

# BNP PARIBAS ENERGY TRANSITION

## ELECTRIFYING INVESTMENT OPPORTUNITIES

**B**est in energy sector equity\*

**E**nergy transition opportunities arise from the 3Ds

**S**ustainability

**T**hematic sustainable investment leaders



SEPTEMBER 2021

3Ds = Decarbonising, Digitalising, Decentralising  
\*Refer to page 2 for further details.



**BNP PARIBAS**  
**ASSET MANAGEMENT**

The sustainable  
investor for a  
changing world

# WHY INVEST IN ENERGY TRANSITION

Amid environmental disasters due to global warming, pressure to meet the Paris Accord targets on rising global temperatures and growing demand from expanding and wealthier populations, the appetite for energy is set to increase tremendously, especially for renewable and clean energy. These demands underpin the need for a transition in the global energy system, resulting in a substantial change in the global energy mix and emergence of energy efficient solutions.

## Macro opportunity for energy transition:

### 1. Increased energy demand

**2bn growth**



#### POPULATION

Global population will reach 9.7bn in 2050<sup>1</sup> with rising incomes, driving an increase in demand.

### 2. A changing energy mix

**3.5x growth**



#### CLEANTECH

Investments in cleantech grew by 3.5 times between 2007 – 2017, amounting to US\$300–350 billion a year in these 5 years (2012–2017).<sup>2</sup>

**60%**



#### LOW CARBON ENERGY

By 2030, the global energy mix is estimated to mainly comprise of low carbon energy, while fossil fuels decline to approximately 40%.<sup>2</sup>

### 3. The need for energy efficient solutions

**33.1Gt**



#### EMISSIONS

CO<sub>2</sub> emissions from energy use alone grew to an all-time high in 2018 rising by 2% and represent 70% of the global total.<sup>3</sup>

A substantial investment is required across environmental solutions:  
US\$115trn of investment in 30 years<sup>4</sup>

## KEY HIGHLIGHTS: BNP PARIBAS ENERGY TRANSITION

### Best in energy sector equity

Performance % [Fund: Classic Capitalisation USD]	1M	3M	6M	YTD	1Y	3Y*	5Y*	Since inception *#
Fund (NAV to NAV)	-2.79	-0.68	-11.61	-6.10	57.50	26.57	18.14	5.65
Fund (with charges applied)**	-5.63	-3.57	-14.19	-8.84	52.92	25.35	17.46	5.36
MSCI AC World NR	2.50	4.57	13.80	15.91	28.64	6.52	8.12	3.29



House Award & Best-in-Class  
(Singapore)  
Energy Sector Equity  
BENCHMARK Fund Of Year  
Awards 2020<sup>5</sup>

Source: BNP Paribas Asset Management, 31 August 2021. Calendar year performance – 2020: 188.38, 2019: 2.55%, 2018: -23.24, 2017: -2.00%, 2016: 30.70%. Past performance is not indicative of current or future performance. Net of fees (In USD), NAV-to-NAV, with dividends reinvested. #Since inception date: 15 December 2010. 2010 – 2013: Due to a corporate action on 17/05/2013, the performances listed are those of the sub-fund BNP Paribas L1 Equity World Energy. 2014 – 2019: During this period, the fund had a different investment policy and different benchmark.\*Annualised 360 performance. \*\*Includes the effect of an assumed 3% subscription fee which the investor might or might not pay. NAV to NAV figures are a better reflection of underlying investment performance.

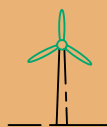
1. The United Nations' 2019 Revision of World Population Prospects, June 2019 2. Source: Citi, June 2017 3. Global Energy & CO2 Status Report 2018, The latest trends in energy and emissions in 2018, from International Energy Agency (IEA), March 2019 4. Source: IRENA, International Renewable Energy Agency, World Energy Transitions Outlook, April 2021 5. Benchmark, Fund of the Year Awards 2020, reflects the performance from 1 July 2019 to 30 June 2020. Past performance is not indicative of current or future performance.

