

November 2022



Create a tangible impact

Fabien Collado, Portfolio Manager



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Impact themes

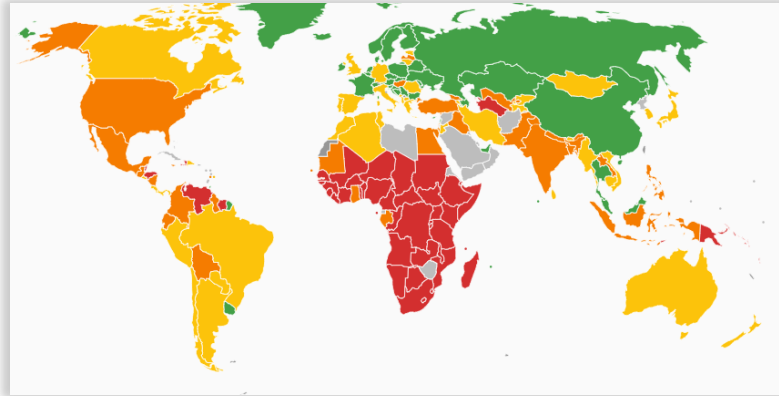
Targeting positive, measurable social and environmental impact



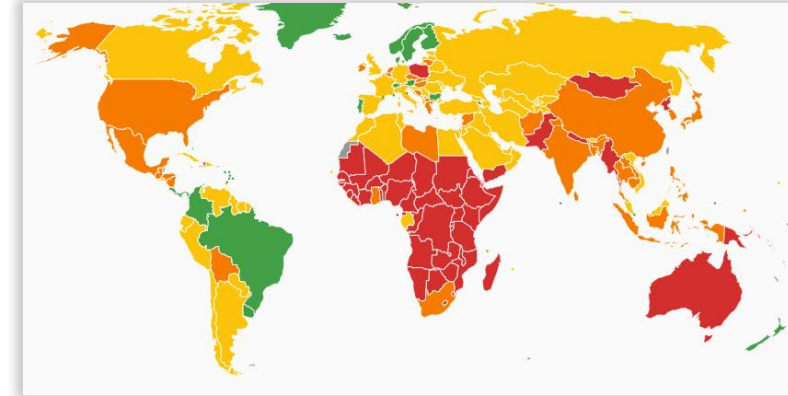
Achieving the UN Sustainable Development Goals (SDG)

