WERMUTH ASSET MANAGEMENT

Delivering Sustainable Value



STOPPING CLIMATE CHANGE BY MOVING TRILLIONS

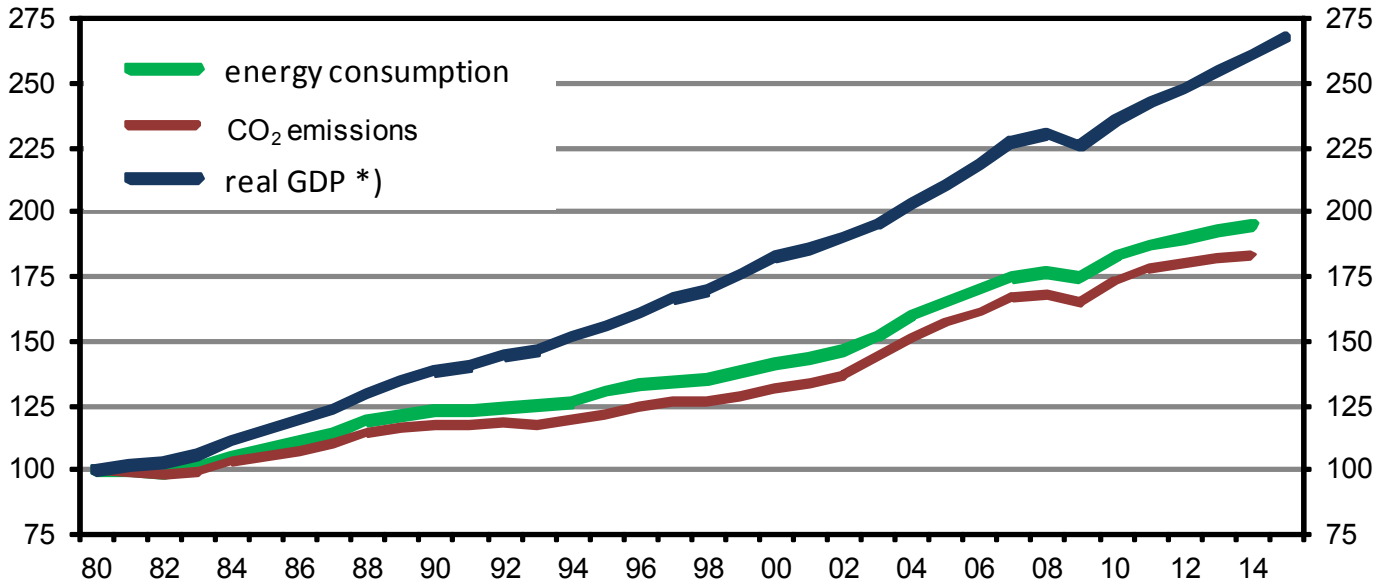
CLUB OF ROME MEETS INVESTORS
SEPTEMBER 2015

STRATEGY

Global environment deteriorates further with growth…

global energy consumption, CO_2 emissions and real GDP

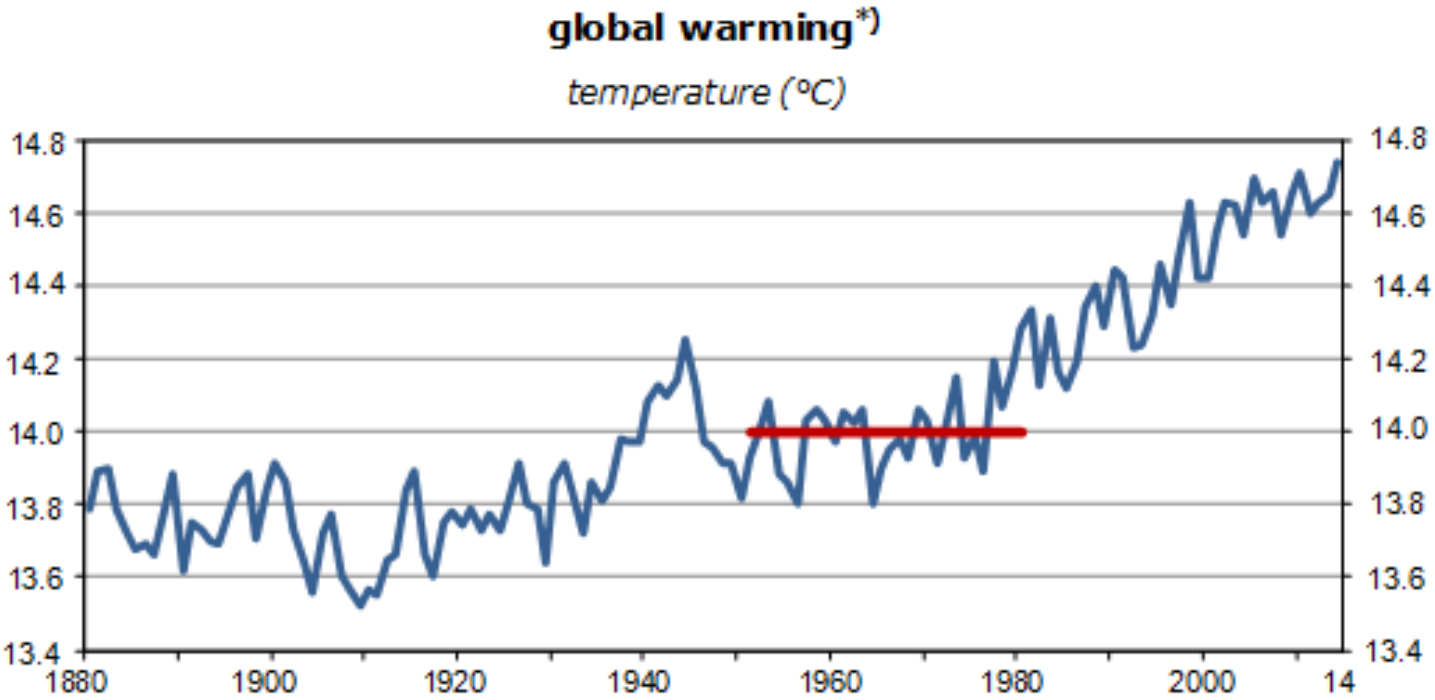
- 1980=100 -



*) 2015 IMF estimate

sources: BP Statistical Review of World Energy June 2015, IMF; own calculations

