

## CI Bolsa USA

## Climate Impact Assessment

## OVERVIEW

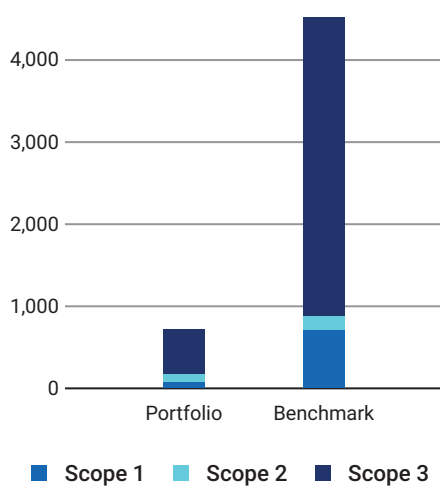
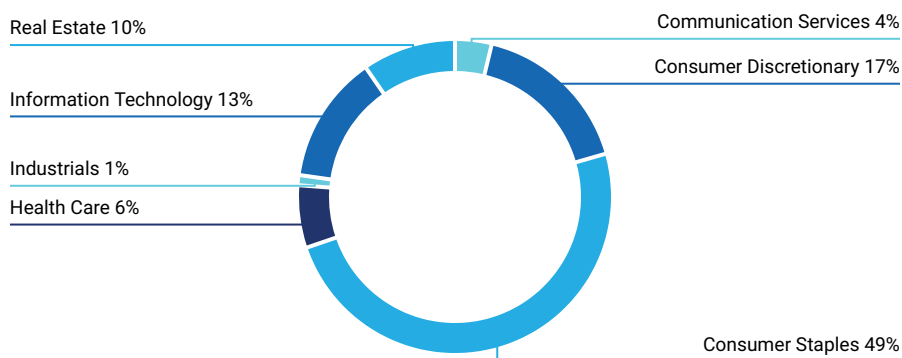
DATE OF HOLDINGS  
31 DEC 2020COVERAGE  
100%AMOUNT INVESTED  
22,587,698 EURBENCHMARK USED  
SP 100 USPORTFOLIO TYPE  
EQUITY

## Carbon Metrics 1 of 3

## Portfolio Overview

Disclosure Number/Weight		Emission Exposure tCO <sub>2</sub> e			Relative Emission Exposure tCO <sub>2</sub> 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 <sup>1</sup>
Portfolio	89.7% / 92.6%	164	699	7.26	36.74	36.57	43
Benchmark	88% / 89.3%	885	4,526	39.17	116.57	93.14	42
Net Performance	1.7 p.p. / 3.3 p.p.	81.5%	84.6%	81.5%	68.5%	60.7%	—

## Emission Exposure Analysis

Emissions Exposure (tCO<sub>2</sub>e)Sector Contributions to Emissions<sup>2</sup><sup>1</sup> Note: Carbon Risk Rating data is current as of the date of report generation.<sup>2</sup> Emissions contributions for all other portfolio sectors is less than 1% for each sector.

## CI Bolsa USA

## 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	31.21%	2.34%	Strong	● Outperformer
PepsiCo, Inc.	12.35%	3.02%	Strong	● Medium Performer
Taiwan Semiconductor Manufacturing Co., ...	11.11%	3.68%	Strong	● Medium Performer
Digital Realty Trust, Inc.	9.58%	1.36%	Moderate	● Medium Performer
Tractor Supply Company	8.21%	3.00%	Strong	● Medium Performer
The Procter & Gamble Company	5.51%	2.79%	Strong	● Outperformer
Amazon.com, Inc.	4.44%	3.81%	Strong	● Medium Performer
The Walt Disney Company	3.07%	3.34%	Moderate	● Medium Performer
The Home Depot, Inc.	2.87%	2.62%	Strong	● Medium Performer
Merck & Co., Inc.	2.58%	2.96%	Strong	● Outperformer
Total for Top 10	90.94%	28.93%		

## ■ 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 (tCO<sub>2</sub>e) and Relative Carbon Footprint (tCO<sub>2</sub>e/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.











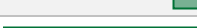




## Top Sectors to Emission Attribution Exposure vs. Benchmark

Sector	Portfolio Weight	Benchmark Weight	Difference	Sector Allocation Effect	Issuer Selection Effect
Communication Services	8.9%	14.5%	-5.6%	0.94%	0.81%
Consumer Discretionary	19.8%	14.55%	5.25%	-1.42%	2.23%
Consumer Staples	8.14%	7.34%	0.8%	-0.44%	-4.69%
Financials	5.41%	9.23%	-3.82%	3.99%	5.59%
Health Care	16.7%	12.54%	4.16%	-0.47%	0.72%
Industrials	1.58%	5.52%	-3.94%	5.84%	2.15%
Information Technology	38.1%	31.65%	6.45%	-0.21%	-1.21%
Real Estate	1.36%	0.6%	0.76%	-0.49%	-0.91%
Energy	0%	2.07%	-2.07%	28.26%	0%
Materials	0%	0.45%	-0.45%	5.94%	0%
Utilities	0%	1.55%	-1.55%	34.81%	0%
Cumulative Higher (-) and Lower (+) Emission Exposure vs. Benchmark				76.76%	4.69%
Higher (-) / Lower (+) Net Emission Exposure vs. Benchmark				81%	

## CI Bolsa USA

## Emission Attribution Analysis (continued)

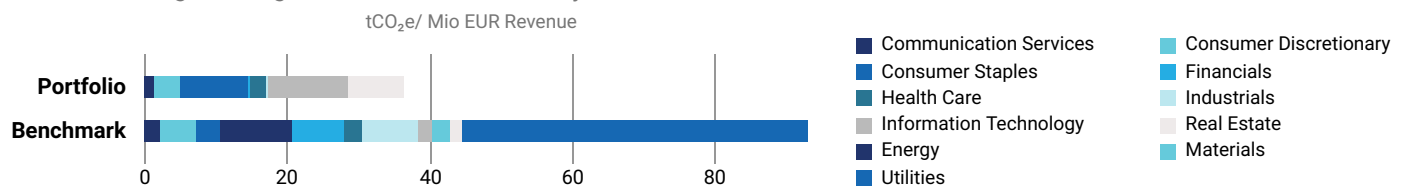
## Highest Emission-Intense Issuers in Combined Portfolio &amp; Benchmark Universe

Issuer Name	Sector	Emission Exposure Scope 1 & 2 (tCO <sub>2</sub> e)	Carbon Risk Rating	Portfolio Under (-) / Overexposure (+)	
1. The Southern Company	Utilities	1,663.76	● Medium Performer		-0.31%
2. Duke Energy Corporation	Utilities	1,552.69	● Medium Performer		-0.32%
3. Dow, Inc.	Materials	999.9	● Laggard		-0.2%
4. Exxon Mobil Corporation	Energy	714.39	● Laggard		-0.83%
5. ConocoPhillips	Energy	585.96	● Laggard		-0.2%
6. Chevron Corporation	Energy	428.84	● Laggard		-0.77%
7. Exelon Corporation	Utilities	424.94	● Medium Performer		-0.2%
8. Kinder Morgan, Inc.	Energy	414.81	● Laggard		-0.13%
9. NextEra Energy, Inc.	Utilities	369.43	● Outperformer		-0.72%
10. FedEx Corporation	Industrials	291.56	● Medium Performer		-0.3%
11. Berkshire Hathaway Inc.	Financials	169.68	● Laggard		-2.15%
12. DuPont de Nemours, Inc.	Materials	130.99	● Medium Performer		-0.25%
13. Ford Motor Company	Consumer Discretionary	130.83	● Laggard		-0.16%
14. United Parcel Service, Inc.	Industrials	125.67	● Medium Performer		-0.57%
15. General Motors Company	Consumer Discretionary	109.02	● Laggard		-0.25%

## ■ Carbon Metrics 3 of 3

## Greenhouse Gas Emission Intensity

## Weighted Avg Greenhouse Gas Intensity Sector Contribution

Top 10 Emission Intense Companies (tCO<sub>2</sub>e Scope 1 & 2/Revenue Millions)

Issuer Name	Emission Intensity	Peer Group Avg Intensity
1. Digital Realty Trust, Inc.	572.49	148.17
2. Taiwan Semiconductor Manufacturing Co., Ltd.	283.48	244.55
3. Kimberly-Clark Corporation	220.60	68.50
4. PepsiCo, Inc.	82.96	50.14
5. The Procter & Gamble Company	63.10	40.25
6. Amazon.com, Inc.	45.12	13.34
7. Tractor Supply Company	35.65	14.61
8. The Walt Disney Company	29.04	18.51
9. Merck & Co., Inc.	25.75	86.37
10. Zoetis Inc.	24.94	86.37

## CI Bolsa USA

## ■ Climate Scenario Alignment 1 of 2

## Alignment Analysis

The scenario alignment analysis compares current and future portfolio greenhouse gas emissions with the carbon budgets for the IEA Sustainable Development Scenario (SDS), Stated Policies Scenario (STEPS) and the Current Policies Scenario (CPS). Performance is shown as the percentage of assigned budget used by the portfolio and benchmark.

The CI Bolsa USA strategy in its current state is **ALIGNED** with a SDS scenario by 2050. The CI Bolsa USA has a potential temperature increase of 1.5°C, whereas the SP 100 US has a potential temperature increase of 2.5°C.