The global challenge remains huge

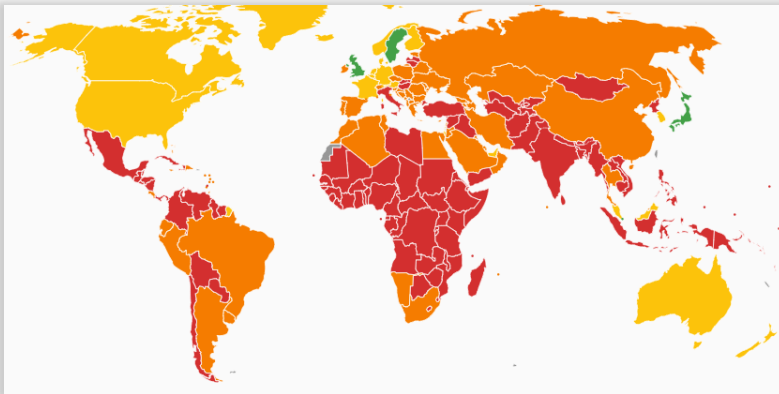
SDG 1: no poverty



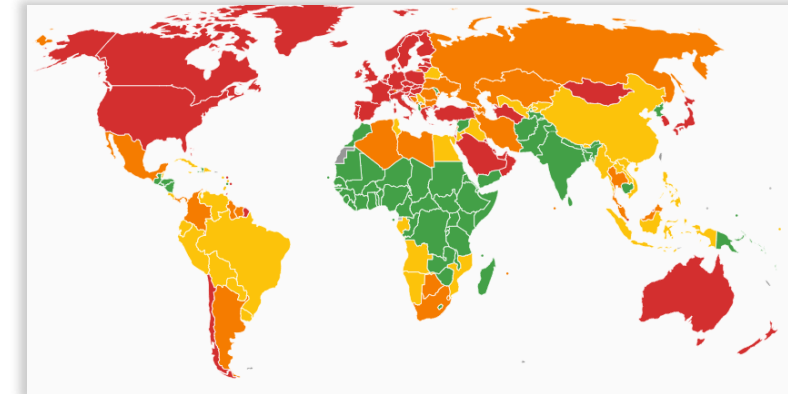
SDG 7: affordable and clean energy



SDG 9: industry, innovation and infrastructure



SDG 13: climate action



● SDG achieved ● Challenges remain ● Significant challenges remain ● Major challenges remain ● Information unavailable

Source: United Nations Sustainable Development Report, 2021. For illustrative purposes only.

Impact opportunities in public fixed income

Long-term investment horizon, aligned with impact objective

Active engagement with issuers to partner for change

Three types of impact security



Positive Impact Bonds

Use of proceeds' bonds verified by Insight's impact bond assessment framework with clear social and environmental benefits



Positive Impact Issuers

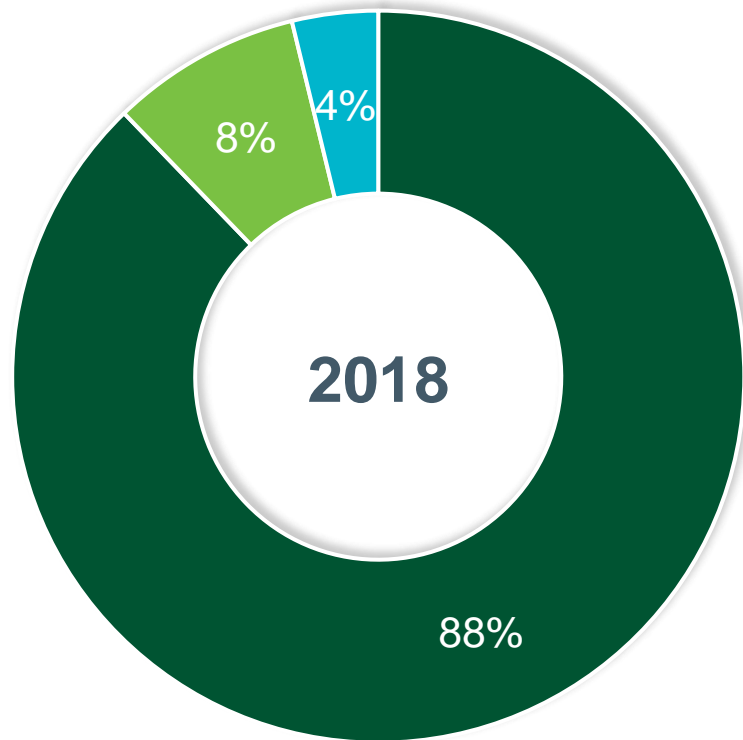
Issuers aligned to UN SDGs or EU taxonomy as verified by Insight's SDG alignment framework