The world heats up dangerously



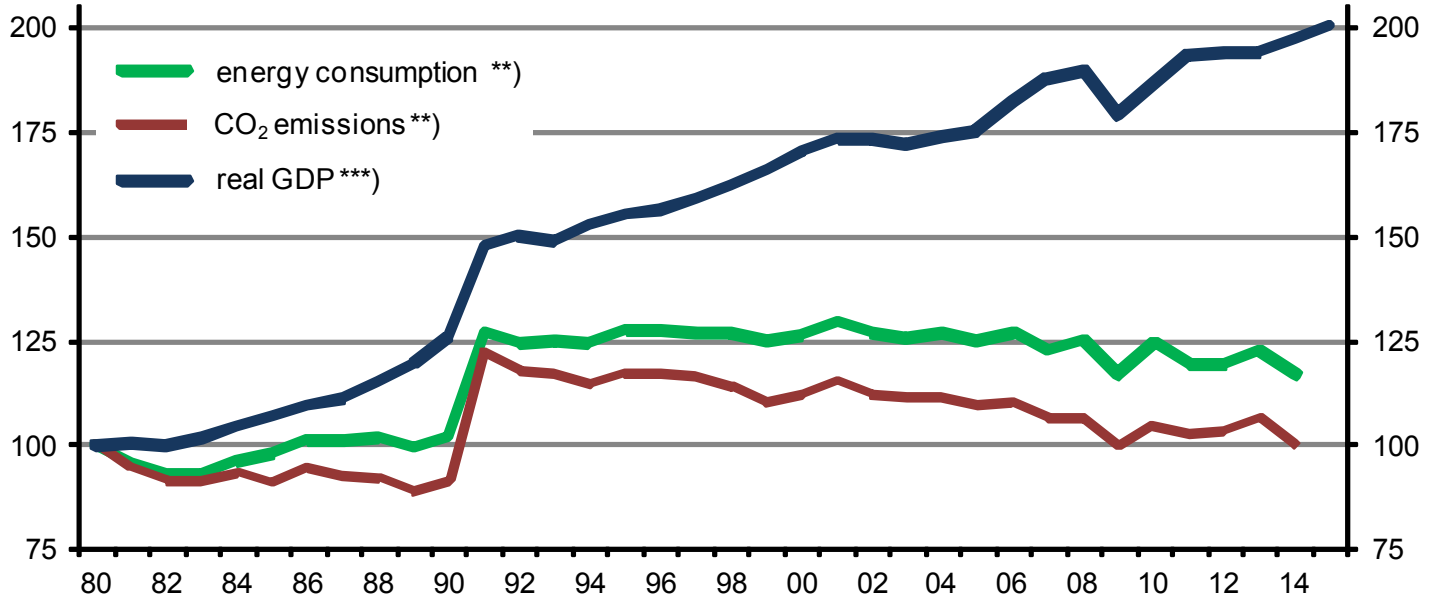
*) estimated global mean temperature for 1951-1980 is 14.0 °C (see Hansen et al. 2010, Global surface temerature change, Reviews of Geophysics, vol. 48(4))

source: NASA Goddard Institute for Space Studies

… but in some rich countries, the trend has turned…

German energy consumption, CO_2 emissions and real GDP*)

