



COP 27: One step forward and two steps back?

Such a development seemed highly unlikely at the beginning of the summit because, in more than 30 years of climate talks, such a measure had proved a

The Sharm El-Sheikh final text referenced the need to transform the financial system to enable it to tackle climate change. I fear this will prove impossible if policymakers continue to avoid their responsibility to tackle the problem head-on.



After all, past commitments such as the 2009 commitment to mobilize \$100 billion annually in climate finance for developing countries by 2020 still yet to be fulfilled.



Carbon Capture

Carbon Capture and Storage (CCS) is set to have a major role to play in helping decarbonise the global economy.

CCS involves collecting the carbon dioxide produced by the burning of fossil fuels for power generation or industrial activity, such as steel or

cement making, before it enters the atmosphere.

The greenhouse gases collected are then stored deep underground. The most likely sites for storage include saline aquifers or depleted oil and gas reservoirs.

Should this technology be successfully rolled out at scale, it could allow the continued use of fossil fuel burning with much lower greenhouse gas emissions trapped in the atmosphere. The International Energy Agency (IEA) says it could contribute up to 20% of emission reductions in a net-zero emissions scenario.

The pulse

Equity Indexes

As of 11/30/22	Performance (Net total return)					As of 11/30/22	Risk (Annualized Standard Deviation)			
	Year to date	3 Year	5 Year	10 Year	Since Nov 29 2013 (Annualized)		3 Year	5 Year	10 Year	Since Nov 29 2013 (Annualized)
MSCI WORLD	-14.51%	7.53%	7.35%	9.53%	7.80%	MSCI WORLD	20.31%	17.82%	14.37%	14.86%
MSCI WORLD CLIMATE CHANGE	-18.44%	7.63%	7.71%		8.39%	MSCI WORLD CLIMATE CHANGE	20.69%	18.10%		15.04%
MSCI WORLD LOW CARBON LEADERS	-15.01%	7.48%	7.40%	9.74%	7.87%	MSCI WORLD LOW CARBON LEADERS	20.31%	17.85%	14.43%	14.90%
MSCI WORLD CLIMATE PARIS ALIGNED	-17.95%	6.80%	7.41%		8.57%	MSCI WORLD CLIMATE PARIS ALIGNED	20.66%	17.97%		14.95%
MSCI EM (EMERGING MARKETS)	-18.95%	0.14%	0.42%	2.07%	1.89%	MSCI EM (EMERGING MARKETS)	20.69%	18.73%	16.69%	17.20%
MSCI EM (EMERGING MARKETS) CLIMATE CHANGE	-20.22%	0.02%	0.54%		2.30%	MSCI EM (EMERGING MARKETS) CLIMATE CHANGE	20.72%	18.88%		17.23%
MSCI EM LOW CARBON LEADERS	-18.15%	0.23%	0.65%	1.93%	1.65%	MSCI EM LOW CARBON LEADERS	34.00%	28.06%	22.26%	23.22%
MSCI EM CLIMATE PARIS ALIGNED	-19.79%	1.20%	0.16%		2.23%	MSCI EM CLIMATE PARIS ALIGNED	20.63%	18.77%		17.14%
SOLACTIVE GBS DEVELOPED MARKETS LARGE & MID CAP INDEX	-14.70%	7.36%	7.25%	9.50%	7.77%	SOLACTIVE GBS DEVELOPED MARKETS LARGE & MID CAP INDEX	21.11%	17.85%	14.59%	15.03%
SOLACTIVE ISS ESG DEVELOPED MARKETS PARIS-ALIGNED BENCHMARK INDEX	-17.18%	5.94%	6.44%			SOLACTIVE ISS ESG EMERGING MARKETS PARIS-ALIGNED BENCHMARK INDEX	20.20%	17.08%		
SOLACTIVE ISS ESG DEVELOPED MARKETS CLIMATE TRANSITION BENCHMARK INDEX	-15.56%	6.47%	6.71%			SOLACTIVE GBS DEVELOPED MARKETS LARGE & MID CAP INDEX	20.40%	17.22%		
SOLACTIVE GBS EMERGING MARKETS LARGE & MID CAP INDEX	-16.73%	0.58%	0.07%	2.76%	2.55%	SOLACTIVE GBS EMERGING MARKETS LARGE & MID CAP INDEX	-19.50%	17.01%	15.24%	15.47%
SOLACTIVE ISS ESG EMERGING MARKETS PARIS-ALIGNED BENCHMARK INDEX						SOLACTIVE ISS ESG EMERGING MARKETS PARIS-ALIGNED BENCHMARK INDEX				
SOLACTIVE ISS ESG EMERGING MARKETS CLIMATE TRANSITION BENCHMARK INDEX						SOLACTIVE ISS ESG EMERGING MARKETS CLIMATE TRANSITION BENCHMARK INDEX				