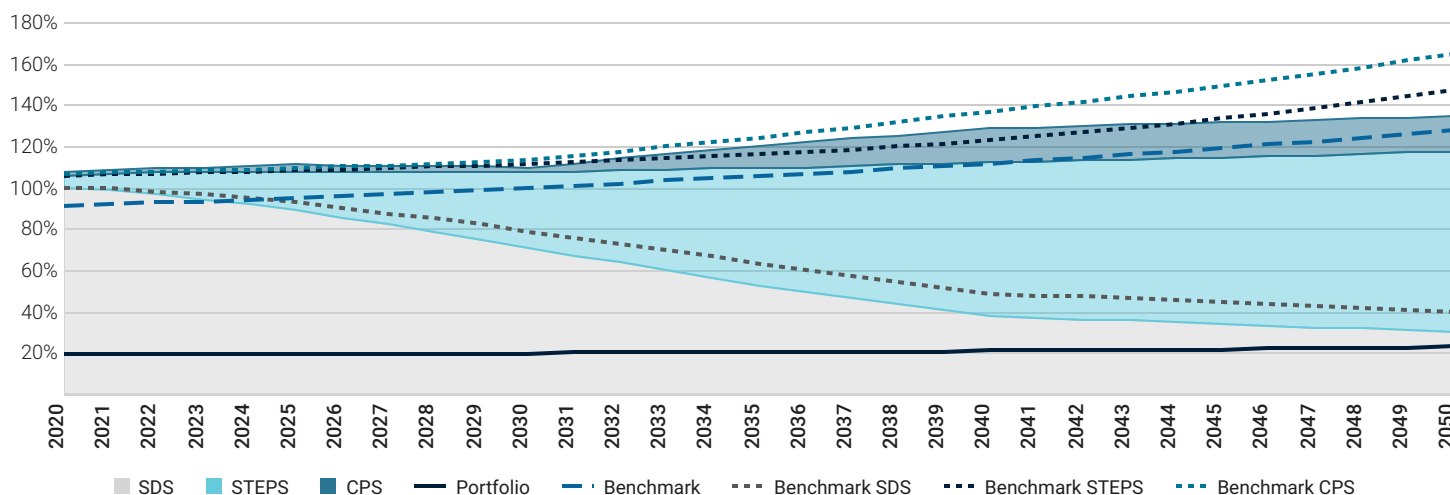
Portfolio and Benchmark Comparison to SDS Budget (Red = Overshoot)				
	2020	2030	2040	2050
<b>Portfolio</b>	-80.7%	-72.09%	-44.65%	-24.53%
<b>Benchmark</b>	-9.22%	+26.69%	+130.52%	+219.19%

**2050**  
**1.5°C**

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

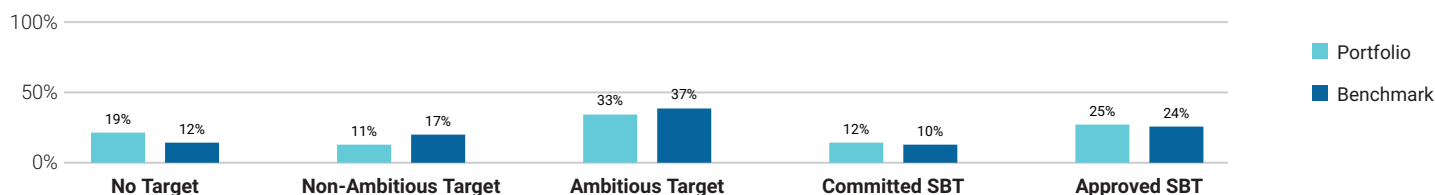
The portfolio is associated with a potential temperature increase of 1.5°C by 2050.

## Portfolio Emission Pathway vs. Climate Scenarios Budgets



## Climate Targets Assessment (% Portfolio Weight)

In order to transition, holdings need to commit to alignment with international climate goals and demonstrate future progress. Currently 70% of the portfolio's value is committed to such a goal. This includes ambitious targets set by the companies as well as committed and approved Science Based Targets (SBT). While commitments are not a guarantee to reach a goal, the 19% of the portfolio without a goal is unlikely to transition and should receive special attention from a climate risk conscious investor.

