ISS ESG

Caja de Ingenieros Gestión

OVERVIEW

DATE OF HOLDINGS
30 JUN 2020

COVERAGE
92.43%

AMOUNT INVESTED
21,564,219 EUR

BENCHMARK USED
Ibex 35

PORTFOLIO TYPE
EQUITY

CI Iberian Equity

Climate Impact Assessment

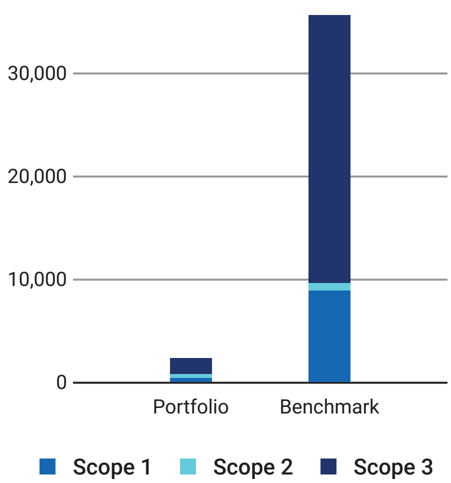
Carbon Metrics 1 of 3

Portfolio Overview

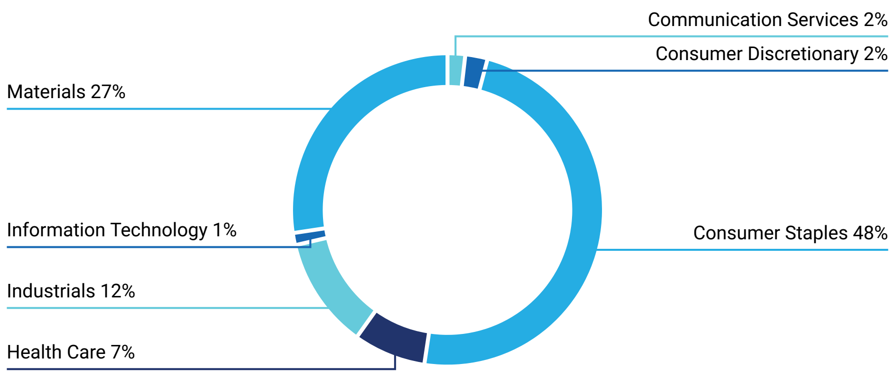
	Disclosure Number/Weight	Emission Exposure tCO_2e			Relative Emission Exposure tCO_2e/Mio EUR Revenue		Climate Performance Weighted Avg
	Share of Disclosing Holdings	Scope 1 & 2	Incl. Scope 3	Relative Carbon Footprint	Carbon Intensity	Weighted Avg Carbon Intensity	Carbon Risk Rating[1]
Portfolio	69.6% / 78.8%	666	2,252	30.86	54.84	75.28	49
Benchmark	94.3% / 98.3%	9,651	35,647	447.55	352.16	290.79	47
Net Performance	-24.7 p.p. / -19.5 p.p.	93.1%	93.7%	93.1%	84.4%	74.1%	–

Emission Exposure Analysis

Emissions Exposure (tCO_2e)



Sector Contributions to Emissions[2]



[1] Note: Carbon Risk Rating data is current as of the date of report generation.
[2] Emissions contributions for all other portfolio sectors is less than 1% for each sector.

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Emission Exposure Analysis (continued)

Top 10 Contributors to Portfolio Emissions

Issuer Name	Contribution to Portfolio Emission Exposure (%)	Portfolio Weight (%)	Emissions Reporting Quality	Carbon Risk Rating
Viscofan SA	27.18%	3.50%	Strong	Laggard
Vidrala SA	16.11%	5.60%	Non-Reporting	Medium Performer
Jeronimo Martins SGPS SA	16.05%	4.70%	Strong	Medium Performer
Corticeira Amorim SGPS SA	10.91%	5.61%	Inconsistent	-
Ferrovial SA	6.95%	3.65%	Moderate	Medium Performer
Grifols SA	4.00%	9.91%	Strong	Outperformer
Coca-Cola European Partners Plc	2.42%	4.84%	Strong	Medium Performer
Industria de Diseno Textil SA	2.24%	9.84%	Strong	Outperformer
Laboratorios Farmaceuticos Rovi SA	2.04%	4.81%	Non-Reporting	-
Wal-Mart de Mexico SAB de CV	1.99%	2.28%	Strong	Medium Performer
Total for Top 10	89.89%	54.74%		

Carbon Metrics 2 of 3

Emission Attribution Analysis

Emission Attribution Analysis examines the extent to which higher or lower GHG exposure between the portfolio and the benchmark can be attributed to sector allocation versus issuer selection. A portfolio with a larger amount of assets allocated to an emissions-intense sector will ultimately have higher GHG emissions exposure. However, this can be offset by the selection of less emissions-intense issuers from that sector. This analysis relates to the carbon footprint of the portfolio, specifically the Emissions Scope 1 & 2 (tCO_2e) and Relative Carbon Footprint (tCO_2e/Mio Invested) metrics.

