

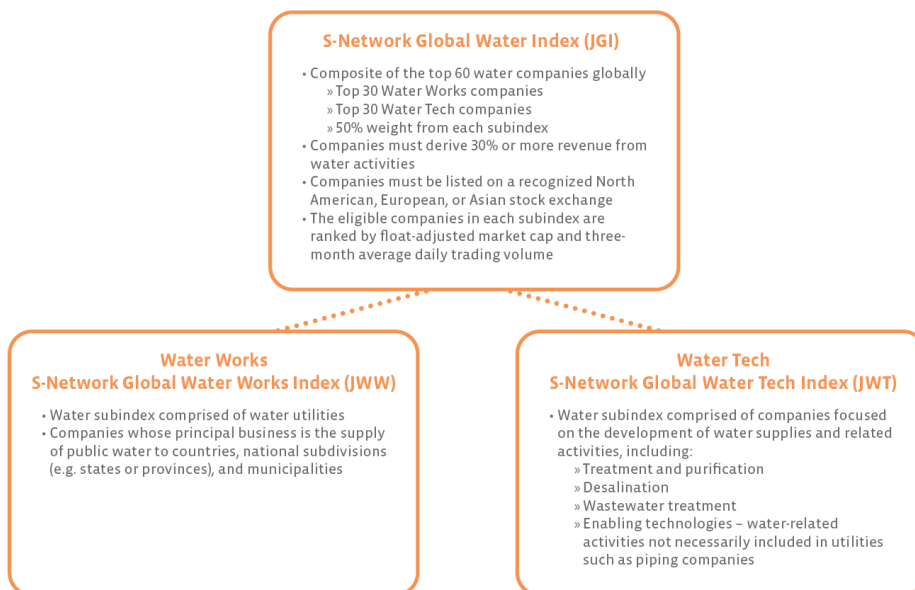
Riding the ESG Wave by Investing in Water

April 14, 2021

As the world increasingly focuses on climate change and sustainability, water accessibility, supply, and conservation are central focus areas, particularly given [estimates](#) that worldwide water demand could climb by more than 50% by 2040. Water infrastructure has also been in focus. In the US, the recently released American Jobs Plan earmarks tens of billions of dollars for upgrades to [water systems and infrastructure](#). Corporations are also recognizing the importance of water responsibility. Executives from 16 major companies [pledged](#) on World Water Day last month to better manage their water usage. Microsoft (MSFT) has even established a [goal](#) of becoming water positive by 2030 on a global basis – replenishing more water than it uses. Could “water positive” or “water neutral” become the next “carbon negative” or “carbon neutral” in terms of corporate climate aspirations? It certainly seems possible given the essential nature of water and expectations for rising demand coupled with increasing consciousness around water management for various businesses and industries.

While so commonplace it is easy to overlook, water could be an ESG-friendly investment opportunity with a solid outlook. Though a California water [futures contract](#) has recently begun trading, investing in the stocks of companies generating revenues from water-related businesses will likely be a better fit for most investors wanting to gain exposure to the water industry. The S-Network Global Water Index (JGI) is a composite index of the top 60 water companies globally. Index constituents must derive 30% or more of their revenues from water activities. As shown in the diagram below, JGI includes a subindex of water utilities – the S-Network Global Water Works Index (JWW) – and a subindex of companies focused on the development of water supplies and related activities – the S-Network Global Water Tech Index (JWT). Water treatment and purification, desalination, wastewater treatment, and enabling technologies such as water piping are all examples of Water Tech. In addition to being ESG-friendly, water-focused companies also tend to provide defensive performance given the necessity of water and the inclusion of water-focused utilities. The table on the following page shows steady long-term performance for JGI and its subindexes. For more information on the [S-Network Global Water Indexes](#) and the investment case for water, please see this [note](#).