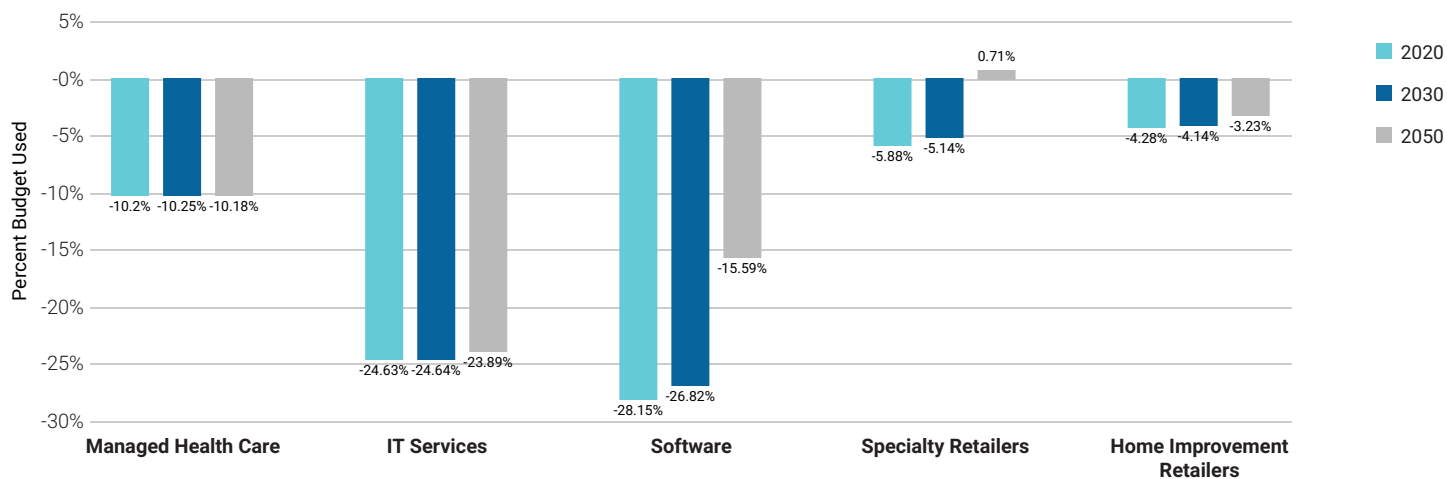


## CI Bolsa USA

## ■ Climate Scenario Alignment 2 of 2

The table below shows the percent of the SDS budget used in 2020, 2030, and 2050 for key sub-sectors of the portfolio.

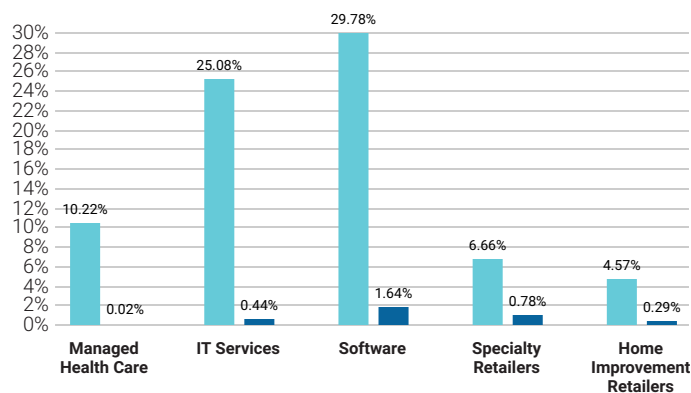
Percent of SDS Budget Used per Sub-sector



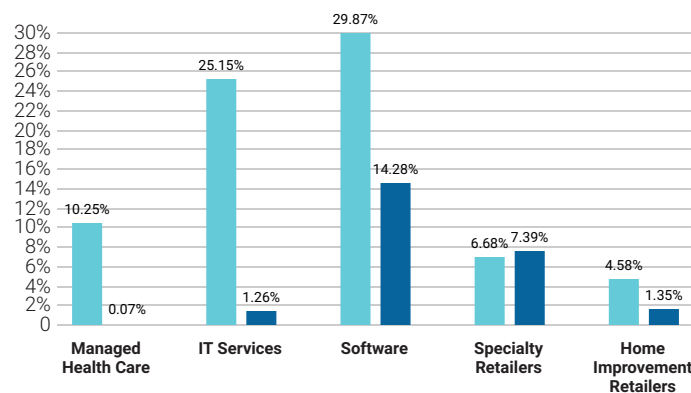
Percent of Allocated Budget vs. Percent of Total Budget Used

The budget allocated to the portfolio is dependent on the portfolio holdings. The graphs below compare the percent of the portfolio's SDS budget allocated to a defined sub-sector compared to the percent of the portfolio's budget used within the same sub-sector for the years 2020 and 2050.

