

MEDIA RELEASE

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Lombard Odier Investment Managers and AIM launch Global Climate Bond strategy

Lombard Odier Investment Managers (‘Lombard Odier IM’) announce the launch of their new Global Climate Bond investment strategy to help combat climate change. This follows a strategic partnership with Affirmative Investment Management (‘AIM’), the fixed income manager dedicated to impact strategies.

Climate bonds are debts issued by governments, supranational entities, municipalities, corporations and other borrowers to finance activities and projects designed to help the world mitigate or adapt to climate change and its effects. They include “labelled” green bonds, a market with defined use-of-proceeds that has grown by 159% year on year since 2013,¹ as well as “climate-aligned”, social and sustainability bonds that are deemed to help in the fight against climate change and support the United Nation’s 2015 Sustainable Development Goals.

The LO Funds–Global Climate Bond Fund (the ‘Fund’) is a diversified investment grade portfolio seeking to simultaneously deliver a low carbon and climate resilient economy, or mitigate some of the effects of climate change whilst targeting a higher yield than a typical investment grade portfolio with lower turnover. This fixed income sub-set is increasingly attractive to investors who wish to make a positive impact on the environment and climate without compromising on risk or returns.

The managers of the Fund will identify investments that provide positive climate-related outcomes such as renewable energy, resource efficiency, land management, water resources, physical infrastructure and marine environment. They will also seek opportunities in under-funded areas, for example climate change adaption, given that 90% of investments are dedicated to mitigation projects today, and in developing countries. Developing countries represent 65% of the need of investment but receive only 17% of the investments today.²

Investors benefit from an investment process combining the strengths of Lombard Odier IM and AIM. Lombard Odier’s Impact Office complements AIM’s independent verification process guiding the impact objectives of the strategy. Lombard Odier IM’s credit research resources enhance the coverage for AIM’s experienced fixed income team with the objective to create a

¹ Source: Bloomberg green bond issuance data 01 December 2016

² Source: [WEF Green Investment Report](#)

portfolio that delivers impact without compromising risk and return. The portfolio is monitored by the independent risk management team of LOIM.

Carolina Minio-Paluello, Global Head of Sales and Solutions at Lombard Odier IM, comments: “Climate bonds offer a beacon of hope for closing the gap between the current and required levels of investment into climate change solutions in order to meet the COP21 objective to limit climate change to two degrees. The increased size and dynamism of the green bond market also goes a long way to improving how impactful investors can be. The new Fund enables our investors to mobilise their capital with a clear understanding of how their assets will be deployed, while generating the same returns for the same risk as a conventional bond portfolio.”

Stephen Fitzgerald, Co-Founder and Chairman of AIM said: “Transparency is a key consideration for investors in the rapidly growing climate bond market, where guidelines around issuance can still appear vague or arbitrary, with no single standard for qualifying projects as being environmentally sound. Expert selection is therefore crucial to ensure investors have a more comprehensive coverage of the full labelled and climate-aligned universe.”

Lombard Odier IM and AIM both have a heritage of sustainability and impact investing. With over 20 years of responsible investment expertise within the Lombard Odier Group, Lombard Odier IM was one of the first institutions to include environmental and social criteria in its financial research, and to offer its clients investment solutions that fully integrate their impact expectations.

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About Lombard Odier

Lombard Odier is a leading global wealth and asset manager focused on providing solutions to private and institutional clients.

For 220 years, the firm has been solely dedicated to serving clients and forged a strong tradition of innovation in the way it advises clients, manages investment strategies and develops new technologies.

With 223 billion Swiss francs of total client assets, per end-June 2016, Lombard Odier provides 360 degree wealth management services including among others succession planning, discretionary and advisory portfolio management and custody services.



Lombard Odier Investment Managers (Lombard Odier IM), the Group's asset management unit, offers its clients a range of innovative solutions including risk-based asset allocation, thematic equity investments, convertible bonds as well as alternative strategies.

One of the world's best-capitalised banks, with a highly liquid balance sheet, Lombard Odier has grown stronger through more than 40 financial crises and stayed true to its primary vocation of preserving and growing clients' wealth.

As an independent business wholly owned by its Partners, stability is the watchword. The Partners are able to maintain a long-term vision and to develop mutual trust with their clients.

Lombard Odier Group employs about 2,250 people. Headquartered in Geneva since 1796, the Group has 26 offices in 19 jurisdictions including London, Paris, Zurich, Moscow, Dubai, Hong Kong, Singapore and Tokyo.

About Affirmative Investment Management

Affirmative Investment Management Partners Limited (AIM) is the first dedicated green bond manager focusing solely on bond and cash investments that generate positive environmental and social externalities. It is an independent, owner managed Private Company established in 2014.

AIM investments support the 17 UN Sustainable Development Goals and the Climate Change Paris Agreement (UN COP 21) and our approach is a fusion of mainstream portfolio management and sustainability principles.

AIM's approach is both unique and new but based on a foundation of experienced professionals, leading innovators and best in class industry support providers. Our co-founders have over 26 years of experience on average.

AIM comprises of a team of individuals who have been strong advocates and instrumental in the evolution of the green bond market. Creating the original green bond eligibility template, the world first green bond fund and the longest performance track record in the market place demonstrating no sacrifice to investment return.

By creating a robust proprietary sustainability verification methodology based on high standards, AIM ensures integrity within our investment universe in a rapidly growing but still nascent asset class.



Through creative innovation of product offerings, pro-active engagement and a pivotal position in the market place, AIM is able to drive and influence new initiatives which will result in a broader and growing Green bond market. AIM is the first fixed income manager to provide an Impact Report across all our portfolios.

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