



Comeback of nuclear energy? Vontobel Nuclear Energy Index

Digital Investing

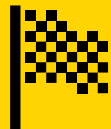
January 2022

Nuclear Energy as a «green» technology – absolute no-go or sensible bridging technology?



Starting point

- The generation of nuclear energy in nuclear power plants is a polarizing topic
- Critics point to the danger of nuclear catastrophes (Chernobyl, Fukushima) and the storage of nuclear waste
- Proponents see the potential of nuclear energy to achieve the climate targets



Goals

- Europe has set itself ambitious climate targets for decarbonization
- As an interim target, net greenhouse gas emissions shall be reduced by at least 55 per cent by 2030 compared to 1990 levels
- Europe wants to become the world's first climate-neutral continent by 2050
- To achieve this goal, as much investment as possible should be channelled towards the development of renewable energy and the reduction of CO₂ emissions

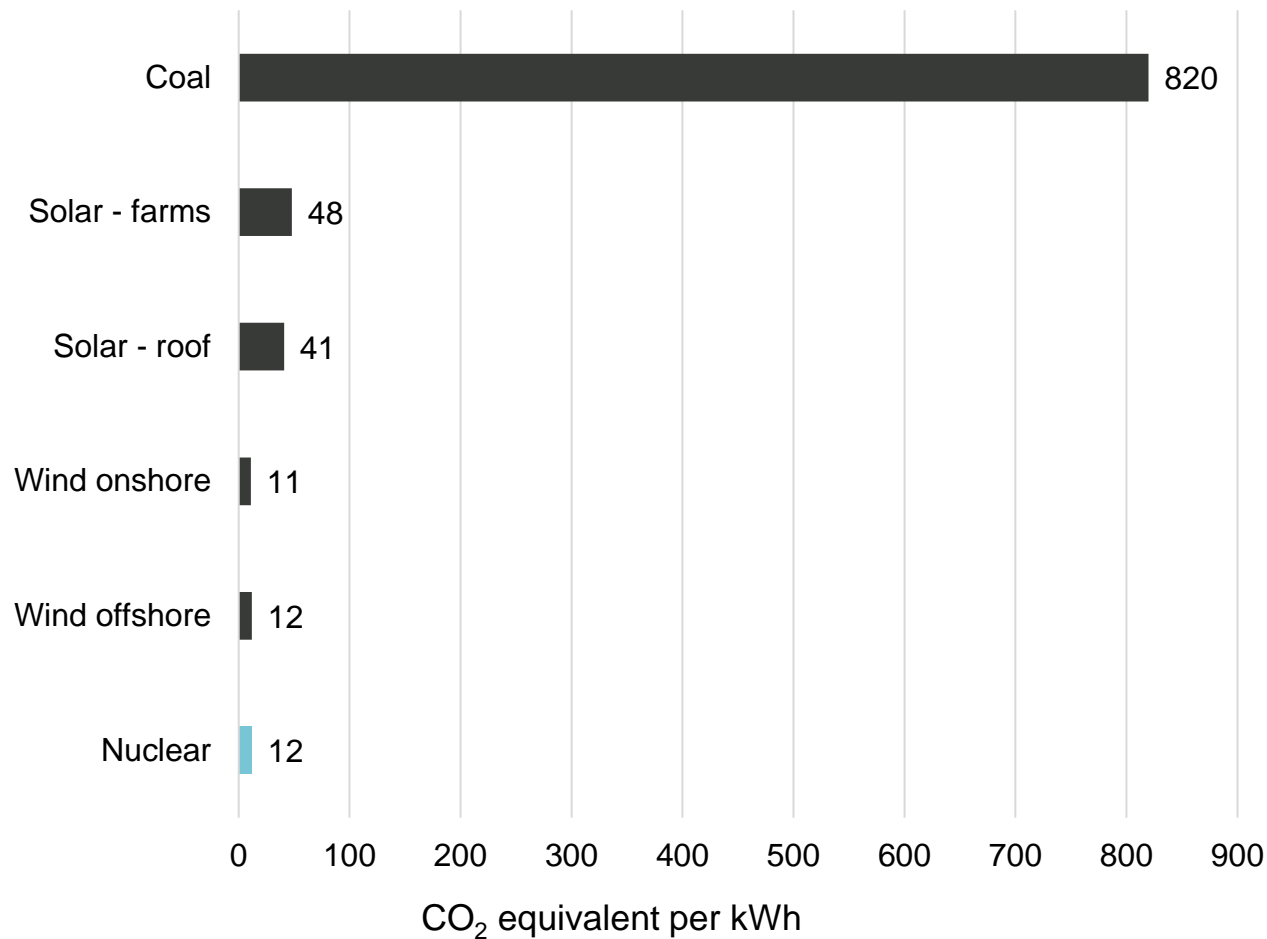


Solution?

- From a climate policy perspective, there are arguments in favor of nuclear power as a bridging technology
- The Vontobel Nuclear Energy Index offers a diversified investment in the topic of nuclear energy requiring just a single transaction

Nuclear Energy – A particularly climate friendly form of generating electricity?