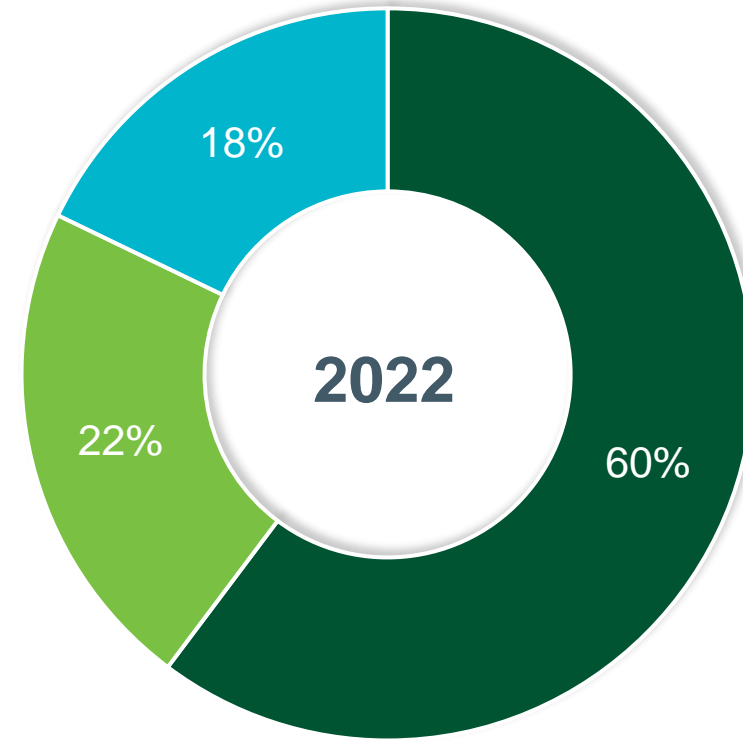
Improving Issuers

Issuers with core investment plans aligned to EU Taxonomy, as verified by Insight's target framework

Impact bond – market evolution



■ Green ■ Social ■ Sustainability



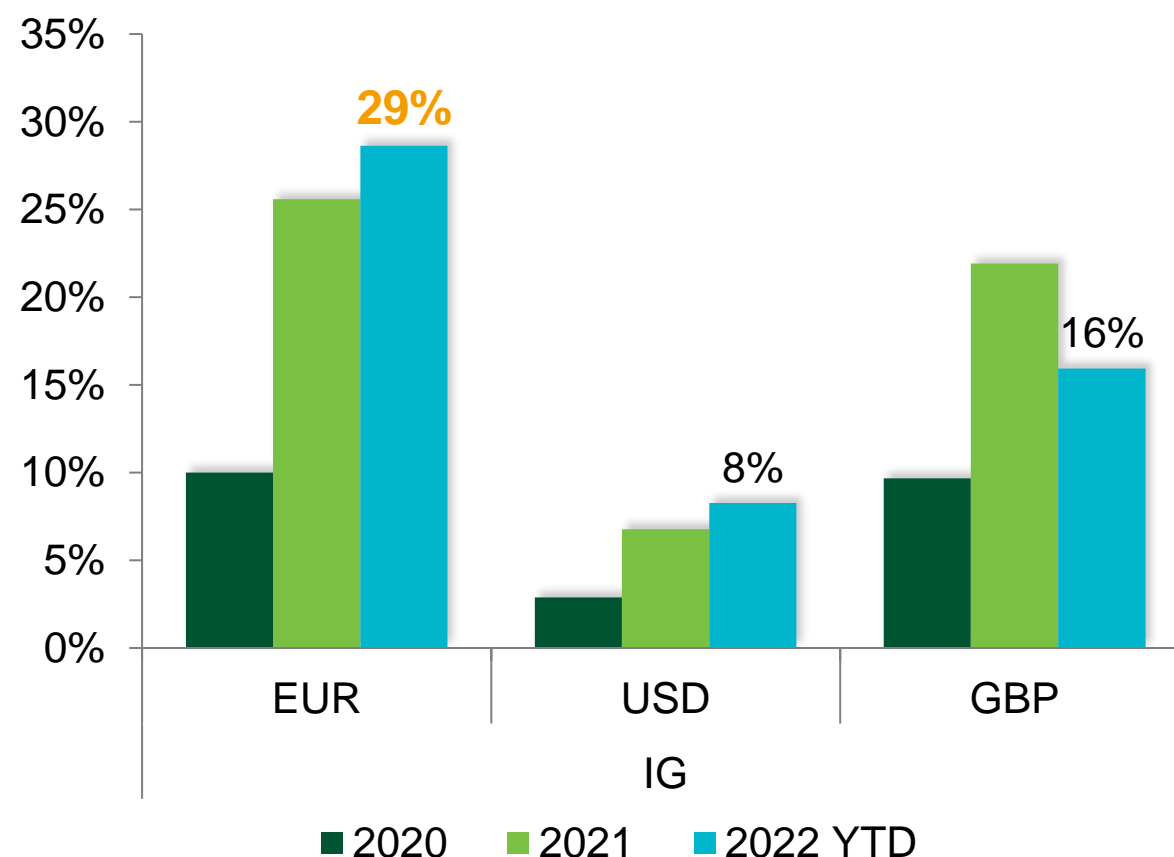
■ Green ■ Social ■ Sustainability

Source: Bloomberg and Insight Investment as at 30 October 2022.