## Energy transition opportunities arise from three growth areas - the 3Ds

- An investment universe of **1,200 companies globally** focused on environmental solutions towards the energy transition

### DECARBONISING

Production of energy solutions that have lower CO2 emissions



- Biofuels
- Clean fuels
- Fuel cells & hydrogen
- Hydro, wind, solar & geothermal power
- Renewable project financing
- Waste to energy

### DIGITALISING

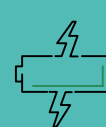
Environmental technologies, energy efficiency and green enabling materials



- Advanced, light & recyclable materials
- Emission efficiency
- Energy optimisation & controls
- Green minerals & metals
- Industrial automation
- Power storage

### DECENTRALISING

Bringing the location of energy production closer to the source (reducing transmission losses)



- Power infrastructure & networks
- Alternative shipping
- Alternative trucking
- Alternative vehicles
- Electric vehicle batteries
- Railway transportation

## Sustainability

- An actively managed global equity fund with an all-cap approach, investing in companies which directly align with transitioning the global energy system and contributes positively to the 3 Sustainable Development Goals (SDGs).

### 7. Affordable & clean energy



### 9. Industry, innovation & infrastructure



### 11. Sustainable cities & communities



## Thematic sustainable investment leaders

### BNP Paribas Asset Management

- A recognised global leader in sustainability: With more than €20bn managed in environmental and energy transition strategies<sup>6</sup>
- Committed to sustainable investing since 2002.



Editor's Triple Star - Energy Transition<sup>9</sup>



**Top 3 -  
Global responsible  
investment manager<sup>6</sup>**



**Global leader  
in sustainable investing<sup>7</sup>**



**#1  
in sustainable thematic  
strategies<sup>8</sup>**

### Experienced co-lead portfolio managers

- Worked in partnership since 2001.

**A combined average of  
more than 20 years' experience**



Comprehensive knowledge in sectors such as **oil, coal, renewables, materials and industrials** - helps to identify potential 'winning' companies.

6. Source: ShareAction, Point of No Returns, March 2020. Link to full report: <https://shareaction.org/wp-content/uploads/2020/03/Point-of-no-Returns.pdf> 7. Source: WWF, Sustainable Finance Report 2020. 8. Source: BNPP AM internal analysis, based on Broadridge data on European cross-border and local funds, as of June 2021. 9. The Asset - Asset Asian Awards 2021, Sustainable Investing, reflects the performance from 1 January to 31 December 2020. Past performance is not indicative of current or future performance. Trademark, copyright, and other intellectual property rights are and remain the property of their respective owners.



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Fund facts*				
Inception date	17 May 2013	Fees payable by the fund	Management fee (max): Up to 1.50% Other (max): 0.40% / TAB**: 0.05%	
Benchmark	MSCI AC World NR	Fees payable by the investor	Entry (max): 3.0% Conversion (max)***: 1.5%	
Base currency	EUR	Ongoing charge (31 October 2020)	1.98% (Classic share class)	
Fund managers	Edward Lees and Ulrik Fugmann	Share classes	ISIN	Bloomberg
Management company	BNP PARIBAS ASSET MANAGEMENT Luxembourg	Classic Capitalisation	LU0823414635	GEQ4426 LX
Delegated manager	BNP PARIBAS ASSET MANAGEMENT UK Limited	Classic USD Capitalisation	LU0823414478	BNPEWEU LX

\*The sub-fund was launched on 15th September 1997 and transferred into the Company on 17th May 2013, and has since been renamed and transformed into BNP Paribas Energy Transition as of 30<sup>th</sup> August 2019.

\*\*Taxe d'abonnement (TAB) means the annual entry costs payable based on the NAV in accordance with Luxembourg law. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the fund is registered for distribution.

\*\*\*If you convert to a fund with a higher entry cost, you may have to pay for the difference.

Source: BNP Paribas Asset Management, June 2021

**Risk level:** 7 ( 1:lowest risk level; 7: higher risk)

**Risks:** The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment: market risk, operational and custody risks, liquidity risks and environmental, social and governance (ESG) investment risk. You are also exposed to concentration risk, equity risk, small cap, specialised or restricted sectors risk, and specific risks related to investment in Mainland China including changes in PRC taxation risk and risks related to Stock Connect. Please refer to the latest offering documents of the sub-fund for further information on the specific risks of the product.

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