

ET INDEX RESEARCH



Cut carbon, beat the market.

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Low carbon outlook

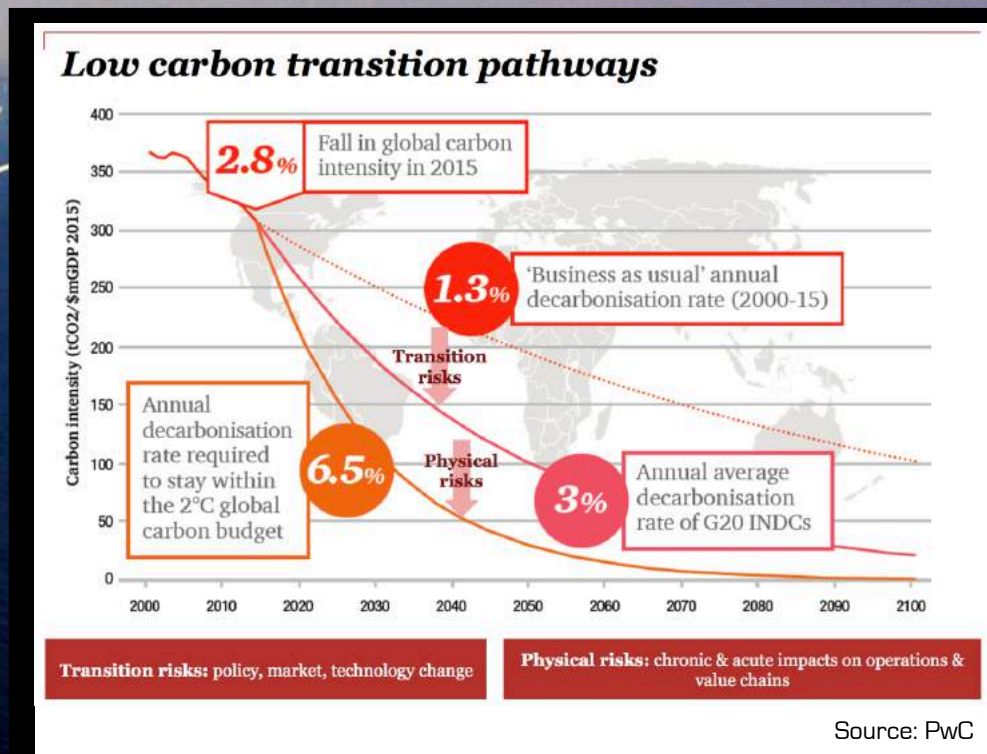


Addressing systemic climate change risk is a priority for all investors

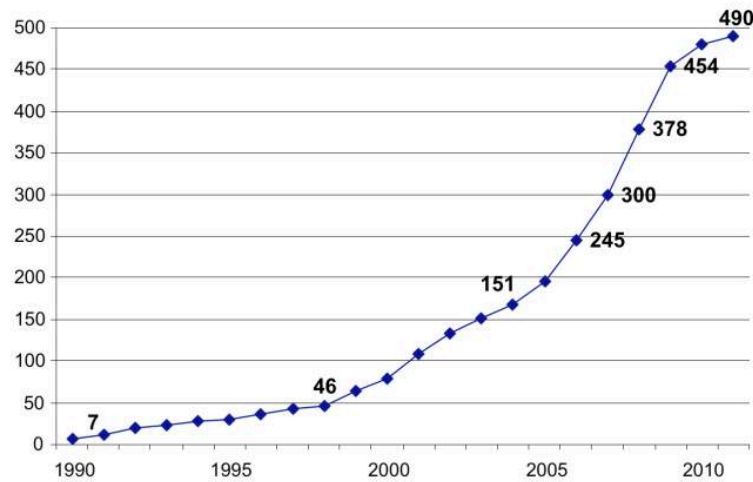
- +1°C temperature leads -13.8% in global equity returns.
- Increases reducing returns by 0.5% each year.
- Stern Review loses of 5-20% of global GDP per year, forever.

