



Divest



Invest

PUBLIC EQUITY INVESTING IN A LOW-CARBON FUTURE

The Divest-Invest initiative is intended to accelerate the transition to a sustainable economy by divesting from the fossil-fuel industry and investing in socially, environmentally and economically responsible companies. By focusing on climate solutions and the need for massive low-carbon investments across industries and business sectors, Sonen helps investors play a key role in leading this global energy transition.

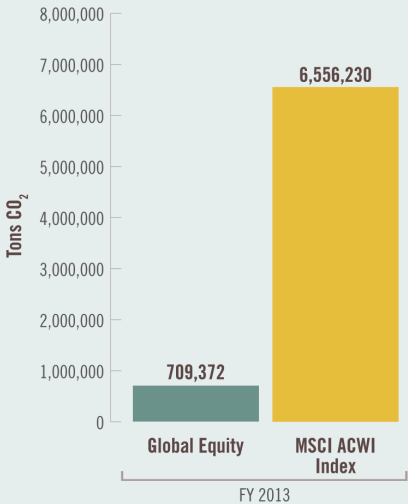
SONEN BELIEVES

- » Investment capital is essential to meeting large-scale, complex environmental and social challenges;
- » Climate change is one of the defining environmental challenges of our time;
- » Investments should contribute to climate change mitigation and adaptation;
- » That by owning 'best-in-class' companies, pursuing an active ownership model, and directing resources towards lower carbon solutions, investors can meet financial objectives while supporting a global energy transition.

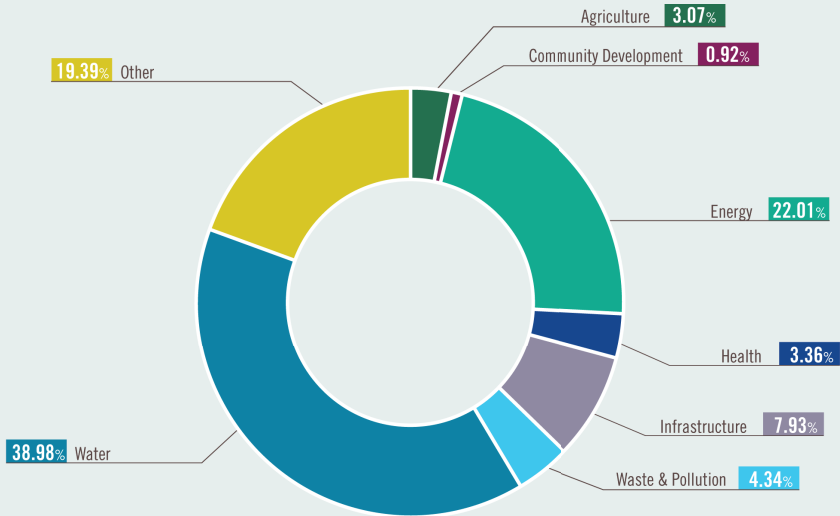
INVESTMENT FOCUS

Sonen's disciplined investment process supports the transition to a low-carbon economy. As a result, companies that are part of the fossil-fuel industry and are currently targeted by Fossil Fuel Indexes¹ for divestment will not be held in our global equity strategy. Consistent with the Divest-Invest Philanthropy² campaign, Sonen's public equity positions include explicit exposures to themes in renewable energy, resource and energy efficiency, and low-carbon infrastructure and water.

Weighted Total Carbon Emissions
As of 12/31/2014³



Thematic Impact Breakdown in Sonen's Global Equity Strategy
As of 12/31/2014



AN INVESTMENT PORTFOLIO POSITIONED FOR THE GLOBAL ENERGY TRANSITION

In comparison to the MSCI ACWI Index benchmark, Sonen’s global equity strategy shows significantly lower carbon emissions – *more than 9x lower total weighted emissions.*










Apart from a significantly lower carbon profile, Sonen’s global equity strategy proactively invests in companies that are helping drive the transition to a clean energy economy, which is estimated to require one trillion dollars of new investment globally per year.⁴ While the energy industry is clearly central to this issue, it is important to extend the debate beyond energy consumption and in to greater efficiency. Resource efficiency is a critical driver of emissions reductions across industries and sectors as they transition to lower-emissions operations as well as reduce demand for fossil-fuel based resources. And last, as climate change continues to threaten the availability of freshwater around the globe, investments in water infrastructure and technologies can make significant contributions to social, environmental and economic sustainability.

