

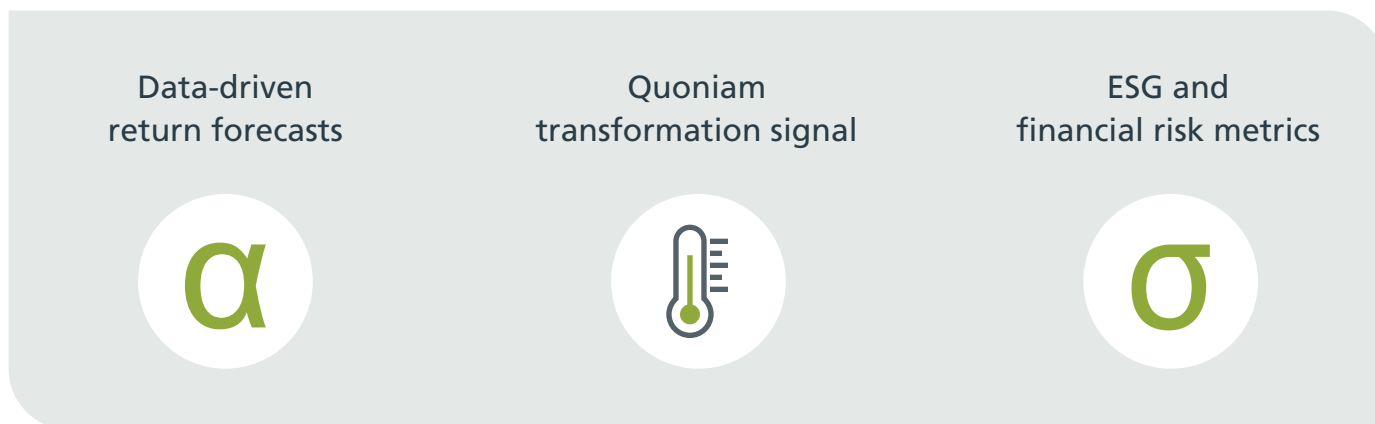


# Quoniam Equities Climate

As of January 2024

## Quoniam Equities Climate

Climate change is the challenge of our time. Investors must address the associated risks, but should also benefit from the opportunities. Quoniam Equities Climate invests in companies that transform processes, production and business models with the aim of reducing emissions.



## Target dimensions at a glance

**> 55%**  
targeted CO2  
reduction by 2030<sup>1)</sup>

**< 2°C**  
implied  
temperature rise

**P/E < 15**  
value  
investment

**> 3x higher**  
alignment with  
SDG 13 'Climate Action'<sup>2)</sup>

1) CO2 reduction measured in t/mUSD invested capital. Expected reduction in Scope 1&2 CO2 emissions of current portfolio (buy & hold). Emissions in January 2023 compared to estimate of company emissions of the current portfolio in 2030.

2) SDG in relation to the dimensions 'Products & Services', 'Operations' and 'Controversies'. ISS Impact Rating Score expressed as a percentage of the maximum achievable score. Data as of January 2024. All data versus benchmark. Benchmark: MSCI World. Sources: Own calculations, MSCI (current and estimated emissions per company in 2030 and ITR), ISS.

## Your benefits

✓ **Global transformation**  
With our data-driven approach, investors gain access to the transformation potential of a broad, global investment universe.

✓ **The relevant data**  
As big data experts, we put multiple data-sets to the test using scientific methods resulting in robust measures of transformation and climate risk.

✓ **Attractive stocks**  
We combine our data-driven return forecasts, transformation signal and risk metrics to create a diversified, high quality, attractively valued portfolio.

✓ **Active management**  
The portfolio takes active positions versus respective benchmark increasing the return potential in comparison to passive solutions.

## Choosing the right path with big data

How can a portfolio achieve CO2 reduction targets and support future transformation? Quoniam Equities Climate strikes the balance between investors' typical KPIs and the goal to reduce future CO2 emissions by using forward-looking data.



### The route most travelled: Backward-looking data

Using exclusion lists, reducing the overall carbon footprint of the portfolio or constructing indices or portfolios based on backward-looking data are simple and quick approaches to implement. However, the skewed distribution of carbon intensity can lead to high concentration risks, and in some cases, the exclusion of entire sectors.



