

# OSMOSIS CLIMATE SOLUTIONS ETF

## Osmosis Investment Management

We create passive market-based financial products that enable investors to profit from public-market opportunities that will arise as the world moves towards a more sustainable low carbon economy.

## Climate Solutions ETF Investment objective

The Climate Solutions ETF aims to track the performance of the Osmosis Climate Solutions Index. The ETF will invest in the constituent index stocks to replicate the performance of the Index.

## Osmosis Climate Solutions Index

The Index was created with the assistance of HSBC's Quantitative Techniques business and provides access to global companies which derive 50%+ of their revenues from products or services focused on the efficient use of natural resources and the mitigation of climate change. The Index comprises 100 equal-weighted stocks modified to provide diversified exposure to climate solution technologies. Stocks are screened for liquidity, based on average trading volumes and must have a market capitalisation above the minimum threshold—currently US\$100m.

## Climate solutions universe

Climate change technology is not all about production—energy efficiency, resource management, pollution control and low carbon financing also play significant roles in both size and breadth of investment opportunities.

## Low carbon energy production

These are the usual large cap companies that tend to predominate environment related investment vehicles because of their relative size. We treat them as a component of the portfolio without a bias to their size. They are the solar, wind, hydro, marine, geothermal and biomass energy generation business.

Companies in the OCS Index include: S-Energy, Iberdrola Renovables, Copel PNB, Ormat Technologies, Brasil Ecodiesel and Energy Solutions Inc

## Energy efficiency and management

Improving energy efficiency reduces energy consumption and therefore carbon emissions. Companies in this sector produce an array of products from insulation for buildings to temperature monitoring and control components, from advanced efficient lighting to , from energy storage to high tech batteries. There are also companies involved in the development and implementation of power infrastructure and smart grids. These are the rapidly growing businesses that help to improve current technology and further define our future.

Companies in the OCS Index include: Rockwool International, Samsung, Eneroc, Polycom and Ceramic Fuel Cells

## Water, waste and pollution control

These companies address the resource issues brought on by an ever increasing global population. Water treatment, smart irrigation technology and leak detection systems reduce water waste and consumption. Recycling technology for metals and minerals is improving, relieving some pressure on the environment. Waste management technology advancements, including the storage and treatment of hazardous substances, and technologies focused on the conversion of waste to energy also provide investment opportunities.

Companies in the OCS Index include: Shanks Group and Epure International

## Low carbon financing

Although a nascent market at the moment, there will be significant opportunities in green banking and low carbon financing.

Companies in the OCS Index include: Climate Exchange

## FUND SPECIFICS

Launched:	8th Feb 2010
Exchanges:	LSE
BBG ticker:	OCS LN
ISIN:	IE0053WN92
Minimum Investment:	1 share
Base currency:	USD
Issuer:	Osmosis Funds plc
Investment Manager:	Osmosis Investment Management LLP
Custodian:	The Governor and Company of the Bank of Ireland
Management Fee:	0.70% p.a.
Exchange traded fund:	Yes
ETF methodology:	Physically Replicated
Open-ended:	Yes
UCITS III compliant:	Yes
Authorised participant:	Unicredit: +44 20 7826 6789
Market Makers:	Winterflood Securities: +44 20 3100 0105

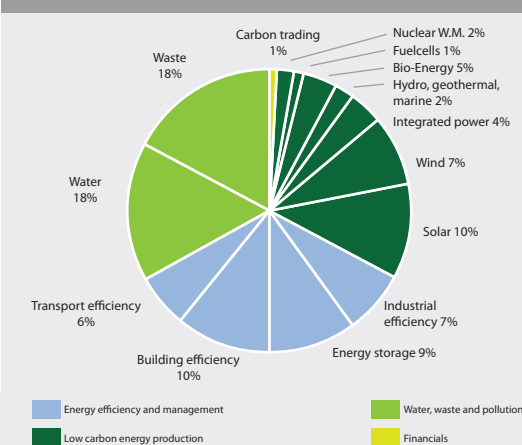
## INDEX INFORMATION

Index:	Osmosis Climate Solutions
Currency:	USD
No of constituents:	100
Bloomberg page:	ALLX OCS <GO>
Rebalanced:	Semi-annually
Index Calculation Agent:	HSBC QT

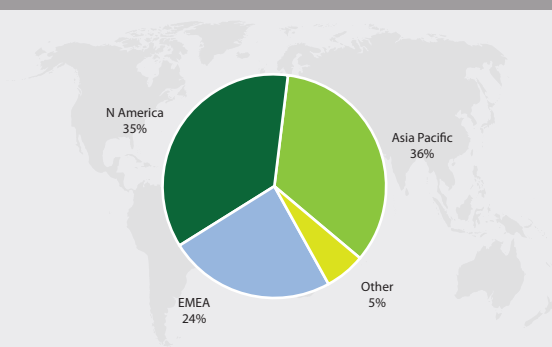
## TOP 5 HOLDINGS

1	China Water Affairs	Hong Kong
2	IESI BFC LTD/IESI BFC Ltd	Canada
3	Shanks Group	UK
4	Waste Management	US
5	Waste Connections	US

