

# Next Economy AnthroIQ

December 31, 2025

## Green Alpha®

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## Investment Philosophy

The driving forces behind economic growth are:

- companies accelerating economic productivity gains, and
- businesses addressing risks of macro concern.

High-performing enterprises revolutionize efficiency while simultaneously developing solutions for critical issues like climate change, resource degradation, economic inequality, and human disease burdens. In doing so, they create economic expansion and actualize a more de-risked and equitable future. These innovative companies offer the most promising investment opportunities, providing security and growth potential for our clients' capital.

Since 2008 we have focused on identifying and investing in businesses that are developing brilliant, scalable, adaptable, and economically better solutions to global challenges.



## Why Next Economy AnthroIQ?

- Active research and stock selection; passively managed through an annual rebalance
- Industry-leading rigorous gender and social inclusion criteria applied to the Next Economy™ thesis results in a uniquely powerful portfolio of innovative companies led by diverse, empowered teams
- ~113 global, market-leading companies

**Inception Date:** December 31, 2015

**Vehicle:** Separately Managed Accounts

## Research

We select companies for our portfolios based on:

- *Impact:* Businesses offering innovative solutions to critical economic, environmental, and other global challenges.
- *Innovation Leadership:* Companies investing heavily in R&D, intellectual property, and capital expenditures.
- *Strong Management:* Diverse, effective teams aligned with long-term value creation, who are demonstrating revenue growth, expanding profit margins, and potential dividend increases.
- *Financial Health:* Businesses with robust balance sheets and coverage ratios, and smart capital allocation strategies.
- *Value:* Companies whose stock prices offer attractive entry points relative to proven performance and growth prospects.

These and other factors help us construct portfolios that aim for strong returns and build a more sustainable economy. We concentrate on long-term success in an evolving landscape.