Constructing the S-Network Global Water Index (JGI)



Index	Ticker	Total-Return Performance				
		30 Days	YTD	1-Year	3-Year	5-Year
Healthcare						
S-Network Medical Breakthroughs Index	PMBI	-9.55%	-7.14%	38.51%	47.85%	108.69%
S-Network Healthcare Innovation Index	PHIX	-10.15%	-8.62%	34.50%	56.09%	147.73%
Technology						
O'Shares Global Internet Giants Index	OGIGX	3.55%	1.44%	113.57%	147.80%	351.50%
S-Network North American Disruptor Index	SNNADX	2.43%	11.76%	98.61%	90.02%	N/A
S-Network US Disruptor Index	SNUSDY	-0.97%	13.06%	114.74%	105.40%	255.02%
S-Network Tech Target Index	SNTECH	1.09%	10.51%	94.43%	78.12%	206.40%
Water						
S-Network Global Water Index	JGI	4.71%	5.21%	36.23%	42.06%	84.74%
S-Network Global Water Works Index	JWW	4.47%	2.14%	19.47%	39.28%	73.27%
S-Network Global Water Technology Index	JWT	4.96%	8.36%	54.22%	40.70%	90.76%
Smart Climate Risk						
S-Network Smart Climate Risk 50 Index	SNSC50	7.03%	11.80%	50.35%	65.50%	129.51%
S-Network Smart Climate Risk 250 Index	SNSC250	5.36%	10.53%	46.29%	63.70%	126.27%
Other						
S-Network Infrastructure Builders Index	EIBI	5.16%	10.84%	62.58%	23.16%	67.73%
S-Network Space Index	SPACE	2.01%	18.52%	68.57%	30.93%	46.71%
S-Network MicroSectors Gold Miners Index	MINERS	6.47%	-5.48%	25.01%	58.45%	N/A

Source: S-Network Global Indexes. All performance data as of April 9, 2021.

Related Research:

[Index Highlight: Diving Into the Global Water Industry](#)

[Introducing Sector Classifications for the Space Industry](#)

[SPACE: The Benchmark Index for the Global Space Industry](#)

[How is Digitization Impacting Businesses and Creating Opportunities for Investors?](#)

Underlying Index

Healthcare

[S-Network Medical Breakthroughs Index \(PMBI\)](#)

[S-Network Healthcare Innovation Index \(PHIX\)](#)

Technology

[O'Shares Global Internet Giants Index \(OGIGX\)](#)

[S-Network North American Disruptor Index \(SNNADX\)](#)

[S-Network US Disruptor Index \(SNUSDX\)](#)

[S-Network Tech Target Index \(SNTECH\)](#)

Water

[S-Network Global Water Index \(JGI\)](#)

Smart Climate Risk

[S-Network Smart Climate Risk 50 Index \(SNSC50\)](#)

[S-Network Smart Climate Risk 250 Index \(SNSC250\)](#)

Other

[S-Network Infrastructure Builders Index \(EIBI\)](#)

[S-Network Space Index \(SPACE\)](#)

[S-Network MicroSectors Gold Miners Index \(MINERS\)](#)

Associated Product / Direct-Indexing Platform Availability

ALPS Medical Breakthroughs ETF (SBIO)

SmartTrust Healthcare Innovations Trust (SMHCJX); Available on the C8 platform and the SMArtX platform

O'Shares Global Internet Giants ETF (OGIG)

SmartTrust Technology Revolution Trust (STTRFX) – Includes 30 stocks from SNNADX

Available on the SMArtX platform

Available on the SMArtX platform

Invesco Global Water Portfolio – Includes 25 stocks from JGI; Available on the C8 platform

Available on the C8 platform and the SMArtX platform

Available on the C8 platform

Available on the C8 platform

Procure Space ETF (UFO)

MicroSectors Gold Miners 3x Leveraged ETN (GDXU),
MicroSectors Gold Miners -3x Inverse Leveraged ETN (GDXD)

About Alerian and S-Network Global Indexes

Alerian is a leading independent index provider focused on building innovative, index-based investment strategies. The firm acquired S-Network Global Indexes in 2020, expanding their index offerings and services to partners. Combined, the firm serves the global investment community through indexing, benchmarking and calculation services. Built on a foundation of data rigor and specialty research, Alerian and S-Network Global Indexes offer a comprehensive family of energy, income, and thematic indexes. Today, the firms cumulatively have over \$23 billion in total assets tracking its indexes and over 200 customers world-wide.