Source: Stern Review, Bansal et al., ET Index Research

Global emissions are falling as the world moves away from carbon



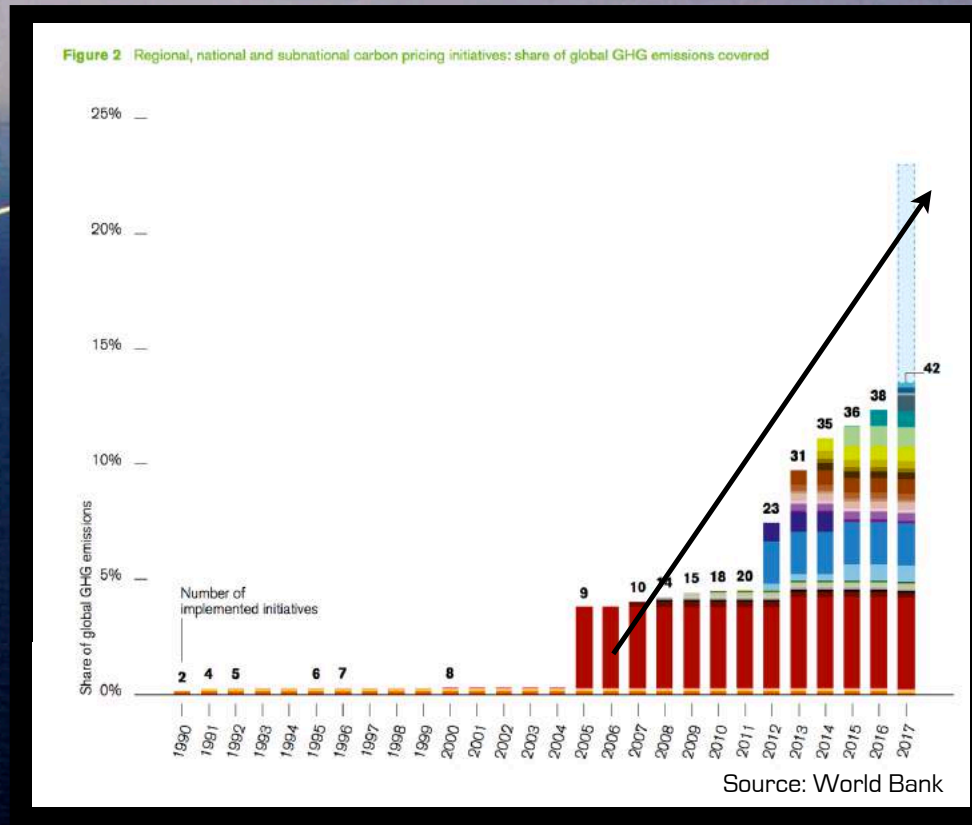
Low carbon regulation is increasing globally



Source: UNEP FI; data from IEA

Pieces of carbon-
and clean-energy
focused legislation
and/or regulation –
worldwide