Pct. of Allocated Budget vs Pct. of Total Budget Used 2020

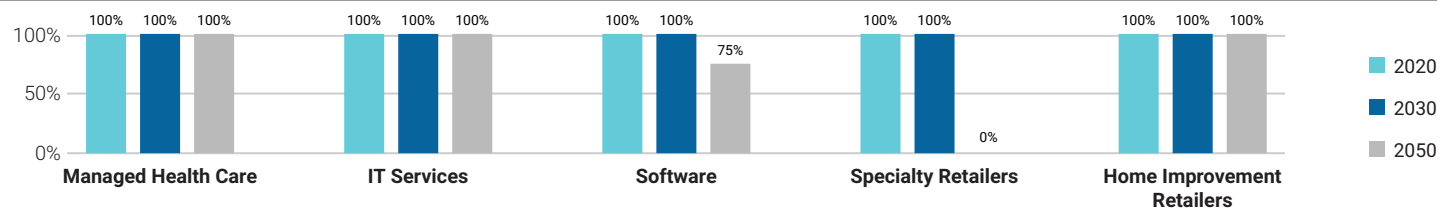


Pct. of Allocated Budget vs Pct. of Total Budget Used 2050



■ % Budget Allocated ■ % Budget Used

Percent of Holdings SDS Aligned in 2020, 2030, and 2050



## ■ Transition Climate Risk Analysis 1 of 3

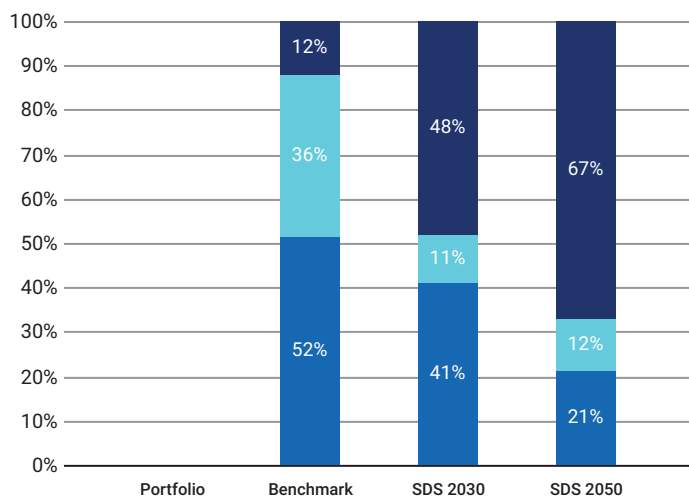
A decarbonized world needs to address both the demand side (for example Utilities burning fossil fuels) and the supply side (i.e. fossil reserves) of future emissions. For Utilities, it matters whether the power generated and power generation planned for the future stem from renewable (green) or fossil (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 <sub>2</sub> )	Weighted Avg Carbon Risk Rating
<b>Portfolio</b>	-	-	-	-	43
<b>Benchmark</b>	12.33%	51.54%	4.08%	18.25	42

### 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 Sustainable Development Scenario (SDS) 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.

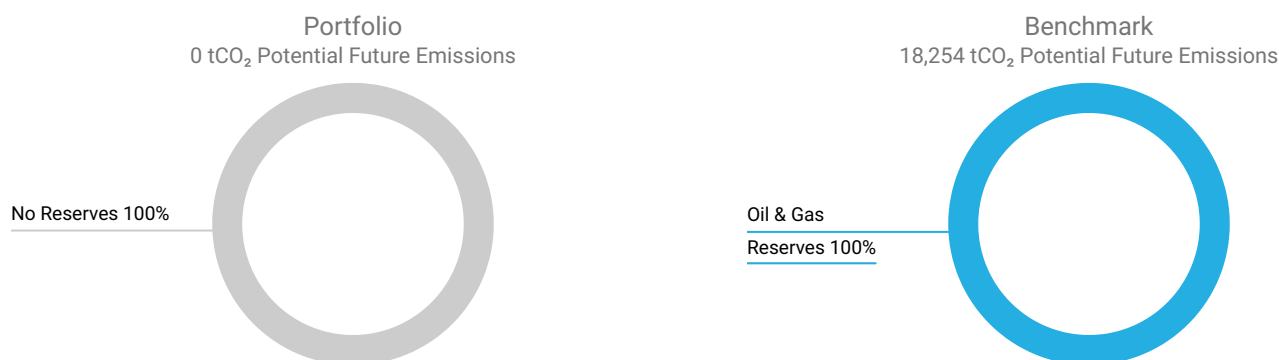
■ Fossil Fuels ■ Nuclear ■ Renewables

### Top 5 Utilities' Fossil vs. Renewable Energy Mix

Issuer Name	% Fossil Fuel Capacity	% Renewable Energy Capacity	% Contribution to Portfolio Emissions	Emissions tCO <sub>2</sub> 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 tCO<sub>2</sub> 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

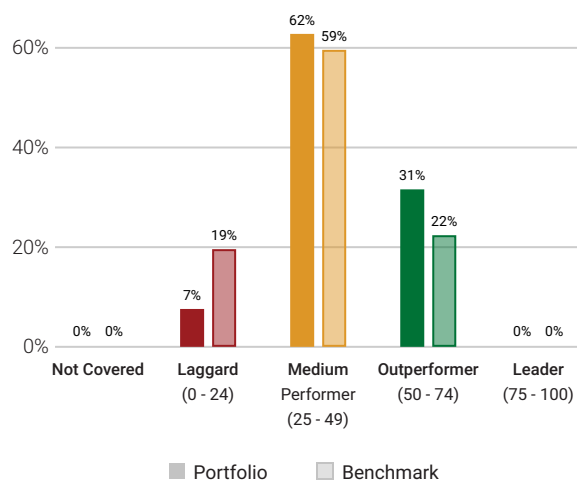
Issuer Name	Portfolio Weight	Arctic Drilling	Hydraulic Fracturing	Oil Sands	Shale Oil and/or Gas
Xylem Inc.	1.58%	-	Services	Services	Services

## 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 <sup>1</sup>	Average Carbon Risk Rating		
Machinery	35		
Food & Beverages	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 <sup>2</sup>	Country	ISS ESG Rating Industry	CRR	Portfolio Weight (consol.)
The Procter & Gamble Company	USA	Household & Personal Products	61	2.79%
Merck & Co., Inc.	USA	Pharmaceuticals & Biotechnology	59	2.96%
Bristol-Myers Squibb Company	USA	Pharmaceuticals & Biotechnology	55	2.83%
S&P Global, Inc.	USA	Financials/Others	54	2.97%
Apple Inc.	USA	Electronic Devices & Appliances	52	9.61%

Bottom 5 <sup>2</sup>	Country	ISS ESG Rating Industry	CRR	Portfolio Weight (consol.)
Zoetis Inc.	USA	Pharmaceuticals & Biotechnology	12	1.86%
Booking Holdings Inc.	USA	Software & IT Services	24	2.69%
PayPal Holdings, Inc.	USA	Software & IT Services	26	3.84%
Tractor Supply Company	USA	Retail	29	3%
Automatic Data Processing, Inc.	USA	Software & IT Services	30	1.7%

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

<sup>1</sup> The proprietary ISS ESG Rating industry Classification is intended to group companies from an ESG perspective and might differ from other classification systems.