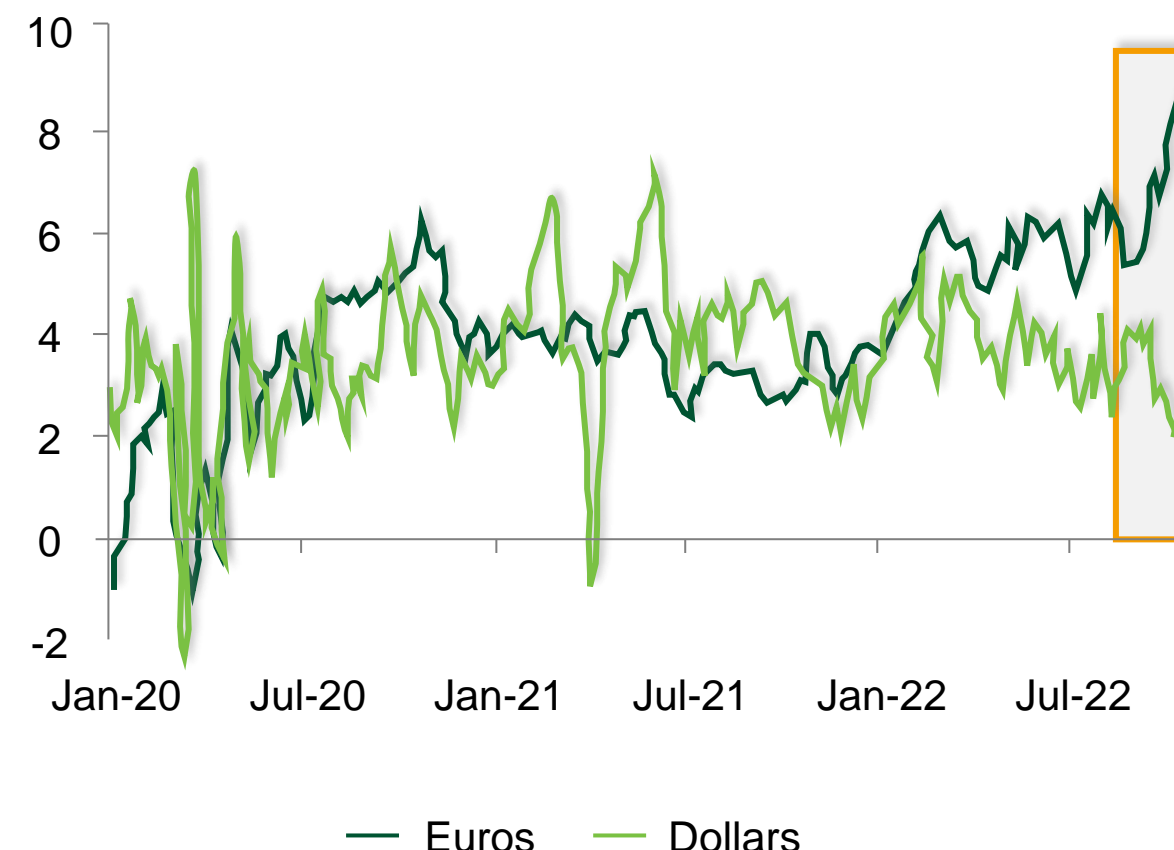
Impact bonds – corporates

Developed markets

Impact bond issuance as % of total corporate supply



