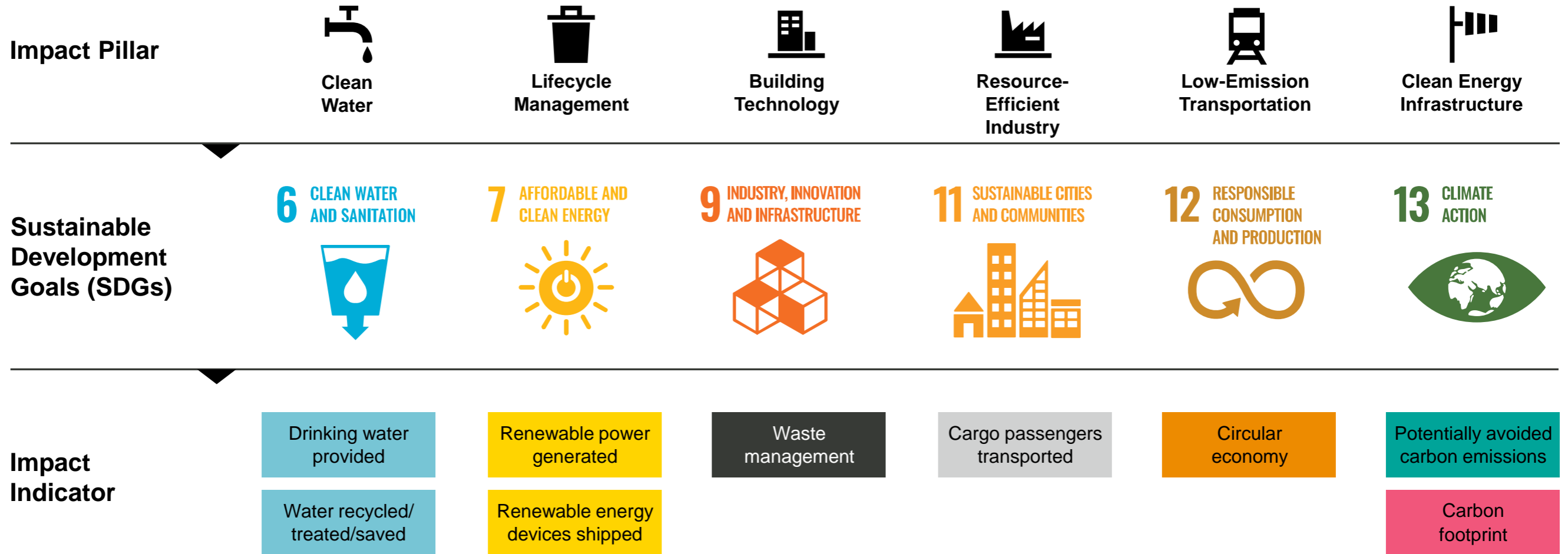
17 goals and **169 sub-goals** define a concrete **roadmap**



USD 5–7 trillion investments are needed annually, **until 2030**



Making impact measurable and tangible requires a clear focus, with defined key performance indicators



SDG = The Sustainable Development Goals reflect the megatrends that are shaping the world's future. They are adopted by 193 member states of the United Nations. The agenda contains 17 Goals and 169 targets. Note: For illustrative purposes only. Source: United Nations, Vontobel Asset Management.

Through provision of products and services, companies can help deliver a range of positive outcomes

Example impact of £1m invested:

Generation of renewable energy

87'337 kWh

Providing clean energy to

55 people

for one year



Shipment of renewable energy devices

168 kW

Replacing

339 tons

of annual coal consumption



Circular economy (recovery, reuse)

7'307 kg

Avoiding raw materials that

191 people

consume in one day



Provision of drinking water

15'733 m³

Supplying water to

299 people

for one year



Water saved, recycled or treated

25'849 m³

Treating waste water of

492 people

for one year



Waste management

144 tons

Treating waste of

295 people

for one year



Cargo/passenger transport by rail

294'149 km

Saving

5'832 liters

of diesel/gasoline



Carbon footprint (scope 1&2)

129 t CO₂e

Causing annual emissions equivalent to

77 cars

on the road



Potentially avoided carbon emissions (PAE)

5'338 t CO₂e

Avoiding annual emissions equivalent to taking

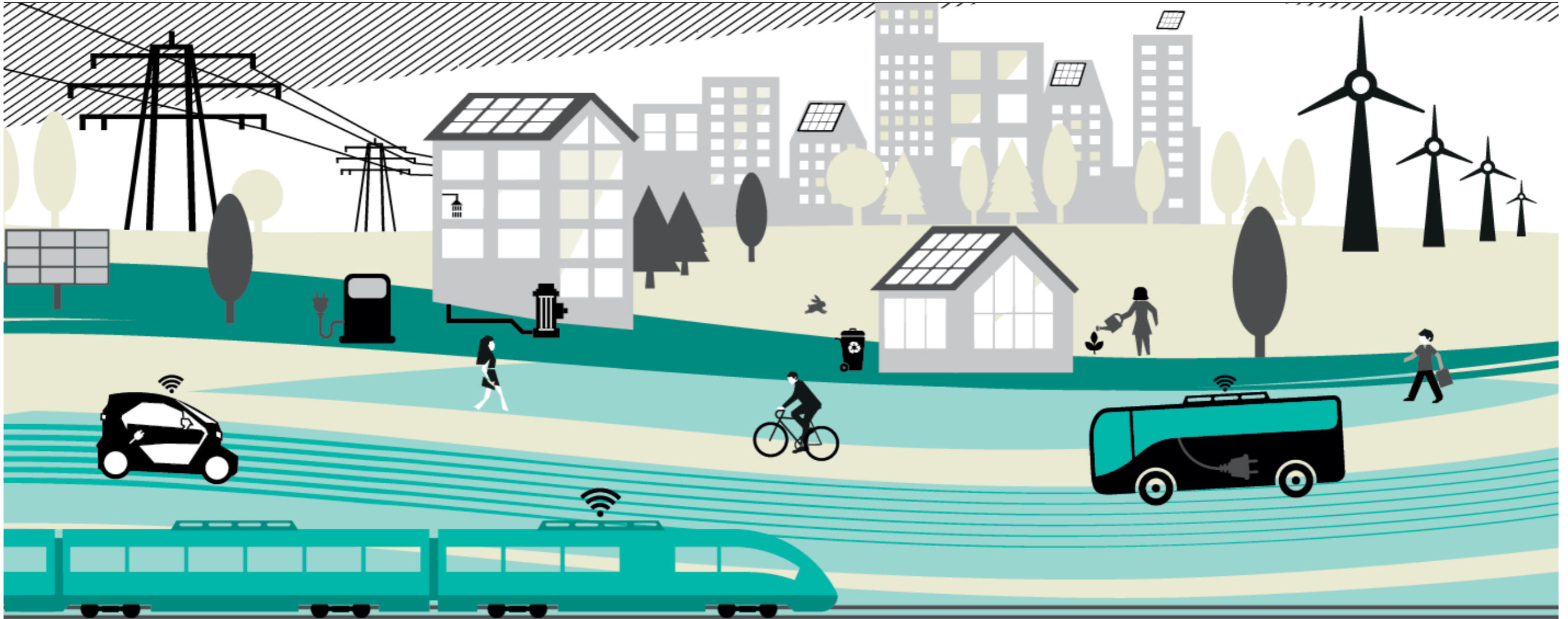
3'206 cars

off the road



Source: Impact Report 2020. Please refer to the Impact Report for relevant information on the activities of the fund aiming to deliver change and achieve a positive environmental impact, including our engagement efforts, the allocation in each core impact pillar, and the contribution of the holdings to the strategy. The companies in which the fund is invested fit in at least one of the six core impact pillars of the fund and not all companies will have an impact on all of the nine environmental indicators. The figures are based on the fund currency (Euro), hence any calculation based on a different currency may vary due to changes in rates of exchange between currencies. Link to our Impact Report: <https://am.vontobel.com/de/view/LU0384405949/vontobel-fund-clean-technology>

Investors can achieve a double dividend through public equities



1 Fiduciary responsibility
not to sacrifice returns

2 Tangible positive societal and
environmental impacts

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Investment risks of the Vontobel Fund – Clean Technology

- The use of derivatives generally creates leverage. The sub-fund is also subject to corresponding valuation risks and operational risks.
- The portfolio has lower risk diversification as the focus lies on companies within a specific investment theme.
- The sub-fund invests in stocks issued by companies. The value of these stocks may be adversely affected by changes in the company, its industry or its economic environment. Stocks can lose value quickly and typically involve higher risks than bonds and money market instruments.
- The sub-fund's investments may be subject to sustainability risks. The sustainability risks that the sub-fund may be subject to are likely to have an immaterial impact on the value of the sub-funds' investments in the medium to long term due to the mitigating nature of the sub-fund's ESG approach.
- The sub-funds' performance may be positively or negatively affected by its sustainability strategy.
- There is a risk of inaccurately assessing a security or issuer based on inaccurate or incomplete data from third party ESG research data providers.
- Information on how sustainable investment objectives are achieved and how sustainability risks are managed in this sub-fund may be obtained from vontobel.com/SFDR.

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There is no guarantee that all sustainability criteria will always be met for every investment. Negative impact on subfund's performance possible due to pursuing sustainable economic activity rather than a conventional investment policy. Investment universe may involve investments in countries where the local stock exchanges may not yet qualify as recognized stock exchanges. Neither the Sub-Fund, nor the Management Company nor the Investment Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of an assessment of ESG research and the correct execution of the ESG strategy. Past performance is not a reliable indicator of current or future performance. Performance data does not take into account any commissions and costs charged when shares of the fund are issued and redeemed, if applicable. The return of the fund may go down as well as up due to changes in rates of exchange between currencies. The value of the money invested in the fund can increase or decrease and there is no guarantee that all or part of your invested capital can be redeemed. Interested parties may obtain the above-mentioned documents free of charge from the authorized distribution agencies and from the offices of the fund at 11-13 Boulevard de la Foire, L-1528 Luxembourg. Refer for more information on the fund to the latest prospectus, annual and semi-annual reports as well as the key investor information documents (“KIID”). These documents may also be downloaded from our website at vontobel.com/am.

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