Disclaimers

This Document Is Impersonal and Not a Solicitation. In jurisdictions where Alerian, S-Network Global Indexes, or their affiliates do not have the necessary licenses, this document does not constitute an offering of any security, product, or service. Alerian and S-Network Global Indexes receive compensation in connection with licensing its indices to third parties. All information provided by Alerian and S-Network Global Indexes in this document is impersonal and not customized to the specific needs of any entity, person, or group of persons. Alerian, S-Network Global Indexes, and their affiliates do not endorse, manage, promote, sell, or sponsor any investment fund or other vehicle that is offered by third parties and that seeks to provide an investment return linked to or based on the returns of any Alerian or S-Network Global Indexes index.

No Advisory Relationship. Alerian and S-Network Global Indexes are not investment advisors, and Alerian, S-Network Global Indexes, and their affiliates make no representation regarding the advisability of investing in any investment fund or other vehicle. This document should not be construed to provide advice of any kind, including, but not limited to, tax and legal.

You Must Make Your Own Investment Decision. It is not possible to invest directly in an index. Index performance does not reflect the deduction of any fees or expenses. Past performance is not a guarantee of future returns. You should not make a decision to invest in any investment fund or other vehicle based on the statements set forth in this document, and are advised to make an investment in any investment fund or other vehicle only after carefully evaluating the risks associated with investment in the investment fund, as detailed in the offering memorandum or similar document prepared by or on behalf of the issuer. This document does not contain, and does not purport to contain, the level of detail necessary to give sufficient basis to an investment decision. The addition, removal, or inclusion of a security in any Alerian or S-Network Global Indexes index is not a recommendation to buy, sell, or hold that security, nor is it investment advice.

No Warranties. The accuracy and/or completeness of any Alerian or S-Network Global Indexes index, any data included therein, or any data from which it is based is not guaranteed by Alerian or S-Network Global Indexes, and it shall have no liability for any errors, omissions, or interruptions therein. Alerian and S-Network Global Indexes make no warranties, express or implied, as to results to be obtained from use of information provided by Alerian and S-Network Global Indexes and used in this service, and Alerian and S-Network Global Indexes expressly disclaim all warranties of suitability with respect thereto.

Limitation of Liability. While Alerian and S-Network Global Indexes believe that the information provided in this document is reliable, Alerian and S-Network Global Indexes shall not be liable for any claims or losses of any nature in connection with the use of the information in this document, including but not limited to, lost profits or punitive or consequential damages, even if Alerian and S-Network Global Indexes have been advised of the possibility of same.

Research May Not Be Current. This document has been prepared solely for informational purposes based on information generally available to the public from sources believed to be reliable. Alerian and S-Network Global Indexes make no representation as to the accuracy or completeness of this document, the content of which may change without notice. Alerian and S-Network Global Indexes expressly disclaim any obligation to update the contents of this document to reflect developments in the energy Master Limited Partnership sector. The methodology involves rebalancings and maintenance of indices that are made periodically throughout the year and may not, therefore, reflect real-time information.

Linked Products. Alerian and S-Network Global Indexes licenses its indices to third parties for the creation of investment funds or other vehicles. Alerian and S-Network Global Indexes are not responsible for the information on these websites or for anything that they provide.

Policies and Procedures. Analytic services and products provided by Alerian and S-Network Global Indexes are the result of separate activities designed to preserve the independence and objectivity of each analytic process. Alerian and S-Network Global Indexes have established policies and procedures to maintain the confidentiality of material non-public information received during each analytic process. Alerian, S-Network Global Indexes, and their affiliates provide a wide range of services to, or relating to, many organizations, and may receive fees or other economic benefits from these organizations.

Copyright. No Unauthorized Redistribution. Alerian and S-Network Global Indexes © 2021. All rights reserved. This document, in whole or in part, may not be redistributed, reproduced, and/or photocopied without prior written permission.

Alerian

alerialian.com
info@alerialian.com // 972.957.7700
3625 N. Hall St., Suite 1200, Dallas, TX 75219

S-Network Global Indexes

snetworkglobalindexes.com
info@snetworkinc.com // 646.467.7928
267 Fifth Avenue, Suite 508, New York, NY, 10016