

Climate Ratings for Investment Funds

An emerging tool for climate friendly investing

The Nordic SIF meeting, hosted by Finsif

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The Fund Industry – A huge lever for change

A very large industry...

- ▼ Worldwide assets: € 37 trillion
- ▼ Total # of funds worldwide: 118,000
- ▼ European assets: € 13 trillion

...with real economic impact...

European asset managers held 23% of all outstanding debt securities in Europe and 42% of the value of the shares issued by euro-area companies.

Sources: EFAMA Asset Management Report 2015; EFAMA International Statistical Release (2016:Q1);

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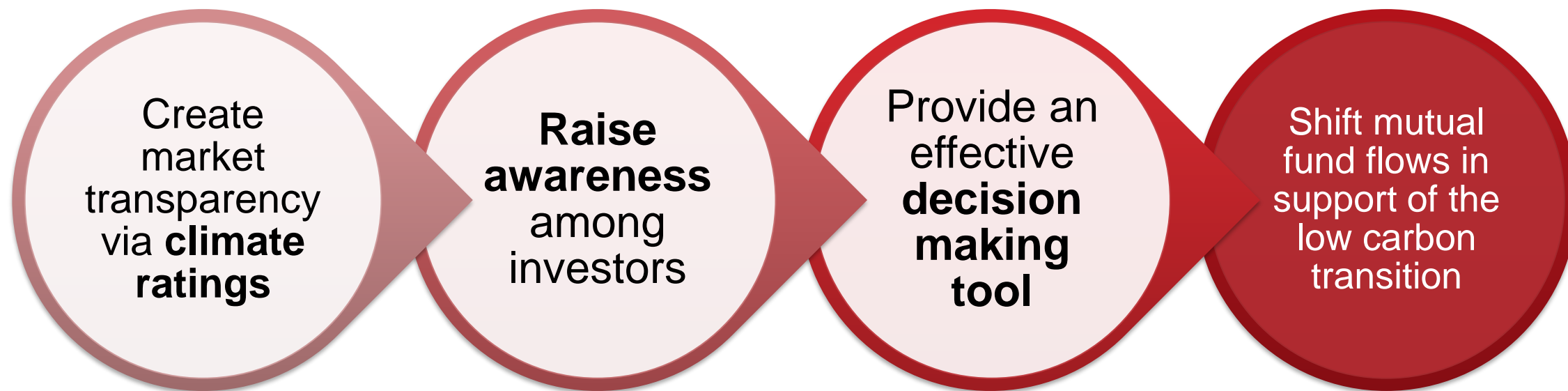
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...but an unknown climate impact.



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The ,CLIMPAX‘ Project – Our mission



Project Group and Sponsor



Climpax is a **Climate-KIC** innovation project led by CDP (Worldwide) Europe and South Pole Group. It is supported by the **European Institute of Innovation and Technology**.