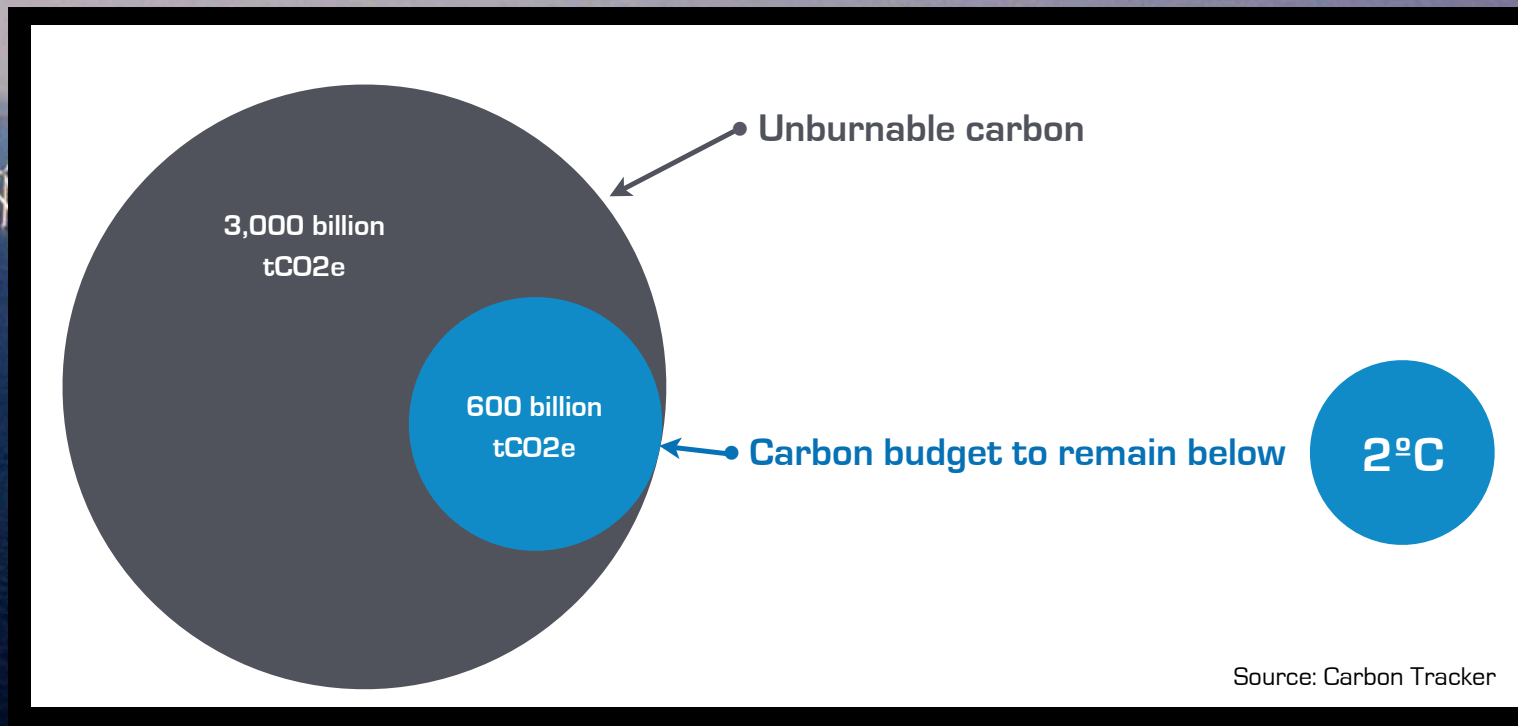
Nearly 25% of global emissions subject to some form of carbon tax



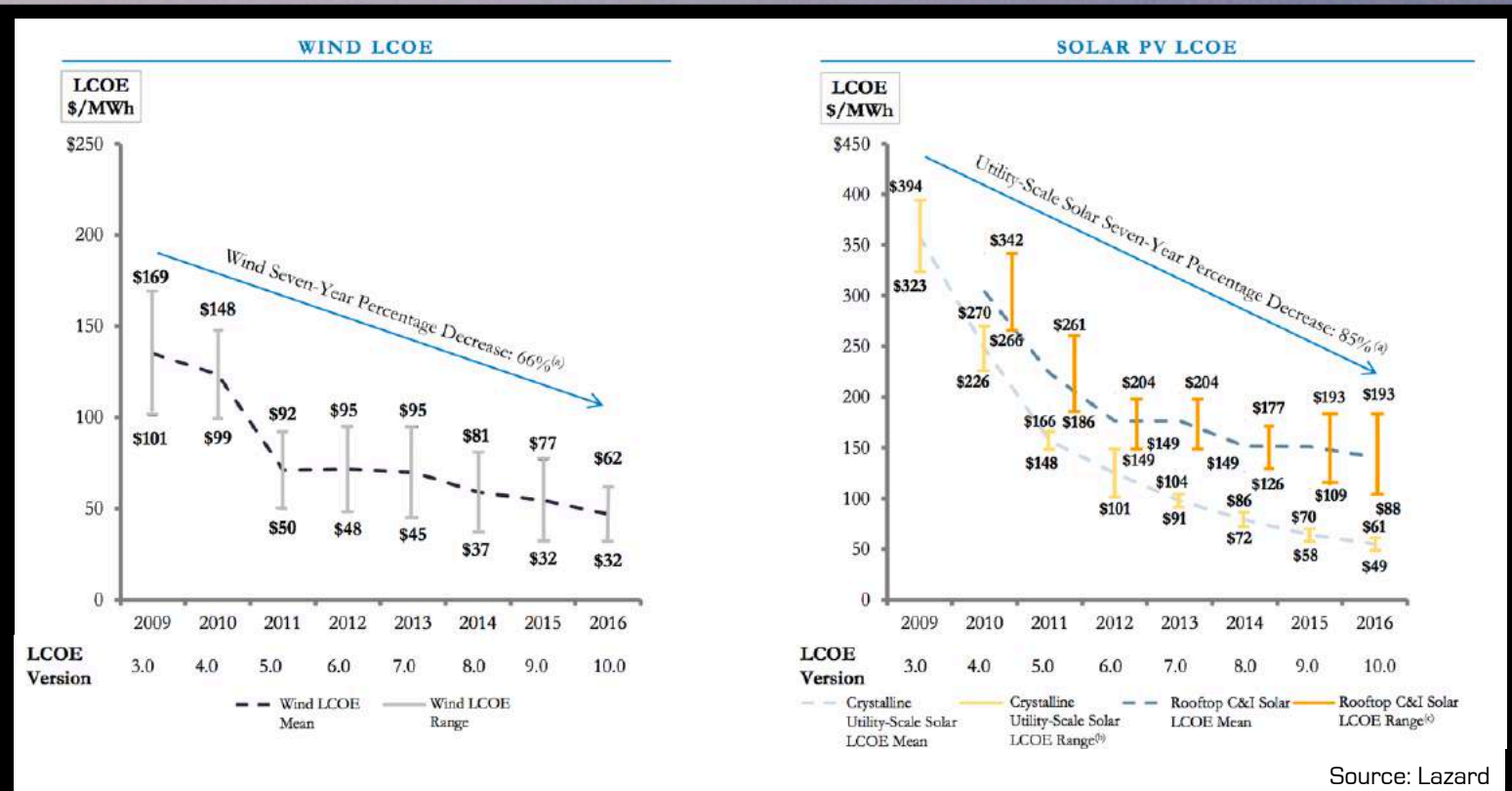
163 countries representing 99.8% of global emissions have plans to decarbonise