- 1980=100 -



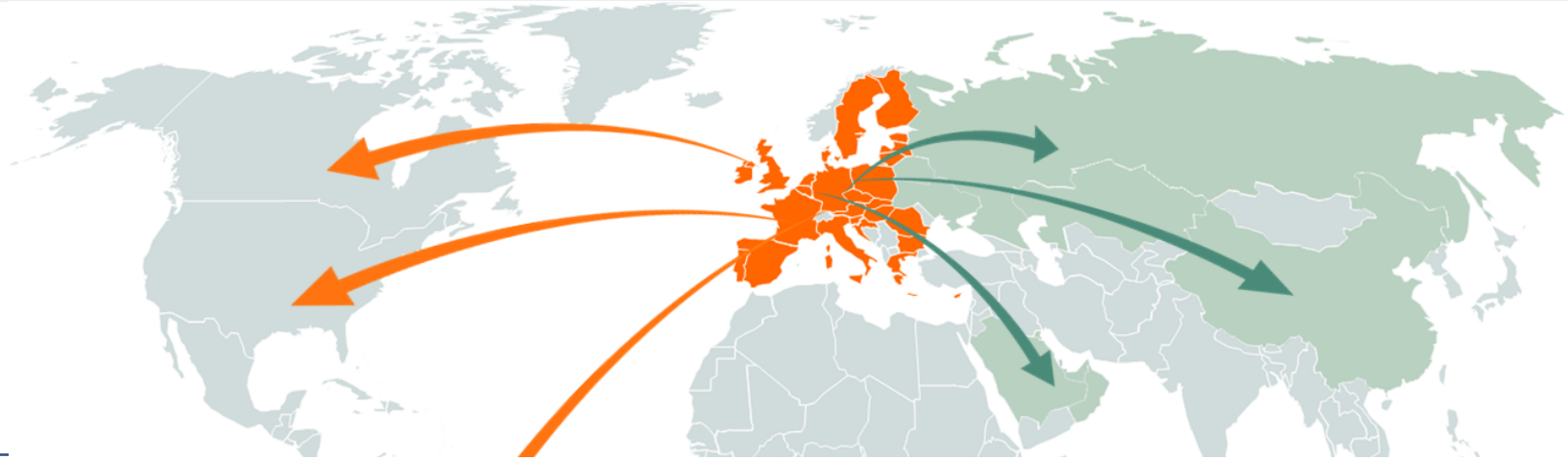
*) West Germany until 1990 - **) 2013, 2014 own estimates - ***) 2015 own estimate

sources: US Energy Information Administration, AMECO; own calculations

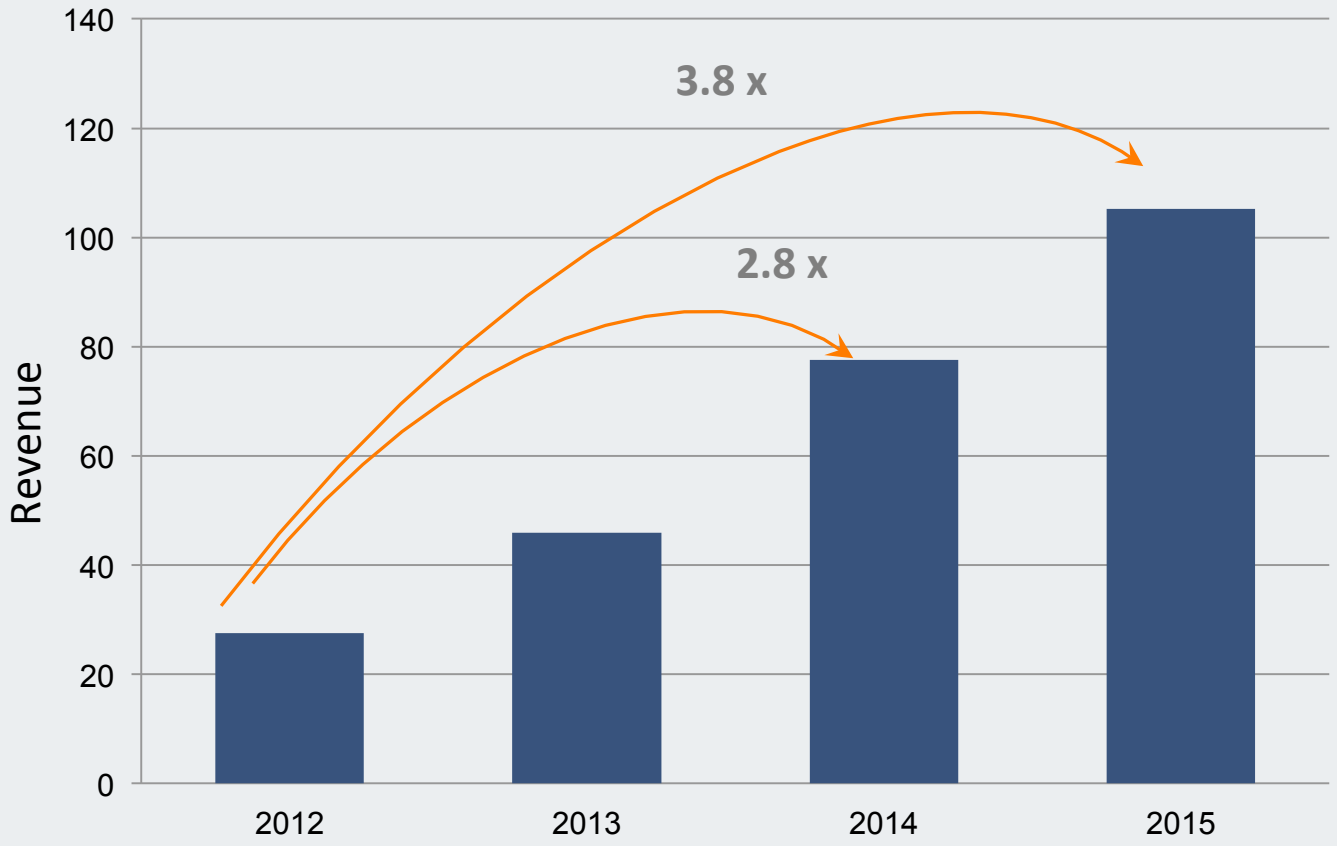
The Green Gateway Fund…

- invests in EU resource efficient growth companies
- targets >2x net returns
- improves the environment

