

Green Investments – Has the development in taxonomy and regulation helped?

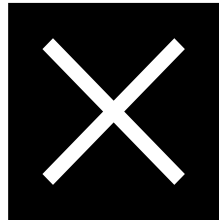
Marco Lenfers, CFA
Client Portfolio Manager

October 2021



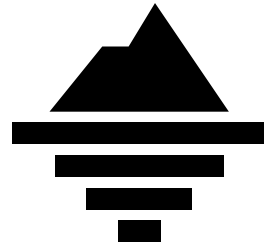
Different shades of green

EU Sustainable Finance Disclosure Regulation



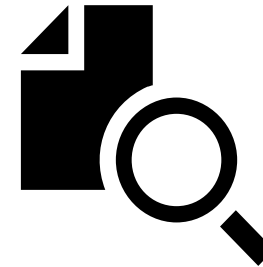
No ESG

**No
consideration**



Article 6

**Integration
of ESG risks**



Article 8

**Promotes environmental
or social characteristics**



Article 9

**Sustainable
investment objective**

“Paris aligned” = reducing carbon emission?

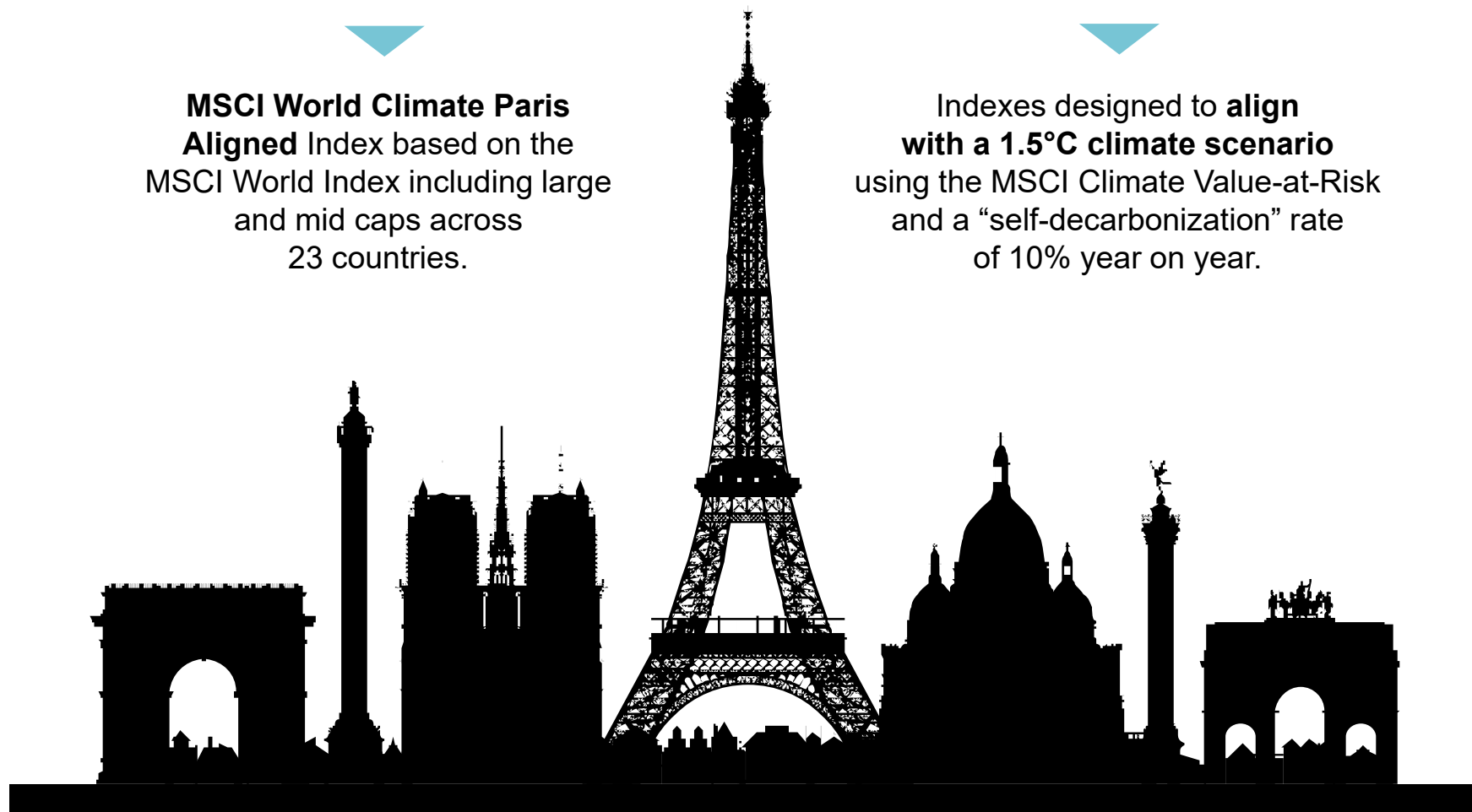
Missing focus on companies with climate transition and mitigation efforts...

