

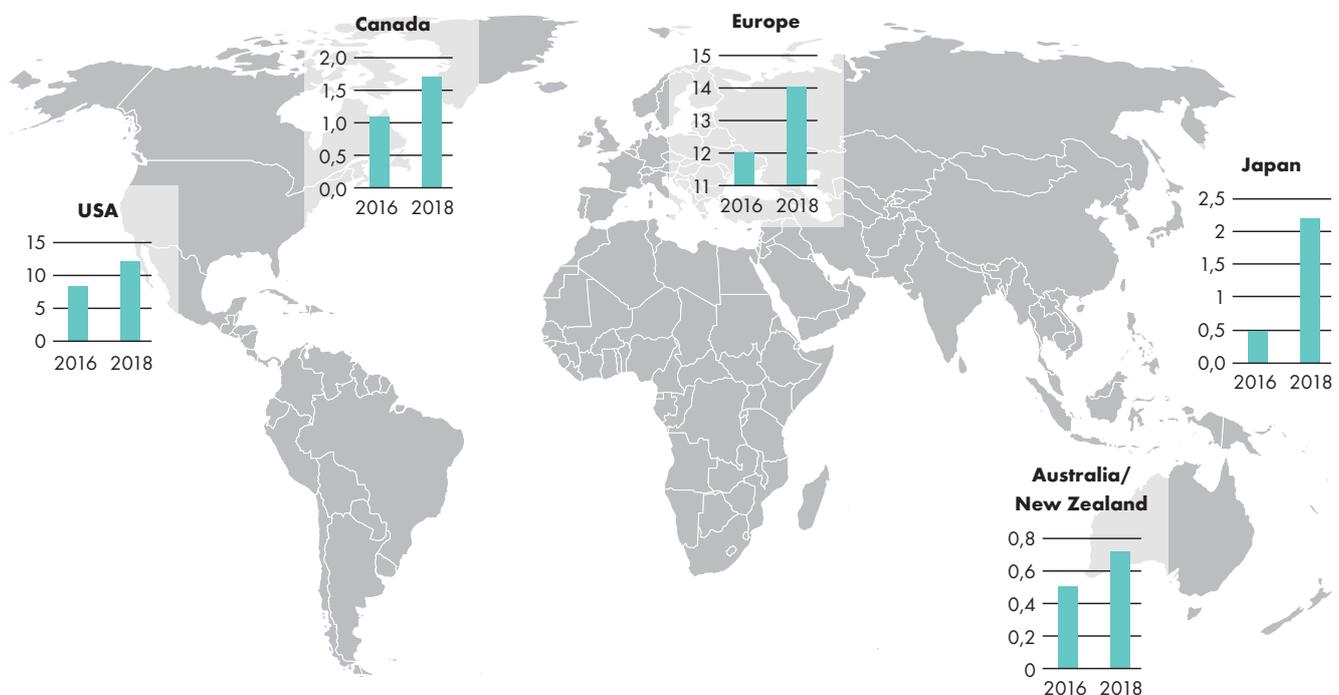
Many people who are doing well are increasingly living more consciously and responsibly towards the environment and society. They sort waste, save energy, buy organic products and question the conditions under which the goods they consume are produced. They make a responsible decision for a sustainable lifestyle. For some years now, sustainability has also been an important argument when it comes to investing money. Indeed, „sustainable investments“ are currently experiencing immense popularity among investors throughout Europe. The volume of these investments has multiplied in recent years.

Europe wants to become climate neutral

On the one hand, this is due to the fact that most people are now personally affected by climate change, which has greatly increased their awareness of sustainable issues. On the other hand, there are also unprecedented measures at political level to counteract the threat of climate catastrophe (Paris Climate Convention, United Nations SDGs, EU Action Plan). With the European Commission’s „Green Deal“, which aims to achieve CO₂ neutrality in Europe by 2050, all areas of business are called upon to make their contribution. This also applies to the investment industry.