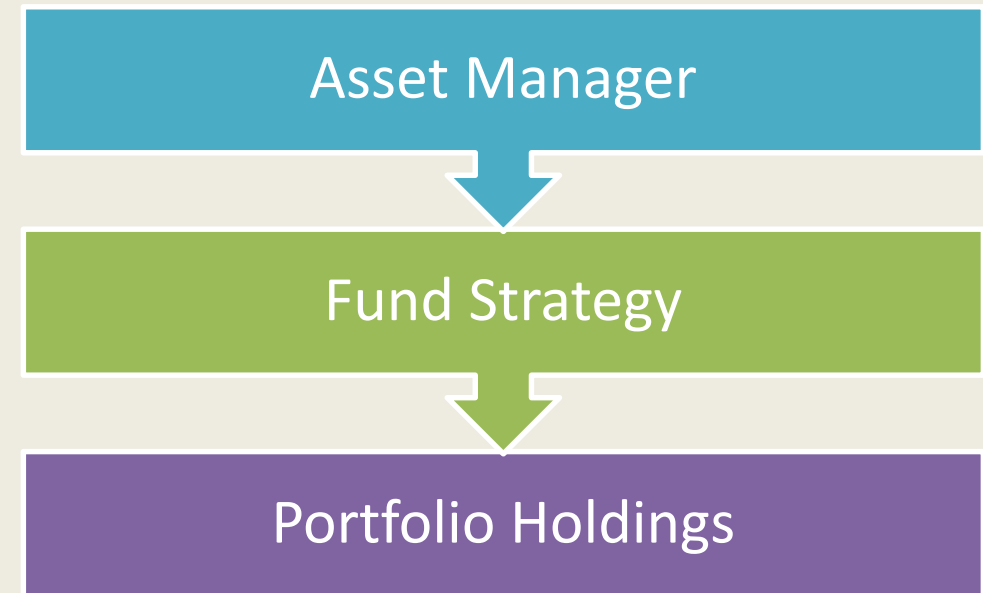
Beta Results – Global Equity Funds

Fund Name	5-Y Performance %	Climate Rating
Allianz Global Intellectual Capital - A - EUR	146.03	● ● ● ●
MFS Meridian Funds-Global Concentrated A1 USD	121.44	● ● ● ● ●
KBC Equity Growth by Innovation Cap	117.77	● ● ●
Robeco BP Global Premium Equities D EUR	117.53	● ● ● ●
Pictet-Security-P USD	115.84	● ● ● ●
Fidelity Funds - World A-EUR	115.45	● ● ●
UniFavorit: Aktien	111.85	● ● ● ● ●
Threadneedle Global Extended Alpha Ret Net Acc USD	110.00	● ● ●
MFS Meridian Funds-Global Equity A1 EUR	105.87	● ● ● ● ●
JOHCM Global Select B GBP	103.04	● ●
Nordea 1 Global Stable Equity Fund BP EUR	102.20	● ● ● ●
ValueInvest Lux Global C1 Acc	102.16	● ● ● ●
Fidelity Funds - International A-USD	100.97	● ● ●
Robeco Global Stars Equities D EUR	99.96	● ● ● ●
DWS ZukunftsInvestitionen	96.99	● ● ● ●

- Rating process currently tested in beta-version
- Absolute rankings are being considered
- Rating can be produced for any fund with full holdings visibility

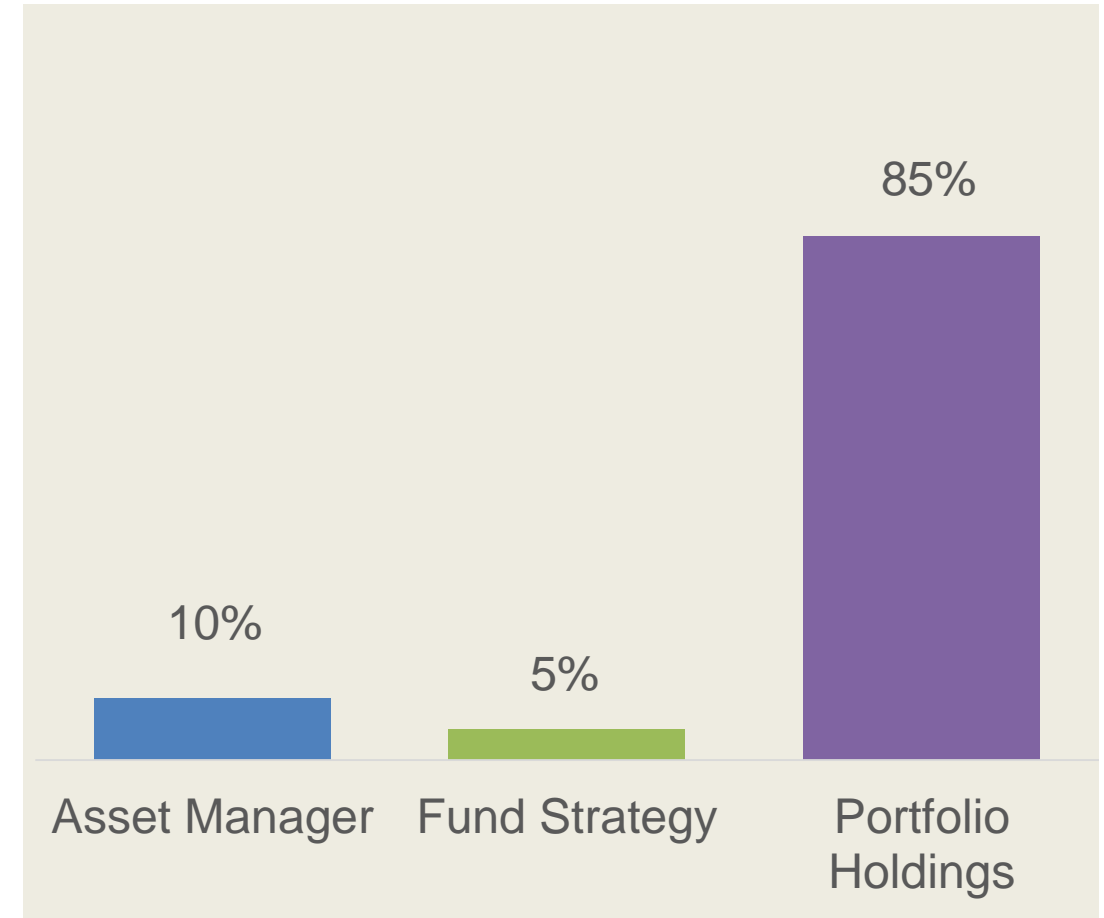
Fund Scoring Methodology – Top-down approach