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

MSCI World Climate Paris Aligned Index based on the MSCI World Index including large and mid caps across 23 countries.

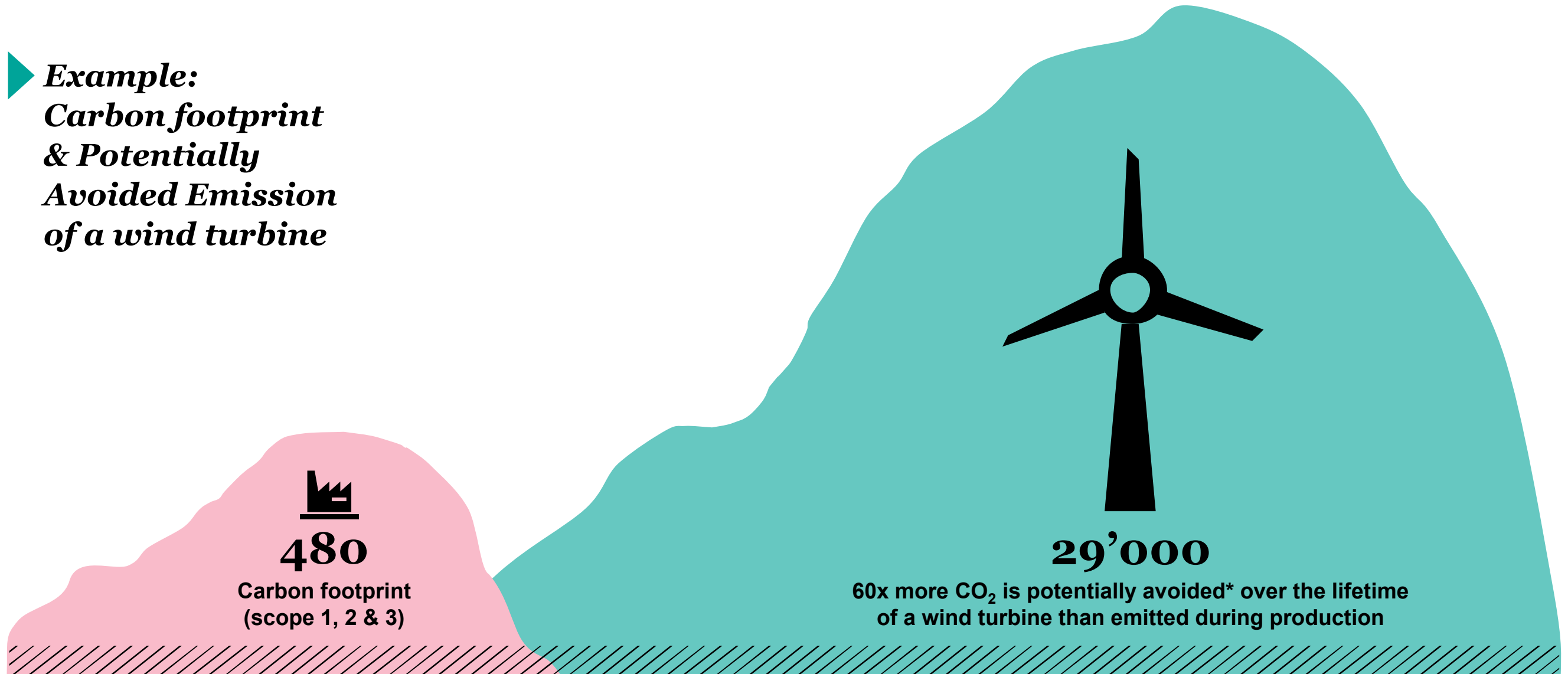
Indexes designed to **align with a 1.5°C climate scenario** using the MSCI Climate Value-at-Risk and a “self-decarbonization” rate of 10% year on year.

