

Using global sustainability leaders to deliver 'sustainable' returns



Sustainability is a theme that investors have backed to the tune of billions. In many cases, it's about more than just the returns, but even in that respect, this 'growing' megatrend can hold its own against other attractive themes.

The responsible use of natural resources is one of the key challenges of the modern era. It is an established fact that the ever greater demands being placed by politicians are increasingly forcing economic actors to adopt sustainable approaches. One such example in the EU is the CSR Directive, which 20 EU member states have now incorporated in their national law. Larger, publicly traded companies are obliged to report on non-financial issues such as 'energy use', 'emissions', 'anti-corruption', 'employee-related matters' and 'respect for human rights' – including for their suppliers and other partners.

However, increasing numbers of firms are discovering that running their businesses sustainably can also deliver economic benefits. For example, innovative sustainability technologies can lead to cost savings or provide a competitive advantage. Meanwhile, social aspects such as increased staff motivation and retention and image improvement are often also decisive factors in the battle for the best talents.

Studies substantiate added value

Potential positive effects from sustainable management can result in upside potential, opening up return opportunities for investors. According to the institute Swiss Sustainable Finance, studies show that companies managed with a focus on the long term have lower fluctuation rates, as well as fewer accidents and legal disputes, and can often count on more loyal clients. This results in a lower cost of capital, which is in turn rewarded by the equity market.

Sustainability with a best-in-class approach

Investment success hinges on the sustainability concept chosen – simply having sustainability as a criterion is not enough. With this in mind, the Solactive Global Sustainability Leaders Performance Index adopts a modern, best-in-class approach, giving investors transparent access to a portfolio of twenty stocks selected twice a year on the basis of stringent sustainability criteria. It incorporates the expertise of the specialists at Sustainalytics, one of the leading independent global providers of analysis in the sustainability segment.

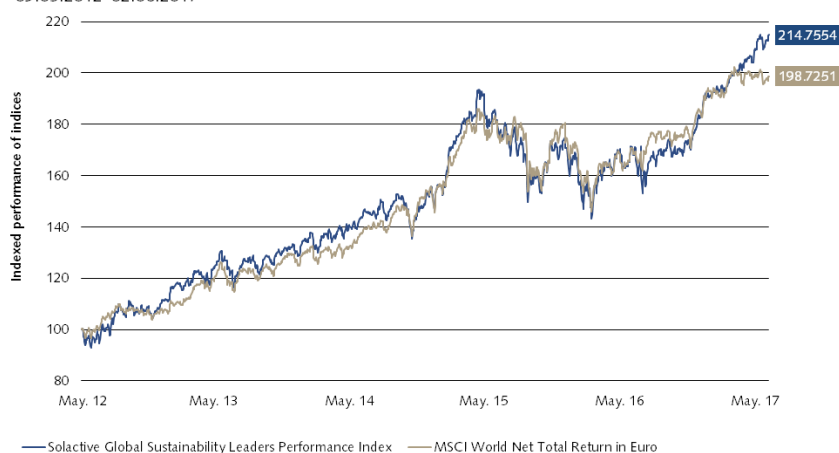
Strict selection process for the 20 index members

The index members are determined on the semi-annual selection dates based on the following approach:

1. From a universe of industrialized countries, the 10% of companies in each sector with the highest ESG score (best-in-class approach) coupled with above-average company management are selected.
2. These are then filtered to pick out companies that meet all ten UN Global Compact principles.
3. Companies that meet one or more of the 41 exclusion criteria (e.g. genetic engineering, production of tobacco / weapons / pesticides) are eliminated.
4. Companies involved in disputes relating to accidents or other events with a negative impact on the environment / society are eliminated.
5. Constant screening: If an index member is subsequently involved in any of the above events, the stock is removed at the end of the month.
6. The index is adjusted every six months. Dividends are included in the index performance.

Simulated past performance – Solactive Global Sustainability Leaders Performance Index

09.05.2012–02.06.2017



Source: Solactive, 09.05.2012–02.06.2017

Past performance and simulations are not reliable indicators of future performance.

In subscription until 6 July 2017

VONCERT Open End on the Solactive Global Sustainability Leaders Performance Index

Underlying	Solactive Global Sustainability Leaders Performance Index		
Valor / symbol	3666 7914/ ZLSVV	3666 7913/ ZLSUV	3666 8916/ ZLSEV
	CHF	USD	EUR
Issue price	101.50 CHF 1.50 front-load fee included	101.50 USD 1.50 front-load fee included	101.50 EUR 1.50 front-load fee included
Spot reference price	EUR 100.00 (index level)		
Initial fixing / payment date	07.07.2017/14.07.2017		
Management fee	1.2% p.a.		
Term	Open end		

Issuer / guarantor: Vontobel Financial Products Ltd., DIFC Dubai/Vontobel Holding AG, Zurich (Moody's A3). SSPA product type: tracker certificate (1300). Listing: SIX Swiss Exchange. Index provider: Solactive AG. **Legal information regarding VONCERTs:** SSPA product type: tracker certificates (1300) basically track the performance of their underlying. When investing in a VONCERT, the same risks must essentially be taken into account as for a direct investment in the underlying, in particular the related foreign currency, market and price risks. VONCERTs do not yield current income and have no capital protection.

Initial composition of the equally weighted Solactive Global Sustainability Leaders Performance Index

Underlying	Sector	Head office	Currency
Aeroports de Paris	Transport infrastructure	France	EUR
AXA S. A.	Insurance	France	EUR
Brambles Ltd.	Commercial services	Australia	AUD
City Developments Ltd.	Real estate	Singapore	SGD
DNB ASA	Banking	Norway	NOK
Electrolux AB	Consumer goods	Sweden	SEK
Enagás S. A.	Utilities	Spain	EUR
Ericsson	Hardware technology	Sweden	SEK
Gecina S. A.	Real estate	France	EUR
Hankook Tire Co. Ltd.	Car components	South Korea	KRW
Herman Miller Inc.	Commercial services	US	USD
ING Groep N. V.	Banking	Netherlands	EUR
Legrand S. A.	Electrical devices	France	EUR
Munich Re	Insurance	Germany	EUR
NEC Corp.	Hardware technology	Japan	JPY
Nokian Renkaat Oyj	Car components	Finland	EUR
Tieto Oyj	Software / services	Finland	EUR
Smurfit Kappa Group Plc	Container / packaging industry	Ireland	EUR
STMicroelectronics N. V.	Semiconductors	Switzerland	EUR
Valmet Corp.	Machinery	Finland	EUR

Source: Solactive

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