

## Media Release

### **BANTLEON increases focus on sustainable investments**

- **MSCI ESG Research combined with own evaluation processes**
- **Two funds already awarded »AA« rating (»ESG Leader«)**

**Zug, 17 September 2020.** The asset manager BANTLEON is increasing its focus on sustainability by implementing external ESG analyses in the investment process. Since July 2020, BANTLEON has been using the ESG ratings of MSCI ESG Research, the world's largest data provider in this area, as a basis for sustainability analysis, for compliance with ethical corporate principles such as the UN Global Compact, and for the analysis of reputational risks. Based on MSCI's in-depth ESG analyses and sector studies available for more than 8,000 global companies, BANTLEON has implemented a structured sustainability process for both equities and corporate bonds, government bonds, quasi-government bonds and covered bonds.

Latest fund ratings have already confirmed the effectiveness of the sustainability process: The multi-asset fund BANTLEON CHANGING WORLD and the equity fund BANTLEON SELECT INFRASTRUCTURE were both awarded the very good »AA« rating for their ESG profile (MSCI ESG Rating as of 30 June 2020). With regards to environmental, social and governance criteria (ESG), the two funds each rank among the top 10% of their peer group and also among the top 10% worldwide. A total of around 34,000 funds were assessed, with the ratings ranging from the top »AAA« grade to the bottom »CCC«.

#### **Sustainability in equity management**

BANTLEON focuses on the major growth themes of digital transformation, demographic change and renewable energy. These themes directly address social challenges that will accompany investors for many decades. Within this thematic framework, the selection focus especially lies on those companies that have a positive sustainability profile and that contribute to achieving the UN's Sustainable Development Goals. As the success of a business model is affected by different non-financial criteria depending on the sector, specific ESG criteria are first defined and weighted at industry level. In a second step, on company level, those criteria directly influencing the core business are included in the fundamental analysis and affect the company's valuation and weighting. The evaluation is conducted both on individual company level as well as in comparison to main competitors.

The ESG analysis is an integral part of both the final investment decision and ongoing risk management. It involves continuous monitoring of sustainability issues and changes in ESG assessments, which is ensured by regular company meetings and exercise of voting rights with regard to sustainability issues.

## **Sustainability in bond management**

The focus regarding government bonds, quasi-government bonds and covered bonds is on issuers with a strong sustainability profile. If an issuer is rated below the »BBB« threshold by MSCI ESG Research, it must demonstrate positive ESG rating momentum, i.e. a constant improvement of their ESG profile. This enables BANTLEON to early invest in future ESG leaders and benefit from improving risk profiles. A strategic (longer-term) position in an issuer can only be taken if the above-mentioned criteria are met. Issuers falling below the lower rating threshold and lacking positive ESG momentum can only be acquired if this is necessary to achieve the investment objective. In order to ensure optimum coverage of the bond universe given the increased number of issuers for corporate bonds, ratings from S&P Global (formerly RobecoSAM) and Sustainalytics are considered in addition to MSCI Ratings.

## **BANTLEON has been focusing on sustainability since 2009**

According to Head of Asset Management Stephan Kuhnke, »Sustainability is not a passing trend for BANTLEON. We incorporated environmental, social and governance principles into our investment philosophy back in 2009.« BANTLEON has also supported the Principles for Responsible Investment since 2013, by integrating sustainability criteria and ESG information, among other factors, into its fundamental analysis. »As an asset manager, we are committed to sustainability for two reasons,« says Kuhnke. »First, social aspects, as capital has the greatest leverage when it comes to initiating, implementing and, if necessary, correcting change processes in a company. Therefore, we prefer environmentally valuable investments such as green bonds. With regards to equities, we focus on socially relevant issues and face up to our responsibility as a sustainable shareholder. Accordingly, we invest primarily in companies that operate with high ethical and sustainability standards within their industries.«

## **Sustainability improves a portfolio's risk-return profile**

»But there are also financial reasons for sustainable investments,« says Kuhnke. »A company's ability to assess business risks related to climate change has become essential for its competitive position and for its long-term stock price performance and credit profile. By taking these criteria into account, the risk-return profile of portfolios can be improved over the long term.«

# BANTLEON

Institutional Investing

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## About BANTLEON

Based in Switzerland and Germany, BANTLEON specialises in institutional investments with a focus on capital preservation. The team behind comprises experienced bond and equity managers, quantitative analysts and some of the world's best macroeconomic analysts. Investors in its mutual funds and segregated accounts include primarily banks, insurers, industrial companies and pension providers, with risk-averse private investors also represented. In total, BANTLEON's 45 professionals manage EUR 4.9 billion (CHF 5.3 billion) for clients in Switzerland, Germany, Austria, Spain, Italy and elsewhere. (as of 30 June 2020)