

CI Bolsa USA

Climate Impact Assessment

OVERVIEW

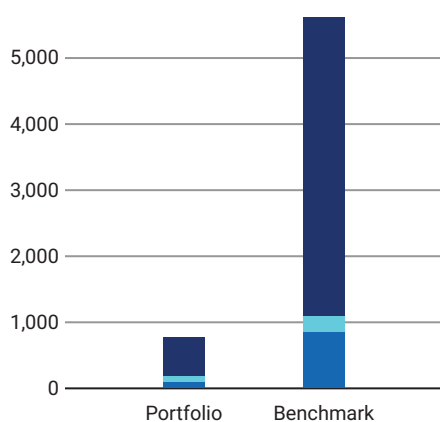
DATE OF HOLDINGS
30 SEP 2020COVERAGE
100%AMOUNT INVESTED
21,617,791 EURBENCHMARK USED
SP 100 USPORTFOLIO TYPE
EQUITY

Carbon Metrics 1 of 3

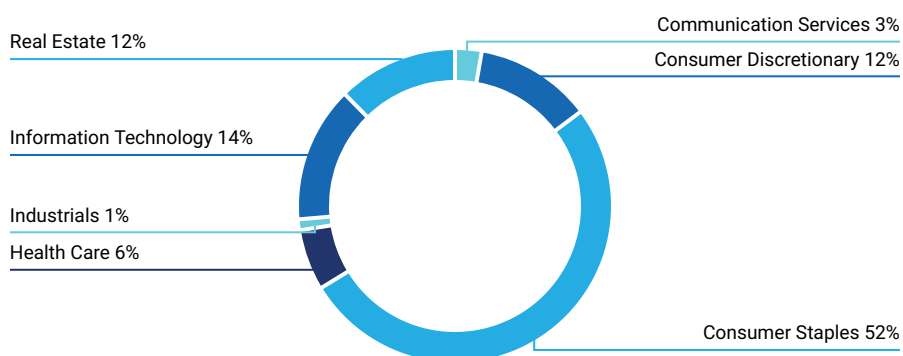
Portfolio Overview

Disclosure Number/Weight		Emission Exposure tCO ₂ e			Relative Emission Exposure tCO ₂ e/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	90.3% / 93.6%	179	744	8.26	44.71	46.11	42
Benchmark	92% / 94.5%	1,094	5,617	50.60	150.07	105.86	41
Net Performance	-1.7 p.p. / -0.9 p.p.	83.7%	86.8%	83.7%	70.2%	56.4%	—

Emission Exposure Analysis

Emissions Exposure (tCO₂e)

■ Scope 1 ■ Scope 2 ■ Scope 3

Sector Contributions to Emissions²

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
Kimberly-Clark Corporation	32.00%	2.79%	Strong	● Outperformer
PepsiCo, Inc.	13.15%	3.46%	Strong	● Medium Performer
Digital Realty Trust, Inc.	12.34%	1.56%	Moderate	● Medium Performer
Taiwan Semiconductor Manufacturing Co., ...	9.26%	2.98%	Strong	● Outperformer
The Procter & Gamble Company	6.20%	3.51%	Strong	● Outperformer
Tractor Supply Company	4.19%	1.85%	Inconsistent	● Medium Performer
Amazon.com, Inc.	3.51%	4.01%	Moderate	● Medium Performer
The Home Depot, Inc.	2.94%	2.99%	Moderate	● Medium Performer
Intel Corporation	2.93%	1.76%	Strong	● Medium Performer
Merck & Co., Inc.	2.60%	3.27%	Strong	● Outperformer
Total for Top 10	89.11%	28.17%		

■ 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-intensive sector will ultimately have higher GHG emissions exposure. However, this can be offset by the selection of less emissions-intensive issuers from that sector. This analysis relates to the carbon footprint of the portfolio, specifically the Emissions Scope 1 & 2 (tCO₂e) and Relative Carbon Footprint (tCO₂e/Mio Invested) metrics.

