SICAV PARVEST – CLIMATE IMPACT
CLASSIC-CAPITALISATION
MARCH 2018

An investment with a green return

CLIMATE & ENVIRONMENT: Invest in companies that have both an attractive growth potential and a positive impact on global climate and environmental challenges via the Parvest Climate Impact equity fund.

Danske Bank

Climate & environment: An investment with a positive impact

Impact funds like Parvest Climate Impact invest in companies that actively promote positive social or environmental development.

Sustainable solutions in the climate and environmental areas are a global growth segment where investors can make a difference. The SICAV Parvest – Climate Impact Classic-Capitalisation equity fund invests in companies that actively contribute to a green transformation.

Global warming and climate change could affect the livelihoods of millions of people. Agricultural areas are suffering from heat and drought, while storm surges and hurricanes can result in flooding and destruction. On top of this comes pollution, which also has a huge human and economic cost.

Green transformation is therefore high on the global agenda, and the Parvest Climate Impact fund invests in companies that support the change. This could include companies that produce sustainable energy technologies, ensure better management and recycling of waste, supply more sustainable and efficient solutions to the agricultural sector, or develop new technologies to reduce our consumption of energy and water.

Parvest Climate Impact is a so-called impact fund, which is a fund that focuses on delivering an attractive return for its investors by investing in companies which have a positive impact on environmental challenges.

An economic megatrend

From an investment perspective, the climate and environment are an economic megatrend with long-term growth potential, as the global challenges are unlikely to end anytime soon. The population of the earth is currently 7.6 billion, and the UN expects that figure will increase to 9.8 billion by 2050[1]. The result will be an increased demand for energy, food and consumer goods, while rising living standards will accelerate consumption further – not least in the emerging markets of Asia, where millions of people escape poverty every year. This will increase the need for sustainable solutions going forward.

Parvest Climate Impact invests broadly in such solutions. The fund's portfolio comprises equities in 60-80 companies that contribute to solving problems in four main areas: new energy, water, waste and resource recovery plus sustainable food, agriculture and forestry.

To be included in the fund, companies have to derive at least 50% of their revenue or earnings from these areas – or have at least 50% of their capital invested in them. The fund is primarily focused on companies that contribute to tackling climate and environmental challenges, but also invests in companies that future-proof against these challenges, such as companies that ensure stable water and electricity supplies.

Focused on smaller companies

Parvest Climate Impact is administered by BNP Paribas Asset Management in Luxembourg, but the fund's investments are handled by portfolio managers from the British firm Impax Asset Management, which has been specialising in investments with an environmental profile since 1998. In 2014 Impax As-

Why climate and the environment are attractive to investors

Five global trends make climate and the environment an attractive investment theme with considerable growth potential in the coming decades:

1. Global population growth is increasing the need for sustainable solutions
2. Improved living standards mean greater demands on limited natural resources
3. Climate change and pollution are shifting the focus to sustainable energy sources
4. Increased regulation is supportive of a green transformation
5. There is big economic potential in developing new and more efficient technologies within sustainable solutions.

[1] www.un.org

set Management received the highest official honour for UK companies – the Queen's Award for Enterprise – in the category sustainable development.

Parvest Climate Impact's overriding philosophy is to invest in companies that supply solutions for a more sustainable world. The fund mainly invests in small- and medium-sized companies, also known as small- and mid-cap companies. This is often where you find companies with a dedicated focus on climate or environmental activities, whereas many larger companies are spread over several business areas. Skilled and thorough portfolio managers also have a better chance of identifying overlooked gems among the equity market's smaller companies, which generally attract much less attention from analysts and investors than the larger companies.

The fund has a particular focus on companies with considerable growth potential and has an overweight of so-called cyclical equities, which are more sensitive to fluctuations in the economic cycle than the equity market in general. The share prices of such companies typically rise more during economic expansions, but on the other hand fall more during times of crisis. That being said, around one third of the fund's investments are in defensive stocks, which in contrast to cyclicals exhibit less price volatility than the equity market in general.

The fund has a global focus and invests in both the developed markets, such as Europe and North America, and emerging markets in Asia, etc., including China. This ensures geographical diversity and makes the portfolio less vulnerable to negative developments in individual countries or regions.

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Aiming to pick solid equities
Parvest Climate Impact is an actively managed fund – in other words, portfolio managers from Impax Asset Management aim to put together a portfolio of investments that generates a higher return than the general market trend for climate and environmental equities. Portfolio managers stock-pick the companies they expect will give the most attractive risk-adjusted returns based on a detailed analysis of each company's financial reports, business model and growth potential. The selection process involves the portfolio managers combining their financial know-how with a professional understanding of environmental and sustainability matters.