80% of all fossil fuel reserves need to stay in the ground



The cost of renewable energy is falling



Coal is in terminal decline

Peabody Energy Corporation

OTCMKTS: BTUUQ - Aug 4, 3:59 PM EDT

1.44 USD ↑0.03 (2.13%)

1 day

5 day

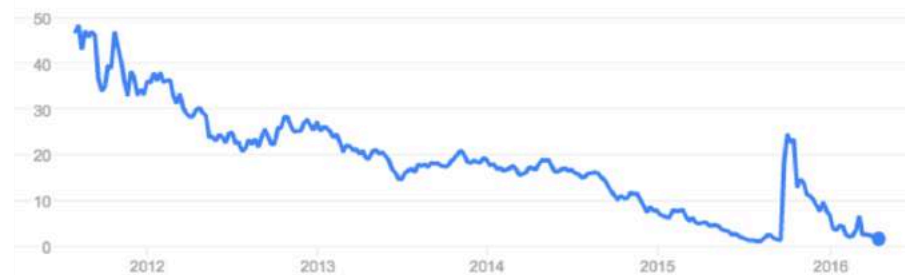
1 month

3 months

1 year

5 years

max



- The fossil-fuel energy sector represented 25% of S&P500 in 1980. At the end of 2015 it represented 6.9%.

Source: Google Finance

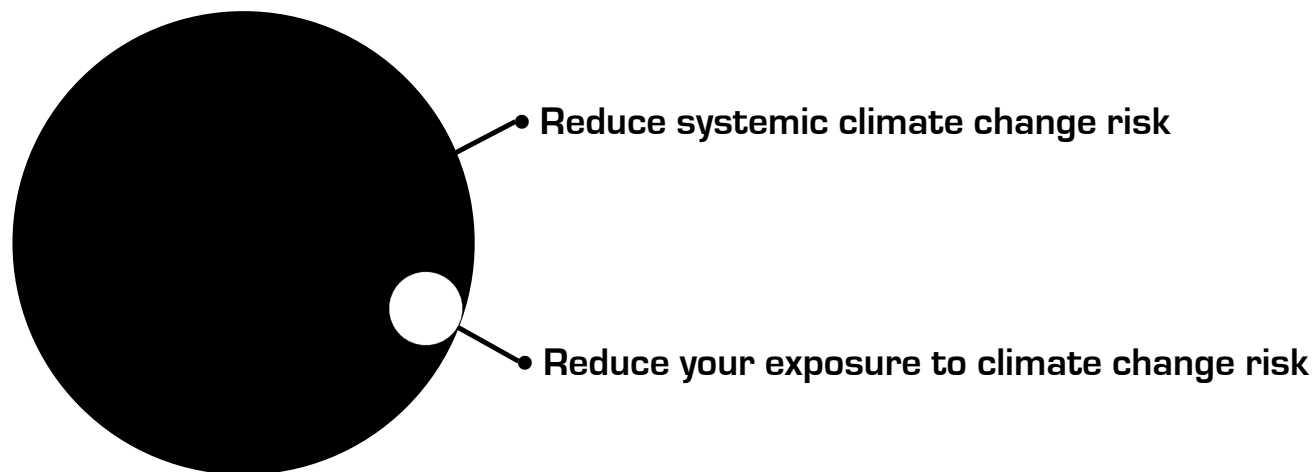
Let's not forget about the physical risks



