

Commerz Real launches first impact fund for private investors with focus on real assets

- **Combination of measurable contribution to climate protection and financial return of 3 to 4 per cent p.a.**
- **Regular reporting on eliminated CO2 emissions**
- **Opinion poll confirms: 66 per cent would like impact products, but only 22 per cent see offerings on the market**

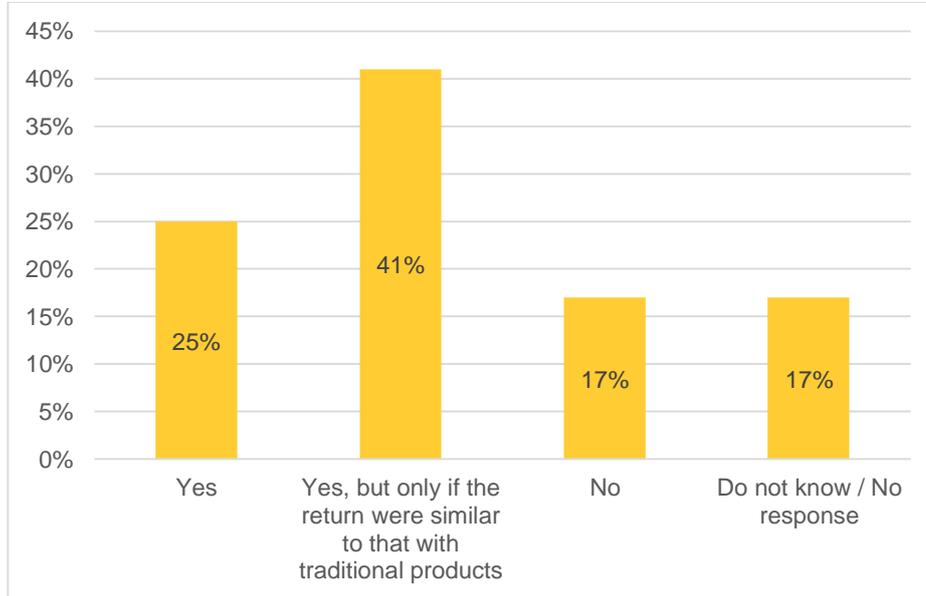
Commerz Real has launched the first impact fund for private investors which focuses on real assets – Klimavest. Over the course of its fund term of at least 50 years, it intends to grow a portfolio of renewable energy generation investments as well as sustainable infrastructure, mobility and forestry with a value of at least 25 billion euros, of which about 10 billion euros are equity capital. In contrast to conventional sustainability funds, Klimavest is investing in assets which make a tangible and thus demonstrable contribution to a reduction in carbon dioxide (CO₂) emissions. Furthermore, there are additional strict sustainability parameters pursuant to the current EU Taxonomy Regulation. The fund management will endeavour to attain an annual return (BVI-Methode) of between 3.0 and 4.0 per cent. Investors can participate with sums of 10,000 euro upwards and in addition to expected value appreciation they are provided with regular reporting on the positive climate impact of the fund's assets. In addition, using a digital CO₂ calculator, it is possible to calculate the impact of the investment on the personal CO₂ footprint for the sum subscribed. An investment horizon of at least five years is recommended. The shares in the open-ended fund can be redeemed on a daily basis at net asset value. Klimavest is domiciled in Luxembourg and structured as an ELTIF (European Long Term Investment Fund).

“In order to attain the climate targets of the European green deal it is necessary to step up investments considerably,” explains Johannes Anschott, the Chief Executive Officer of Commerz Real. “With Klimavest we intend to make a substantial contribution towards the transition to renewable energy and demonstrate that this is possible in combination with an attractive return and appropriate risk for private investors.” According to calculations by Commerz Real it would be possible, for example, to reduce carbon dioxide emissions by 300,000 to 400,000 tonnes per annum with an initial investment of one billion euros. With a minimum investment of 10,000 euros in Klimavest this would approximate to three to four tonnes per annum. “That is the impact,” adds Anschott. Commerz Real has already acquired nine wind farms as well as one solar park in Germany, Spain and Sweden with a total installed capacity of 150 megawatts.

For Commerzbank, which is initially exclusively marketing the product, Klimavest is an important addition to its product range. “The interest of our clients in sustainable financial investments has increased considerably,” says Sabine Schmittroth, a member of the board of management of Commerzbank. “The investments in our sustainable asset management have increased by 50 per cent this year, to about 350 million euros at present. This trend will intensify. Klimavest is therefore the right product at the right time. Our clients now have an additional offering for sustainable investments.”

This assessment is confirmed in a survey of 2018 German citizens in August of this year by the market research institute YouGov commissioned by Commerz Real. Accordingly, 66 per cent of the respondents would either generally invest in such a product or would do so if the return were similar to that with traditional products:

Question: Assuming you wanted to invest money and there was a financial investment product which combines an attractive return with an active, tangible contribution to the promotion of climate protection, would you invest in this product?



Source: Commerz Real, YouGov

In the same survey the question of whether in the opinion of the respondents there are currently such financial investment products on the market was affirmed by just 22 per cent. In contrast, 34 per cent were of the opinion that there is no corresponding offering.

“With Klimavest we are closing a significant gap in the market,” comments Tobias Huzarski, Head of Impact Investment at Commerz Real since the beginning of 2020. “We are connecting the fields of sustainability, real assets and digitalisation, so as to deliver a solution to private investors to access to downside-protected investments whilst making a positive ecological impact.” While so-called ESG (Environmental, Social and Governance) funds are usually defined by exclusion criteria, for instance no investments in lignite, impact funds have the objective of making a measureable positive environmental and/or social contribution. Klimavest has the objective of limiting global warming by lowering carbon dioxide emissions, for example, while at the same time attaining a suitable return.

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Commerz Real AG

Commerz Real is a subsidiary of Commerzbank AG with more than 45 years of market experience and approximately 34 billion euros in assets under management. The company combines comprehensive know-how in asset management and a broad-based structuring expertise to deliver its signature range of services of fund products focused on tangibles and bespoke financing solutions. The fund spectrum includes the open-ended real estate fund Hausinvest, institutional investment products as well as corporate venture stakes.

Commerz Real has been investing in infrastructure assets for more than 20 years already, focusing on the three areas Transport & Mobility, On-Grid Infrastructure and Energy Generation. In total Commerz Real has successfully concluded more than 80 transactions across all three areas. With a transaction volume of approx. 7 billion euros it is one of the largest German asset managers in this segment. The main focus of the transactions in recent years has been in the field of renewable energies. Here Commerz Real manages more than 50 solar power stations and – excluding the Klimavest portfolio – fourteen onshore and off-shore wind farms. Their total installed capacity is more than 1 gigawatt. In accordance with the definition of the International Atomic Energy Organisation, IAEA, this corresponds to the average output of an atomic power station.

Commerz Real orients its activities to the corporate mission statement “We create inspirational sustainable environments – success through responsibility”. www.commerzreal.com