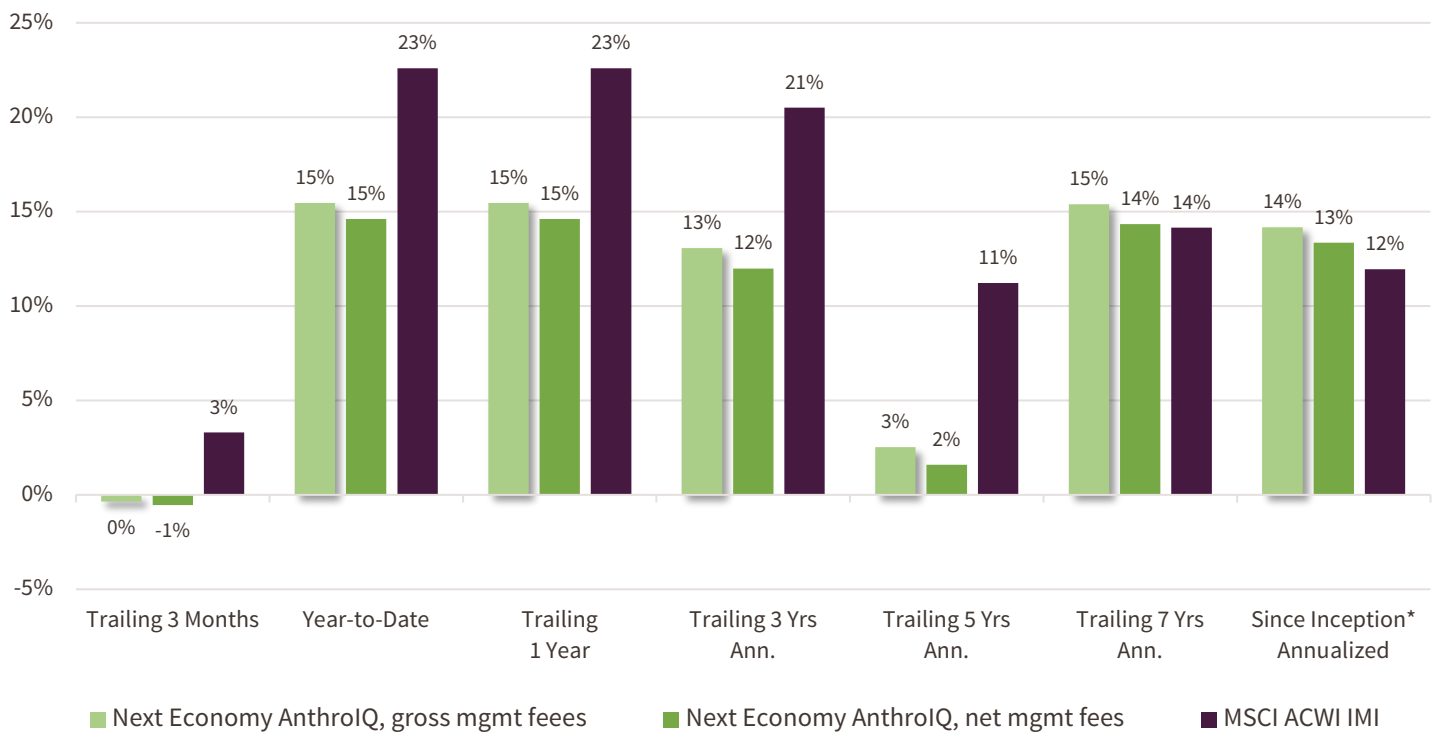
## Portfolio Construction

This portfolio leverages collective diversity for superior outcomes. We give greater weighting to companies with:

1. Strong female representation
2. Women in key decision-making roles
3. Highly inclusive policies across demographics
4. Greater-than-average age spread on leadership teams

Over time, diverse groups outperform homogeneous ones in problem solving, execution, and risk management.

# Portfolio Performance & Attribution



Year-to-Date Sector Attribution by Bloomberg Industry Classification Standard	Average Weight (%)		Total Return (%)			Contribution to Return (%)		
	Portfolio	MSCI ACWI IMI (SPGM)	Portfolio	MSCI ACWI IMI (SPGM)	+/-	Portfolio	MSCI ACWI IMI (SPGM)	+/-
Technology	33.20	24.06	29.59	27.63	1.95	9.34	6.70	3.42
Health Care	24.33	9.31	19.15	15.15	4.00	4.46	1.31	3.32
Energy	4.51	3.83	69.88	15.71	54.17	3.03	0.58	2.71
Industrials	5.14	11.56	34.68	27.43	7.25	1.98	3.15	-1.19
Utilities	4.38	2.19	27.59	25.71	1.88	1.11	0.56	0.63
Consumer Discretionary	5.64	9.91	11.00	11.14	-0.14	0.51	1.15	-0.64
Communications	1.16	9.08	12.74	31.04	-18.30	0.15	2.77	-2.80
Cash	1.96	0.46	0.00	15.56	-15.56	0.00	0.11	-0.11
Materials	1.30	4.11	-13.90	41.83	-55.73	-0.21	1.61	-1.98
Financials	2.86	18.02	-20.66	30.00	-50.67	-0.72	5.30	-6.57
Real Estate	8.13	1.96	-10.17	6.88	-17.05	-0.90	0.13	-1.12
Consumer Staples	7.41	5.86	-26.82	8.99	-35.81	-1.91	0.59	-2.77
Government		0.12		4.24	-4.24		0.01	-0.01

\*Portfolio Inception: December 31, 2015. All returns presented above that are greater than 1 year in length have been annualized. Performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the data quoted. The sector attribution table is supplemental to the fully compliant composite returns presented at the top of the page. Please see the final page of this document for additional important disclosures.