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Engaged Tracking (ET) - a systematic approach

Optimum low carbon investment strategy minimizes exposure to climate change risk and reduces the systemic threat of climate change at the same time



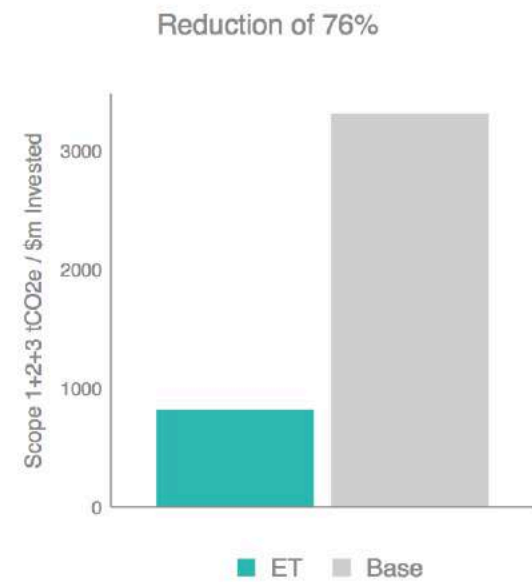
15.14% outperformance since 2012

The ET Global 1600 Fossil Free Low Carbon Transition Index

Performance Chart



Carbon Emissions Intensity Reduction



Indexes based on public and fully transparent rankings

ET Carbon Rankings

Country: All countries | Sector: All sectors | Request full ET Global 800 dataset

Rank	Company Name	Country Code	Market Value (\$Million)	Combined Scope 1+2+3 Intensity	Relative Emissions Intensity
1	ENGINEERING SOLUTIONS	FR	133,900	90	
2	NEW ENERGY LTD.	US	43,635	131	
3	THE BOOK COMPANY	FR	95,196	238	
4	SUPERMARKET CHAIN	GB	23,665	292	
5	INTERNATIONAL CLOTHING	GB	29,503	294	
6	BIG BANK INC.	GB	27,583	298	
7	FACTORY PARTS	US	18,442	300	
8	FUELPPOWER CO.	GB	43,833	301	
9	THE CLOTHING CO.	GB	16,836	301	
10	FOOD INC	LU	11,965	301	
11	MORE ENERGY CO	US	15,219	302	
12	ENGINEERING SERVICES	US	30,976	302	
13	WORLD WIDE DISTRIBUTION	US	24,766	303	
14	FASHION CHAIN LTD.	GB	22,228	304	