The subsequent table identifies the most emissions-intense issuers in the analysis, the comparative weight for each issuer between the portfolio and benchmark, as well as the sector allocation and issuer selection effects. A positive (green) number represents less greenhouse gas exposure for the issuer in the portfolio relative to the benchmark.

Top Sectors to Emission Attribution Exposure vs.Benchmark

Sector	Portfolio Weight	Benchmark Weight	Difference	Sector Allocation Effect	Issuer Selection Effect
Communication Services	8.05%	12.16%	-4.11%	0.29%	0.45%
Consumer Discretionary	15.53%	12.28%	3.26%	-0.14%	0.5%
Consumer Staples	15.32%	0.72%	14.6%	-7.81%	4.91%
Financials	3.03%	20.69%	-17.66%	0.29%	0%
Health Care	18.58%	3.48%	15.1%	-0.4%	-0.02%
Industrials	15.48%	12.34%	3.13%	-5.47%	26.22%
Information Technology	7.68%	5.86%	1.82%	-0.01%	-0.03%
Materials	11.21%	1.25%	9.96%	-231.91%	259.18%
Utilities	5.13%	26.46%	-21.32%	27.17%	6.5%
Energy	0%	3.23%	-3.23%	13.34%	0%
Real Estate	0%	1.55%	-1.55%	0.05%	0%
Cumulative Higher (-) and Lower (+) Emission Exposure vs. Benchmark				-204.6%	297.7%
Higher (-) / Lower (+) Net Emission Exposure vs. Benchmark				93%	

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Emission Attribution Analysis (continued)

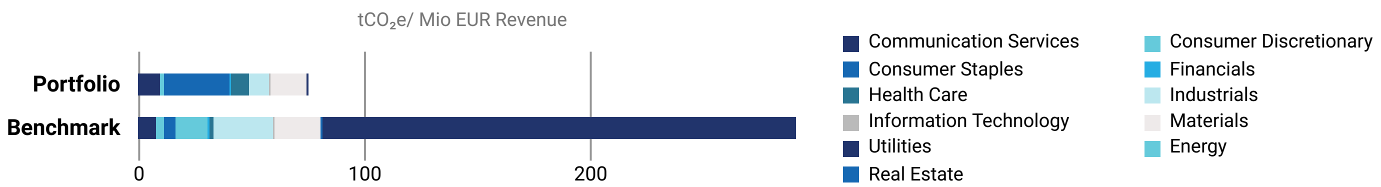
Highest Emission-Intense Issuers in Combined Portfolio & Benchmark Universe

Issuer Name	Sector	Emission Exposure Scope 1 & 2 (tCO_2e)	Carbon Risk Rating	Portfolio Under (-) / Overexposure (+)
1. ArcelorMittal SA	Materials	21,878.57	Medium Performer	-0.55%
2. International Consolidated Airlines Group ...	Industrials	6,362.42	Medium Performer	-1.29%
3. Acerinox SA	Materials	1,859.37	-	-0.51%
4. Repsol SA	Energy	1,849.98	Medium Performer	-3.23%
5. Endesa SA	Utilities	1,616.64	Medium Performer	-2.46%
6. Naturgy Energy Group SA	Utilities	1,265.57	Outperformer	-1.73%
7. ENCE Energia y Celulosa, SA	Materials	653.06	Laggard	-0.19%
8. ACS Actividades de Construccion y Servici...	Industrials	588.56	Medium Performer	-1.87%
9. Iberdrola SA	Utilities	479.05	Outperformer	-17.63%
10. CIE Automotive SA	Consumer Discretionary	258.09	-	-0.43%
11. Viscofan SA	Consumer Staples	239.46	Laggard	2.79%
12. Melia Hotels International SA	Consumer Discretionary	214.79	-	-0.18%
13. Red Electrica Corp. SA	Utilities	133.75	Outperformer	-2.38%
14. Jeronimo Martins SGPS SA	Consumer Staples	105.42	Medium Performer	4.7%
15. Vidrala SA	Materials	88.83	Medium Performer	5.6%

Carbon Metrics 3 of 3

Greenhouse Gas Emission Intensity

Weighted Avg Greenhouse Gas Intensity Sector Contribution



Top 10 Emission Intense Companies (tCO_2e Scope 1 & 2/Revenue Millions)

