

CPR INVEST – HYDROGEN: ACTING TODAY FOR TOMORROW’S NET ZERO ECONOMY

CPR AM has been a committed climate player for several years now and has been innovating to offer investment solutions addressing the climate transition across all asset classes.

The Hydrogen fund, a global equities portfolio, comes as an additional piece enriching and diversifying CPR AM’s climate expertise, which accounts nearly €2 billion in assets under management¹. This unique and complementary strategy is entirely dedicated to the financing of the already investable and developing hydrogen value chain, set to play a crucial role in making the net zero economy a reality. The fund is among the first on the market to invest in this theme of the future, and to do it through a conviction-based management and an impact approach.

WHAT ARE THE MAIN MOTIVATIONS BEHIND THE GENESIS OF THE HYDROGEN STRATEGY?

At CPR AM, we are convinced that hydrogen will be a game-changer and play a key role in achieving tomorrow’s net zero economy. At present, clean hydrogen represents our best option for fully decarbonising our economy. It is indeed the only viable solution to cut emissions in sectors that are hard to decarbonise by current renewables such as heavy industry or transport, bridging thereby the gap where direct electrification is difficult if not impossible.

Additionally, the market timing is just right. We firmly believe that the unprecedented momentum that



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hydrogen is enjoying today is completely justified and here to stay. Global push and commitments towards sustainability, technological advancements, dropping costs and massive investment initiatives from both private and public actors are granting full support to the growth of the emerging hydrogen economy. Indeed, the global green hydrogen market is projected to be worth \$11 trillion dollars by 2050². The time to power our net zero future is definitively now!

IN BRIEF, WHAT IS THE FUND’S INVESTMENT PHILOSOPHY TO HARNESS THE POTENTIAL OF THIS PROMISING INDUSTRY?

The use of hydrogen is already here and part of our economy. Through this fund, we are willing to support the transition to green hydrogen production and use while benefiting from the significant growth opportunities associated to its nascent economy.

To do so, the fund invests in global equities involved in the entire hydrogen ecosystem from the upstream to the downstream businesses. Furthermore, the fund adopts a rigorous and multi-fold sustainable approach. To obtain a responsible investment universe we exclude companies with the worst ESG behaviours by applying our in-house ESG policy complemented by

a controversies’ follow-up relying on the database of three external providers. The fund is also SFDR Article 9 compliant.

FOCUSING ON THE INVESTMENT UNIVERSE, HOW HAS IT BEEN STRUCTURED IN MORE CONCRETE TERMS?

As mentioned previously, our investment universe englobes the entire hydrogen value chain from upstream with green energies to downstream with various users such as automotive and rail industries, through storage and distribution.

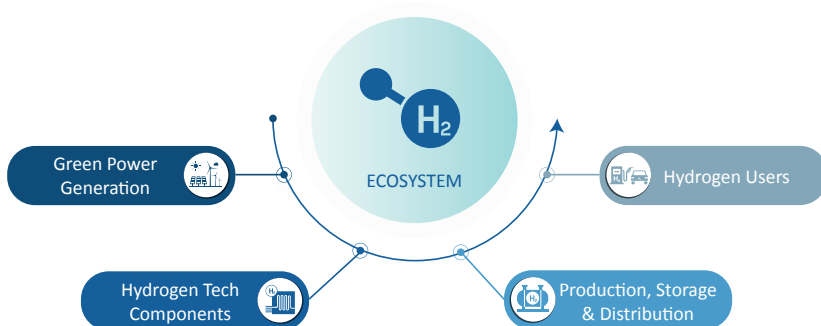
More concretely, our hydrogen investment universe includes companies whose activity revolves around the manufacturing of wind turbines or solar panels. Indeed, clean electricity is essential for generating the chemical reaction that splits water into oxygen and green hydrogen. This water splitting process known as electrolysis is enabled by the use of electrolyser devices. Therefore, companies involved in the developing and deployment of this fundamental technology are also to be found in our universe.

Furthermore and as cited above, we also select companies benefiting from hydrogen use. In fact, hydrogen being an energy vector with high versatility, it has multiple applications and can be used to decarbonise different sectors including steel industry, long-haul transport and even agriculture. And for sure, with the advances in hydrogen production, new applications will see the day and additional companies will join the Hydrogen economy.

HOW ARE THE COMPANIES ENTERING THE INVESTMENT UNIVERSE SELECTED?

We target companies with material and concrete exposure to hydrogen. Many companies express the wish to shift to green hydrogen but this “good will” is often not followed by concrete actions. Intentionality has to be material and that is why we include in our universe only companies whose management has set out a real vision for hydrogen accompanied by ongoing hydrogen projects that are beyond the R&D phase and in an advanced development stage.