Sustainable Investments are growing globally¹

The environment for sustainable investments is steadily increasing on a global level. In all 5 main regions of the world sustainable and responsible investments have been strongly growing since 2016: in Australia / New Zealand, Canada, Europe, in the US and showing especially strong growth in Japan. In all these regions, sustainable investments have a big share on the total assets under professional management. The worldwide Assets under Management in sustainable investments amounted 2018 30,7tn USD, which means a 34% increase vs 2016. And the number is still growing on a global basis.



Source: Raiffeisen KAG, @by stellwanger it. dev. | www.stalwanger.net

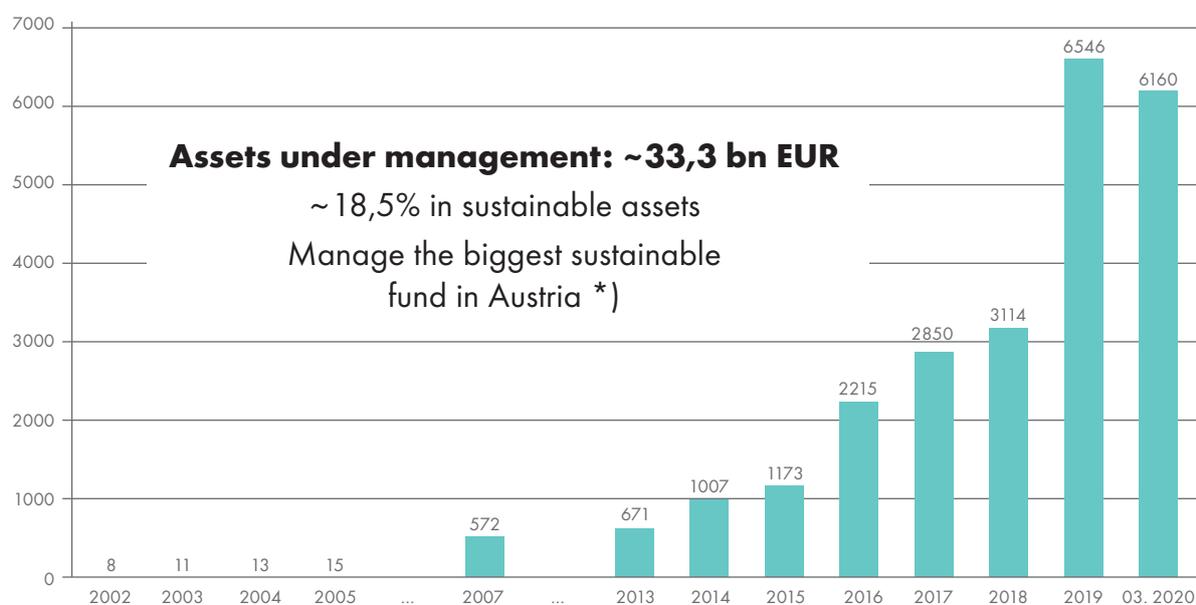
¹Quelle: Global Sustainable Investment Review 2018 issued by Global Sustainable Investment Alliance, www.gsi-alliance.org; Die Vermögenswerte werden in Billionen US-Dollar angegeben. Alle Vermögenswerte für 2016 werden zu den Wechselkursen zum Jahresende 2015 in US-Dollar umgerechnet. Alle Vermögenswerte für 2018 werden zu den Wechselkursen zum Zeitpunkt der Berichterstattung in US-Dollar umgerechnet.

Double effect

But what does sustainable investing mean in concrete? Investing sustainably means that, in addition to purely financial aspects, criteria are used that take into account the environment, society and corporate governance. Thus, in addition to the possible financial return, there is also an environmental and/or social return. Investments are only made in companies that meet the strict ESG² sustainability criteria. However, sustainable investments are also exposed to fluctuations on the capital markets and losses in value are also possible.

Sustainability in the genes: Raiffeisen Capital Management

Raiffeisen Capital Management³ is one of the providers pursuing a particularly disciplined sustainability approach. This subsidiary of Raiffeisen Bank International AG is one of Austria's leading investment fund companies. As a founding member of the Raiffeisen Sustainability Initiative, Raiffeisen Capital Management has been committed to sustainable values for more than ten years. Several years ago, the company clearly positioned itself strategically with the topic of sustainability. The focus is on the launch and management of sustainable investment funds. But that is not all: Raiffeisen Capital Management also relies heavily on dialogue with customer and interest groups and acts as a central contact point for all questions relating to sustainable investment.