- ▶ Seeking investment process value chain alignment
- ▶ Inclusion of forward-looking criteria
- ▶ Data availability constrained



Fund Scoring Methodology – Key pillar weights

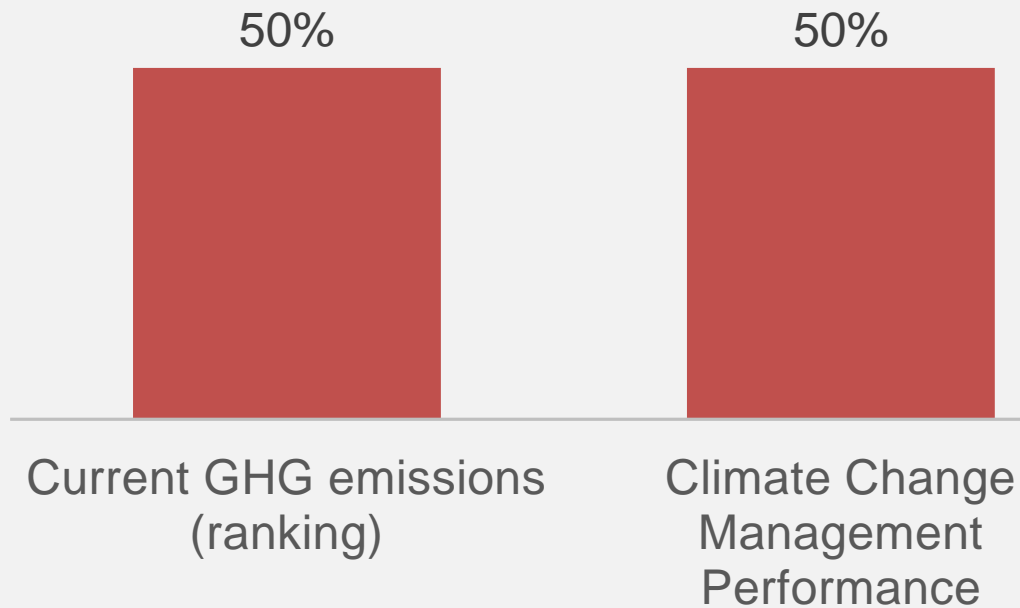
- ▶ Key focus on „what is in the fund“
- ▶ Inclusion of best available climate change data
- ▶ Future developments aimed at strengthening other pillars