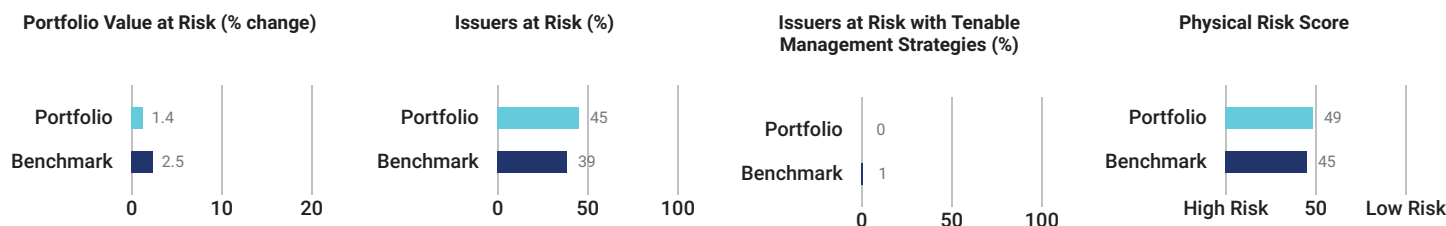
<sup>2</sup> Multiple issuers may have the same CRR value. In the event the Top 5 and Bottom 5 tables have more than one issuer in the last position due to a tie in CRR values, the weight of the issuers in the portfolio will determine the issuer assigned to the table.



## CI Bolsa USA

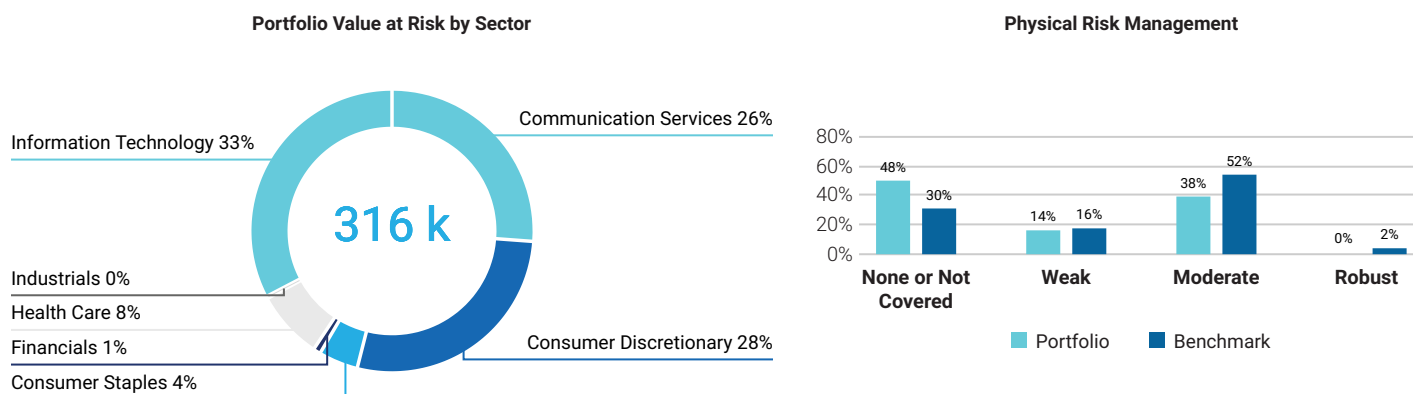
## ■ Physical Climate Risk Analysis 1 of 4

Rising temperature, even if limited to 2° Celsius, will change the climate system resulting in physical risks such as floods, droughts or storms. This analysis evaluates the most financially impactful climate hazards and how they might affect the portfolio's value.