ET Low Carbon Indexes

Performance Chart

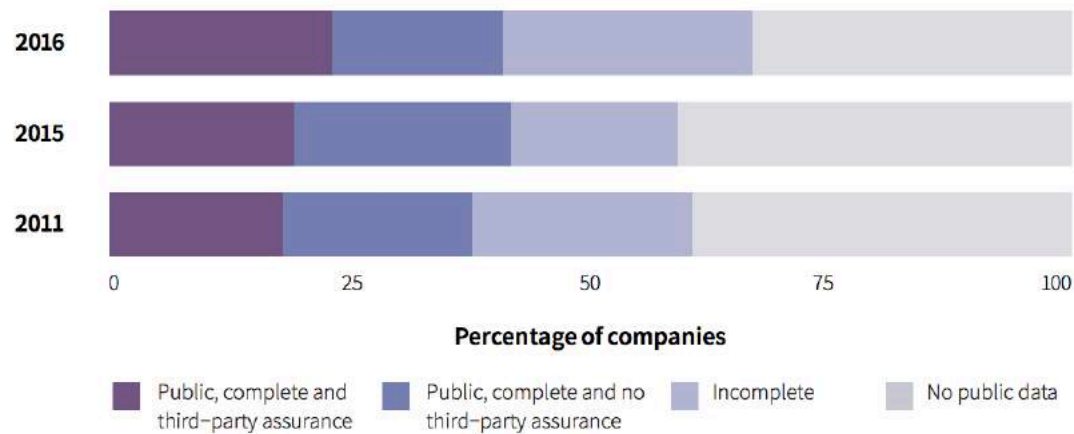


The ET Carbon Rankings publicly rank companies according to their greenhouse gas emissions

ET Carbon Rankings

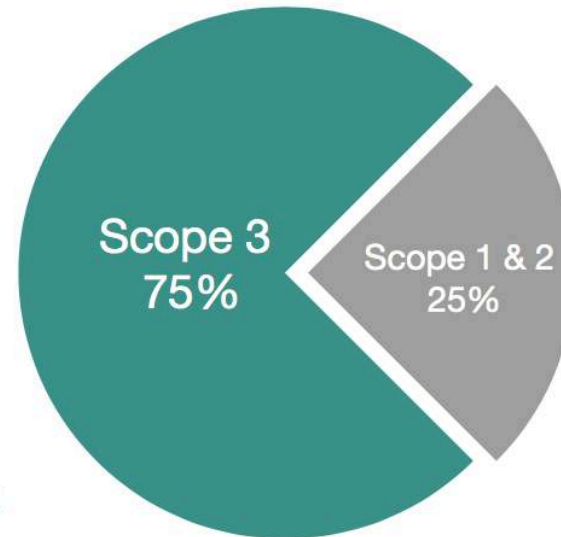
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Creating an incentive for disclosure is key



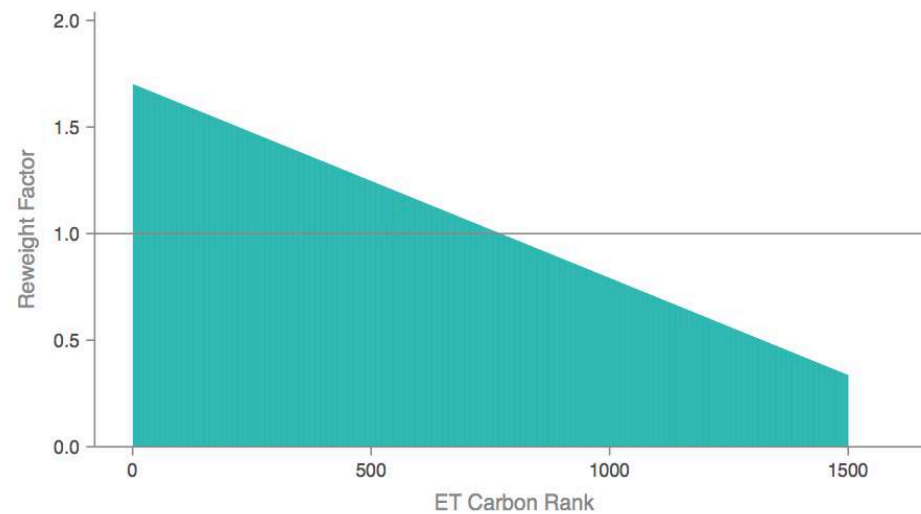
- Only 41% of the world's largest 2,000 listed companies are disclosing their greenhouse gas emissions.
- Non disclosing companies are given the worst score from their industry to incentivize disclosure the next year.

The rankings include supply chain (Scope 3) emissions because they are material



Guaranteed to have more money flow into lower carbon companies

Constituent Reweights by ET Carbon Rank



ET Fossil Free Low Carbon Investing



- Public rankings.
- Guaranteed to increase weight into lower carbon.
- ET Index Research engages with all companies.
- ET Investors pool capital to send a clear message to companies.
- ET Investors create an incentive for companies to lower emissions.
- Includes Scope 3 emissions (typically 75%+ of a company's footprint).
- Excludes all fossil-fuel companies in Oil, Gas and Coal.