COMPANY	%
Apple	4.6
Microsoft	3.7
Amazon	2.5
Alphabet	1.8
Facebook	1.5
Tesla	1.4
Schneider-Electric	1.2
JPMorgan	1.1
Nvidia	1.0
ABB	0.9



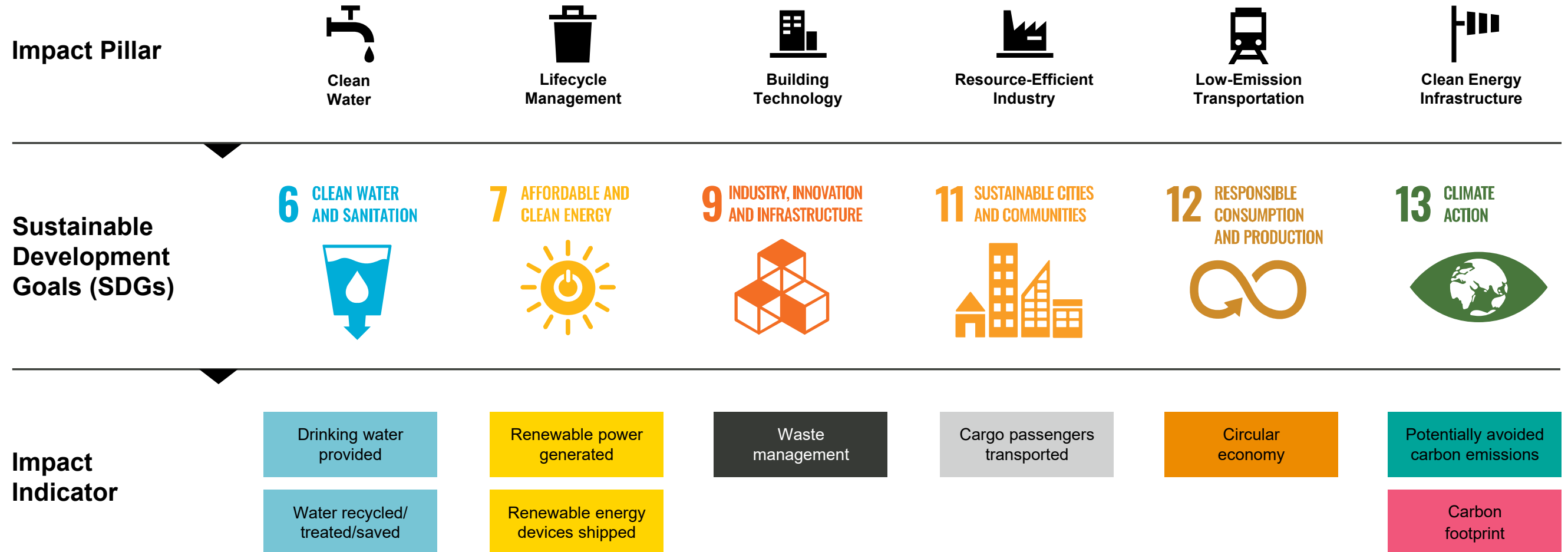
We need to change focus to transition to a more sustainable world

► **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.

What gets measured gets done



Companies can help deliver a range of positive outcomes through provision of their products and services