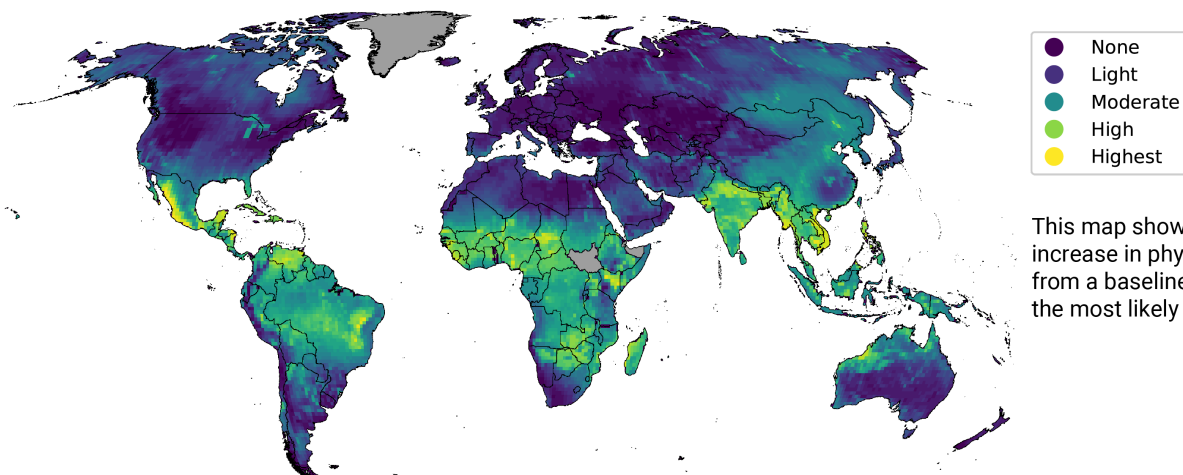


## Portfolio Value at Risk and Physical Risk Management

Physical climate risk may affect the value of a company and a portfolio. The chart on the left quantifies the potential financial implications on a sector level. Such financial implications from physical effects of climate change can be addressed by adopting appropriate strategies. The chart on the right provides an overview of the robustness of risk management strategies for the portfolio holdings.



## Physical Risk Exposure per Geography

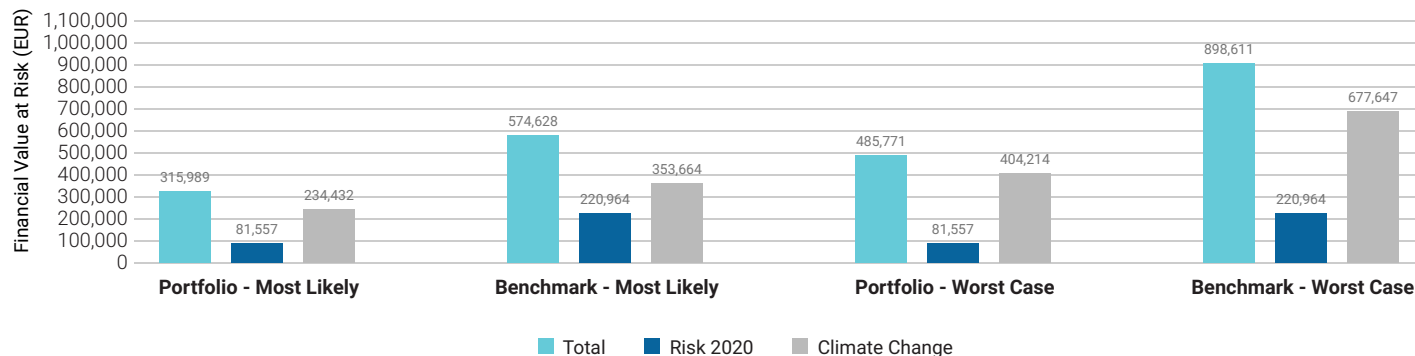


This map shows the estimated increase in physical risk exposure from a baseline year to 2050 in the most likely warming scenario.

## ■ Physical Climate Risk Analysis 2 of 4

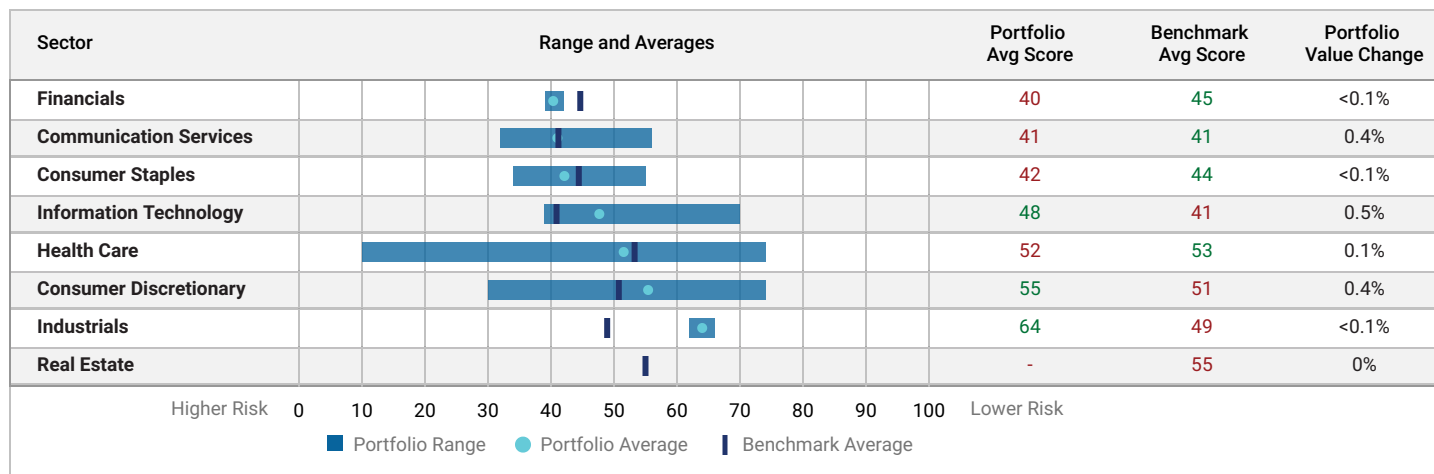
## Change in Portfolio and Benchmark Value due to Physical Risk by 2050