# Macroeconomic Commentary



While Silicon Valley bets on "God in a box" AI models, the global economy is being quietly reshaped by the physical "Electric Stack"—the batteries, magnets, and electrons that turn intelligence into work. Our 2025 commentary explores why the next decade belongs not to those with the most data, but to those who can orchestrate the kinetic reality of the Next Economy™. Click [here](#) to read our entire post.

## Topics Covered

- **The Electric Stack: What Actually Matters**
  - *The Four Layers of Kinetic Work*
  - *The Jevons Paradox: Why Efficiency Drives Explosive Demand*
- **The Electrostate and the Petrostate**
  - *A New Geopolitical Order: Controlling the Intelligence of the Grid*
- **Transition Reality Check: What's Actually Working**
  - *Established Tech vs. Speculative Hype*
  - *The Price Bottleneck in Hard-to-Abate Sectors*
- **AI in Context: Powerful But Not Sufficient**
  - *From "God in a Box" to System Orchestration*
  - *The Biological Stress Test: Why "Ground Truth" Requires Physics*
- **The Bet America is Making**
  - *The DeepSeek Shock: Commodity Intelligence and the Deployment Gap*
- **Next Economics: Who Captures Value?**
  - *Decoupling Development from Degradation*
  - *The Second Mine: Mastering the Circular Stack and Molecular Loops*
- **The Kinetic Forecast: What We're Watching in 2026**
  - *Fleet Turnover and the Interconnection Crisis*
  - *The Shift from AI Land-Grabs to Budget Scrutiny*
- **Closing Thoughts: Following the Physics**
  - *Our Mandate for 2026: Orchestration over Extraction*

# Largest Positions

How the Next Economy AnthroIQ portfolio is driving progress toward the Next Economy

## Seagate Technology (STX) *Sector: Information Technology | Industry: Technology Hardware*

- Next-Generation Mass Storage Platforms:** Seagate's Mozaic 3+ platform, powered by Heat-Assisted Magnetic Recording (HAMR) technology, has shattered the areal density ceiling by delivering 3TB+ per platter and drives exceeding 30TB in capacity. This feat of nanotechnology, which uses a laser to momentarily heat the storage medium to 450°C, allows hyperscalers to double their data center capacity without expanding their physical footprint or increasing power consumption
- Economics of High-Capacity Storage at Scale:** As a dominant player in the hard disk drive (HDD) oligopoly, Seagate provides the essential "cold storage" architecture for the massive data lakes required to train and refine Large Language Models. By offering the lowest Total Cost of Ownership (TCO) per terabyte in the industry, the company has secured a critical economic position where its high-capacity drives are the only viable solution for the world's zettabyte-scale data storage needs.

## Micron Technology *Sector: Technology | Industry: Semiconductors*

- Micron is a foundational architect of the AI revolution:** Providing the high-bandwidth memory essential for training and scaling the world's most advanced models. Their latest technology achieves a 30% reduction in power consumption compared to industry standards, addressing the critical energy "bottleneck" and enabling AI to scale more sustainably.
- Manufacturing Strategy and Sustainability Alignment:** The company is leading the strategic reshoring of semiconductor manufacturing to the U.S: building a more resilient and secure supply chain for the global digital infrastructure. Simultaneously, Micron is on track to power its domestic operations with 100% renewable electricity by the end of 2025, proving that the hardware of the future can be manufactured with the energy of the future.

## Sunrun, Inc. (RUN) *Sector: Energy | Industry: Renewable Energy*

- Virtual Power Plant Dominance:** Sunrun's massive 1 GW partnership with NRG Energy has effectively turned residential rooftops into a synchronized, utility-scale power plant capable of stabilizing the ERCOT grid during peak demand surges. This "distributed power plant" model allows the company to aggregate and dispatch energy from over 100,000 customer batteries, creating a high-margin grid services business that generates recurring revenue without the capital intensity of traditional power plants.
- Storage-First Economic Moat:** By pivoting to a "storage-first" strategy, Sunrun has achieved a crushing 70% battery attachment rate, shielding its business model from regulatory shifts in net-metering and securing a 45% market share in national residential storage. A recent \$500 million joint venture with HASI provides the tactical liquidity needed to scale its 1-million-customer base, ensuring a dominant competitive advantage as the industry shifts toward third-party owned, resilient energy systems.