## SECTOR BREAKDOWN



## GEOGRAPHIC BREAKDOWN



## Index Performance %

	Apr'09	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan'10	Feb	Mar	1Y	3Y	5Y
Osmosis Climate Solutions*	19.3	12.5	0.9	6.7	0.5	6.6	-4.7	4.3	5.2	-7.4	-3.9	4.6	50.9	-8.7	50.9
MSCI World	10.9	8.6	-0.6	8.4	3.9	3.8	-1.8	3.9	1.7	-4.2	1.2	5.9	49.1	-20.7	4.3
Wilderrhill New Energy (NEX)	21.4	16.5	-3.9	6.3	-1.3	7.3	-6.6	3.0	4.3	-10.5	-4.4	4.8	37.6	-34.3	23.2
HSBC Climate Change Index	12.9	9.3	-0.3	6.8	3.0	4.5	-4.6	4.4	2.7	-5.3	-0.9	6.3	44.5	-15.2	54.7

\*back-tested data before Nov '09 All performance is quoted in USD

ben.dear@osmosisim.com	+44 20 7653 1887
gerrit.heyns@osmosisim.com	+44 20 7653 1865
june.aitken@osmosisim.com	+44 20 7653 1868
denise.saber@osmosisim.com	+44 20 7653 1864

As at 31 March 2010

Osmosis Investment Management is authorised and regulated by the Financial Services Authority

This document is issued by Osmosis Investment Management LLP ("Osmosis"). Osmosis is authorised and regulated by the Financial Services Authority ("FSA"). This document is a "financial promotion" within the scope of the rules of the FSA.

This document is intended only for the use of clients who are professional clients or eligible counterparties under the rules of the FSA, and is not intended for retail clients. This document is not for public circulation and persons who do not fall within the categories described above may not act upon the information contained within it. The issuance of and details contained in this document does not constitute an offer or solicitation for, or advice that you should enter into, the purchase or sale of any security, commodity or other investment product or investment agreement, or any other contract, agreement or structure whatsoever.

You are solely responsible for making your own independent appraisal of and investigations into the products, investments and transactions referred to in this document and you should not rely on any information in this document as constituting investment advice. Neither Osmosis nor any of its officers, employees or agents are responsible for providing you with legal, tax or other specialist advice and you should make your own arrangements in respect of this accordingly.

Osmosis has based this document on information obtained from sources it believes to be reliable but which have not been independently verified. Osmosis is under no obligation and gives no undertaking to keep the information in this document up to date. No representation or warranty, express or implied, is or will be made, and no responsibility or liability is or will be accepted by Osmosis, or by any of its officers, employees or agents, in relation to the accuracy or completeness of this document or of any information contained within it. Accordingly, except in the case of fraudulent misrepresentation, neither Osmosis nor any of its officers, employees or agents shall be liable to any person for any direct, indirect or consequential loss arising from the use of this document.

This document is intended to be distributed in its entirety. Unless applicable governing law permits otherwise, you must contact an Osmosis member in your home jurisdiction if you wish to use the services of Osmosis in effecting a transaction in any investment mentioned in this document. Neither this document, nor any copy of it, may taken into or transmitted in any jurisdiction where it would be unlawful to do so. Nothing herein excludes or restricts any duty or liability of Osmosis to a customer under the Financial Services and Markets Act 2000 or the rules of the FSA.

It is important to remember that the value of investments, and the income from them, can go down as well as up and is not guaranteed and that you, the investor, may not get back the amount originally invested. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. Osmosis accepts no liability for any failure to meet such forecast, projection or target. Past performance is not an indication of future performance. Investors and potential investors should read and note the risk warnings in the prospectus issued to them.

\* The charts, graphs and descriptions of investment and market history and performance contained herein are not representations that such history or performance will continue in the future or that any investment scenario or performance will even be similar to such chart, graph or description. Past performance is no indication of future returns. Total returns are based on the closing market price. Market returns are based on the midpoint of the bid/ask spread at market close and do not represent the returns an investor would receive if shares were traded at other times. Under no circumstances is this report to be used or considered as an offer to sell, or a solicitation of any offer to buy any security. Any such offering may be made only by means of the confidential private placement memorandum that will be furnished to prospective investors on request. This report is a summary and is incomplete

Market index information shown herein, such as that of the NEX Index, MSCI World Index and the HFRX Global Index, is included to show relative market performance for the periods indicated and not as standards of comparison, since these are unmanaged, broadly based indices which differ in numerous respects from the portfolio composition of the Fund. Market index information was compiled from sources that the Manager believes to be reliable. No representation or guarantee is made hereby with respect to the accuracy or completeness of such data.

It is important to note the following:

1. The limitations inherent in hypothetical, back-tested results, particularly that the performance results do not represent the results of actual trading using client assets, but were achieved by means of the retroactive application of a back-tested model that was designed with the benefit of hindsight;
2. Back-tested performance information may not reflect the impact that any material market or economic factors might have had on the Firm's use of the model if the model had been used during the period to actually manage client assets;