Issuer Name	Emission Intensity	Peer Group Avg Intensity
1. Viscofan SA	689.65	142.36
2. Vidrala SA	199.75	539.96
3. Ferrovial SA	160.53	205.33
4. Cellnex Telecom SA	120.43	85.43
5. Corticeira Amorim SGPS SA	84.80	277.26
6. Jeronimo Martins SGPS SA	61.57	53.51
7. Aena S.M.E. SA	59.40	47.00
8. Laboratorios Farmaceuticos Rovi SA	53.11	104.31
9. Grifols SA	48.69	17.51
10. Zardoya Otis SA	47.07	74.98

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Climate Scenario Analysis 1 of 2

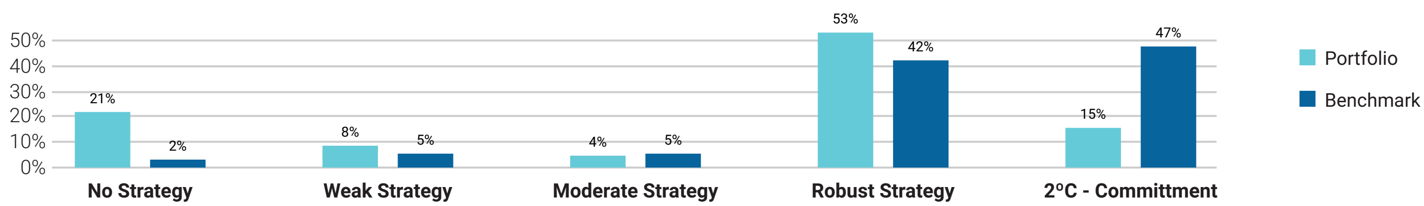
In order to transition, holdings need to commit to align with the international climate goals and progress on those in the future. Currently, 14.52% of the portfolio's value is committed to such a goal. While this is not a guarantee to reach this goal, the currently 21.2% of the portfolio without a goal is certainly unlikely to transition and should receive special attention from a climate risk conscious investor.

Portfolio Compliance with Emission Budget per Scenario

	2020	2030	2040	2050
2°	23.62%	37.15%	62.8%	88.42%
4°	22.38%	24.92%	27.2%	30.08%
6°	20.8%	20.28%	19.72%	19.02%

The strategy in its current state is aligned with a 2 degree scenario for the full analyzed period (until 2050).

Climate Strategy Assessment (% Portfolio Weight)

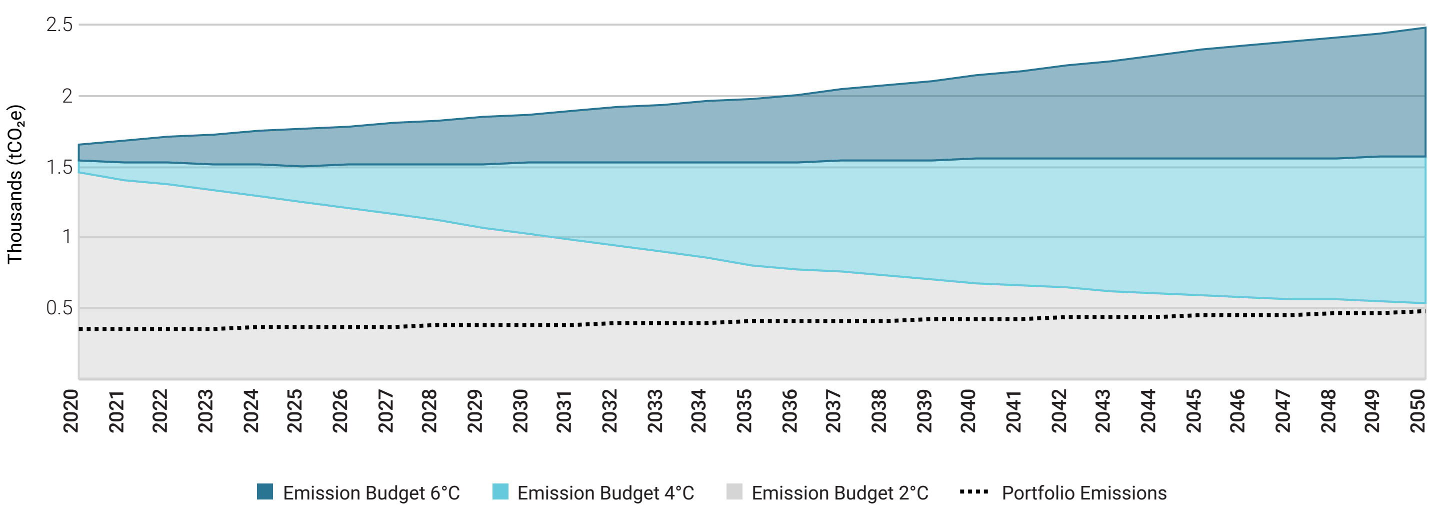


Scenario Analysis

The climate scenario environment alignment compares current and future portfolio greenhouse gas emissions with the carbon budgets for a below 2 degree Celsius scenario as well as warming scenarios of 4 degrees and 6 degrees Celsius until 2050.