Euro greenium gaining ground¹

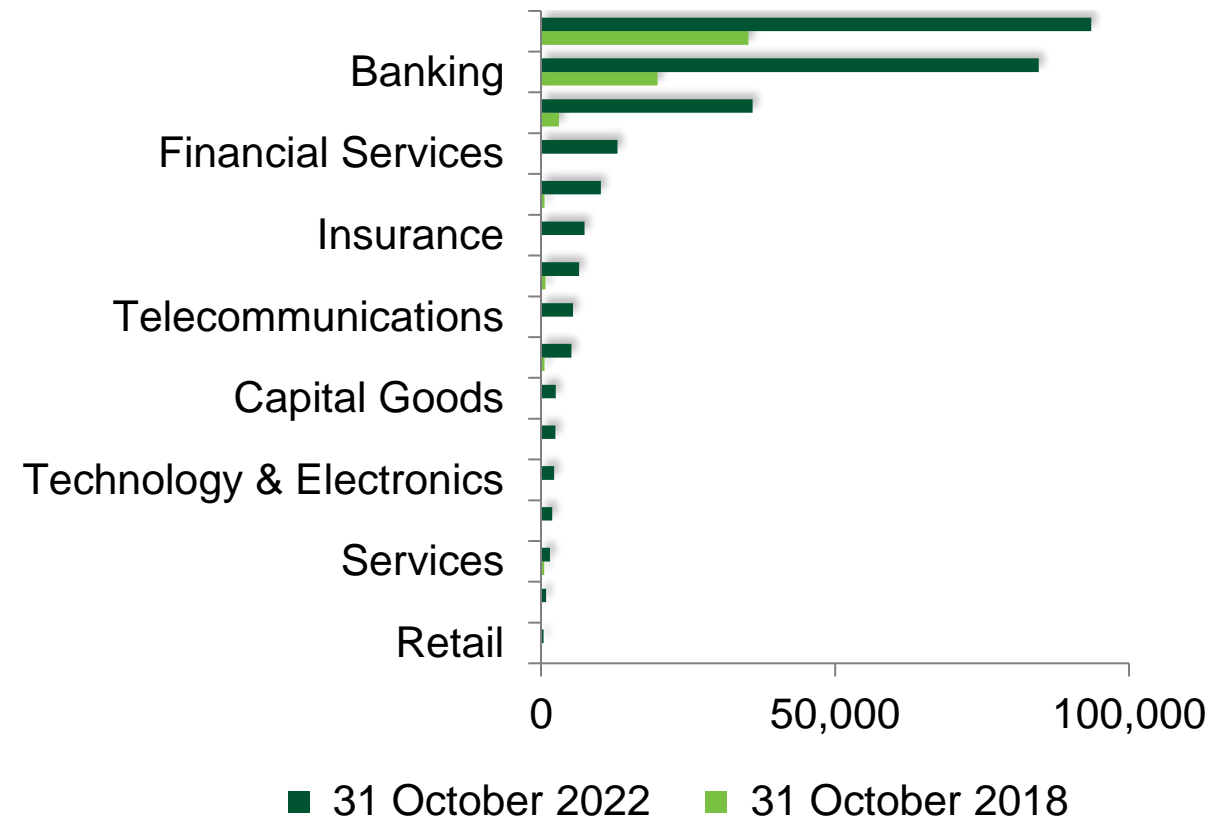


Source: Bloomberg and Barclays as at 30 September 2022.