Holdings Level Criteria – Base case

Holdings level pillars & weights

Base Case

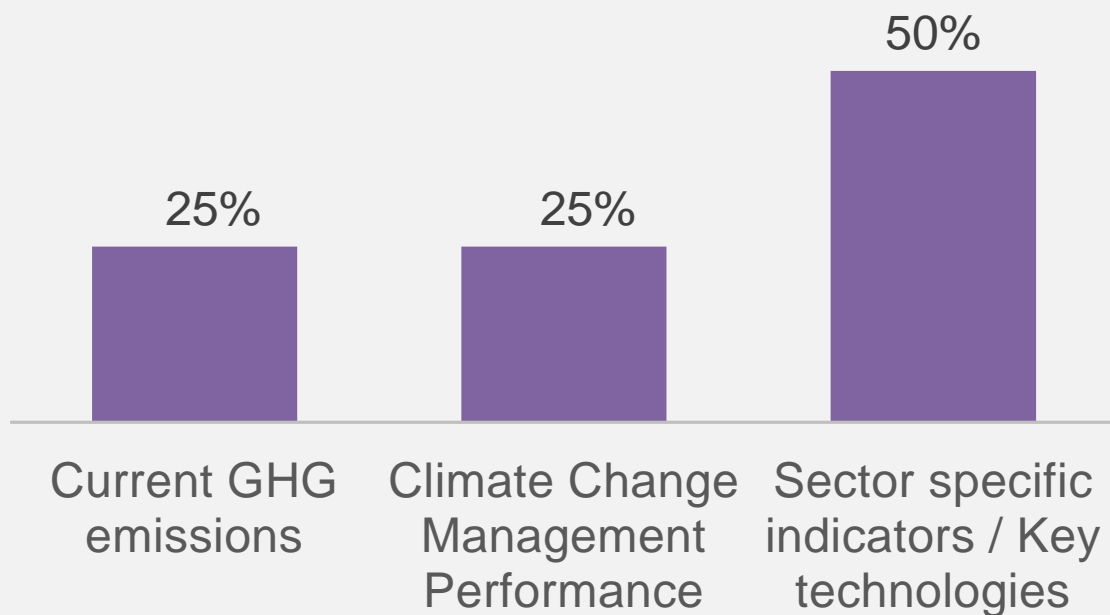


- Assigns a climate score to each company
- Combines data on current emissions with forward looking indicators
- Includes Scope 1-3 assessment
- Uses CDP Climate Change and Forest Scores

Holdings Level Criteria – Sector specific data

Holdings level pillars & weights

Sector specific indicators apply



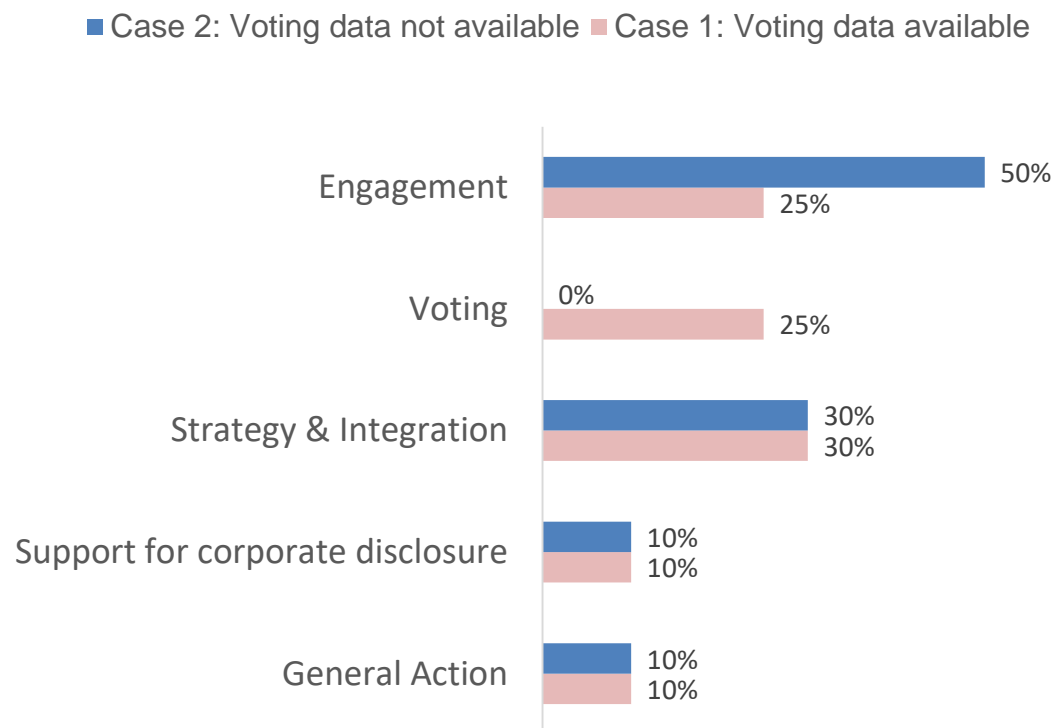
Sector specific indicators include but not limited to:

- Power production: Coal, RE
- Fossil fuel reserves
- Automotives: fleet emissions, electric & hybrid vehicles


Further sector and key technology data to be included going forward

Asset Manager Level - Introduction

Asset Manager Categories & Weights



- ▶ Captures public, standardized information
- ▶ Voting data currently only available for US-domiciled funds
- ▶ Future developments will focus on engagement & voting



We work on continuous improvement of the rating. You are invited to share your feedback and ideas.

To stay informed, register at www.climatefundrating.org/