The subsequent table identifies the most emissions-intensive 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	6.49%	14.51%	-8.02%	1.22%	0.54%
Consumer Discretionary	19.57%	12.88%	6.69%	-1.72%	3.09%
Consumer Staples	9.75%	7.86%	1.9%	-0.85%	-4.02%
Financials	6.2%	8.33%	-2.13%	2.09%	6.03%
Health Care	17.5%	13.45%	4.05%	-0.41%	0.75%
Industrials	1.42%	5.35%	-3.93%	5.27%	1.72%
Information Technology	37.5%	32.98%	4.52%	-0.11%	-1.33%
Real Estate	1.56%	0.68%	0.88%	-0.44%	-1.24%
Energy	0%	1.98%	-1.98%	29.67%	0%
Materials	0%	0.41%	-0.41%	11.59%	0%
Utilities	0%	1.58%	-1.58%	31.85%	0%
Cumulative Higher (-) and Lower (+) Emission Exposure vs. Benchmark				78.15%	5.54%
Higher (-) / Lower (+) Net Emission Exposure vs. Benchmark				84%	

CI Bolsa USA

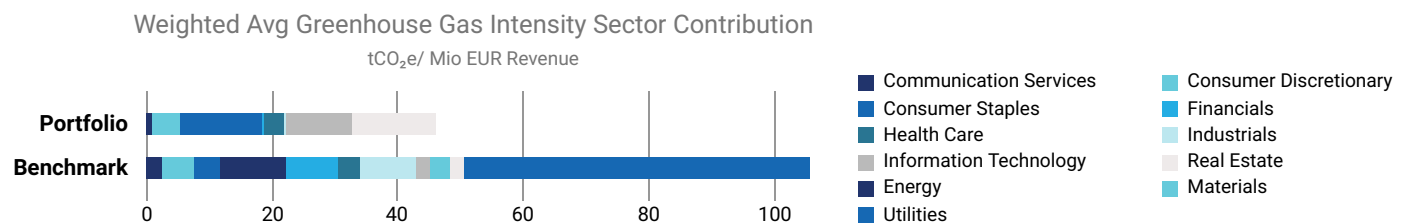
Emission Attribution Analysis (continued)

Highest Emission-Intense Issuers in Combined Portfolio & Benchmark Universe

Issuer Name	Sector	Emission Exposure Scope 1 & 2 (tCO ₂ e)	Carbon Risk Rating	Portfolio Under (-) / Overexposure (+)
1. Occidental Petroleum Corporation	Energy	2,716.77	● Laggard	-0.05%
2. The Southern Company	Utilities	2,099.82	● Medium Performer	-0.31%
3. Duke Energy Corporation	Utilities	1,741.13	● Medium Performer	-0.35%
4. DuPont de Nemours, Inc.	Materials	1,646.18	● Medium Performer	-0.22%
5. Dow, Inc.	Materials	1,208.94	● Laggard	-0.19%
6. Exxon Mobil Corporation	Energy	1,003.11	● Laggard	-0.78%
7. ConocoPhillips	Energy	675.51	● Laggard	-0.19%
8. Chevron Corporation	Energy	550.25	● Laggard	-0.72%
9. Exelon Corporation	Utilities	483.33	● Medium Performer	-0.19%
10. Kinder Morgan, Inc.	Energy	448.39	● Laggard	-0.13%
11. NextEra Energy, Inc.	Utilities	363.73	● Outperformer	-0.73%
12. FedEx Corporation	Industrials	288.06	● Medium Performer	-0.33%
13. Ford Motor Company	Consumer Discretionary	206.64	● Laggard	-0.14%
14. Berkshire Hathaway Inc.	Financials	175.68	● Laggard	-2.27%
15. General Motors Company	Consumer Discretionary	157.2	● Laggard	-0.2%

Carbon Metrics 3 of 3

Greenhouse Gas Emission Intensity

Top 10 Emission Intense Companies (tCO₂e Scope 1 & 2/Revenue Millions)

