

FAQ

What is Globalance World?

Globalance World is a digital world map for investors who can use it to assess the future viability and sustainability of their investments. It helps the user to better understand the complex relationships of financial investments and their impact by means of interactive infographics.

Why did Globalance develop this platform?

Globalance inspires, accompanies and enables investors to successfully invest in future-oriented companies and investments that solve global challenges and shape a positive future. This tool for investors is testimony to our unparalleled transparency and capacity to innovate.

What added value does Globalance World offer the investor who uses the tool? How does it help them in their investment decisions?

"The user has access to thousands of companies and their impact on the economy, society and the environment. There is always something new to discover and more investment opportunities are constantly being added.

Basic functions such as the analysis of known companies are free of charge, but registered users can have their own portfolio analysed.

Globalance World helps the user to better understand the complex interrelationships of investments and their effects.

We enable transparency in a breadth and depth never before achieved. In this way, we also account for how our investment principles of sustainability and future viability are implemented in our strategies.

With Globalance World we prove that engaging with one's own wealth can be exciting, instructive and satisfying."

In which languages is Globalance World available?

Users can select German or English on the Menu Page at the bottom.

How is the Footprint of a portfolio calculated?

The Footprint-Scores of all investments are capital-weighted and added up.

What does the Globalance Footprint say?

It shows you – personalised and at a glance – the impact of your wealth on the economy, society and environment. Be it in terms of bonds, stocks, real estate or “real assets”, we take a systematic approach to assessing the impact of all your investments. Our framework is easily comprehensible and objective. In all, nine criteria represent the sustainable underpinnings of prosperity, society’s future viability and the preservation of our natural resources. Footprint is positive when Score > 57.

What data is the Globalance Footprint based on?

Globalance pursues its own methodological approach and research for this purpose. We obtain processed raw data from specialised third parties. We select the best, which ensures a wide variety of sources and opinions. We are networked worldwide with the reference organisations for the relevant topics (multilateral organisations, academic institutes, consultancies, think tanks/foundations/NGOs, government agencies or futurologists). We are responsible for interpretation, weighting, classification, evaluation and reporting.

What is the difference between the Footprint and "ESG"?

We look forward, not back. In contrast to conventional ratings, we strive for a life cycle picture. The effect of the use/consumption of a product is often more relevant than its manufacture. We give more weight to the absolute Footprint. Distortions of relative, i.e. "best in class" research data are corrected. We also take into account the economic impact that is missing in "ESG".

Does the Globalance Footprint bring a positive financial return?

Yes, our selection of sustainable investments is improved by the integral consideration of the Footprint assessment. This is done in tandem with the selection of the correct risk profile and a detailed financial analysis. Our stock selection has outperformed the global market (MSCI World) in recent years.

How is the Megatrend-Share of a portfolio calculated?

The Megatrend-Shares of all investments are capital-weighted and added up.

What do Megatrend-Shares say?

The Globalance Megatrend-Share shows you the share of revenues of an asset or a portfolio that is achieved in one or more megatrends.

On which data are the Megatrend-Shares based?

Globalance pursues its own methodological approach to this. Based on established sector classifications, revenue shares are allocated to the various megatrends in granular form. We obtain sales data from specialized third parties.

How have the Megatrends been selected?

Globalance pursues its own methodological approach to this. Selection criteria (and distinguishing features from fashion trends) are Longevity; global nature; urgency and strong, interdependent effects.

What does the Warming Potential say?

This indicator measures the alignment of a company or portfolio with the temperature target of the Paris Agreement. The Warming Potential metric is calculated based on the current emissions of the companies in the portfolio and their potential to reduce these emissions over time.

How is the Warming Potential of a portfolio calculated?

Globalance uses the international standards of proportionally included emissions ("portfolio-owned emissions"): This method considers the capital share in the portfolio as well as the capital share in the enterprise value (EVIC). This method was also developed by the TCFD Portfolio Alignment Team and leads to a standardisation within the financial sector.

On which data is the Warming Potential based?

The Warming Potential is based on a method developed by MSCI ESG.

What are the limitations of the method for measuring global warming potential?

In many sectors, the availability of Scope 3 data is insufficient at present. The financial intermediaries are worth mentioning in this context: their Scope 3 emissions arise from investments and account for the largest share of banks' emissions. Globalance is aware of this limitation and is in contact with the data provider in this regard.

What do the financial returns say?

This section transparently informs you about the financial performance of your overall portfolio, individual asset classes and single investments.

On which data are the financial returns based?

Depending on the portfolio category, there are links to our own banking system or to third-party trading data.

Do the megatrend and footprint analyses restrict the investment universe?

No. When putting together our client portfolios, the same sector coverage is possible for equities, corporate bonds and government bonds. There is also sufficient geographical diversification potential.