- assists EU firms to grow by helping them to sell to emerging markets, where 4x more energy is consumed per unit of GDP



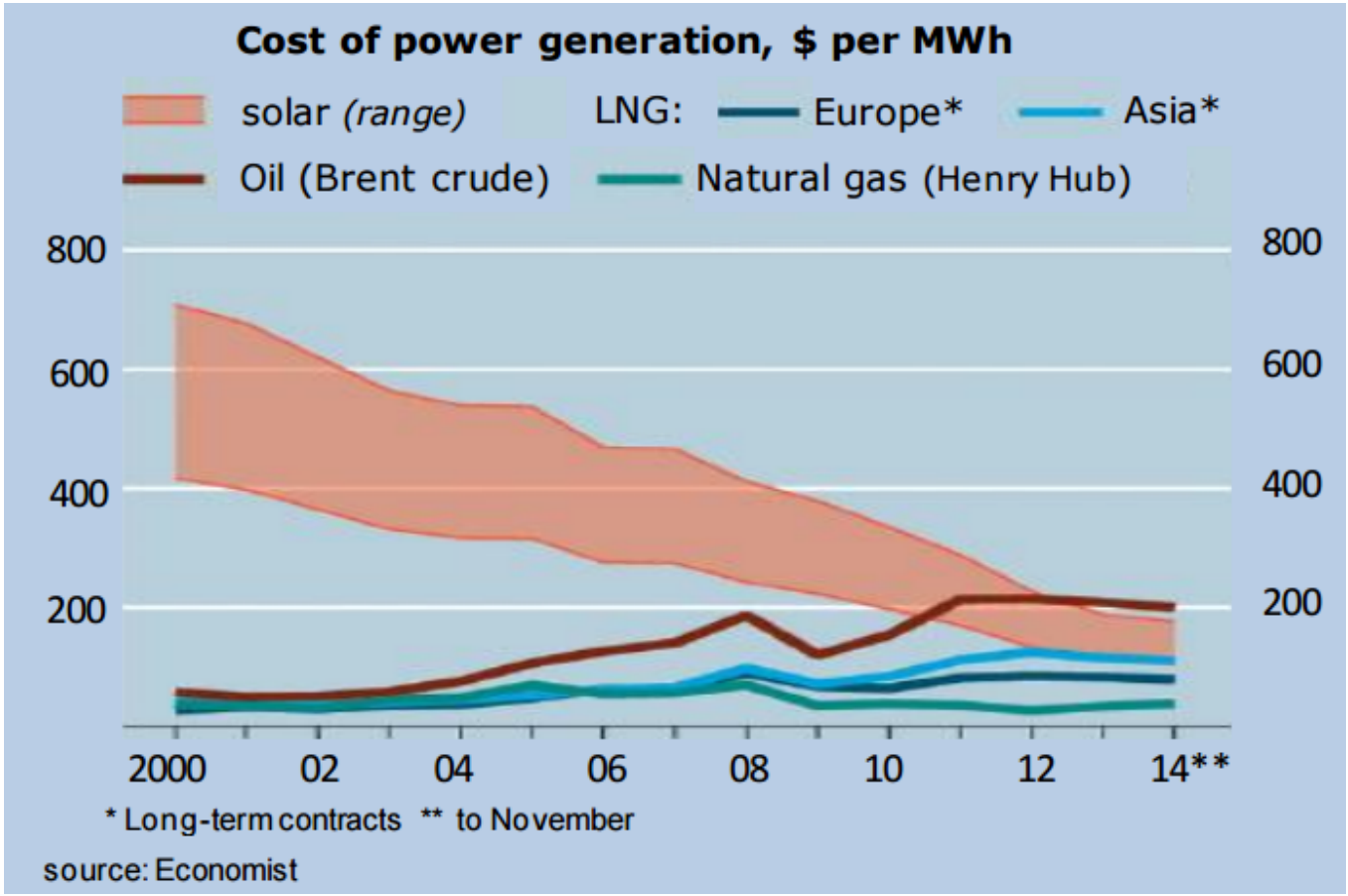
The Green Gateway Fund portfolio companies have…