Physical risk can impact future portfolio value. The chart below highlights potential impact on the portfolio value in 2050 based on current risk levels (Risk 2020), and hazards due to climate change (Climate Change), along with total anticipated net change in value. The analysis compares the portfolio to the benchmark using both the most likely and worst case scenarios.



## Physical Risk Assessment per Sector

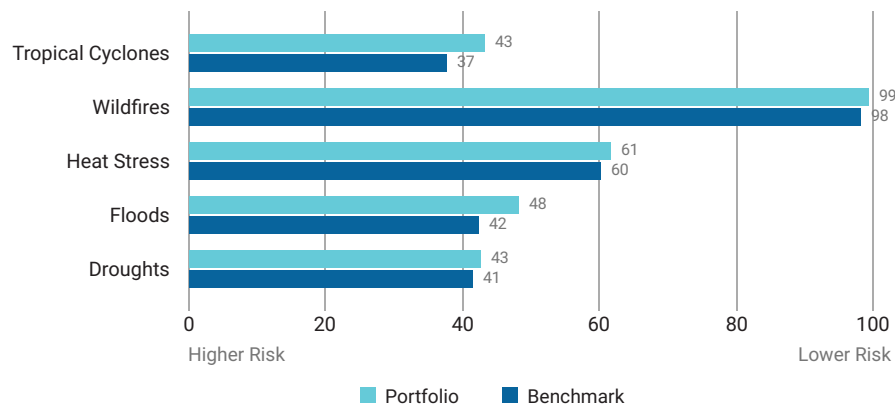
For key sectors, this chart provides the portfolio's overall physical risk score distribution as well as the average score. This is contrasted with the benchmark's average physical risk score and complemented by the sector impact on the portfolio's potential value change in a "most likely" scenario.



## ■ Physical Climate Risk Analysis 3 of 4

## Physical Risk Score per Hazard

The portfolio is exposed to different natural hazards in different geographies. This can affect the value of the portfolio and the performance between the portfolio and the benchmark. The chart on the right evaluates the scored effect on the portfolio's value from the most impactful hazards under the "most likely" scenario.



## Top 5 Portfolio Holdings — Physical Risk and Management Scores

With physical risks of climate change unfolding, it is key to understand if and how portfolio holdings are addressing such risks. The Physical Risk Management Score gives an indication for the robustness of the measures in place. The table shows the largest portfolio holdings with their Physical Risk and Risk Management scores. A higher Physical Risk Score reflects a lower risk and a higher Management Score indicates a better management strategy.

Issuer Name	Portfolio Weight	Sector	Overall Physical Risk Score	Risk Mgmt Score
UnitedHealth Group Incorporated	3.27%	Health Care	74	Not Covered
Booking Holdings Inc.	2.69%	Consumer Discretionary	74	Not Covered
Amgen Inc.	3.47%	Health Care	72	Moderate
Accenture plc	3.82%	Information Technology	70	Not Covered
Automatic Data Processing, Inc.	1.7%	Information Technology	67	Not Covered

## ■ Physical Climate Risk Analysis 4 of 4

**Top 10 Portfolio Holdings by Highest Overall Risk Exposure with Hazard Scores (Most Likely Scenario)**

The Physical Risk Score of each holding is impacted by the exposure to individual hazards. The table below shows the portfolio holdings that are most at risk and the potential hazards contributing to this in a “most likely” scenario. A higher Physical Risk Score reflects a lower risk.

Issuer Name	Overall Physical Risk	Flood	Drought	Wildfire	Heat Stress	Tropical Cyclones	Risk Mgmt Score
<b>Waters Corporation</b>	10	30	0	100	57	46	Weak
<b>NIKE, Inc.</b>	30	50	0	100	49	55	Moderate
<b>Alphabet Inc.</b>	32	17	17	100	61	0	Not Covered
<b>Kimberly-Clark Corporation</b>	34	42	48	100	66	36	Not Covered
<b>Merck &amp; Co., Inc.</b>	35	45	25	100	72	45	Moderate
<b>The Procter &amp; Gamble Company</b>	35	45	15	100	63	48	Moderate
<b>Apple Inc.</b>	39	45	49	100	76	46	Moderate
<b>S&amp;P Global, Inc.</b>	39	48	13	100	64	41	Moderate
<b>Mastercard Incorporated</b>	41	54	38	100	43	62	Moderate
<b>Moody's Corporation</b>	42	42	9	100	61	35	Weak

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