The portfolio managers also assess all companies in the portfolio in terms of ESG, a key concept in the field of sustainable investments that stands for environmental, social and governance. ESG highlights the position of individual companies on issues related to the environment, such as CO_2 emissions and

the disposal of dangerous waste; the social area, such as terms of employment and working conditions for their employees; and company management with respect to, for example, having transparent accounting practices and safeguarding their shareholders' rights. Parvest Climate Impact only invests in companies with a satisfactory ESG profile.

Once a year, Parvest Climate Impact calculates the extent to which the portfolio investments align with the UN's sustainable development goals (see page 7). Hence, as an investor in the fund you can see how your investments help support these global sustainability goals.

Be aware of the risks

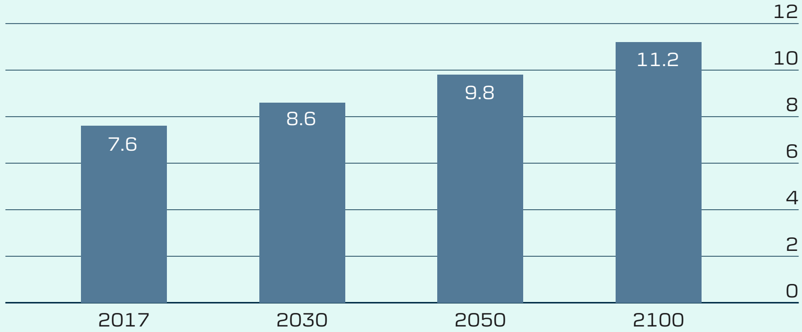
While an investment in Parvest Climate Impact presents an attractive opportunity for return, there are also a number of risks investors should be aware of if they are considering investing in the fund.

Investing in equities always carries a risk of loss, and as an investor you have to expect significant fluctuations in the

Population growth is increasing the need for sustainability

As the world's population and hence consumption grows, so the need increases for sustainable solutions in areas such as energy and food production and the recycling of resources. The UN expects a number of developing countries, headed by India, Nigeria and the Democratic Republic of Congo, will contribute most to global population growth going forward to 2050. These are countries that already face major challenges with regard to pollution and a lack of food and clean water, etc.

UN projections for global population
Billion

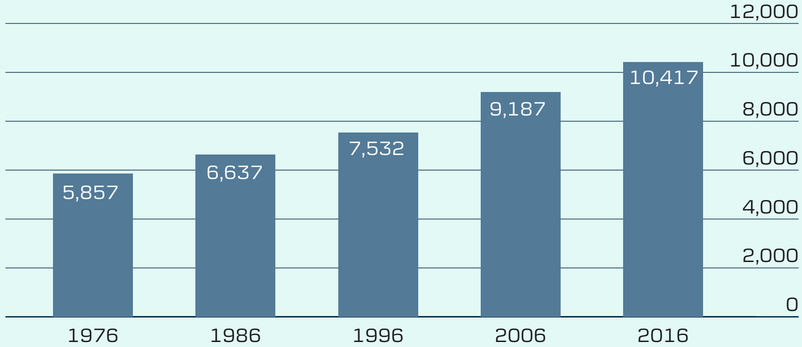


Source: UN's World Population Prospects: The 2017 Revision.

Rising living standards will increase demand on the world's resources

Steadily rising global living standards have resulted in increased consumption and placed a growing demand on global resources. Global gross national product (GDP) per capita has almost doubled over the past 40 years – though developments in China have moved much faster. Here, GDP per capita more than doubled over 10 years from USD 3,096 in 2006 to USD 6,894 in 2016. However, in the wake of the country's high levels of economic growth have come dangerously high levels of air pollution from cars and factories in many large Chinese cities.

Global GDP per capita
USD

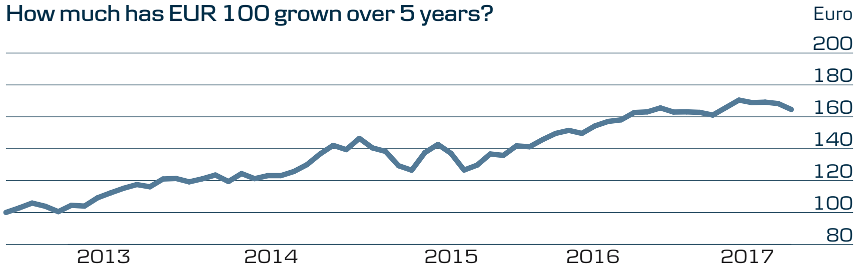


Source: World Bank, calculated using constant 2010 prices.