Issuer Name	Emission Intensity	Peer Group Avg Intensity
1. Digital Realty Trust, Inc.	857.34	201.36
2. Taiwan Semiconductor Manufacturing Co., Ltd.	292.34	254.09
3. Kimberly-Clark Corporation	259.47	69.40
4. PepsiCo, Inc.	93.71	60.34
5. The Procter & Gamble Company	75.61	47.73
6. Amazon.com, Inc.	49.09	11.00
7. Intel Corporation	42.93	13.42
8. Tractor Supply Company	39.64	13.88
9. The Walt Disney Company	37.10	23.28
10. Merck & Co., Inc.	32.61	104.31

■ Climate Scenario Analysis 1 of 2

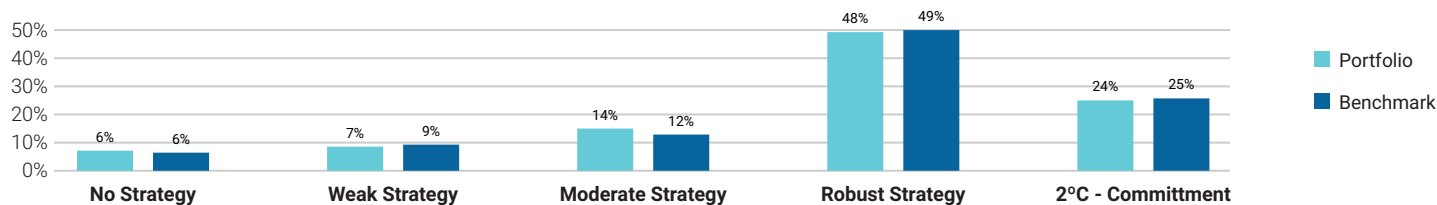
In order to transition, holdings need to commit to align with the international climate goals and progress on those in the future. Currently, 24.24% of the portfolio's value is committed to such a goal. While this is not a guarantee to reach this goal, the currently 6.41% of the portfolio without a goal 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°	48%	66.56%	79.94%	97.57%
4°	44.68%	46.78%	48.64%	51.21%
6°	42.29%	39.35%	37.97%	38.16%

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)