Almost 4x their revenues in three years

And had EBITDA swing from negative to positive

The elephant in the room: solar below grid parity

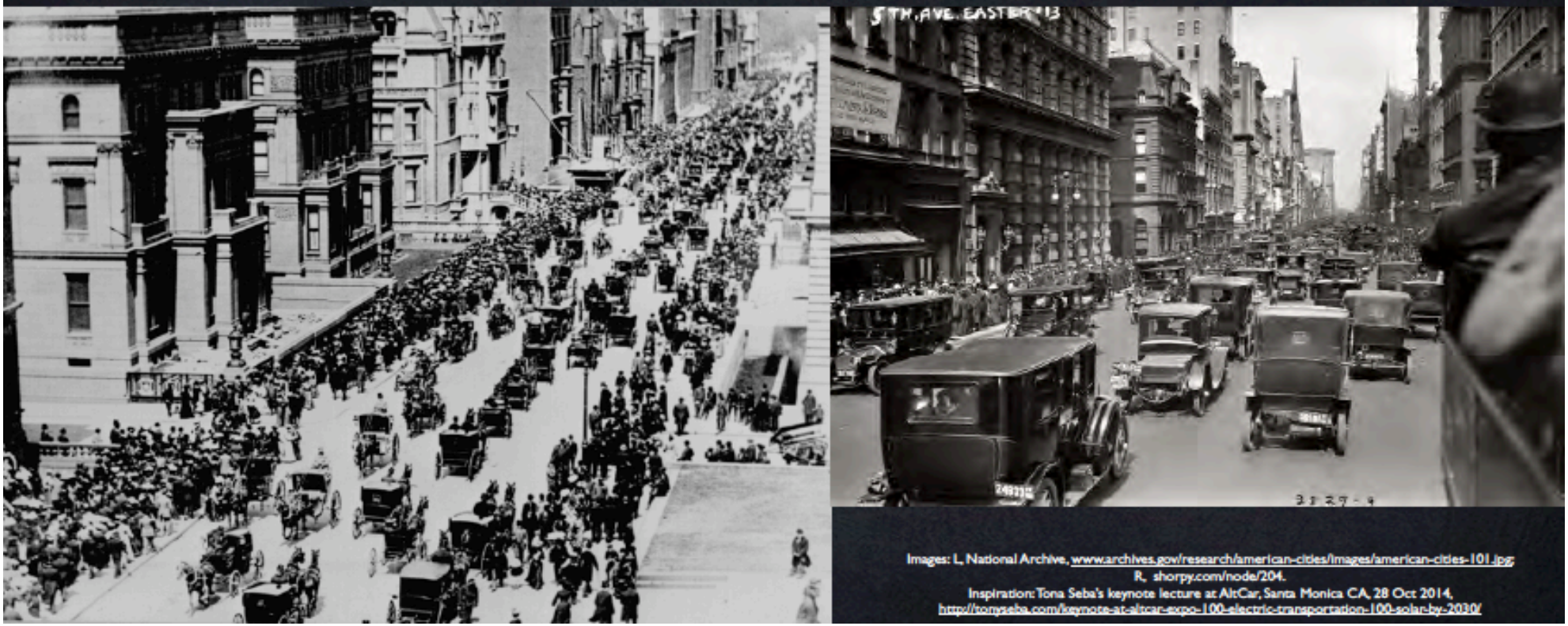


Electric cars only possible in Germany today

Easter Parade on Fifth Avenue, New York, 13 years apart

1900: where's the car?

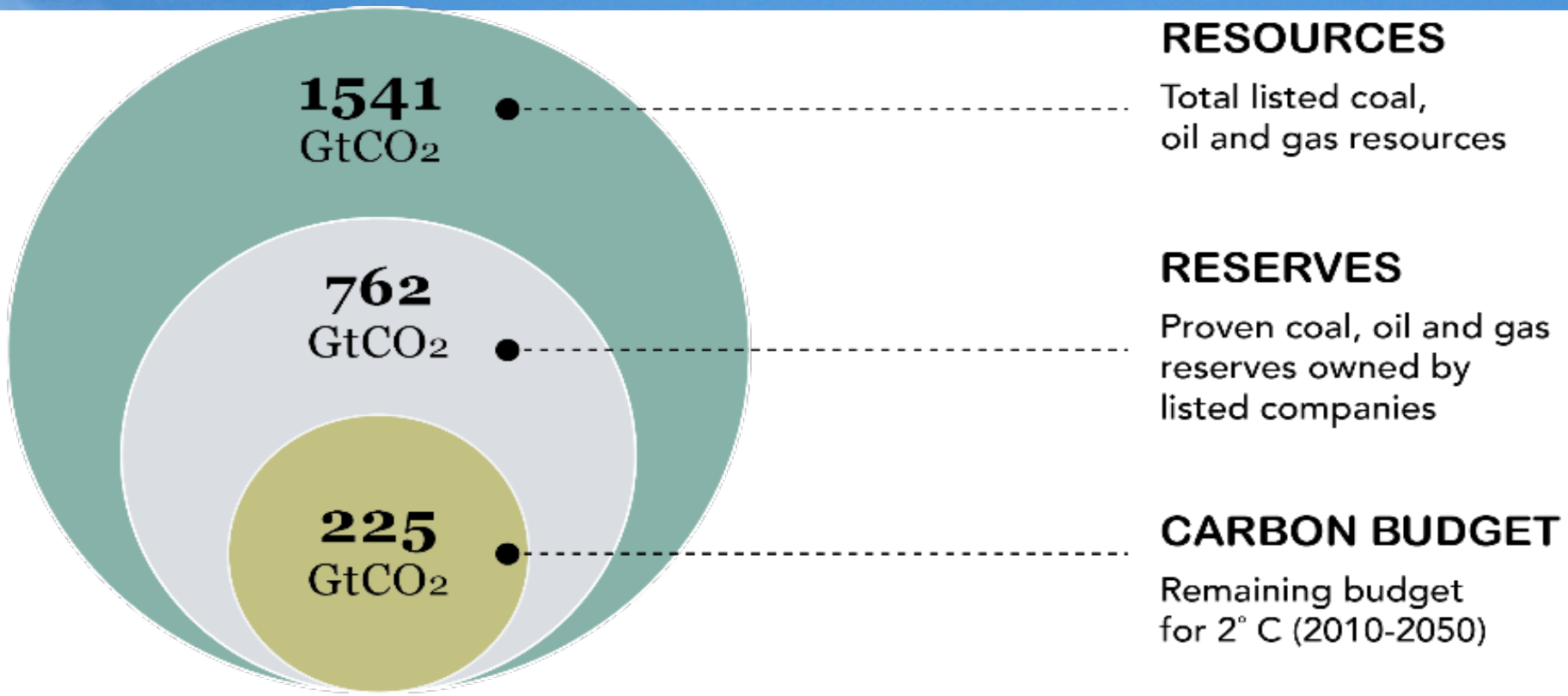
1913: where's the horse?