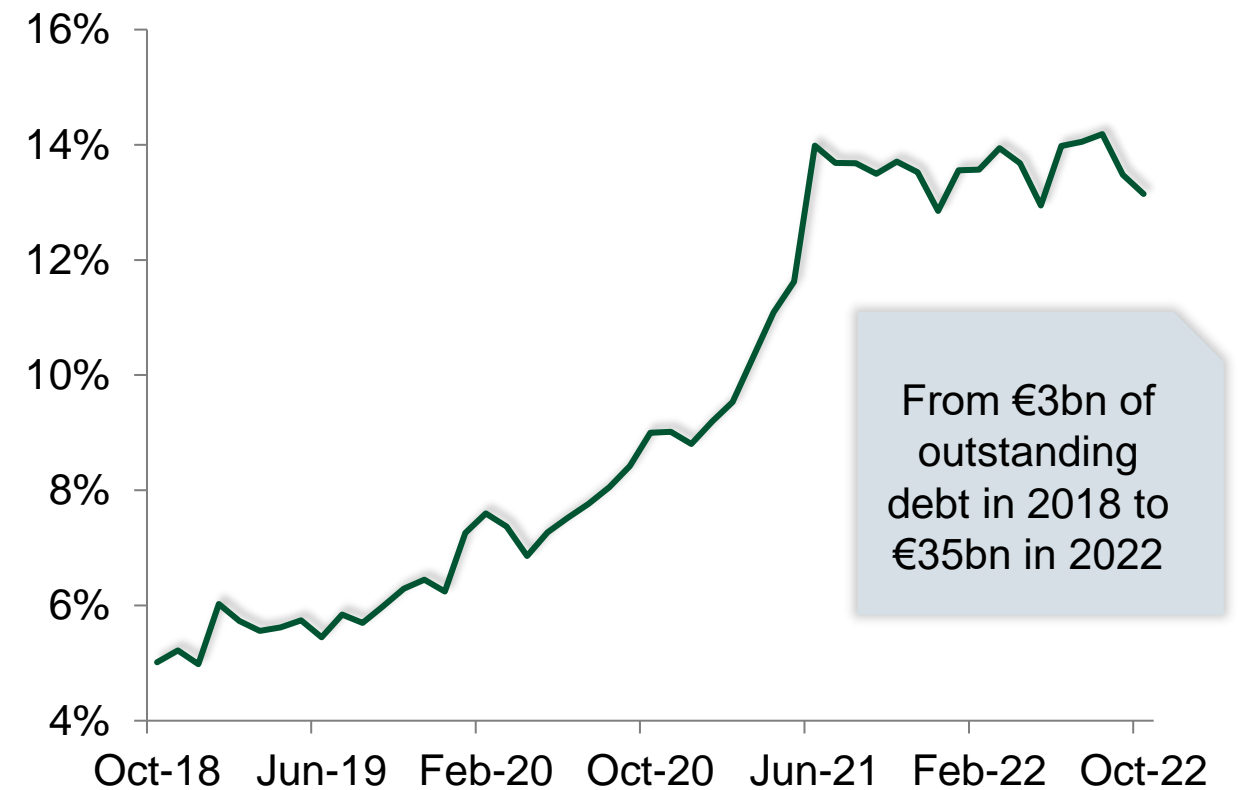
¹ Based on a universe of name, currency and tenor-matched pairs of green and non-green bonds.

Green bond – market evolution

**Euro Green bond market by sector
(€m debt outstanding)**



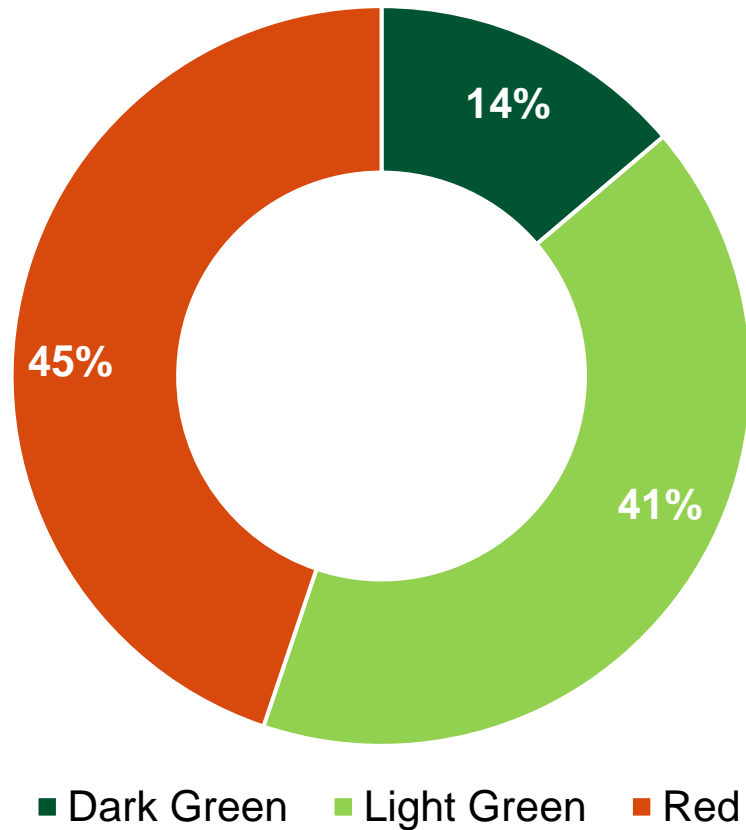
**Real Estate Green Bonds
(% EUR Green Corporate Market)**



