Case Studies: Asset Owner & Asset Manager

The Carbon Underground 200™

Overview

The Carbon Underground 200™ (CU200) identifies the top 200 global publicly listed companies ranked by the potential carbon emissions embedded in their fossil fuel reserves. It is widely used by institutional investors as a data source for exclusionary screening, portfolio exposure tracking, and climate-related reporting.

ASSET OWNER

EXPOSURE TRACKING

Background & Challenges

A large U.S. public university endowment faced growing pressure from students, faculty, and other stakeholders to address the fossil fuel exposure in its investment portfolio. As a public institution serving a politically diverse community, the university needed an approach that went beyond blanket divestment – one that could hold up to scrutiny from a broad range of stakeholders while still providing a credible, data-driven view of its holdings.

The university's key challenges included:

- Tracking fossil fuel reserves exposure across the portfolio on an ongoing basis, without necessarily implementing exclusions.
- Communicating clearly with students, faculty, and trustees about the rationale behind its investment decisions.
- Identifying a credible, independent data source that could stand behind its public reporting.

Solution

The university adopted the CU200 to measure its exposure to owners of fossil fuel reserves across its investment portfolio, without adopting formal exclusions.

- Used CU200 data to support ongoing investment reporting to the board and broader university community.
- Paired CU200 exposure data with additional transition-related information to help substantiate why certain holdings remained in the portfolio.
- Established a repeatable process for monitoring exposure trends over time.

Outcome

With the CU200, the university gained a transparent, defensible way to track and report on its fossil fuel exposure without being forced into an all-or-nothing divestment decision. This strengthened its ability to explain investment decisions to a broad set of stakeholders and gave it an ongoing framework for monitoring exposure as its portfolio evolves.

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ASSET MANAGER

FOSSIL FUEL SCREENING

Background & Challenges

A global asset manager based in Canada, offering both pooled investment funds and separate managed accounts (SMAs), saw rising client demand for fossil fuel screening capabilities across both structures. Because fund and SMA clients often carry different exclusion mandates, the manager needed a single, scalable methodology it could apply consistently across account types – and use as a point of differentiation when competing for new business.

Key challenges included:

- Applying a consistent fossil fuel screen across both commingled funds and individually managed SMAs.
- Meeting varied client exclusion mandates without building a bespoke process for each account.
- Demonstrating credible, established screening capabilities to prospective institutional clients.
- Finding a fully operationalized fossil fuel dataset that met its needs.

Solution

The manager incorporated the CU200 across both its pooled fund and SMA platforms, screening portfolios for exposure to fossil fuel reserve owners in line with each client's investment policy.

- Applied a single, consistent CU200-based methodology across both fund and SMA structures.
- Used CU200 screening as part of its value proposition when engaging prospective clients seeking fossil fuel exclusion capabilities.

Solution (Continued)

- Supported client reporting on fossil fuel exposure alongside other investment data.
- Integrated the CU200's operationalized data into its compliance processes.

Outcome

By offering CU200-based screening consistently across both funds and SMAs, the manager strengthened its market positioning on fossil fuel-related capabilities and supported its efforts to grow assets under management with clients seeking this type of solution.