Images: L, National Archive, www.archives.gov/research/american-cities/images/american-cities-101.jpg; R, shorpy.com/node/204.
Inspiration: Tona Seba's keynote lecture at AltCar, Santa Monica CA, 28 Oct 2014, http://tonyseba.com/keynote-at-altcar-expo-100-electric-transportation-100-solar-by-2030/

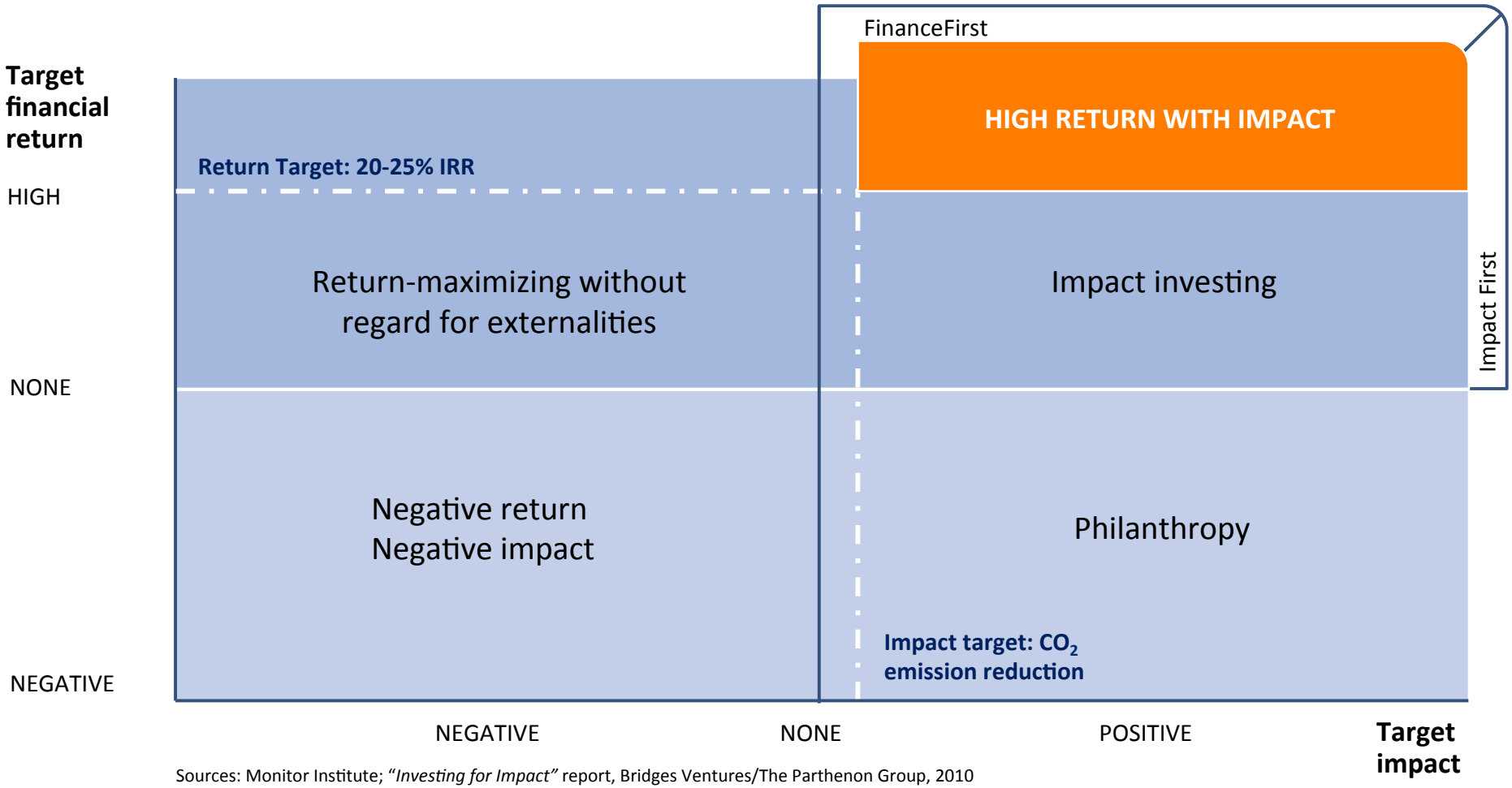
Source: Rocky Mountain Institute

Carbon Bubble bursts due to market forces



Carbon Tracker has 'allocated' to the listed fossil fuel companies a Carbon Budget to 2050 with 80% likelihood of staying below the 2˚C threshold. Such carbon Budget could be broken in few decades.