Fund return over past 5 years

The Parvest Climate Impact fund has over the past five years generated an average annual return of 10.3% after costs in euro. However, historical return is no guarantee of future return, which can also be negative. The past five years have generally seen an extended period of equity market growth.

How much has EUR 100 grown over 5 years?



Source: BNP Paribas, accumulated monthly return in euro for the period 28.02.2013-28.02.2018. Return is calculated after costs. The investor's tax liabilities have not been considered. You can see an updated return graph at www.danskebank.dk/impactfunds_uk.

FACTS ABOUT THE FUND

Name: SICAV Parvest – Climate Impact Classic-Capitalisation.

Investment focus: Global equity fund that invests in stock market-listed companies within the theme of climate and environment.

Manager: The fund is administered by BNP Paribas Asset Management in Luxembourg, but the investments are managed by the UK's Impax Asset Management. Danske Bank offers and advises on investments in the fund in Denmark, Sweden, Norway, Finland and Luxembourg.

Ongoing charge: 2.67%. Of this, Danske Bank receives 1.10%. The scale of the costs reflects that investing in the theme climate and environment is a niche area that requires specialist knowledge and insight. Moreover, the fund invests mainly in smaller companies, which often require additional research work for the team to familiarise themselves with the individual companies and to identify the most attractive investment opportunities, as smaller companies are not monitored and researched by equity analysts to the same extent as larger companies.

Tax: The fund is accumulating and is taxed in accordance with the rules for accumulating funds.

Risk indicator (1-7): 5.

Currency: Euro.

ISIN: LU0406802339.

Read more: You can find the Factsheet and Key Investor Information at www.danskebank.dk/impactfunds_uk, where you can also read more about the fund and the risks associated with investing in the fund.

Signatory of:

PRI Principles for Responsible Investment

value of the amount you invest. Among other factors, your investment will depend on how the individual companies in the portfolio perform and whether the equity market in general rises or falls. If the fund's portfolio managers successfully select equities that generate an attractive return, you can obtain a higher return than the equity market generally, though you also risk obtaining a lower return than the overall equity market. You should, furthermore, be aware that small- and medium-sized companies often experience more price volatility than the equity market's larger companies.

The fund is primarily focused on companies that contribute to tackling climate and environmental challenges, but also invests in companies that future-proof against these challenges.

Investments in the fund are denominated in euro (EUR). However, the fund also makes investments in other currencies, such as the US dollar (USD), British pound (GBP) and Japanese yen (JPY), and here exchange rate fluctuations can have a significant impact on the fund's return – both positive and negative. There may, in addition, be particular risks associated with the fund's investments in emerging markets, which are often characterised as experiencing more political, economic and regulatory uncertainty than more developed markets.

An investment in Parvest Climate Impact could, for example, make up a share of the global equities in an investment portfolio, though the fund should only constitute a limited share of your overall holdings. We recommend you speak with an advisor if you are considering making an investment to ascertain whether a particular investment fits with your investment profile.

How the fund supports the UN's sustainability goals

Once a year, Parvest Climate Impact assesses how the companies the fund invests in support the UN's 17 Sustainable Development Goals (SDGs). More specifically, Parvest Climate Impact determines how large a share of company revenues is related to these goals. At its most recent assessment in 2017, companies supported six of the goals:

GOAL 6: : Clean water and sanitation
Ensure access to water and sanitation for all

Share of companies' revenues related to the goal: **1-25%**

GOAL 7: Affordable and clean energy
Ensure access to affordable, reliable, sustainable and modern energy for all

Share of companies' revenues related to the goal: **1-25%**

GOAL 9: Industry, innovation and infrastructure
Build resilient infrastructure, promote sustainable industrialization and foster innovation

Share of companies' revenues related to the goal: **26-50%**

GOAL 11: Sustainable cities and communities
Make cities inclusive, safe, resilient and sustainable

Share of companies' revenues related to the goal: **1-25%**

GOAL 12: Responsible consumption and production
Ensure sustainable consumption and production patterns

Share of companies' revenues related to the goal: **1-25%**

GOAL 15: Life on land
Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

Share of companies' revenues related to the goal: **1-25%**

Source: Impax Asset Management

Disclaimer:
This publication has been prepared by Danske Bank A/S,
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