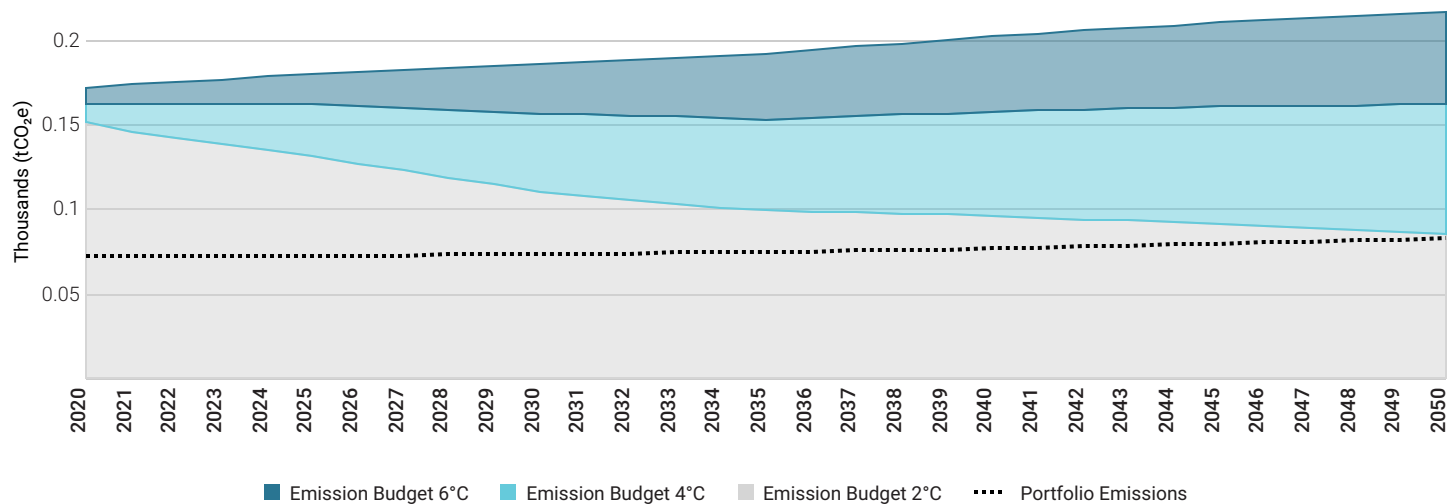


Scenario Analysis

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

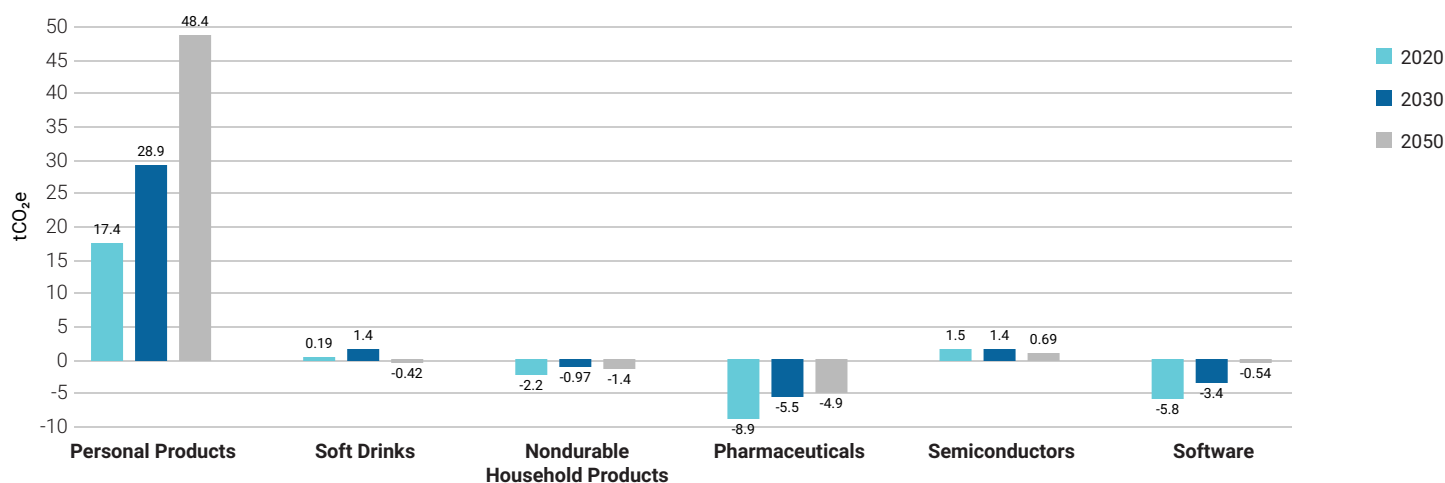
Portfolio Emission Pathway vs. Climate Scenarios



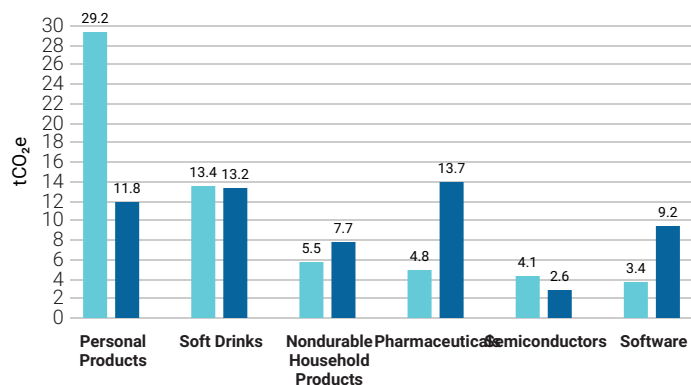
■ Climate Scenario Analysis 2 of 2

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.