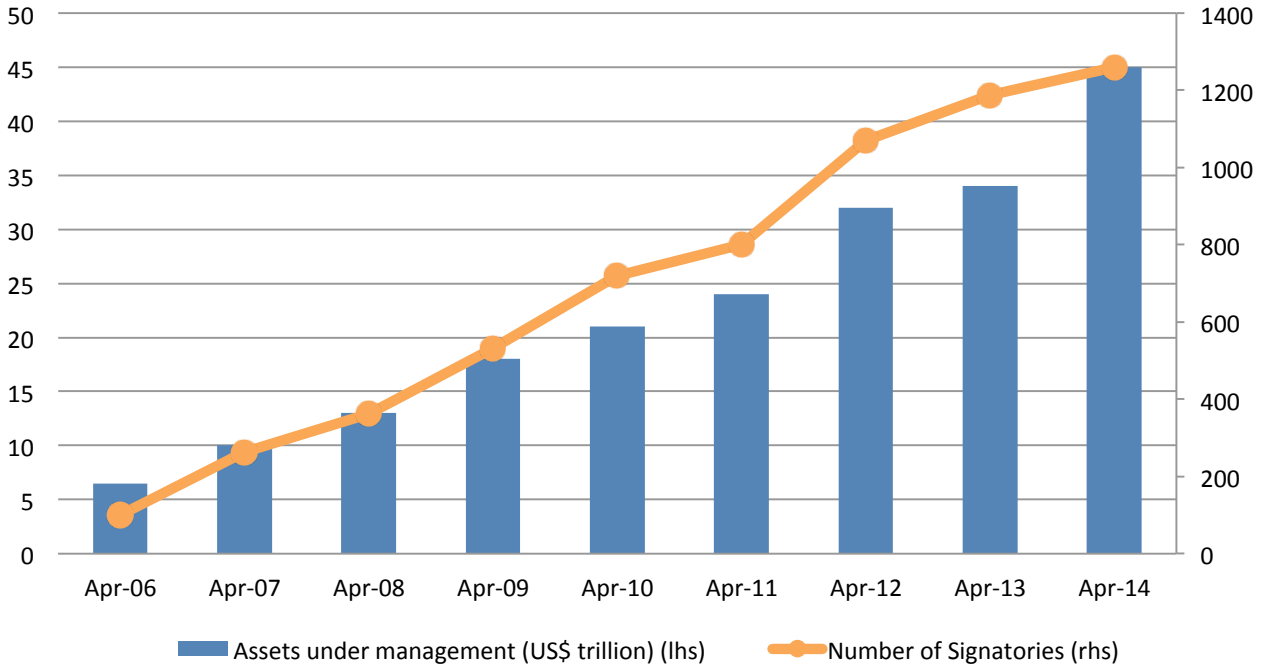
Financial and impact objectives



Sources: Monitor Institute; "*Investing for Impact*" report, Bridges Ventures/The Parthenon Group, 2010

UN Principles of Responsible Investing (PRI) signatories

- 1260 signatories with
- $45 trillion of assets under management committed
- 2 UN partners (UNEP Finance Initiative; UN Global Compact)
- … but hardly anywhere to invest!



Source: http://www.unpri.org/

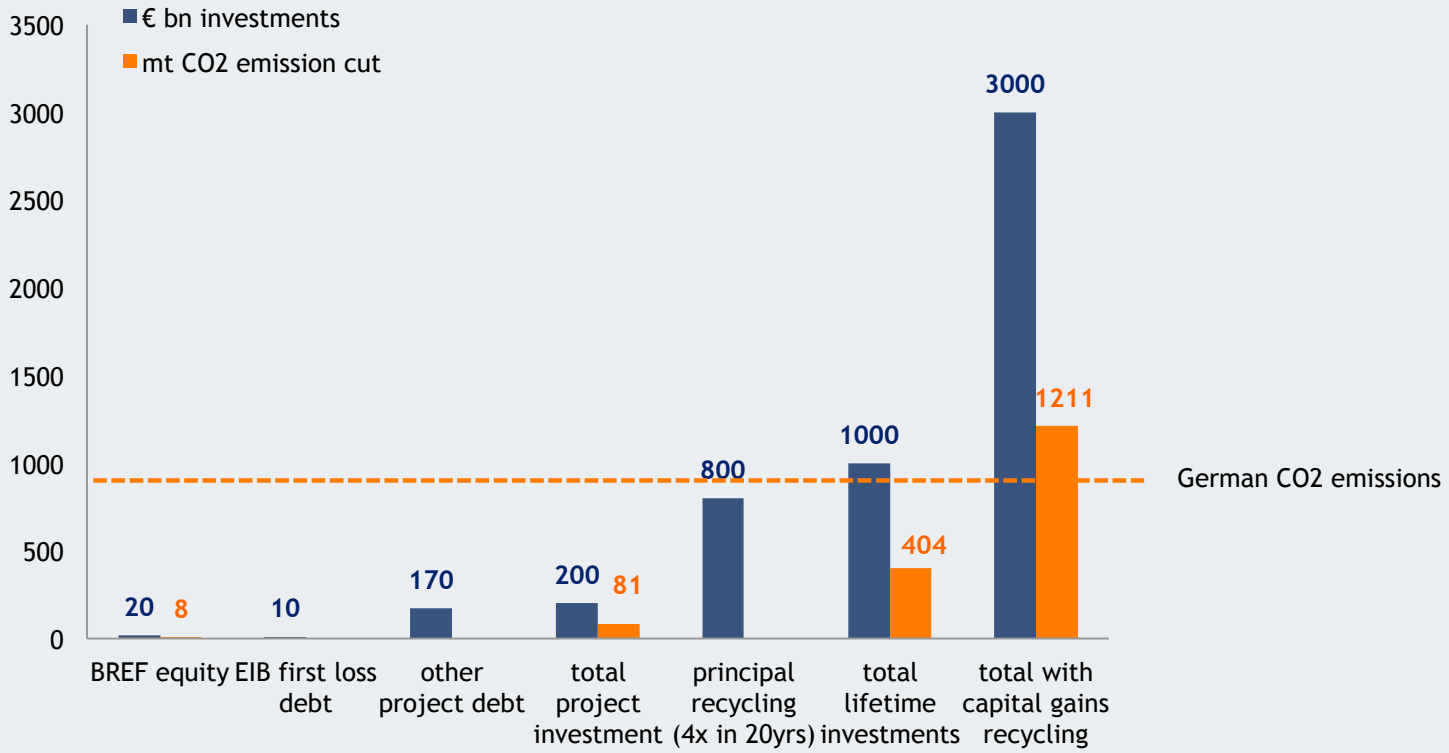
REEF – institutional impact investment across all asset classes