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

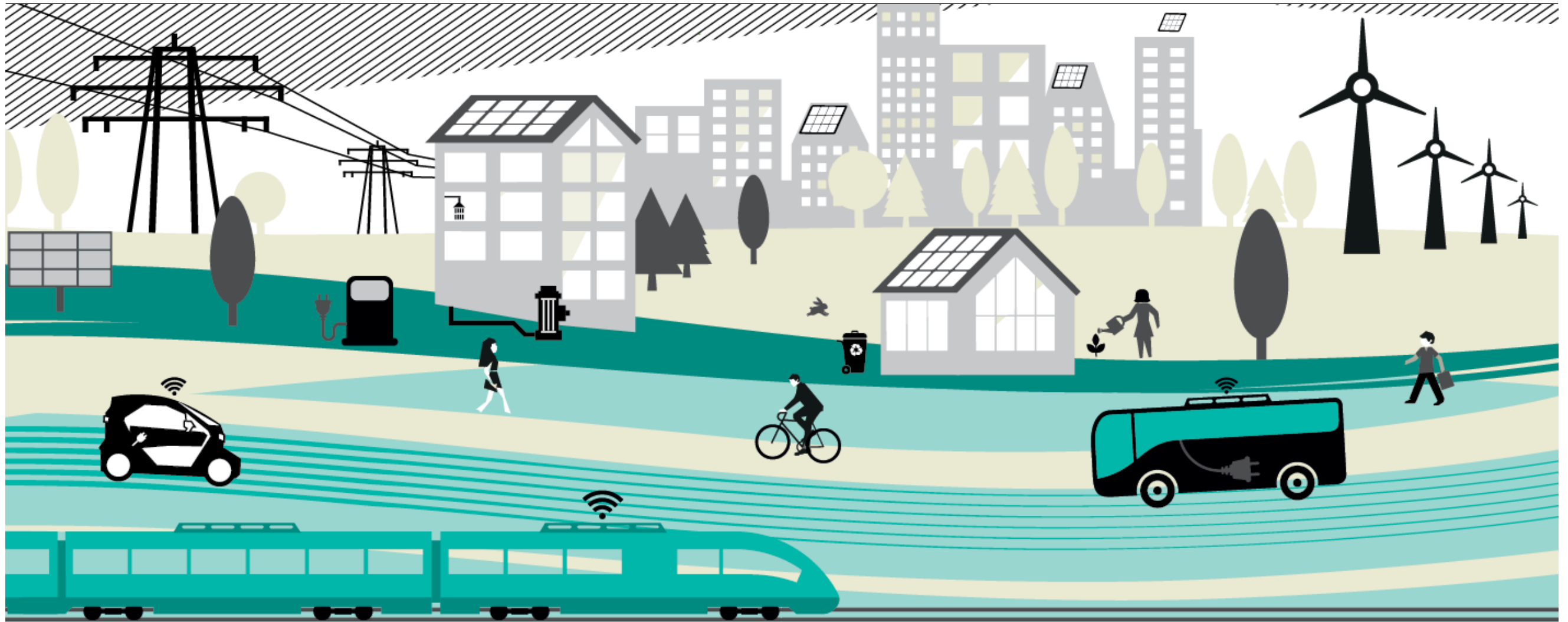
Avoiding annual emissions equivalent to taking