As we might expect, the fund’s investment universe is particularly dynamic and regularly evolving reflecting obviously the booming hydrogen industry. The management team ensures an accurate follow-up of all the projects, technologies, initiatives and regulations likely to push hydrogen. Indeed, the hydrogen projects are blooming worldwide and new names are constantly joining the hydrogen scene. We follow them up closely in order to ensure once again that there is significant materiality related to their hydrogen activities and projects.





WHAT ABOUT THE PROFILE OF THE INVESTMENT UNIVERSE, ANY PARTICULAR FEATURE STANDING OUT?

As our investment universe covers the whole Hydrogen spectrum, not surprisingly, from a sectoral point of view, it has a bias on industrials, utilities, materials and energy corresponding also to the core areas of hydrogen’s value chain.

Geographically speaking, the universe is mostly exposed to Europe and Asia (including Japan) representing also the epicentre of the most advanced hydrogen technologies and projects today. With this regard, it is worth pointing out that the geographical breakdown of the universe is likely to evolve as additional countries commit to hydrogen.

We can take the example of the United States, which were clearly lagging behind and are now trying to catch up and reduce the gap by engaging in aggressive hydrogen deployment strategies. The U.S. hydrogen scene is currently dominated by unlisted companies including start-ups, constantly filing patents for hydrogen-related technologies and activities, making of the U.S. the 2nd most active country in this domain. Some of these companies will most probably go public or be the target of M&A deals in the near future and as such, be eligible to enter our investment universe.

TO CONCLUDE, COULD YOU SPEND A FEW WORDS ON THE PORTFOLIO AND FUTURE PERSPECTIVES?

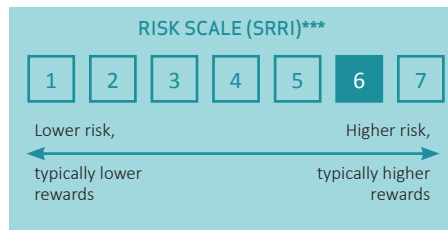
As we are exposed to the entire hydrogen value chain, the portfolio is pretty diversified and not fully concentrated. Additionally, the portfolio is actively managed and we take care of building a robust risk-adjusted portfolio by closely managing constraints. The final portfolio includes between 60-80 stocks and reflects the same biases as its investment universe.

We are very confident that the economy that is being built around hydrogen will continue the take-off at a rapid pace. The clean energy future with hydrogen is absolutely not out of reach, the best is yet to come. Technology, cost as well as public and private investments are all going and will continue to go on the right direction supporting the growth of the hydrogen economy. This is the time to shift and support the transition to clean hydrogen, the only viable solution to meet the net zero objectives.

KEY INFORMATION

SHARE CLASS	A EUR-Acc LU2389405080	I EUR-Acc LU2389406054	E EUR-Acc LU2389405916
Inception date	30/11/2021		
Currency	USD		
Reference indicator	MSCI All Country World Index Net Total Return (used a posteriori, without imposing a specific management)		
Investor type	All investors	Institutional investors	“Early Bird” institutional investors, first subscribers at fund inception until a certain threshold or a certain period is reached
Minimum 1 st subscription	1 fraction of share	100,000 €	100,000 €
Max. subscription / redemption fee	5.00% / none		
Max. management fees p.a. (incl. tax)	1.50%	0.75%	0.35%
Max. administration fees p.a. (incl. tax)	0.30%	0.20%	0.20%
Max. conversion fees (incl. tax)	5.00%		
Performance fees (incl. tax)*	15% of the performance above the reference assets, within the limit of 2% of the net assets		

RISKS**	
Capital loss	YES
Equities & market	YES (incl. small caps and emerging markets)
Counterparty	YES
Currency	YES (incl. emerging countries)
Volatility	YES
Liquidity	YES



Synthetic information to be completed by the consultation of the legal documents for the fund. Any subscription is made on the basis of the most recent Key Investor Information Document (KIID) which contained essential information regarding the fund. Not all share classes or units and, as the case may be, share categories are registered for sale in all countries. Investors may contact CPR Asset Management for further information.

* A detailed explanation of the performance fees or variable fees is provided in the KIID and prospectus which are available upon request at CPR Asset Management or on the website www.cpr-am.com. ** Please consult the KIID or the prospectus for a comprehensive explanation of all fees and risks related to the fund. *** Synthetic Risk and Reward Indicator (SRRI) corresponds to the risk and reward profile as per the KIID and may change over time. The lowest level of risk does not mean “risk free”.

1. CPR AM, as at 30 November 2021.
2. “The Special 1 — Hydrogen Primer”, September 2020, BofA Global Research.

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