



## 2Dii PACTA MODEL

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#### IMPORTANT INFORMATION

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**This report provides a scenario analysis of the investment portfolio.**

It responds in part to the recommendations of the G20 Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD). Over 1,000 financial institutions have been assessed using the model applied in this report, as part of direct partnerships with over 200 institutional investors, and collaborations with a number of financial supervisors.

The outputs provided in this report provide an analysis of the portfolio relative to an economic transition consistent with limiting global warming to ScenarioTemp°C above pre-industrial levels, as well as a comparison to peers. The analysis provides answers to three questions:

1. What is the current exposure in the portfolio to economic activities affected by the transition to a low-carbon economy? (Section 2)
2. Does the portfolio increase or decrease its alignment with a ScenarioName transition over the next 5 years? (Section 3)
3. What is the expected future exposure to high- and low-carbon economic activities? (Section 4)

This report considers a ScenarioValue transition. ScenarioDescription The analysis covers two asset classes: listed equity and corporate bonds. These are compared to either an portfolio or market, as if they would transition aligned to the ScenarioValue. The equity market is represented by all securities from publically listed companies and the corporate bond market by all companies with outstanding debt from Bloomberg at the end of 2017.

**The figure below shows the share of the total corporate bond and equity investments included in the analysis.**

#### Scope of Analysis

Investor Name	InvestorName
Portfolio Name	PortfolioName
Size of portfolio	SizeofPortfolio
Scenario	ScenarioText
Geography - Financial Assets	Global
Geography - Economic Assets	Global
Asset Class	AssetClass
Peers	PeerGroup
Portfolio Timestamp	12.31.2017
Date of Analysis	TodaysDate

The analysis focuses on climate relevant sectors. Scenario analysis is undertaken for the fossil fuel, power, and automotive sectors: these account for between 70 and 90% of energy-related CO<sub>2</sub> -emissions in a typical equity portfolio. An analysis of the emissions intensity of the aviation, shipping, cement and steel sectors is also included in this report.

The left chart below shows that AnalysisCoverage% of the total corporate bond and equity investments is included in the analysis, detailing how this share is divided between sectors subject to a ScenarioValue scenario analysis (dark blue) and emission intensity analysis (light blue). The chart on the right shows the detailed breakdown of the included sectors.

**The figure below shows the breakdown by climate relevant sectors in the portfolio.**