Company Name	Ticker	Weight
Seagate Technology	STX	3.32%
Micron Technology	MU	2.98%
Sunrun Inc.	RUN	2.86%
Lam Research Corp	LRCX	1.73%
Cisco Systems, Inc.	CSCO	1.63%
GSK plc.	GSK	1.62%
Analog Devices, inc.	ADI	1.56%
Tempus AI, Inc.	TEM	1.50%
Energy Vault Holdings	NRGV	1.48%
Rivian Automotive	RIVN	1.48%
<b>% of Portfolio</b>		<b>20.16%</b>

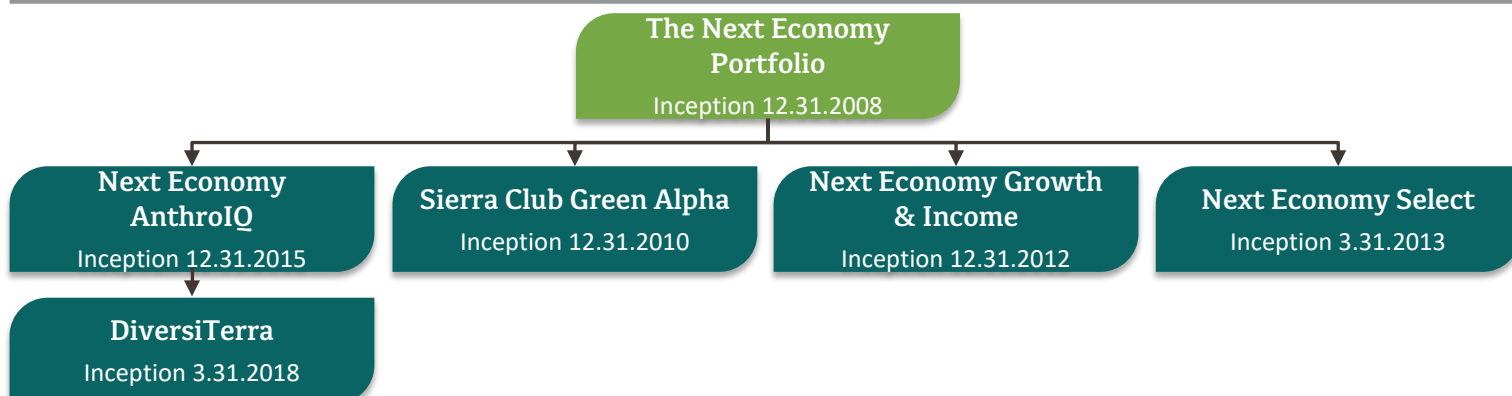
# Largest Positions *continued*

## **Lam Research Corp (LRCX)** Sector: *Technology* | Industry: *Semiconductors*

- **Critical architect of the Next Economy infrastructure:** Providing the specialized tools required to build the high-bandwidth memory and advanced 3D chips that power the AI era. Their breakthrough innovations in etching and deposition allow for massive increases in compute density while simultaneously reducing the energy footprint of the global data ecosystem.
- **Leading the semiconductor industry in climate responsibility:** Having been the first U.S. equipment manufacturer to receive SBTi approval for greenhouse gas reduction targets aligned with a 1.5°C trajectory. By deploying AI-driven virtualization and designing tools that maximize manufacturing yield, Lam ensures the hardware foundation of the digital future is built with resource efficiency at its core