### The path of the future: Forward-looking data

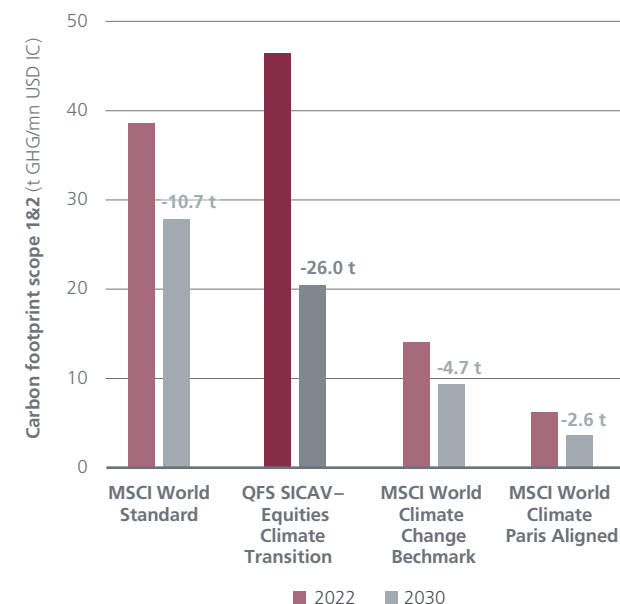
Alternatively, data can be used to give indications of how companies will behave in the future – looking through binoculars, so to speak. Forward-looking (or ex-ante) measures provide more information about the potential future development of CO2 emissions, for example whether a company has set a decarbonisation target.

Capturing forward-looking transformation data is complex. Research teams must analyse and interpret data for over 10,000 companies to cover the investable universe. At Quoniam, we have taken on this challenge. Drawing on our expertise in quantitative research and data-science, we create individual signals for transformation and integrate them in our existing investment models.

## Facing the future

Quoniam's combination of forward-looking transformation data and management of climate risk leads to a significantly higher CO2 reduction than broad and climate benchmarks.

### Today vs 2030 estimates based on company targets



Emissions in January 2022 vs estimate of emissions for today's portfolio in 2030 (based on companies' targets). Sources: MSCI (historical, current and estimated emissions in 2030), Worldscope (Enterprise Value). Data as of January 2024. Calculations based on model portfolio.

## Systematically uncovering climate change winners

Quoniam research experts Dr Jieyan Fang-Klingler, Dr Maximilian Stroh and Frederik Wisser have published pioneering insights on the topic of climate data and decarbonisation of portfolios in their new working paper 'Back to the Future: The Role of Forward-looking Climate Metrics In Decarbonization Portfolios'.



“Among the key findings of our study is that companies with climate targets actually show lower growth in emissions in subsequent years than comparable companies without climate targets.”

Dr Jieyan Fang-Klingler, *Co-Head Research Forecasts*

## Our research process

Quoniam research has developed a unique combination of relevant climate metrics. The focus is on forward-looking metrics that enable high exposure to climate opportunities and future emission reductions.

### How we identify transformation candidates

- ✓ Environmental patents
- ✓ Management scores
- ✓ Implied temperature rise
- ✓ Science-based targets
- ✓ Climate solution revenues

## Find out more

The role of forward-looking climate metrics in decarbonization portfolios →

Expert discussion on climate data: Analysing, combining and integrating signals →

Full transformation ahead! →

## Looking back and looking forward

What happens when we view companies with historically high emissions (brown companies) through the transformation lens? With our data-driven research process, we can capture key forward-looking metrics showing that companies that would have otherwise been excluded from carbon benchmarks are climate transition leaders.

### Rockwool A/S



#### Ambitious targets

Rockwool has a reduction target of **38 % in Scope 1 & 2 and 20 % in Scope 3 by 2034**. Their targets comply with the science-based targets initiatives and the 2-degree scenario.



#### Green patents

**16%** of Rockwool's patents have relevance to the environment.



#### Peer group positioning

The Implied Temperature Rise metric suggests that if all companies held targets like Rockwool the implied temperature rise would be **1.3 degrees**.



#### Future potential

Scenario analysis shows that the technology opportunity could be **70 %** of the company's value.

### Siemens AG

#### Ambitious targets

Siemens has a goal of **carbon neutrality by 2030 (Scope 1 & 2)**. Although the **Scope 3** data is better than the benchmark, the reduction target is **20%**.

#### Green patents

**18 %** of Siemens' patents have relevance to the environment.

#### Peer group positioning

The Implied Temperature Rise metric suggests that if all companies held targets like Siemens the implied temperature rise would be **1.3 degrees**.

#### Future potential

Scenario analysis shows that the technology opportunity could be **25 %** of the company's value.

## Why Quoniam?

When investing according to climate-friendly criteria, it is important to keep an eye on the future. If you only look in the rearview mirror, the picture is incomplete. We use future-oriented key figures to identify opportunities and risks:

- Quoniam Equities Climate focuses on companies with high transformation potential.
- Technology leaders potentially contribute stronger to emission reduction through environmentally friendly technologies.
- The analysis of companies according to financial ratios ensures an economically sound portfolio.
- Our systematic, data-driven investment process can evaluate and target the wealth of complex information.

The result is a fundamentally attractive and broadly diversified equity investment that can fully exploit the potential of the markets over the long term.

**Contact us to learn more about  
about our solutions.**

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## Disclaimer

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