INVEST 2030 Webinar 02 – Climate Action
Event Summary

24 June 2021

The INVEST 2030 webinar series aims to raise awareness among mainstream financial institutions and asset managers about the availability of investment products that offer attractive risk-adjusted financial returns together with a net positive economic, social and environmental impact, across a spectrum of asset classes, sectors and geographies.

Why INVEST 2030?

Supply & Demand Mismatch

Asset owners are constrained by product range awareness, risk perception, and product sizes, and impact managers struggle to present their products to a large number of prospective investors. This is a major hurdle to the necessary mobilization of capital for the SDGs and the 2030 Agenda.

SDG Investment Opportunities

The webinars are designed for financial industry professionals and institutional investors of the Swiss market, to help them build a comprehensive product offering and shift portfolio allocations to sustainable and impactful investments related to the SDGs.

SDG 13 – Climate Finance

Target Investments to Address Climate Change

- Financial resources are needed to address climate change, to both reduce emissions, promote adaptation to the impacts that are already occurring, and to build resilience.
- According to October 2019 data from the World Bank, the world will need to make investments of around **US$90 trillion by 2030** in infrastructure.

Benefits of Climate Finance

- Transitioning to a green economy can unlock new economic opportunities and jobs. **An investment of US$1, on average, yields US$4 in benefits.**
- The 2018 Climate Economy Report found that bold climate action could yield a **direct economic gain of US$26 trillion** through to 2030 compared with business-as-usual.
- The UN estimates that a shift to low-carbon, resilient economies could create over **65 million net new jobs** globally out to 2030.

Next Steps

- Investment decisions now will determine whether we create or destroy wealth and potential paths to prosperity.
- Responding to the climate crisis requires **collective action** from all countries, financial actors, businesses, and private citizens.
- The following solutions provide a range of finance options to significantly increase resources that can help halt and adapt to climate change.

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Trium ESG Emissions Impact Fund

Target Fund Size EUR 750M – EUR 1B, USD Raised USD 92M. The fund:

- Has an equity market neutral strategy; non-directional on a market/sector/commodity basis.
- **Targets high-emitting sectors:** energy, resources, materials, utilities, industrials and transport.
- Focuses on Europe, with selected exposure in North America and Australia.
- Invests in companies with the potential to significantly **improve their environmental footprint** relative to their peers with market cap USD 1-15B, small enough to change and allow direct engagement with management.
- Is overall neutral or **net negative carbon**.
- Seeks to deliver **alpha driven absolute returns** with low volatility and low correlation to traditional asset classes (6-8% volatility, expected annual returns of cash 6-8%).
- Has low expected correlation to existing ESG products.
- Has the goal to encourage companies with traditional business models to **research, develop and invest in technologies that lower emissions, increase energy efficiency, reduce waste and reduce pollution.**

Schroder International Selection Fund BlueOrchard Emerging Markets Climate Bond

Target Fund Size USD 1B, Current Fund Size USD 75M. The fund:

- Is based on an **actively managed investment process** and proprietary impact framework 'B.Impact'.
- Invests for a **sustainable, low carbon future** and offers high emerging market allocation and provides strong diversification features.
- Will purchase **mainly green bonds** issued by emerging market and developed market issuers with a **proven environmental impact**, and an alignment to the achievement of the SDGs, as well as other bonds aligned to the climate actions SDGs.
- Invests in green bonds, sustainability bonds, sustainability-linked bonds, and climate action issuers.
- Applies a proprietary impact process (ESG, Impact and SDG mapping with a team of 10 impact specialists).
- Has a Benchmark agnostic of **greater flexibility** in portfolio construction and **greater impact** (exclusion of certain sectors and countries).

Suma Capital Climate Impact Fund III

Target Fund Size EUR 300M, starting fundraising in Q3 2021. The fund:

- Focuses on **energy transition** (renewable transition, energy efficiency, smart mobility) and **circular economy** (waste to energy and waste to resource).
- Focuses on three types of transactions:
  - **Build to Core:** Investments that offer long-term fundamentals where we lead the project from development to operation
  - **Operational value creation**: Investments that offer the potential to enhance operational value through growth and efficiency improvements
  - **Platform expansion:** Investments with potential to grow their asset base through accretive acquisitions or enhanced project pipeline
- Has a double objective in their investments: **financial and social-environmental**, which is quantified, audited and reported to our investors

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