## **Cisco Systems, Inc. (CSCO)** Sector: *Technology* | Industry: *Semiconductors*

- **Scalable Networking in AI-Driven Data Centers:** Cisco has aggressively pivoted its hardware strategy with the **Silicon One P200** chip, which now powers the industry's most scalable 51.2T routing systems designed specifically for distributed AI workloads. By achieving massive 800G port density and switch-like power efficiency, Cisco is effectively challenging InfiniBand's dominance in high-performance AI clusters and capturing billions in orders from hyperscale data centers.
- **Agentic Security Ecosystem:** The integration of **Cisco Hypershield** with the **Splunk** data fabric has created a self-healing security environment that autonomously identifies and blocks vulnerabilities within the data path before they can be exploited. This architectural shift from perimeter defense to embedded, "agentic" security establishes a formidable economic moat, locking in enterprise customers with high-margin recurring subscriptions that are essential for protecting modern, decentralized AI applications.



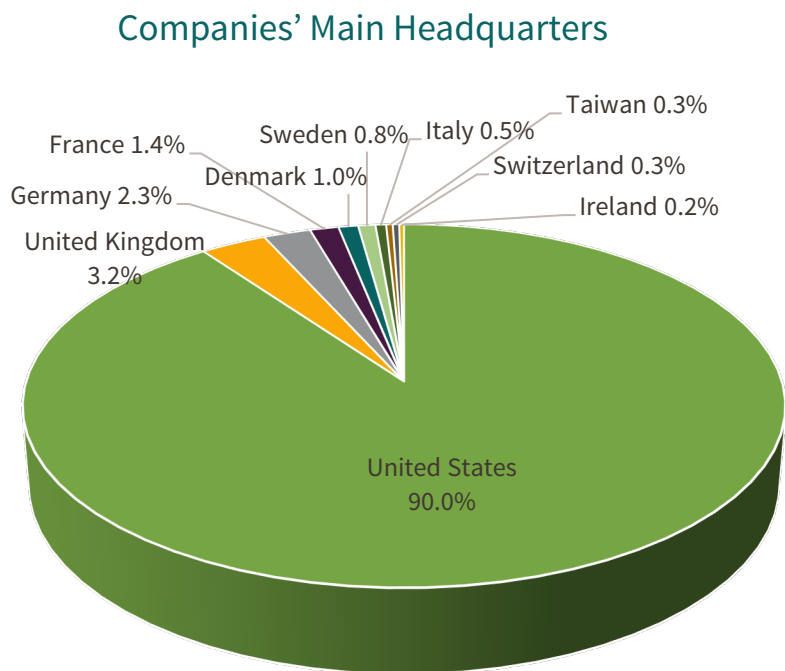
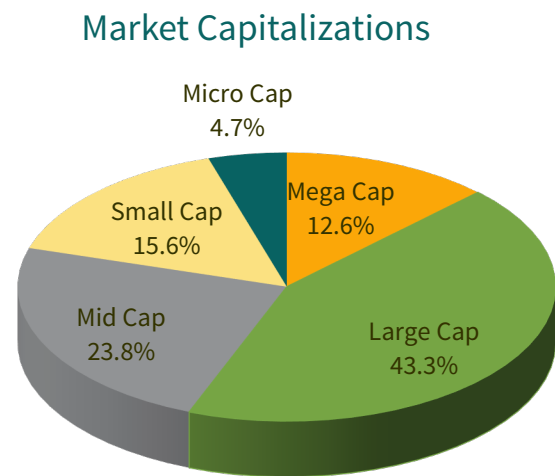
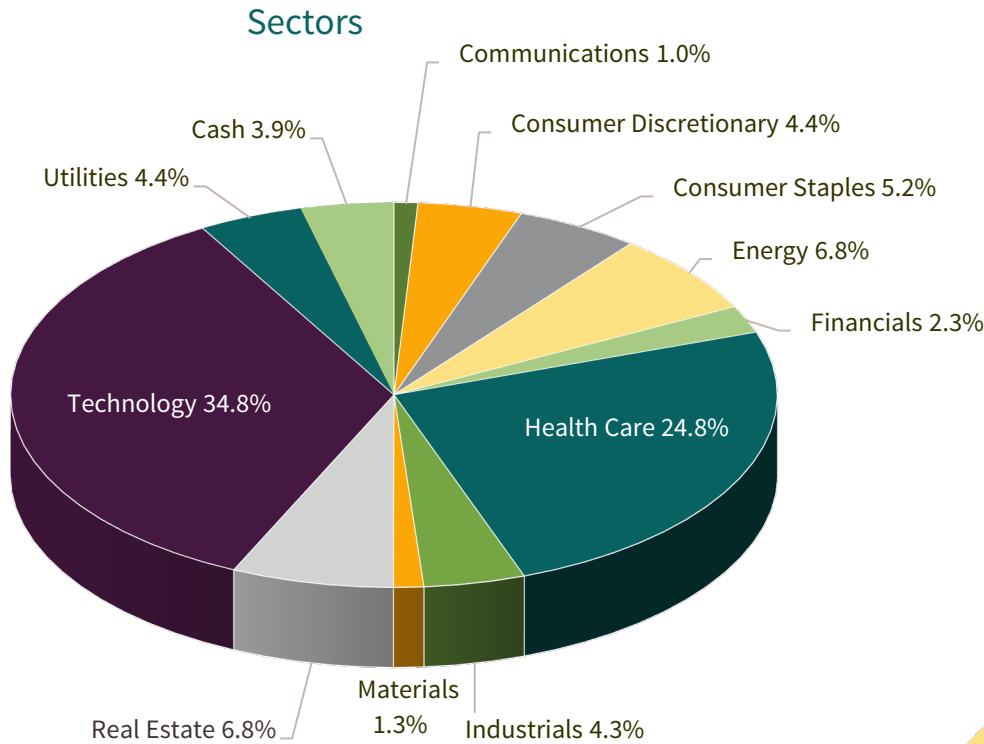
- **Next Economy innovators, diversity leaders** – harnessing the performance enhancing and risk reducing potential offered by diverse teams, we apply rigorous gender and social inclusion criteria to our Next Economy universe
- **Fundamentals-driven:** the underlying quality of companies and the price paid for their shares are key drivers of LT returns
  - ✓ **High growth:** indicated by Sales Growth, and a decrease from Current P/E to Forward P/E as revenue and earnings grow
  - ✓ **Compelling valuation:** demonstrated by Price/Sales and Price/Book metrics relative to growth expectations
  - ✓ **Strong balance sheet and management execution:** conveyed by capital stewardship, LT Debt/Equity, Current Ratio
- **Diversified** – we seek solutions wherever we can find them: across the globe, in companies of all sizes, and every industry
- **Public equities, long-only:** most investors' largest asset class, so their largest opportunity for impact
- **Fossil fuel free since inception:** we never invest in companies that prospect, extract, refine, or transport fossil fuels, nor in fossil-fired utilities or internal combustion engine manufacturers

