

Arctic Clean Energy Index



Defining the universe of sustainable Arctic investing

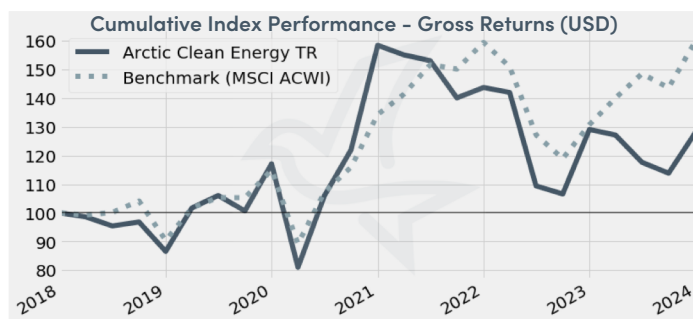
Dec 31, 2023

Index Description

The Arctic Clean Energy Index is an equal-weighted index that captures globally-listed companies with economic exposure to the Arctic region through participation in the clean energy economy. Areas of the Arctic clean energy economy include wind, geothermal, utilities & transmission, and mining (non-precious). 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	9
Rebalance	Quarterly	Market Cap <i>billion</i>	\$113.4

Performance & Fundamentals

	3 Mo	6 Mo	1 Yr	3 Yr	ITD
Total Return	12.10%	8.66%	-0.99%	-18.91%	27.95%
Benchmark Return	11.26%	7.59%	22.22%	19.10%	59.78%

Correlation <i>ITD</i>	0.75	Ann Volatility	26.68	Dividend Yield	3.14
Beta	1.22	Semi variance	138.83	P/E	20.59
Sharpe Ratio	0.23	Tracking Error	17.99	P/CF	18.96
Information Ratio	-0.08	Skewness	-0.26	P/B	1.61

Country & Sector Weighting

Country	Count	Weight
Finland	3	34.28%
Canada	2	20.97%
Denmark	1	14.63%
Norway	1	10.83%
Other	2	19.29%



Sector	Count	Weight
Materials	4	42.97%
Industrials	3	33.98%
Utilities	2	23.04%





Size & Currency Weighting

Size	Count	Weight
Small Cap	1	8.53%
Mid Cap	2	21.99%
Large Cap	6	69.48%



Currency	Count	Weight
Euro	3	34.28%
US Dollar	3	31.73%
Danish Krone	1	14.63%
Swedish Krona	1	10.83%
Norwegian Krone	1	8.53%



Top Constituents

Constituent	Bloomberg Ticker	Country of Domicile	Currency	Weight
VESTAS WIND SYSTEMS A/S	VWS DC	Denmark	DKK	14.63%
FORTUM OYJ	FORTUM FH	Finland	EUR	12.28%
HUDBAY MINERALS INC	HBM US	Canada	USD	11.23%
UPM-KYMMENE OYJ	UPM FH	Finland	EUR	11.10%
STORA ENSO OYJ-R SHS	STERV FH	Finland	EUR	10.89%

Investment Theme

The transition to a clean energy economy has a head start in the Arctic: Iceland already boasts 100% renewable energy while the Nordics are positioning to be the “battery of Europe”. The energy transition also encompasses the minerals and metals needed to build new turbines, photovoltaics, and transmission cables. Rare earth elements, copper, zinc, palladium, uranium, and iron are abundant in the Arctic and in-demand globally. Thus the Arctic region is both a center for clean energy generation and a source of material to speed a just energy transition.

Geographic Scope

The Arctic Clean Energy 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 Clean Energy Index.



Sustainability Context

The imperative to increase deployment of clean energy globally has two massive impacts on the Arctic. First, new wind and solar installations are growing rapidly in the region, which is also a hub for hydro, geothermal, and wave technologies. Second, the materials needed to produce them are mined in the region under the strictest environmental and social governance regimes in the world. The Arctic Clean Energy Index contributes primarily to SDGs 7, 12, and 13.

7 AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION

