

Arctic Blue Economy Index



Defining the universe of sustainable Arctic investing

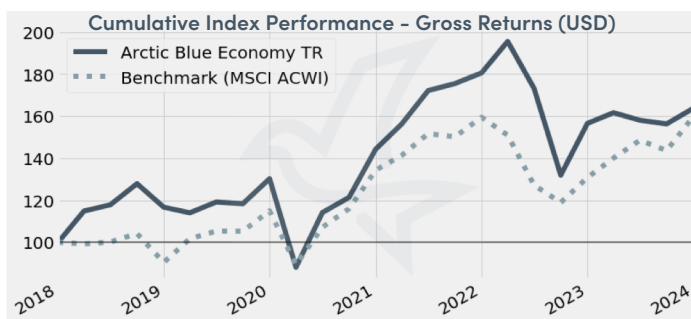
Dec 31, 2023

Index Description

The Arctic Blue Economy Index is an equal-weighted index that captures globally-listed companies with economic exposure to the Arctic region through participation in the blue economy. Areas of the Arctic blue economy include aquaculture, fisheries and seafood, biomedical research, and maritime transportation. The index is designed to provide exposure to the growth potential of these sustainable industries in the Arctic region while promoting the responsible use and conservation of the region's natural resources.

Key Features

- Captures regional & thematic equity exposure
- Companies with commitment to sustainability and align with UN SDGs
- Rules-based eligibility & selection criteria
- Expert advisory committee oversight



Launch Date	2018-01-01	Benchmark	MSCI ACWI
Type	Global Equity	Base Value	100
Currency	USD	No. Constituents	19
Rebalance	Quarterly	Market Cap <i>billion</i>	\$142.1

Performance & Fundamentals

	3 Mo	6 Mo	1 Yr	3 Yr	ITD
Total Return	4.36%	3.44%	4.70%	14.10%	63.70%
Benchmark Return	11.26%	7.59%	22.22%	19.10%	59.78%

Correlation <i>ITD</i>	0.59	Ann Volatility	20.10	Dividend Yield	4.1
Beta	0.72	Semi variance	14.83	P/E	12.6
Sharpe Ratio	0.44	Tracking Error	16.90	P/CF	48.7
Information Ratio	0.13	Skewness	-0.51	P/B	1.85

Country & Sector Weighting

Country	Count	Weight
Norway	7	43.0%
Iceland	4	19.4%
Faroe Islands	1	7.0%
Japan	1	6.1%
Other	6	24.5%



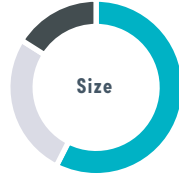
Sector	Count	Weight
Consumer Staples	13	65.97%
Industrials	5	28.29%
Health Care	1	5.74%



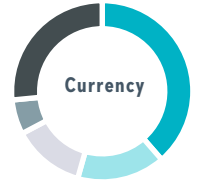


Size & Currency Weighting

Size	Count	Weight
Small Cap	11	57.46%
Mid Cap	5	26.52%
Large Cap	3	16.02%



Currency	Count	Weight
Norwegian Krone	8	38.6%
Iceland Krona	3	15.77%
US Dollar	2	12.9%
Danish Krone	1	6.19%
Other	5	26.54%



Top Constituents

Constituent	Bloomberg Ticker	Country of Domicile	Currency	Weight
PANGAEA LOGISTICS SOLUTIONS	PANL US	United States	USD	7.17%
SCHOOW & CO	SCHO DC	Denmark	DKK	6.19%
MAREL HF	MAREL NA	Iceland	EUR	5.86%
MITSUI OSK LINES LTD	9104 JP	Japan	JPY	5.86%
BRIM HF	BRIM IR	Iceland	ISK	5.80%

Investment Theme

The Arctic Ocean is fertile ground for biomedical prospecting, sustainable fisheries, and aquaculture. Blue economy is a fast growing sector globally. Between 2014-19 the U.S.'s blue economy grew at nearly twice the rate of overall economic growth. The Arctic region, already a world leader in sustainable aquaculture led by Norway and Iceland, is poised for a boom in production and value as macro-economic factors increasingly favor climate-smart protein production. For instance, between 2008 and 2018, the quantity of seafood produced in Norway increased by 17% while its value increased by 104%.

Geographic Scope

The Arctic Blue Economy Index adheres to the geographic definition of the Arctic articulated by the Arctic Council's Arctic Human Development Report (AHDR). The definition includes Alaska, Canadian territories north of 60°N together with northern Quebec and Labrador, Greenland, the Faroe Islands, Iceland, and the northernmost counties of Norway, Sweden and Finland.

Following the 2022 invasion of Ukraine by Russia all Russian companies and companies doing business in the Russian Arctic were removed from the Arctic Blue Economy Index.



Sustainability Context

Sustainable use of ocean resources can help unlock new medical treatments, provide new forms of ocean energy, and reduce the impact of land-based agriculture. For instance, nearly 1/4 of global emissions stem from the meat industry. Ethical production of healthy fish protein in the cold and clean northern oceans is critical for sustainably feeding a growing world. The Arctic Blue Economy Index contributes primarily to SDGs 2, 13, and 14.