Characteristics	Next Economy AnthroIQ	Benchmark: MSCI ACWI IMI(SPGM)	The Next Economy Portfolio	Next Economy Select	Next Economy Growth & Income	Sierra Club Green Alpha	DiversiTerra
# of Securities	110	2,908	154	52	34	47	52
Active Share vs MSCI ACWI IMI	93%	-	93%	97%	96%	98%	95%
Active Share vs Next Economy Index	38%	-	-	67%	74%	71%	65%
Sales Growth, Trailing 3-Yr	17%	14%	15%	15%	7%	14%	12%
P/E, Current	28.1	22.3	27.7	25.3	24.3	28.7	27.4
P/E, 1-Year Forward	21.2	20.2	22.1	22.0	19.5	22.3	24.9
Price/Sales	3.2	2.3	2.7	1.6	1.4	1.0	2.8
Price/Book	3.2	3.3	2.8	2.6	2.0	2.3	2.8
LT Debt/Equity	37%	34%	31%	37%	47%	33%	38%
Current Ratio	2.9	1.9	3.2	3.1	2.1	2.9	2.9
Dividend Yield	0.92%	1.68%	1.06%	1.60%	3.48%	1.61%	1.33%
Market Cap, Wtd Avg (\$B)	\$169.22	\$864.50	\$128.96	\$245.87	\$284.98	\$210.52	\$208.29
Market Cap, Median (\$B)	\$9.63	\$3.56	\$7.73	\$6.39	\$25.68	\$7.29	\$8.34
Turnover, Trailing 2-Yr Avg	9%	Not Available	28%	9%	9%	10%	12%
Beta, Trailing 3-Yrs	1.79	1.00	1.68	1.88	1.44	1.75	1.74
U.S.-Domiciled Companies	90%	83%	83%	70%	68%	72%	83%
% Revenue Derived in U.S.	59%	44%	55%	54%	48%	50%	57%

