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Investnet Launches Impact Global Climate Solutions QP

Quantitative Portfolio Designed to Provide Passive Exposure to Primary Global Equity Asset Classes, While Excluding Fossil Fuels & Investing in Companies that Promote Sustainability & Energy Efficiency

CHICAGO, Oct. 15, 2020 /PRNewswire/ -- Investnet, Inc. (NYSE: ENV) announces that its Quantitative Research Group ("QRG") team has launched a new Quantitative Portfolio (QP), the Impact Global Climate Solutions QP. This strategy offers a passively managed, global equity portfolio enabling investors to allocate assets toward companies developing solutions for mitigating pollution and climate change.



The Impact Global Climate Solutions QP consists of approximately 200 domestic large-cap and international developed market companies from its benchmark*, and is designed to mimic the index's overall characteristics. Each company in the QP is evaluated by the QRG team using environmental ratings, revenue information, and carbon risk data from Sustainalytics, a leading independent provider of global environmental, social, and governance (ESG) research and ratings. Companies deriving revenue from the fossil fuel industry, or companies that have been involved in environmental controversies, are removed from the portfolio.

In addition, QRG utilizes five environmental tilts to increase exposure to companies dedicated to solving climate-related issues:

- **Renewable Energy:** The portfolio currently has a **200% higher allocation** to renewable energy production and transmission companies than the benchmark.
- **Energy Efficiency:** The portfolio currently has a **200% higher allocation** to companies producing or enhancing energy efficient technologies and practices, compared to the benchmark.
- **Green Transportation:** The portfolio currently has a **200% higher allocation** to companies dedicated to providing green transportation options, compared to the benchmark.
- **Green Buildings:** The portfolio currently has a **200% higher allocation** to companies

involved in the construction of green buildings than the benchmark.

- **Sustainable Agriculture:** The portfolio currently has a **200% higher allocation** to companies providing and developing sustainable agriculture products and technologies, compared to the benchmark.

"There are many sophisticated climate-aware strategies, but they are actively managed, and the climate indices underpinning them are often static, exclusion-focused, and have high potential for tracking error compared to the parent index," said **Brandon Thomas, Co-Founder and Chief Investment Officer of Envestnet**. "Our Impact Global Climate Solutions QP fills a major gap in the marketplace for a passively managed, cost-effective strategy which is focused on supporting companies engaged in solving climate-related issues."

The QRG team's unique reporting capabilities break down the Impact Global Climate Solutions QP's holdings into statistics which show investors how the portfolio, and their investments, are making a difference. The QP reports approximate how much lower the portfolio's carbon footprint is compared to the benchmark, and demonstrate the significance of the carbon reduction, such as how many fewer gallons of gasoline and pounds of coal have been burned as a result. Reports also illustrate how many gigawatt hours of renewable energy the portfolio's holdings have produced, and how many homes can be powered with that energy per year. For more information, please visit <https://www.envestnet.com/qrg>.

The QRG team optimizes the portfolio using a proprietary multi-factor risk model, while ensuring its environmental and carbon footprint metrics are better than those of the benchmark. In addition, Envestnet | PMC's tax overlay services may help the portfolio generate tax alpha for investors. To learn more, please visit <https://www.investpmc.com/impact>.

"At a time of unprecedented public concern around climate change, we are providing investment solutions which help investors maximize the impact they can have," said **Brett Wayman, Vice President of Impact Investing at Envestnet**. "The impact investing strategies we have developed give investors the power to allocate their dollars toward creating a greener, more energy efficient economy."

As of June 30, 2020, assets in Envestnet's ESG and tax overlay solutions increased by 38% over prior-year levels, and the environmental overlay continues to be one of the most requested ESG overlay options. Envestnet's suite of Impact QPs experienced a 63% year-over-year increase in assets under management—and their product features were recognized by *InvestmentNews*, which honored Envestnet with its Innovation Award last year.

* The Impact Global Climate Solutions QP's benchmark is a blend, consisting of CRSP US Large Cap Index (69%) and S&P/BNY Mellon DM ex US Classic ADR Index (31%).

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