iCLIMA
EARTH

CLIMATE CHANGE INVESTMENTS, REDEFINED

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"I LOVE ICLIMA'S PICKS AND SHOVELS ANALOGY. A FINANCIAL PRODUCT THAT FOCUSES ON COMPANIES ENABLING CO2 AVOIDANCE (SELLING SHOVELS) HITS THE NAIL ON THE HEAD"

JIM WIANDT, FOUNDER OF ETF.COM & CEO OF SPARKNETWORK

A RELEVANT NEW APPROACH TO CLIMATE CHANGE INVESTMENTS

- iClima Earth is a London based green FinTech. Motivated by the idea that the best way to reduce carbon in the atmosphere is by not emitting in the first place, the firm has developed an unique methodology for equity benchmarks, identifying the impactful solutions that can generate potential avoided emissions and bring the world to carbon neutrality. Its benchmarks are calculated by Solactive AG.

- iClima's first equity benchmarks are the first of their kind:

  - **iClima Global Decarbonisation Enablers Index**: There are no other benchmarks currently giving exposure to the companies with products and services that enable CO2e avoidance. This index represents a comprehensive approach to existing technologies converging and scaling up.

  - **iClima Distributed Renewable Energy Index**: There are no other benchmarks with a focus on distributed energy resources. This index brings exposure to the companies that are rapidly modernising dated centralised fossil fuel based grids into modern distributed resources, of which solar residential rooftop with associated battery storage is a great example.

GLOBAL DECARBONISATION ENABLERS

The index provides balanced exposure to companies providing climate change solutions from five sub-sectors including green energy, green transportation, water and waste improvements, decarbonisation enabling solutions and sustainable products.

Each company is capped at 2%, to prevent over-exposure to large cap companies. Currently with 157 constituents and a Potential Avoided Emissions ~ 0.6 Gigatons of CO2e per year.

30 GT OF CO2 NEED TO BE AVOIDED UNTIL 2030. HOW ARE WE GOING TO GET THERE?

A SEISMIC SHIFT

PURE FOCUS ON CARBON AVOIDANCE

Focusing on the companies that directly enable carbon avoidance in order to reach climate change goals, unlike other ESG or climate change products that might focus on companies reducing their own carbon footprint or lack quantification of potential carbon avoidance.

MARKET FORCES + REGULATORY DRIVEN MEGA TREND

Climate change and the transition to a low carbon economy is one the largest megatrends of the 21st century. Green investments are largely being fuelled by a combination of climate change supportive regulatory changes such as the 2015 Paris Agreement and new consumer-based preferences such as veganism, ridesharing, and electric vehicles.

DISTRIBUTED RENEWABLE GENERATION

The index provides exposure to companies developing the relevant distributed renewable solutions from seven sub-sectors, namely: Distributed Power Sources, Distributed Energy Storage, V2G and Charging Networks, Virtual Power Plants, Microgrids & Smart Grids, Smart Houses & Buildings and Energy Management, and Software & Systems that apply to the management of distributed energy resources.

There are currently 50 companies in the benchmark, and the underlying index has an equal weight methodology.

IN THE USA, MAKING USE OF 2/3 OF SUITABLE ROOFTOPS FOR SOLAR PV TO GENERATE ELECTRICITY COULD REPLACE THE COUNTRY'S ANNUAL ELECTRICITY GENERATION FROM COAL, WHICH REPRESENTED 23% OF ALL SOURCES OF US ELECTRICITY GENERATION IN 2019

TECHNOLOGIES CONVERGING

A COMPETITIVE SOLUTION BENEFITING FROM LONG TERM COST REDUCTIONS

Focusing on the companies disrupting traditional energy systems through increasing cost competitiveness from steady price reductions in solar and battery solutions, versus increasing energy prices from grids with material fossil fuel capacity. Moreover, distributed generation brings greater efficiency, helping with load shifting, peak shaving and grid management.

DISTRIBUTED RESOURCES ARE NEEDED FOR DECARBONISATION OF THE GRID AND ARE POWERED BY DIGITALISATION

Smart meters, smart thermostats and energy efficiency software improve home energy management, adding demand response capabilities. Smart grid applications help the continuous balancing of the electricity supply,