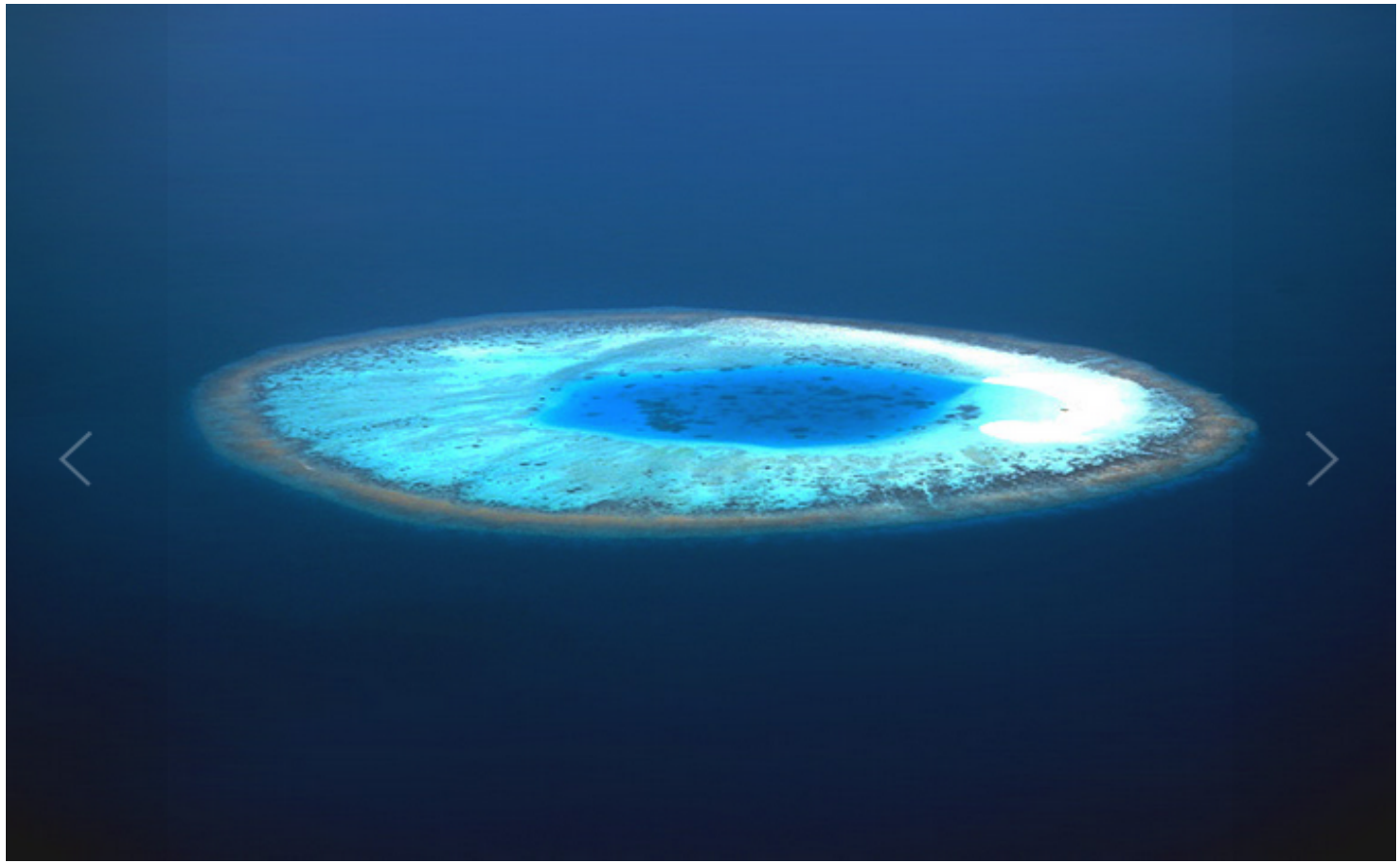
IMPACT

Impact of recycling of capital & gains => emissions cut > Germany's

€20bn of equity invested, leveraged and re-invested with capital gains at 15% IRR over 25 years => CO2 emission cut by 1.2bn tons or 3% of global emissions



REEF -Resource Efficiency and Energy Firm



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Delivering Sustainable Value

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