The CI Iberian Equity strategy in its current state is aligned with a 2 degree scenario for the full analyzed period (until 2050).

Portfolio Emission Pathway vs. Climate Scenarios



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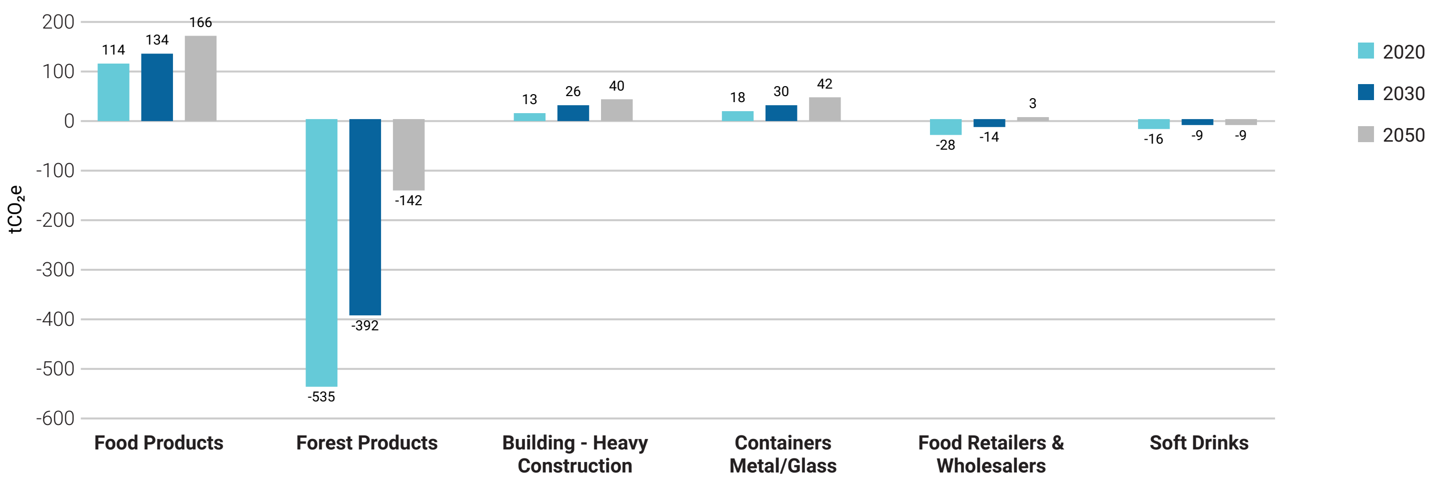
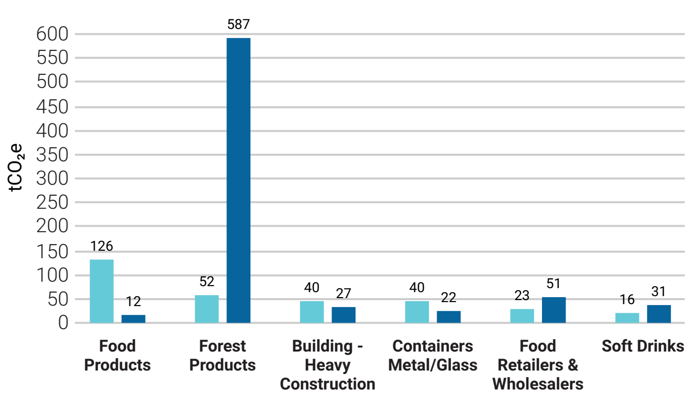
Climate Scenario Analysis 2 of 2

To contain average global warming to below 2 degrees Celsius, portfolio holdings in certain sectors are still aligned (-), while others are already beyond (+) the emission budget for a 2 degrees Celsius pathway.