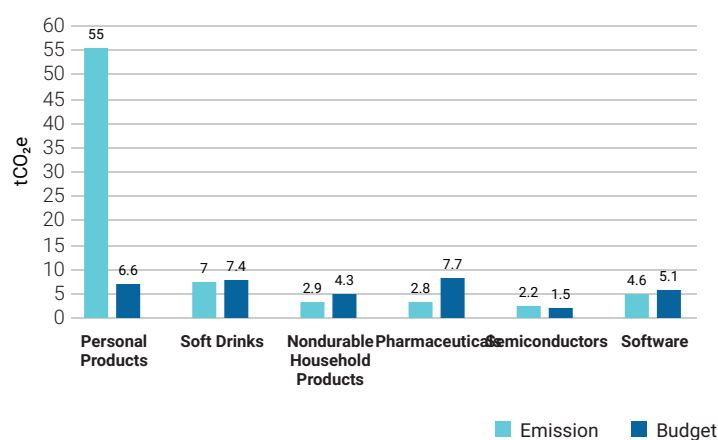
Portfolio Emissions vs. Emission Budget per Sector - Under (-)/Outperformance (+) of the 2°C Scenario Requirements



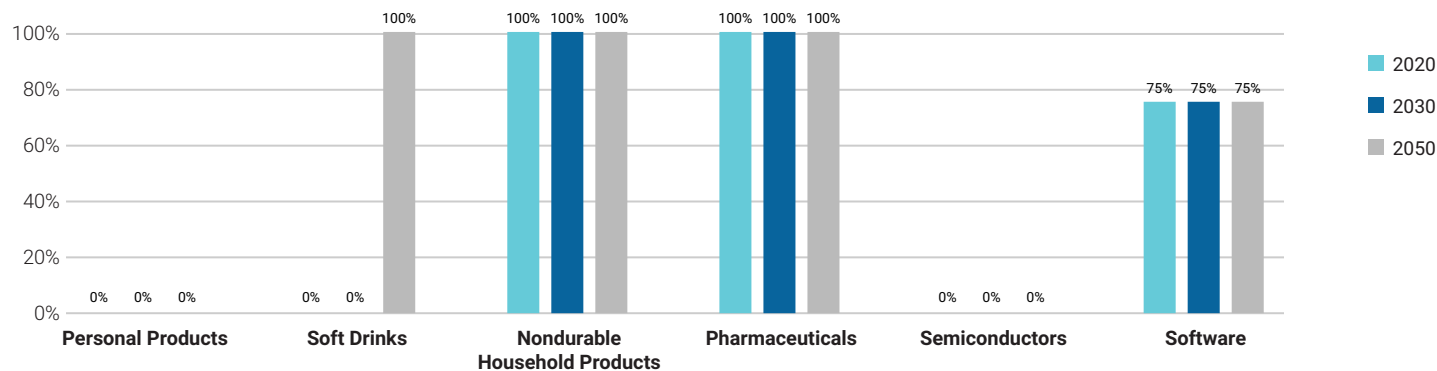
Sector Emissions vs. 2°C Emission Budget for 2020