3'206 cars

off the road



Investors can achieve a double dividend through public equities

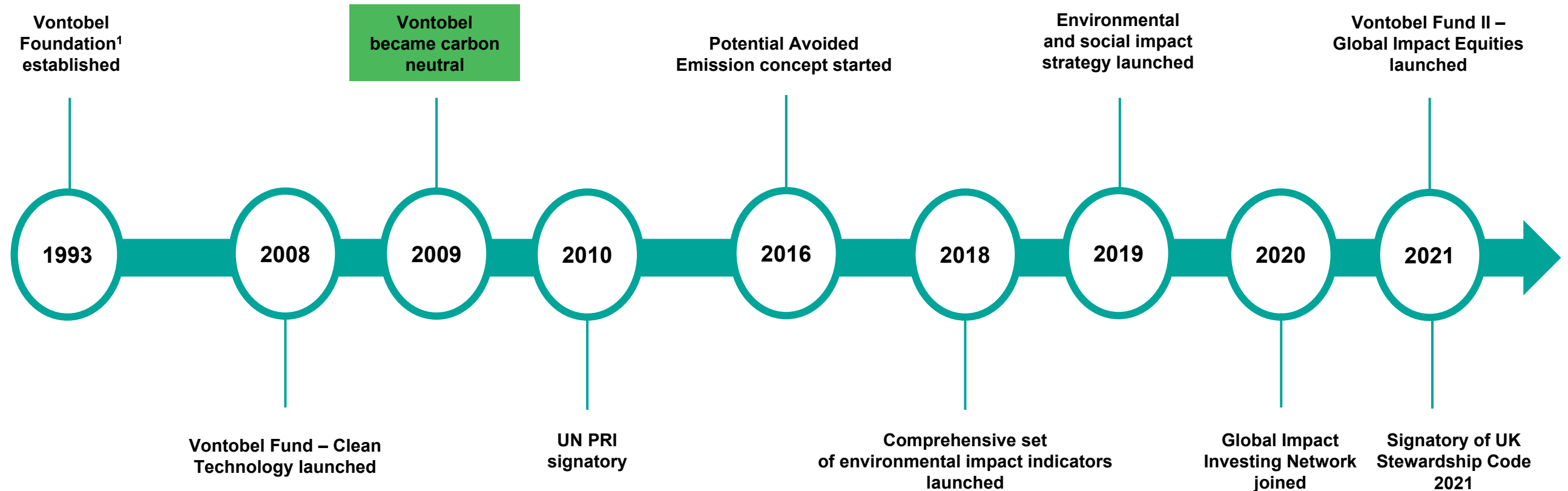


1 Fiduciary responsibility not to sacrifice returns

2 Tangible positive societal and environmental impacts

Appendix

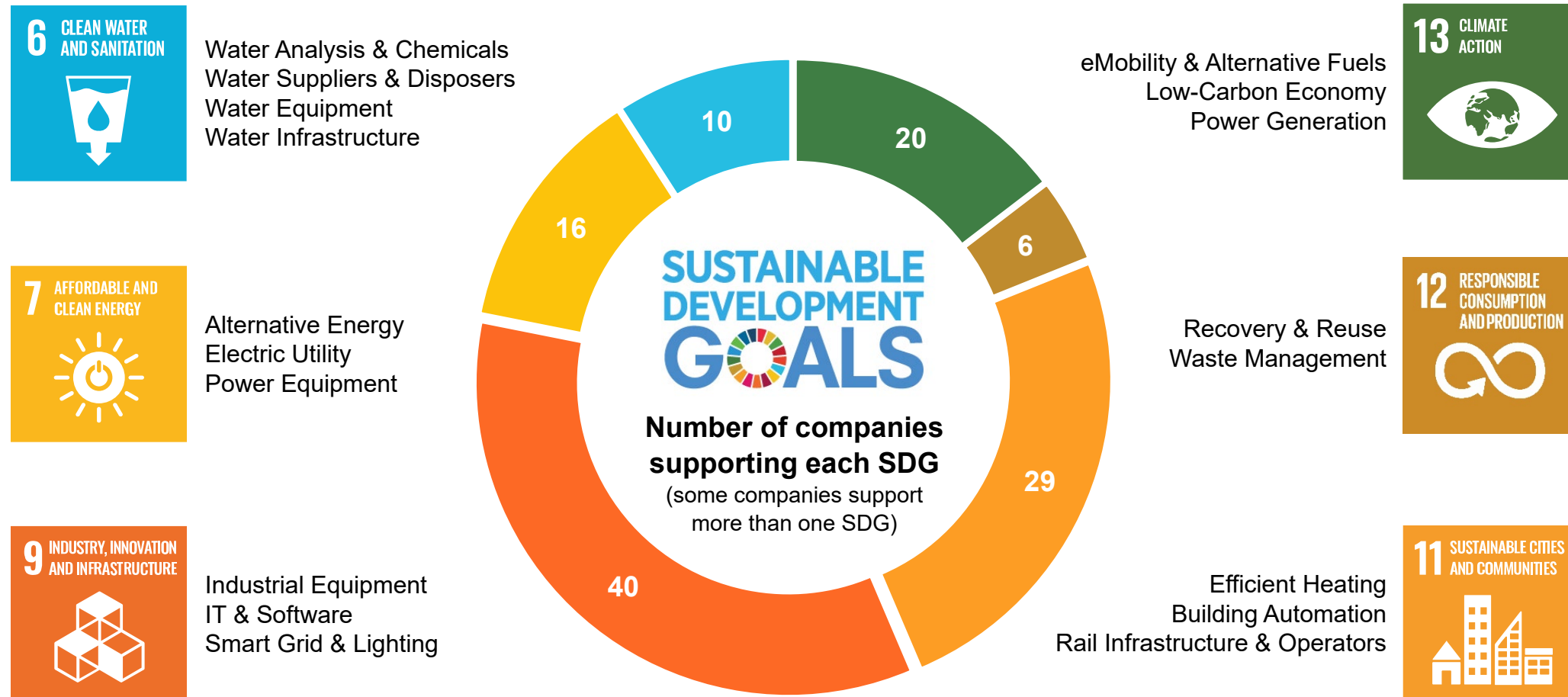
Impactful milestones over more than two decades



Vontobel manages **£28.3 billion** in sustainable strategies and **£1.5 billion** in listed impact strategies.