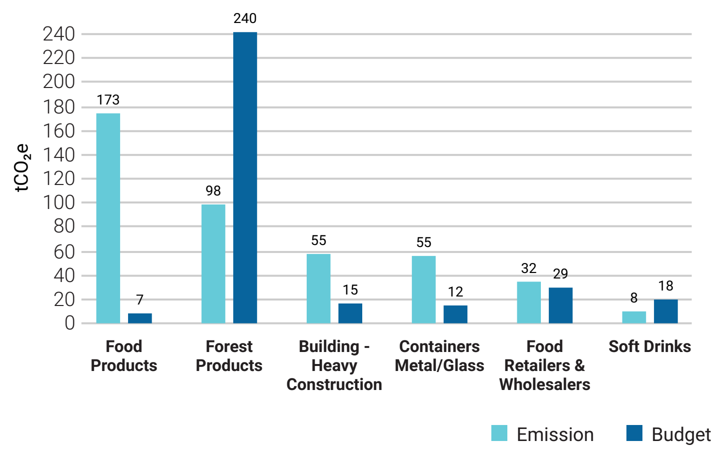
Portfolio Emissions vs. Emission Budget per Sector - Under (-)/Outperformance (+) of the 2°C Scenario Requirements



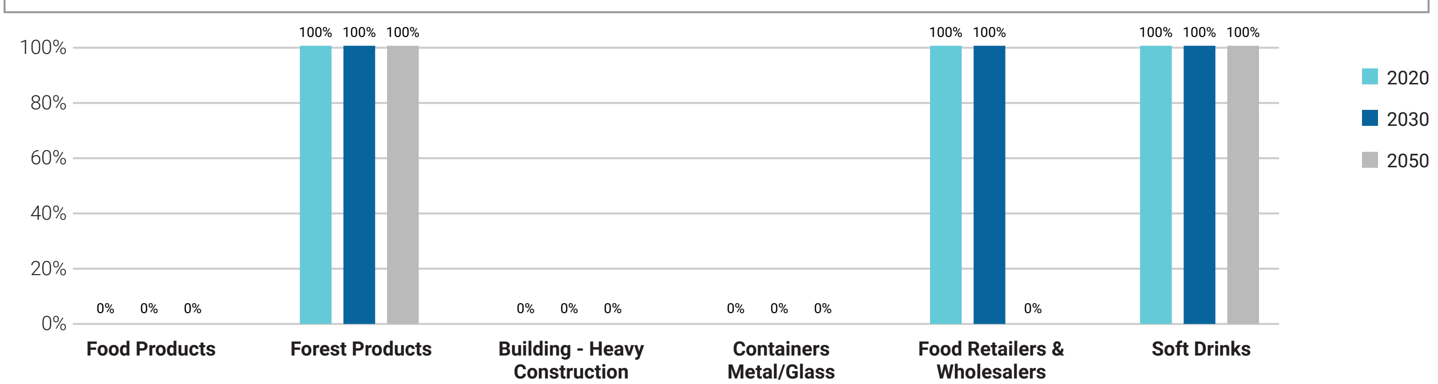
Sector Emissions vs. 2°C Emission Budget for 2020



Sector Emissions vs. 2°C Emission Budget for 2050



Percentage of Holdings 2°C Aligned in 2020, 2030, and 2050



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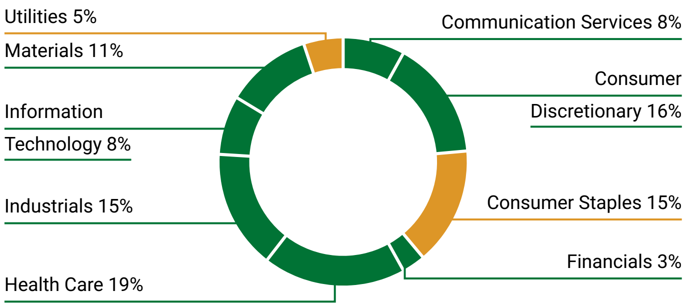
Physical Climate Risk Analysis

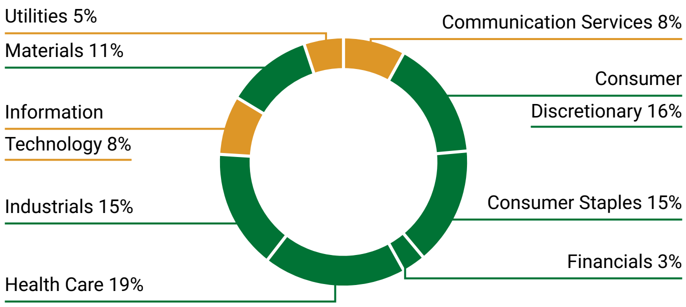
Rising temperature levels, even if limited to 2° Celsius, will result in changes of the climate system resulting in physical risks. Physical risks can be classified into long term weather changes and extreme weather events such as storms, floods, or droughts. Companies' exposure to these two types of physical risk depends on two main factors: their sector as well as the geographical region they are active in.