Sector Emissions vs. 2°C Emission Budget for 2050



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

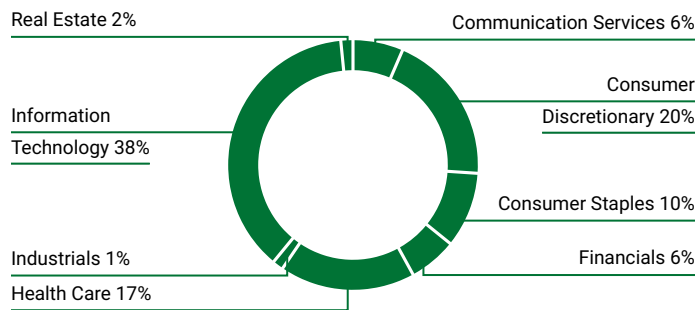


■ Physical Climate Risk Analysis

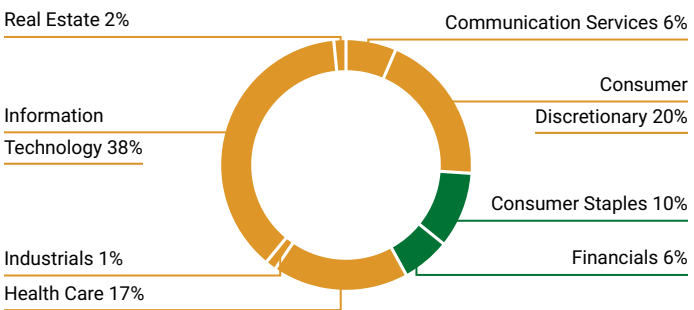
Rising temperature levels, even if limited to 2° Celsius, will result in changes of the climate system resulting in physical risks. Physical risks can be classified into long term weather changes and extreme weather events such as storms, floods, or droughts. Companies’ exposure to these two types of 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