Source: Raiffeisen KAG, as of 31 March 2020⁴

Well-established investment process

Raiffeisen Capital Management's sustainable investment process is very strict and has received many awards. The sustainability concept of ESG integration goes far beyond simple exclusions and is based on three levels: „avoid“, „support“ and „influence“. The interaction of all three elements is a prerequisite for the responsible management of sustainable funds. The sustainability analysis takes into account more than 100 criteria from the areas of environmental, social and corporate governance. For example, preference is given to companies that pay attention to low water consumption, CO₂ emissions and waste avoidance in their production. Exemplary treatment of employees throughout the supply chain and an independent supervisory body that monitors management are also important criteria. We deliberately do not invest in armaments, nuclear power, agricultural raw materials, corruption or child labor, among other areas. Finally it is to say that such an investment process does not represent a capital protection.

²ESG: Environment Social Governance

³Raiffeisen Capital Management stands for Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

⁴33.3 bn EUR represents Raiffeisen KAG's Assets under Management in total; the graph shows the Assets under Management of Raiffeisen KAG's sustainable investments, ie 6.2 bn EUR

*) Raiffeisen Capital Management seasonal leader in Sustainable Investment Austria according to the survey of rfu - Mag. Reinhard Friesenbichler Unternehmensberatung, which was published end of April 2020 whereby Raiffeisen-Sustainability-Mix is the biggest sustainable fund managed in Austria.

Are sustainable investments more crisis-proof?

For a long time, sustainable investments have had the reputation of generating lower returns than traditional financial products. In the meantime, many, also even long-term studies have refuted this prejudice. Practical experience shows that the additional information on the sustainability of companies – e.g. through more precise risk assessment – can sometimes even have a positive impact on performance. Sustainability often turns out very quickly to be a measure of quality for companies and issuers, because a good evaluation in stakeholder analysis, which checks how the company deals with employees, customers, suppliers, the environment, etc., very often runs parallel to a good credit rating and healthy corporate development.

Covid 19 crisis: reality check for sustainability funds

During the Covid 19 pandemic, the crisis resistance of sustainable investments was subjected to a reality check. This clearly showed that sustainably managed products are significantly more crisis-resistant than conventionally managed ones. However, sustainable investments are also exposed to fluctuations on the capital markets and losses in value are also possible.

Achieving sustainable structures together

The Covid 19 pandemic is a clear reminder that sustainable structures are of vital importance for our society. The speed with which local risks can globalize presents states and companies with completely new challenges. Issuers who take social and corporate responsibility seriously in times of crisis – and, of course, also outside of crises – will be more resistant to unstable economic phases in the long-term as a result of their positive contribution to society, and will succeed accordingly. As a sustainable investment company, Raiffeisen Capital Management invests in precisely these responsible and future-oriented companies and thus supports a development that makes the structures of our society more sustainable.

Be part of it!

IMPORTANT NOTICE

This is a marketing material of Raiffeisen Kapitalanlage GmbH, as of 07/2020.

Raiffeisen Capital Management stands for Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

Investments in funds are associated with higher risks, including capital losses. Notice to investors with a local currency different from the fund currency: Please note that returns may rise or fall as a result of fluctuating foreign exchange rates.

The value of the investment and returns on it may vary and the investment can cause a capital loss. Investments in funds are not subject to a deposit insurance scheme. Taxation of the client's assets always depends on the client's personal situation and may change. The published prospectuses, information for investors pursuant to § 21 AIFMG, and customer information documents (Key Investor Information Documents) for the investment funds of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. which are registered for sale in the Czech Republic are available in English and in Czech at www.rcm-international.com/cz and at Raiffeisenbank, a. s. (Hvezdova 1716/2b, 140 78 Prague 4).

The funds Raiffeisen-Sustainable-Equities exhibits elevated volatility, meaning that unit prices can move significantly higher or lower during short periods of time, and it is not possible to rule out loss of capital.

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