Sector Exposure: Chronic and Acute Physical Risk

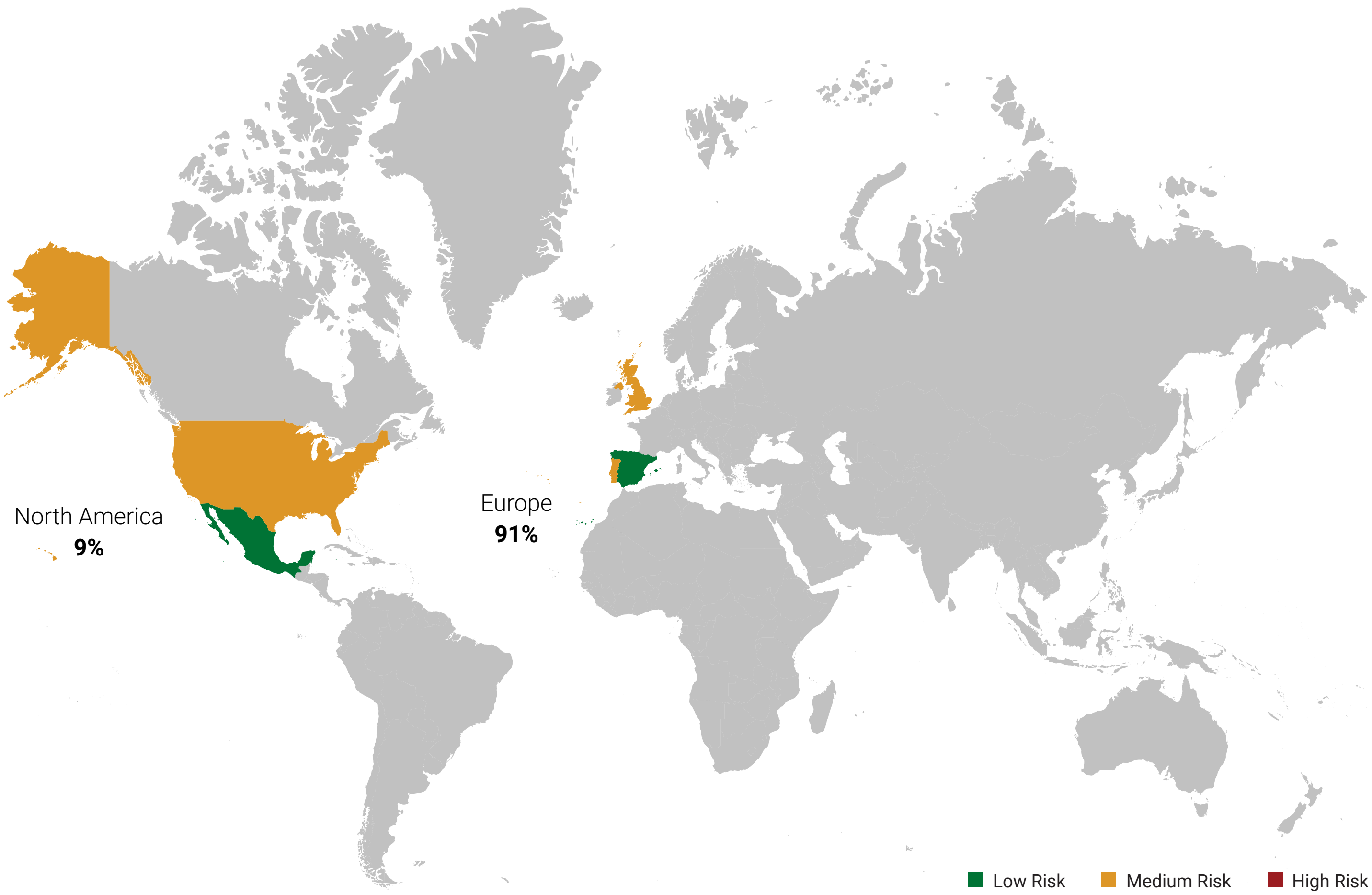
Physical Risk: Chronic



Physical Risk: Acute



Percent of Holdings Directly Exposed to Geographic & Associated Sector Risk



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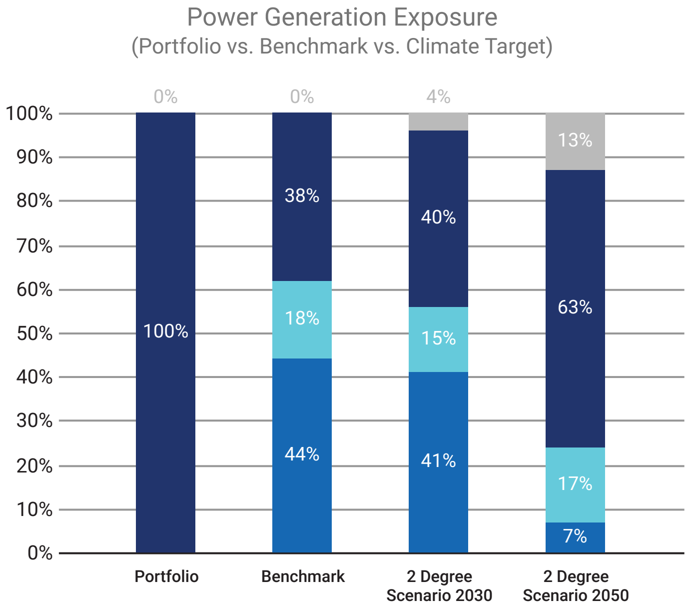
Transition Climate Risk Analysis 1 of 3

A decarbonized world needs to address both the demand side (for example Utilities burning fossil fuels) and the supply side (i.e. fossil reserves) of future emissions. For Utilities, it matters whether the power generated and power generation planned for the future stem from renewable (green) or fossil (brown) sources. For fossil reserve owning companies, potential future greenhouse gas emissions might indicate stranded asset risk. The Carbon Risk Rating (1-100) provides a view on how well the respective portfolio and benchmark holdings are managing such risks.

Transition Analysis Overview

	Power Generation		Reserves		Climate Performance
	% Installed Capacity Green Share	% Installed Capacity Brown Share	% Investment Exposed to Fossil Fuels	Total Potential Future Emissions ($ktCO_2$)	Weighted Avg Carbon Risk Rating
Portfolio	100%	-	-	-	49
Benchmark	38.07%	44.37%	3.77%	49.15	47

Power Generation



For a decarbonized future economy, it is key to transition the energy generation mix from fossil to renewable sources. Utilities relying on fossil power production without a substitute plan might run a higher risk of getting hit by climate change regulatory measures as well as reputational damages. The graph on the left compares the energy generation mix of the portfolio with the benchmark and a 2 degree Celsius compatible