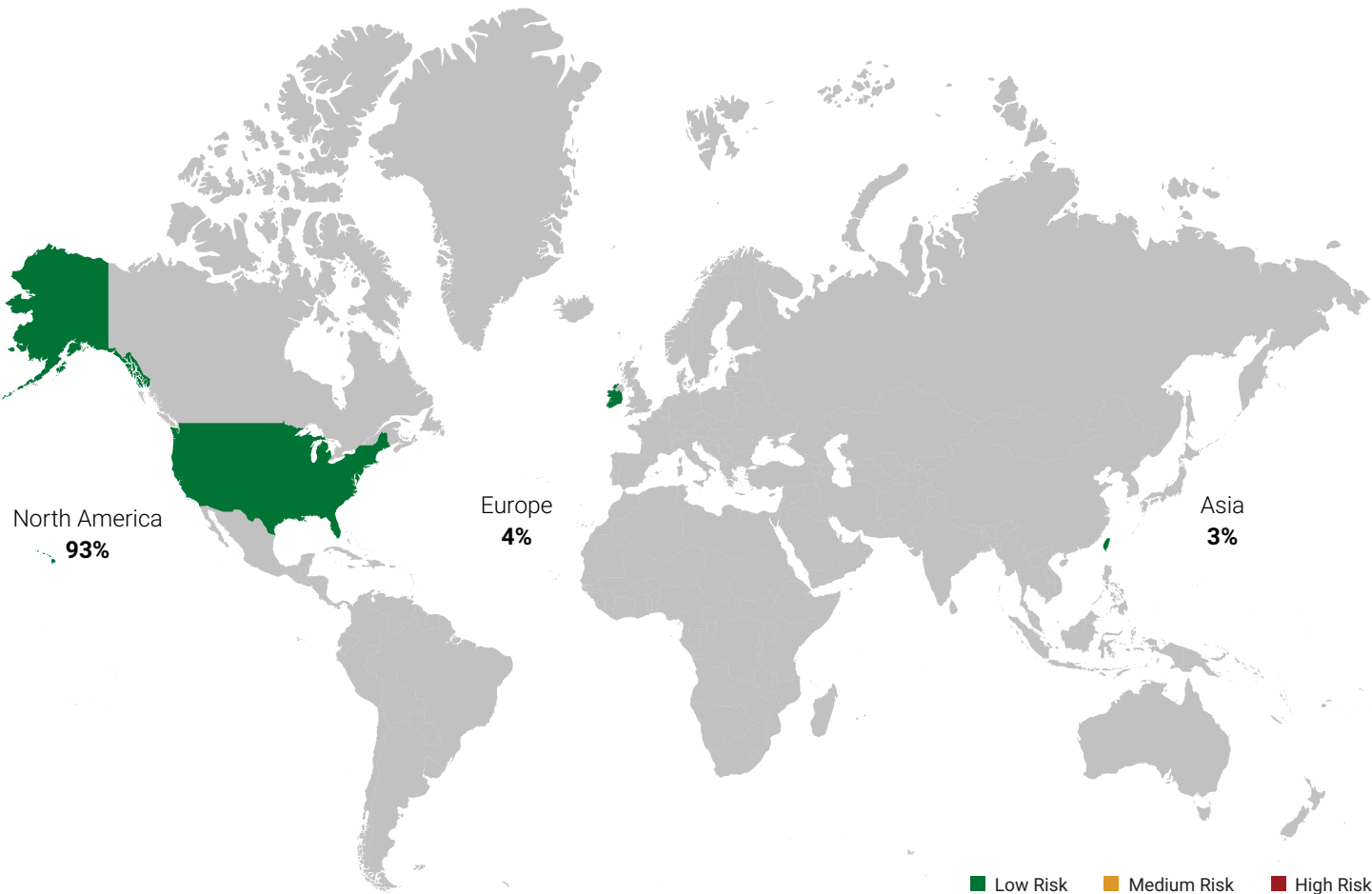
Physical Risk: Chronic



Physical Risk: Acute



Percent of Holdings Directly Exposed to Geographic & Associated Sector Risk



■ Low Risk ■ Medium Risk ■ High Risk

■ Transition Climate Risk Analysis 1 of 3

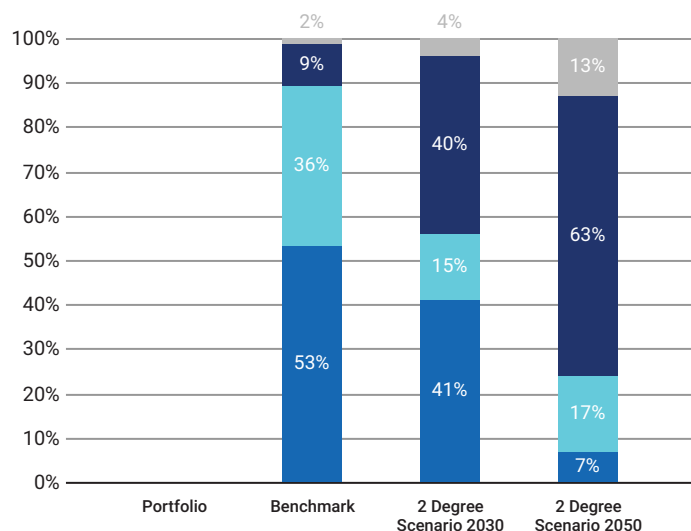
A decarbonized world needs to address both the demand side (for example Utilities burning fossil fuels) and the supply side (i.e. fossil reserves) of future emissions. For Utilities, it matters whether the power generated and power generation planned for the future stem from renewable (green) or fossil (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
	% Generation Output Green Share	% Generation Output Brown Share	% Investment Exposed to Fossil Fuels	Total Potential Future Emissions (ktCO ₂)	Weighted Avg Carbon Risk Rating
Portfolio	-	-	-	-	42
Benchmark	9.42%	53.39%	4.13%	21.42	41

Power Generation

Power Generation Exposure
(Portfolio vs. Benchmark vs. Climate Target)



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 2030 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.