CO₂-Balance of different energy sources



- From a climate policy perspective, the arguments are clearly in favor of nuclear power
- When looking at the CO₂ balance, nuclear energy performs very well; similar to wind power
- Sustainable alternatives such as wind turbines or solar farms are weather-dependent
- Based on CO₂ emissions, coal would have to be avoided at all costs

Nuclear Energy as bridging technology

In Europe, the evaluation is very different

Advocates

- In large parts of Europe, the attitude towards nuclear energy is friendly. An example is France. The country currently operates more than 50 reactors. Around 70 per cent of its electricity comes from nuclear power and more shall be added
- There is great interest in new nuclear reactors in some other European countries. There are plans to build new capacity in Bulgaria, Poland, Romania, Slovakia, Hungary and the Czech Republic, for example
- This also explains why many countries are in favor of an EU-wide classification of nuclear energy as a "green" technology
- At the same time, the electricity generated with nuclear power shall be used to promote other "green" technologies such as hydrogen

Opponents

- The unresolved question of the storage of nuclear waste as well as the danger of nuclear catastrophes (e.g. Fukushima 2011) have for example led the German government to declare a nuclear phase-out
- Apart from the risks and the issue of nuclear waste, the environmental consequences of uranium mining often raise doubts about the sustainability of nuclear power
- Nuclear energy is by no means CO₂ neutral. Greenhouse gas emissions happen largely up- and downstream during electricity production

Nuclear Energy

A polarizing topic

«Green Technology»?

- While the CO₂ balance is very good at 12 grams of CO₂ equivalent per kWh, organizations such as the association for sustainable investments (Forum Nachhaltige Geldanlagen) are clearly against classifying nuclear power as a sustainable economic activity
- The extraction and mining of uranium as well as storage are the main arguments against it



Potential

- The composition of the electricity mix has a major influence on a country's greenhouse gas emissions
- A balanced energy mix can help a country to reduce CO₂ emissions to achieve the ambitious global climate goals

Safety

- France is investing up to 1 bn. Euros in special small, innovative nuclear reactors, which shall be safer and have improved waste management

Expansion of Nuclear Energy?

- Europe is divided on how to deal with nuclear energy
- While Germany, for example, has committed itself to phasing out nuclear energy, France wants to further expand activities in this area

Index concept

Vontobel Nuclear Energy Index

January 2022



UNIVERSE

- Developed and emerging markets (member of the Federation of European Securities Exchanges, FESE or World Federation of Exchanges, WFE)
- Exclusion of companies on international sanctions lists
- Exclusion of shares related to the development of nuclear weapons



STOCK SELECTION

- The equity strategy focuses on nuclear energy
- Companies must either be involved in the extraction of uranium or nuclear energy or offer nuclear-related technologies or services
- Classification is according to the FactSet Revere Business Industry Classification System (RBICS)
- Mining companies involved in uranium mining can also be included in the index



INDEX

- The focus is on companies that produce climate-friendly, sustainable energy
- The revenue in the areas of nuclear energy and uranium production are considered
- The index is ultimately composed of 25 industry representatives with the highest market capitalization
- If no 25 suitable companies are found, the remaining index positions are filled by companies that offer nuclear-related technologies or services



REBALANCING

- The composition of the index is re-evaluated every six months, while the 25 index positions are equally weighted
- Net dividends are reinvested

Vontobel Nuclear Energy Index

Top 10 of initial composition* by market capitalization

January 2022

COMPANY	SECTOR	CURRENCY	WEIGHTING
Cameco Corporation	Uranium mining / uranium fuel production	CAD	4.00%
Societatea Nationala Nuclearelectrica SA	Nuclear energy trade in Europe	RON	4.00%
Harmony Gold Mining Co. Ltd. Sponsored ADR	Gold ore mining in South Africa / Silver ore mining / Uranium mining / General or cross-sector revenues	USD	4.00%
NexGen Energy Ltd.	Uranium mining	CAD	4.00%
Paladin Energy Ltd	Uranium mining	AUD	4.00%
Energy Fuels Inc.	Uranium mining / Radium and Vanadium mining	CAD	4.00%
Denison Mines Corp.	Uranium mining / Industrial construction company	CAD	4.00%
Uranium Energy Corp.	Uranium mining	USD	4.00%
Centrus Energy Corp. Class A	Uranium fuel production / manufacturing, scientific, technical Services	USD	4.00%
Global Atomic Corporation	Uranium mining / Metal recycling supplier	CAD	4.00%

*Initial composition January 2022

Product details

Vontobel Nuclear Energy Index







Strategic Certificate on the Vontobel Nuclear Energy Index

In subscription until
28 January 2022



Product details

SSPA	Tracker-Certificate (1300)
Underlying	Vontobel Nuclear Energy Index
Initial Fixing / Payment Date	31. January 2022 / 07. February 2022
Maturity	Open End
Index fee	1.25 % p.a.
Issuer	Vontobel Financial Products Ltd., DIFC Dubai
Guarantor	Vontobel Holding AG, Zurich (Moody's A2)

	 CHF	 USD
Currency	CHF	USD
Valor / Symbol	114517697 / PNCCEV	114517685 / PNUCEV
Issue Price	CHF 101.00 (incl. CHF 1.00 issue premium)	USD 101.50 (incl. USD 1.00 issue premium)
Reference currency	CHF	USD
	Product page 	Product page 
	Termsheet 	Termsheet 

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