INVESTING IN A GLOBAL ENERGY TRANSITION

The transition to a clean energy economy requires a wide range of industrial and commercial solutions across all sectors and industries. The clean energy economy includes multiple business sectors, including power, electricity, waste management, energy efficiency, transportation, manufacturing, as well as food and agriculture.⁵ The table below illustrates Sonen’s broad exposure to the solutions that will power the transition to a low-carbon economy.

Energy Efficiency	Power Distribution	Power Generation
Transportation	Waste to Energy	Waste Management
Water Technologies	Water Infrastructure	Water Utilities

Below are examples of companies that provide a wide range of solutions across sectors and industries that are helping the transition to a low-carbon future.

	Sector	Company	Business Activities & Sustainable Innovations
	Energy Efficiency	Praxair	<ul style="list-style-type: none"> » Leading supplier of atmospheric, process and specialty gases. » Praxair's technologies help its industrial customers increase energy efficiency, reduce operating costs and improve environmental performance.
	Power Generation	Ormat Technologies	<ul style="list-style-type: none"> » The world's only vertically integrated geothermal company.⁶ » Supplies over 1850 MW of renewable energy to power plants worldwide, a source of energy that requires no fuel and emits no gas or liquid emissions, nor any toxic byproducts.⁵
	Electricity	NextEra Energy	<ul style="list-style-type: none"> » Largest solar and wind renewable energy generator in North America.⁷ » Operates 900 MW of solar power, enough to meet the energy needs of over 575,000 homes at peak production.⁷
	Transportation	BorgWarner	<ul style="list-style-type: none"> » BorgWarner manufactures a diverse line of engine powertrain parts. » Use of these parts offer substantial fuel efficiency and emission-reduction benefits for the transportation sector.
	Water	Eaton	<ul style="list-style-type: none"> » Industrial water and wastewater treatment technology company. » Eaton provides industrial customers significant water and energy efficiency savings through real-time equipment monitoring and detection.
	Services	Agilent	<ul style="list-style-type: none"> » Provides life sciences, chemical and environmental analysis services. » Agilent environmental services are used in agriculture and toxicology research to measure contaminants of water, soil and air.
	Food and Agriculture	Trimble Navigation	<ul style="list-style-type: none"> » Technology solutions company that designs, develops and integrates hard/software and communications systems for infrastructure, positioning and other automated systems. » Agricultural technologies increase water efficiency and crop yields while reducing farmer costs.
	Waste Management	Covanta	<ul style="list-style-type: none"> » One of the world's largest owners and operators of infrastructure for waste-to-energy conversion. » Covanta's US waste recapture and renewable energy operations represent approximately 65% of the country's waste-to-revenue products.⁸
	Manufacturing	ABB	<ul style="list-style-type: none"> » World's largest supplier of industrial motors and drives, generators for the wind industry, and power grids.⁹ » ABB's manufacturing execution systems enable higher plant efficiency and productivity as well as greater flexibility throughout the production process.

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SOURCES

1. FossilFreeIndexes.com
2. DivestInvest.org. Divest Invest Philanthropy is a platform for institutions that calls for fossil fuel divestment and new energy economy reinvestment. Several of Sonen's private foundation clients are signatories to the Divest Invest campaign.
3. Source Data: MSCI ESG Research 12/31/2014. At the time of publishing, FY 2013 represents the latest available year of data from MSCI ESG Research. Note: The chart reflects available data for the global equity strategy and the MSCI ACWI index. Not every company included in the index reports on carbon emissions.
4. Mark Fulton and Reid Capalino. "Investing in the Clean Trillion: Closing the Clean Energy Investment Gap. Ceres. 2014.
5. DivestInvest.org
6. "Geothermal Development." Ormat Technologies, 2015.
7. NextEra. 2014 Company Fact Sheet.
8. Covanta Website
9. ABB Website

DEFINITIONS

MSCI ACWI: The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging markets country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging markets country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey.

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