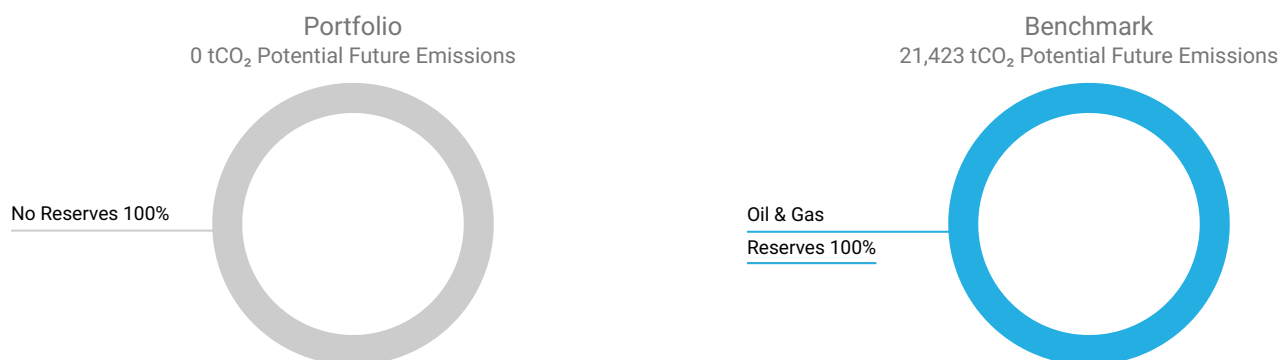
■ Fossil Fuels ■ Nuclear ■ Renewables ■ Other

Top 5 Utilities' Fossil vs. Renewable Energy Mix

Issuer Name	% Fossil Fuel Capacity	% Renewable Energy Capacity	% Contribution to Portfolio Emissions	Emissions tCO ₂ e Scope 1 & 2 /GWh
-	-	-	-	-

■ 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 tCO₂ 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.



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

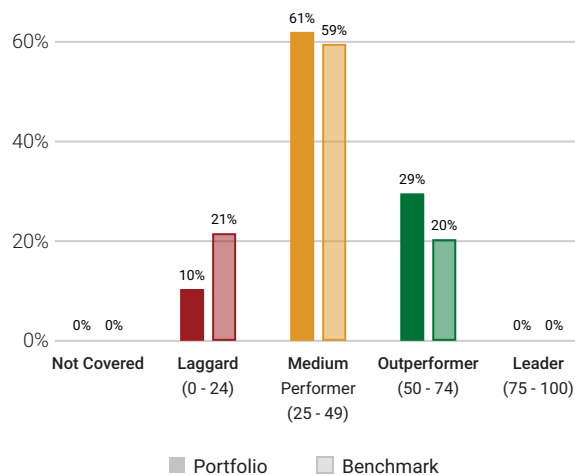
Issuer Name	Portfolio Weight	Arctic Drilling	Hydraulic Fracturing	Oil Sands	Shale Oil and/or Gas
Xylem Inc.	1.42%	-	Services	Services	Services

■ 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

ISS ESG Rating Industry ¹	Average Carbon Risk Rating		
Machinery	<div><div></div></div>		35
Food & Beverages	<div><div></div></div>		35
Renewable Energy (Operation) & Energy Efficiency Equipment			-
Utilities/Electric Utilities			-
Electronic Components			-
Financials/Commercial Banks & Capital Markets			-
Transportation Infrastructure			-
Oil & Gas Equipment/Services			-
Oil, Gas & Consumable Fuels			-
Transport & Logistics			-
	0	50	100

Top 5 ²	Country	ISS ESG Rating Industry	CRR	Portfolio Weight (consol.)
The Procter & Gamble Company	USA	Household & Personal Products	61	3.51%
Bristol-Myers Squibb Company	USA	Pharmaceuticals & Biotechnology	55	3%
Taiwan Semiconductor Manufacturing Co., ...	Taiwan	Semiconductors	55	2.98%
Apple Inc.	USA	Electronic Devices & Appliances	52	9.13%
NIKE, Inc.	USA	Textiles & Apparel	52	3.03%

Bottom 5 ²	Country	ISS ESG Rating Industry	CRR	Portfolio Weight (consol.)
Zoetis Inc.	USA	Pharmaceuticals & Biotechnology	12	2.02%
Alibaba Group Holding Ltd.	Cayman Islands	Software & IT Services	24	2.48%
Booking Holdings Inc.	USA	Software & IT Services	24	1.91%
PayPal Holdings, Inc.	USA	Software & IT Services	26	3.51%
Moody's Corporation	USA	Financials/Others	29	2.65%

■ 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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