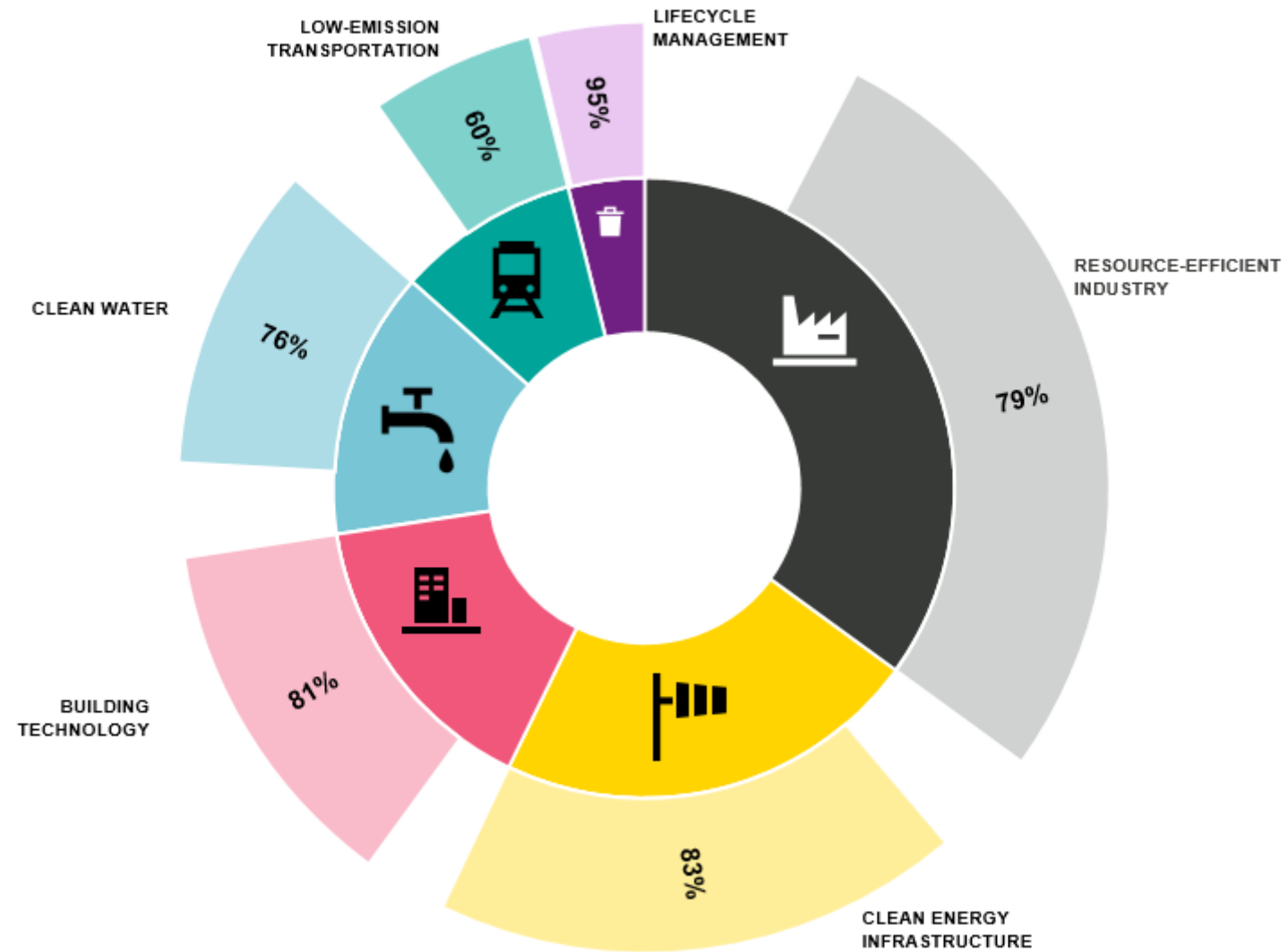
¹Vontobel Foundation provides direct and indirect support to charitable endeavors of a cultural, scientific and charitable nature.
Source: Vontobel Asset Management, as of 30.6.2021.