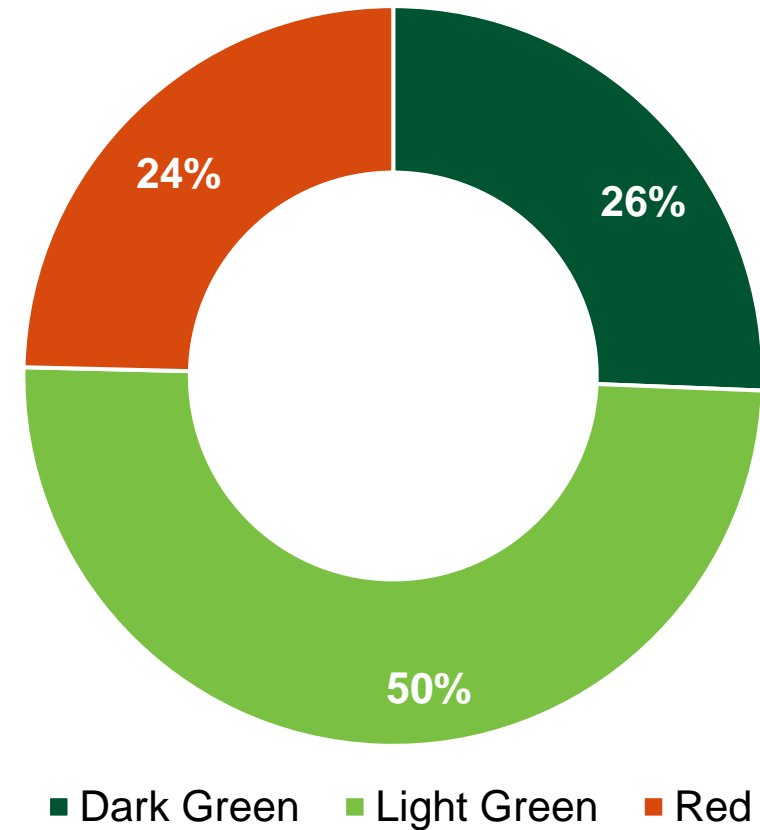
Source: Bloomberg and Insight Investment as at 31 October 2022.

Impact bond analysis

Insight's opinion for impact bonds from Real Estate



Insight's opinion for impact bonds analysed in 2022



Source: Insight as at October 2022.

Responsible Horizons Euro Impact Bond Strategy

Summary as at 30 September 2022



Annual GHG emissions avoided

443 Metric tons CO2e per million invested



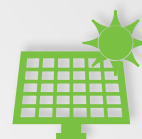
Equivalent to **96** cars off the road*



37.3%

Annual renewable energy generation

487 MWh per million invested



Equivalent to the energy use of **44** homes for one year*



19.5%

Energy consumption savings per year

190 MWh per million invested



Equivalent to **29** cars off the road*



18.5%

Beneficiaries

10 SMEs

35 employees

74 homes connected to the internet

231 lives improved through sustainable healthcare innovations and in underserved healthcare communities



