

## **BNP Paribas Asset Management announces launch of Parvest Green Bond**

**BNP Paribas Asset Management ('BNPP AM') is extending its SRI offering with the launch of Parvest Green Bond, using a proprietary integrated engagement approach to identify investments expected to have the most positive environmental impact.**

Currently valued at EUR 100 million<sup>1</sup>, Parvest Green Bond invests in bonds used to finance projects designed to mitigate or address climate change issues. It is managed by BNPP AM's Fixed Income team leveraging proprietary analysis provided by its Sustainability Research Team. BNPP AM has been a market leader in sustainable & responsible investing since 2002 and manages nearly EUR 30 billion in SRI strategies, including more than EUR 500 million in green bonds (as at 30 June 2017).

Bonds are analysed using BNPP AM's internal assessment methodology, incorporating financial and extra-financial analysis to identify the most appropriate portfolio holdings from the universe of almost 150 issues representing around USD 115 billion of outstanding bonds. An innovative engagement process ensures that investments have a positive impact on climate change. This includes an initial meeting with the issuer to verify each bond's sustainability credentials ahead of purchase, combined with ongoing monitoring of the environmental impact throughout the life of the bond.

The green bond market is expanding rapidly, and the inclusion of sovereign bonds such as the French government's EUR8.6 billion issue, as of June 2017 provides greater liquidity and depth to the market. Green bonds can be issued by sovereigns, agencies or corporates, and enable capital-raising and investment for new and existing projects that have environmental benefits, including limiting climate change. Analysis conducted by BNPP AM suggests that between now and 2030, USD4 trillion will be required annually to support the energy transition towards a low-carbon economy. Meanwhile the global fixed-income market totals USD 100 trillion of outstanding securities. Green bonds are the missing link between the need for energy transition financing and supply from debt capital markets, and are therefore ideally suited to support low-carbon and climate-resilient development.

**Felipe Gordillo, Senior ESG analyst & Arnaud-Guilhem Lamy, manager of Parvest Green Bond, comment:**

"Climate change is one of the greatest challenges of our time and green bonds are one of the best ways to finance activities with low greenhouse gas emissions and to support low-carbon and climate-resilient development. Meanwhile the rapid expansion of the green bond market means that it is now diversified enough to offer a genuine investment solution. Our SRI research expertise dating back 15 years, very well-resourced fixed income portfolio management capability and almost EUR 500 million of existing investments in green bonds makes us ideally placed to manage Parvest Green Bond. Greenhouse gas avoidance is the key climate benefit of the fund, enabling investors to offset carbon emissions in their fixed income portfolios, as well as to meet sustainable regulatory requirements."

<sup>1</sup> Source: BNP Paribas Asset Management, as at 25 September 2017



Parvest Green Bond is benchmarked against the Bloomberg Barclays MSCI Global Green Bond Index (Euro Hedged). It invests in issues with a minimum credit rating of B-, and may also use futures, options and swaps. The fund aims to have a minimum of 83.5% of green bonds. Denominated in euros, it uses FX derivatives to hedge bonds issued in other currencies. The base currency is Euros. Parvest Green Bond is currently registered for sale in Austria, France, Germany, Luxembourg and the United Kingdom.

This new launch contributes to the energy transition policy followed by BNP Paribas. The Group has a long standing commitment to sustainability and aims to rank among the top three global players for euro-denominated issues by 2018.

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KEY FUND INFORMATION	
Fund name	Parvest Green Bond
Launch date	September 2017
Legal structure	Sub-fund of Parvest UCITS V SICAV registered under Luxembourg law
Share classes	Institutional, Classic
Management company	BNP Paribas Asset Management
Base currency	Euro
Domicile	Luxembourg
SRRI risk/reward indicator - on a scale of 1 (lower risk) to 7 (higher risk)	3
Ongoing charge	'I' shares 0.38% 'C' shares 0.88% 'P' shares 0.63%
ISIN codes	'I' shares LU1620157534 'C' shares Cap: LU1620156999; Dis: LU1620157021 'P' shares Cap: LU1620157294; Dis: LU1620157377
Pricing frequency	Daily

Parvest Green Bond is a sub-fund of the Parvest UCITS SICAV registered under Luxembourg law. Investments in the fund are subject to market fluctuations and the risks inherent in investments in securities. The value of the investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial outlay, the funds described being at risk of capital loss. Full details and documentation are available online at: <https://www.bnpparibas-am.lu/intermediary-fund-selector/fundsheets/bo/parvest-green-bond-i-c-lu1620157534/>.

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### **About BNP Paribas Asset Management**

BNP Paribas Asset Management is the investment management arm of BNP Paribas, one of the world's major financial institutions. Managing and advising EUR 566 billion of assets as at 30 June 2017, BNP Paribas Asset Management offers a comprehensive range of active, passive and quantitative investment solutions covering a broad spectrum of asset classes and regions. With close to 700 investment professionals and 600 client servicing specialists, BNP Paribas Asset Management serves individual, corporate and institutional investors in 73 countries around the world. Since 2002, BNP Paribas Asset Management has been a major player in sustainable and responsible investing. For more information, please visit [bnpparibas-am.com](http://bnpparibas-am.com).

### **About BNP Paribas Asset Management's responsible investment approach**

BNP Paribas Asset Management (BNPP AM) has been a major player in sustainable and responsible investment (SRI) since 2002. BNP Paribas Asset Management has implemented its own responsible investment policy, applying environmental, social and governance (ESG) criteria to all its collective investments. It has also implemented BNP Paribas Group sector policies that ban investments in specific companies operating in controversial sectors.

BNPP AM supplements this approach by systematically exercising its shareholder voting rights and through its participation in major organisations involved in these issues, thereby actively contributing to the public debate. BNPP AM has been a member of the Institutional Investors Group on Climate Change (IIGCC) since 2003 and was a founding signatory of the Principles for Responsible Investment (PRI) in 2006.

BNPP AM was also one of the first mainstream investment managers to sign the Montreal Carbon Pledge, in May 2015, and to join the Portfolio Decarbonization Coalition (PDC), demonstrating its desire to take concrete action through SRI investment strategies, energy transition and climate preservation. As at 30 June 2017 BNPP AM managed nearly EUR 30 billion of assets in SRI strategies.



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