Fixed-Income Indexes

As of 11/30/22	Performance (Net total return)					As of 06/30/22	Risk (Annualized Standard Deviation)			
	Year to date	3 Year	5 Year	10 Year	Since Nov 29 2013 (Annualized)		3 Year	5 Year	10 Year	Since Nov 29 2013 (Annualized)
MSCI USD HY CORPORATE BOND	-11.57%	0.30%	1.76%	5.27%	1.85%	MSCI USD HY CORPORATE BOND	11.57%	8.74%	7.63%	9.24%
MSCI USD HY CLIMATE CHANGE CORPORATE BOND	-12.23%	0.27%			1.74%	MSCI USD HY CLIMATE CHANGE CORPORATE BOND	9.88%			7.99%
MSCI USD IG CORPORATE BOND	-14.94%	2.46%	0.81%	3.70%	0.78%	MSCI USD IG CORPORATE BOND	8.62%	6.79%	5.77%	7.17%
MSCI USD IG CLIMATE CHANGE CORPORATE BOND	-14.96%	2.52%	0.79%		0.76%	MSCI USD IG CLIMATE CHANGE CORPORATE BOND	8.27%	6.56%		6.92%

Source: MSCI Inc - <https://www.msci.com/> ISS ESG - <https://www.issgovernance.com/esg/ratings/> Solactive AG - <https://www.solactive.com/indices/>

Climate Pulse

This newsletter should not be copied, distributed, published or reproduced, in whole or in part. The information contained in this newsletter was obtained from publicly available sources, may not be current and has not been independently verified by V-Square Quantitative Management LLC ("V-Square"). V-Square has no obligation to provide any updates or changes. All price references, market forecasts and index performance are correct as of the date specified. Investing involves risks. This newsletter is not a product of V-Square and the information contained in this newsletter is not financial research. The views and opinions expressed in this newsletter are the views of Mamadou-Abou Sarr, V-Square President. V-Square is not providing any financial, economic, legal, accounting, or tax advice or recommendations in this newsletter. The information contained in this newsletter does not constitute investment advice or an offer to buy or sell securities from V-Square should not be relied upon to evaluate any potential transaction. Additionally, the receipt of this newsletter by any reader is not to be taken to constitute such person a client of V-Square. Neither V-Square nor its affiliates make any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this newsletter and any liability therefore (including in respect of direct, indirect, or consequential loss or damage) is expressly disclaimed.

Performance data quoted represents past performance and does not guarantee future results. Index performance does not represent V-Square's performance. Widely followed ESG based indexes have been selected along with a broad index for comparison purposes, other indexes are available. It is not possible to invest directly in an index. Actual returns may differ and include the possibility of a loss of principal. Index returns are calculated by their respective index creators. All data as of date indicated and subject to change. V-Square accepts no responsibility or liability for any errors or for any loss from the use of this newsletter page or any of the information or data contained herein. Before investing, carefully consider the investment objectives, risks, charges, and expenses. The information contained herein has been obtained from public sources and is believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate or complete and it should not be relied upon as such.

© MSCI Inc., 2022. All Rights Reserved. MSCI Inc. and/or its content providers are the proprietors of this information; do not permit its unauthorized copying or distribution; do not warrant it to be accurate, complete, or timely; and are not responsible for damages or losses arising from its use.

© Solactive AG, 2022. All Rights Reserved. Solactive AG and/or its content providers are the proprietors of this information; do not permit its unauthorized copying or distribution; do not warrant it to be accurate, complete, or timely; and are not responsible for damages or losses arising from its use.

© 2022 V-Square Quantitative Management LLC. All rights reserved. All trademarks are those of their respective owners.