7.6%

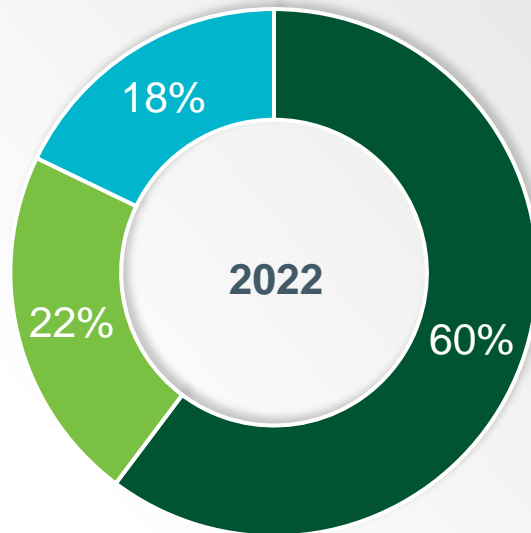
Impact reporting coverage: 43% of the portfolio.

Bonds issued less than 12 months ago are yet to publish an impact reporting.

Source: Insight as at 30 September 2022. ¹ www.epa.gov

Conclusion

The impact landscape has changed



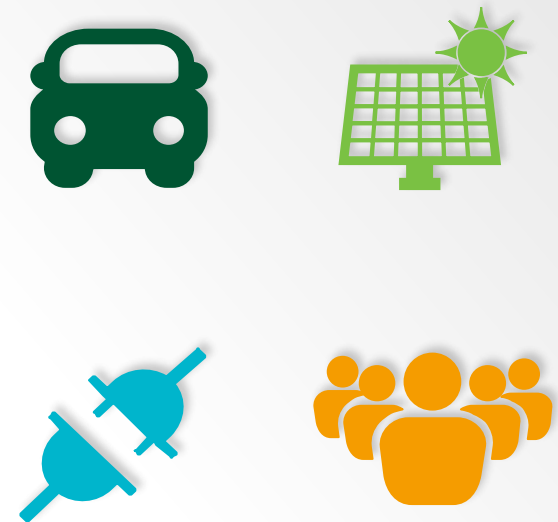
■ Green ■ Social ■ Sustainability

Greenwashing is a reality



■ Dark Green ■ Light Green ■ Red

Clear impact KPIs



Responsible Horizons Euro Impact Bond Strategy

Key investment risks

- **Objective/Performance Risk:** There is no guarantee that the Strategy will achieve its objectives.
- **Derivatives Risk:** Derivatives are highly sensitive to changes in the value of the asset from which their value is derived. A small movement in the value of the underlying asset can cause a large movement in the value of the derivative. This can increase the sizes of losses and gains, causing the value of your investment to fluctuate. When using derivatives, the Strategy can lose significantly more than the amount it has invested in derivatives.
- **Changes in Interest Rates & Inflation Risk:** Investments in bonds/money market securities are affected by interest rates and inflation trends which may negatively affect the value of the portfolio.
- **Credit Ratings and Unrated Securities Risk:** Bonds with a low credit rating or unrated bonds have a greater risk of default. These investments may negatively affect the value of the Strategy.
- **Credit Risk:** The issuer of a security held by the Strategy may not pay income or repay capital to the portfolio when due.
- **Emerging Markets Risk:** Emerging Markets have additional risks due to less-developed market practices.
- **New Strategy Liquidity Risk:** This Strategy is not expected to hold investments which would be considered illiquid, however, while the Strategy is being established, it is possible that the liquidity profile of the Strategy may fluctuate.
- **Environmental, Social and Governance (ESG) Investment Approach Risk:** The Strategy follows an ESG investment approach. This means factors other than financial performance are considered as part of the investment process. This carries the risk that the Strategy's performance may be negatively impacted due to restrictions placed on its exposure to certain sectors or types of investments. The approach taken may not reflect the opinions of any particular investor. In addition, in following an ESG investment approach, the Strategy is dependent upon information and data from third parties (which may include providers for research reports, screenings, ratings and/or analysis such as index providers and consultants). Such information or data may be incomplete, inaccurate or inconsistent.
- **Counterparty Risk:** The insolvency of any institutions providing services such as custody of assets or acting as a counterparty to derivatives or other contractual arrangements, may expose the Strategy to financial loss.

The value of investments can fall. Investors may not get back the amount invested. Income from investments may vary and is not guaranteed.

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