mix in 2020 and 2050, according to the International Energy Agency. Below, the 5 largest Utility holdings can be compared on fossil versus renewable energy production capacity, their contribution to the overall portfolio greenhouse gas emission exposure and their production efficiency for 1 GWH of electricity.

Fossil Fuels Nuclear Renewables Other

Top 5 Utilities' Fossil vs. Renewable Energy Mix

Issuer Name	% Fossil Fuel Capacity	% Renewable Energy Capacity	% Contribution to Portfolio Emissions	Emissions tCO_2e Scope 1 & 2 /GWh
EDP Renovaveis SA	0%	96.8%	0.56%	1.12

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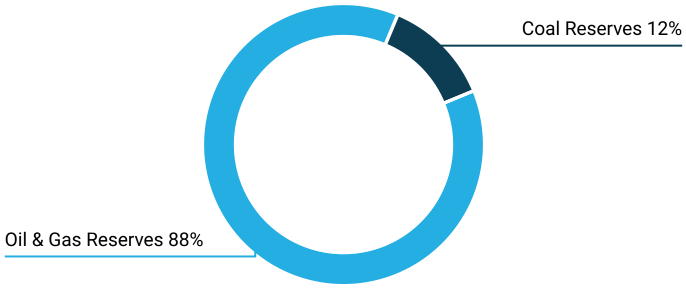
Transition Climate Risk Analysis 2 of 3

For fossil reserve owning companies, potential future greenhouse gas emissions might indicate stranded asset risk, as about 80% of those reserves need to stay in the ground to not exceed 2 degrees Celsius of warming. The portfolio contains 0 tCO_2 of potential future emissions, of which - stem from Coal reserves, - from Oil and Gas reserves. Investor focus is often on the 100 largest Oil & Gas and 100 largest Coal reserve owning companies, to understand the exposure to these top 100 lists.

Portfolio
0 tCO_2 Potential Future Emissions

Benchmark
49,151 tCO_2 Potential Future Emissions



Exposure to the 100 Largest Oil & Gas and Coal Reserve Owning Assets

Issuer Name	Contribution to Portfolio Potential Future Emissions	Oil & Gas Top 100 Rank	Coal Top 100 Rank
No Applicable Data			

Unconventional and controversial energy extraction such as “Fracking” and Arctic Drilling is a key focus for investors, both from a transition and a reputation risk perspective.