SDGs provide a framework to identify companies' positive contributions



High purity factor

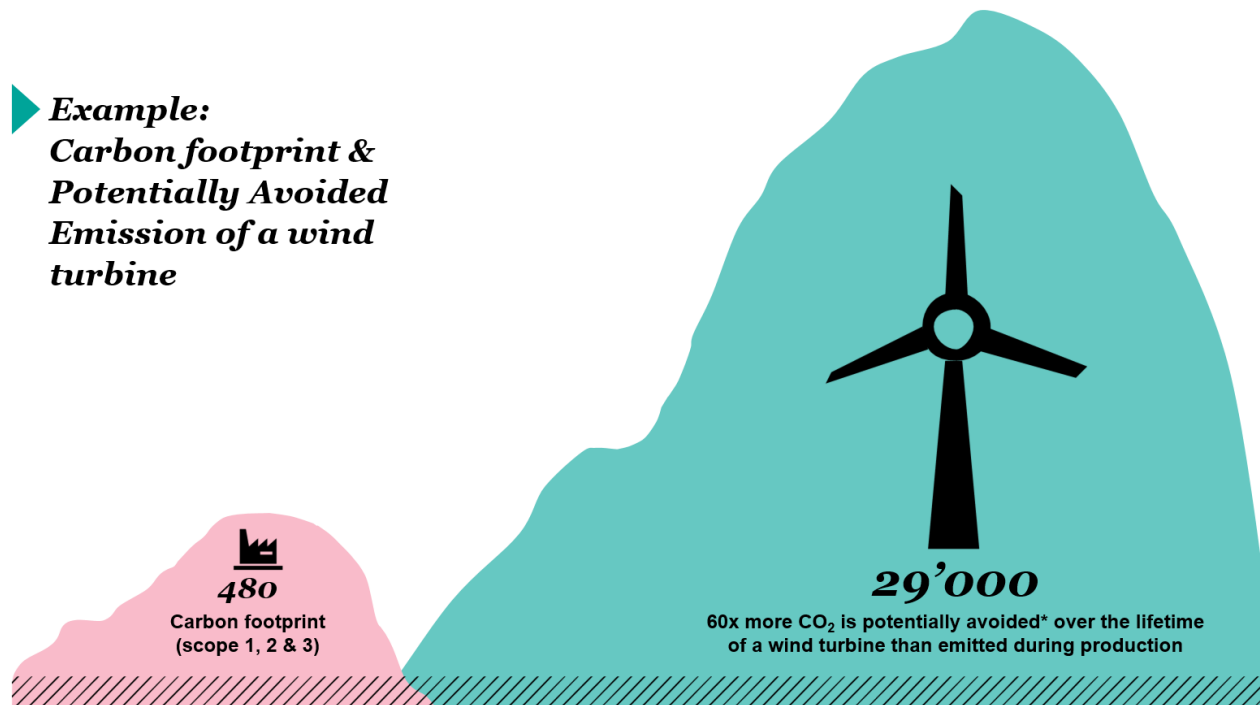
On average
79 percent of
companies' revenues are
derived from
the scope of our
impact pillars.



Potentially Avoided Emissions, the missing piece

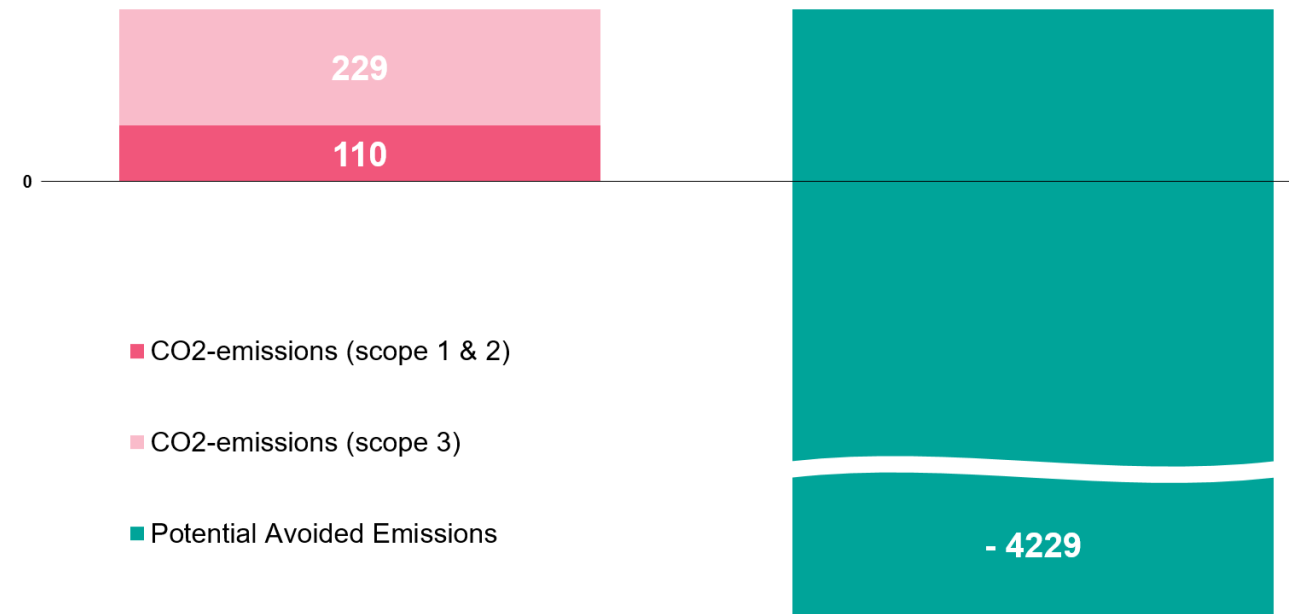
Carbon footprint & Potentially Avoided Emissions of a Wind Turbine:

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



A portfolio view:

Example for Vontobel Fund – Clean Technology: t CO₂ per EUR 1m invested



Products and services of companies can help to avoid significantly more emissions than they cause

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

Source: ISS climate, Vontobel Asset Management, as of 30.6.2020.

Disclaimer

This marketing document was produced by one or more companies of the Vontobel Group (collectively “Vontobel”) for institutional clients, for distribution in GB and LU. This document is for information purposes only and does not constitute an offer, solicitation or recommendation to buy or sell shares of the fund/fund units or any investment instruments, to effect any transactions or to conclude any legal act of any kind whatsoever. Subscriptions of shares of the fund should in any event be made solely on the basis of the fund’s current sales prospectus (the “Sales Prospectus”), the Key Investor Information Document (“KIID”), its articles of incorporation and the most recent annual and semi-annual report of the fund and after seeking the advice of an independent finance, legal, accounting and tax specialist. This document is directed only at recipients who are institutional clients, such as eligible counterparties or professional clients as defined by the Markets in Financial Instruments Directive 2014/65/EC (“MiFID”) or similar regulations in other jurisdictions, or as qualified investors as defined by Switzerland’s Collective Investment Schemes Act (“CISA”). In particular, we wish to draw your attention to the following risks: Investments in the securities of emerging-market countries may exhibit considerable price volatility and – in addition to the unpredictable social, political and economic environment – may also be subject to general operating and regulatory conditions that differ from the standards commonly found in industrialized countries. The currencies of emerging-market countries may exhibit wider fluctuations. Investments in derivatives are often exposed to the risks associated with the underlying markets or financial instruments, as well as issuer risks. Derivatives tend to carry more risk than direct investments.

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.

Disclaimer

The funds authorized for distribution in the United Kingdom can be viewed in the FCA register under the Scheme Reference Number 466625. This information was approved by Vontobel Asset Management SA, London Branch, which has its registered office at Third Floor, 22 Sackville Street, London W1S 3DN and is authorized by the Commission de Surveillance du Secteur Financier (CSSF) and subject to limited regulation by the Financial Conduct Authority (FCA). Details about the extent of regulation by the FCA are available from Vontobel Asset Management SA, London Branch, on request.

The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the “MSCI Parties”) makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. This document is not the result of a financial analysis and therefore the “Directives on the Independence of Financial Research” of the Swiss Bankers Association are not applicable. Vontobel Asset Management AG, its affiliates and/or its board of directors, executive management and employees may have or have had interests or

positions in, or traded or acted as market maker in relevant securities. Furthermore, such entities or persons may have executed transactions for clients in these instruments or may provide or have provided corporate finance or other services to relevant companies.

Although Vontobel believes that the information provided in this document is based on reliable sources, it cannot assume responsibility for the quality, correctness, timeliness or completeness of the information contained in this document. Except as permitted under applicable copyright laws, none of this information may be reproduced, adapted, uploaded to a third party, linked to, framed, performed in public, distributed or transmitted in any form by any process without the specific written consent of Vontobel. To the maximum extent permitted by law, Vontobel will not be liable in any way for any loss or damage suffered by you through use or access to this information, or Vontobel’s failure to provide this information. Our liability for negligence, breach of contract or contravention of any law as a result of our failure to provide this information or any part of it, or for any problems with this information, which cannot be lawfully excluded, is limited, at our option and to the maximum extent permitted by law, to resupplying this information or any part of it to you, or to paying for the resupply of this information or any part of it to you. Neither this document nor any copy of it may be distributed in any jurisdiction where its distribution may be restricted by law. Persons who receive this document should make themselves aware of and adhere to any such restrictions. In particular, this document must not be distributed or handed over to US persons and must not be distributed in the USA.