Exposure to Controversial Business Practices

Issuer Name	Portfolio Weight	Arctic Drilling	Hydraulic Fracturing	Oil Sands	Shale Oil and/or Gas
No Applicable Data					

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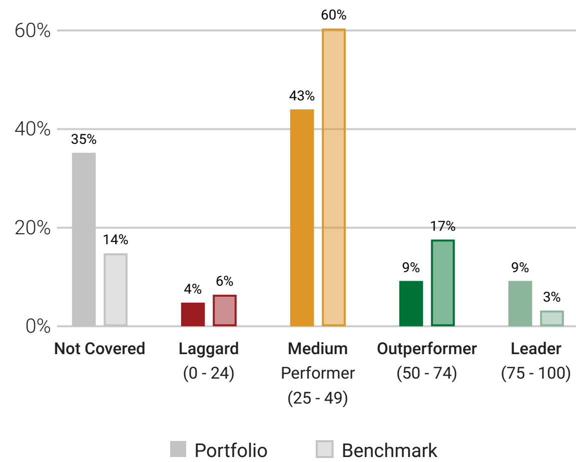
Transition Climate Risk Analysis 3 of 3

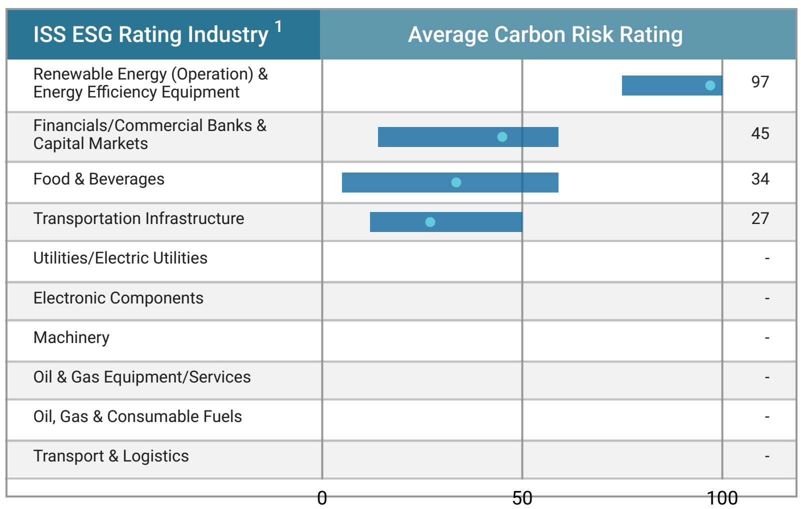
Portfolio Carbon Risk Rating

The Carbon Risk Rating (CRR) assesses how an issuer is exposed to climate risks and opportunities, and whether these are managed in a way to seize opportunities, and to avoid or mitigate risks. It provides investors with critical insights into how issuers are prepared for a transition to a low carbon economy and is a central instrument for the forward-looking analysis of carbon-related risks at portfolio and issuer level.

CRR Distribution Portfolio vs. Benchmark



Avg Portfolio CRR and Spread for Selected ISS ESG Rating Industries



Top 5 [2]	Country	ISS ESG Rating Industry	CRR	Portfolio Weight (consol.)
Siemens Gamesa Renewable Energy SA	Spain	Renewable Energy & Energy Efficiency Equipment	98	4.68%
EDP Renovaveis SA	Spain	Renewable Energy Operation	96	5.13%
Grifols SA	Spain	Pharmaceuticals & Biotechnology	59	9.91%
Industria de Diseno Textil SA	Spain	Textiles & Apparel	59	9.84%
Coca-Cola European Partners Plc	United Kingdom	Food & Beverages	48	4.84%

Bottom 5 [2]	Country	ISS ESG Rating Industry	CRR	Portfolio Weight (consol.)
Viscofan SA	Spain	Food & Beverages	19	3.5%
Cellnex Telecom SA	Spain	Telecommunications	26	8.05%
MercadoLibre, Inc.	USA	Software & IT Services	26	5.7%
Aena S.M.E. SA	Spain	Transportation Infrastructure	27	1.1%
Wal-Mart de Mexico SAB de CV	Mexico	Retail	31	2.28%

Climate Laggard (0 - 24) Climate Medium Performer (25 - 49) Climate Outperformer (50 - 74) Climate Leader (75 - 100)

[1] The proprietary ISS ESG Rating industry Classification is intended to group companies from an ESG perspective and might differ from other classification systems.

[2] Multiple issuers may have the same CRR value. In the event the Top 5 and Bottom 5 tables have more than one issuer in the last position due to a tie in CRR values, the weight of the issuers in the portfolio will determine the issuer assigned to the table.

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