Characteristics are sourced from FactSet, based on a representative account and include cash. Please see additional disclosures on last page.

# Portfolio Allocations

Our search for Next Economy companies is unconstrained. For the Next Economy AnthroIQ portfolio, we seek solutions to systemic risks wherever they exist – across sectors, market caps, and geographies.



Allocation data is sourced from FactSet and is based on a representative account. The exception is the sector chart, which utilizes the Bloomberg Industry Classification Standard from Bloomberg. The market cap and headquarters charts are shown as percent of equity. Please see the final page of this document for additional important disclosures.

# Important Disclosures

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- Green Alpha Investments is a trade name of Green Alpha Advisors, LLC. Green Alpha is a registered trademark of Green Alpha Advisors, LLC. Green Alpha Advisors also owns the trademarks to “Next Economy,” “Next Economics,” “Next Economy Portfolio Theory,” “Investing in the Next Economy,” and “Investing for the Next Economy.”
- Performance quoted throughout this document represent past performance. Past performance does not guarantee future results, and current performance may be lower or higher than the data quoted. Investment returns and principal will fluctuate with market and economic conditions, and investors may have a gain or loss when shares are sold.
- Beginning July 31, 2021, the Next Economy AnthroIQ performance results are a composite of discretionary client accounts invested in the Next Economy AnthroIQ strategy on specific custodial platforms. Green Alpha’s discretionary client accounts that are not included in the composite are those custodied at Folio Institutional due to operational limitations of Folio’s data feeds to Green Alpha’s portfolio accounting system Advent APX. Beginning May 31, 2023, composite membership also includes a minimum account size of \$50,000. The Next Economy AnthroIQ composite performance results reflect actual performance for a composite of discretionary client accounts meeting custodian and minimum account size requirements. Net-of-fee returns reflect the deduction of actual management fees and transaction costs. Some assets managed in the Next Economy AnthroIQ strategy within the composite receive a reduced fee from the standard management fee schedule. Actual client returns experienced will vary from the returns presented based on a variety of factors, and we encourage you to ask about specific factors. Accounts are included in the composite for full-month periods under management with Green Alpha Investments. Next Economy AnthroIQ composite performance results do not reflect the reinvestment of dividends and interest.
- Prior to July 31, 2021, the Social Index performance results represent a single account managed to the strategy. The performance results shown are not materially higher than if all related accounts were included prior to August 2021. Please contact Green Alpha for information about the representative account selection process.
- Actual advisory fees may vary among clients with the same investment strategy. Green Alpha’s standard fee schedules are available within Form ADV Part 2. For those details and additional legal information, please see information and files here: <http://greenalphaadvisors.com/about-us/legal-disclaimers/>.
- The Next Economy AnthroIQ strategy contains stocks that are managed with a view towards capital appreciation. Extreme periods of underperformance or outperformance are due to the concentrated nature of the strategy, and the impact of specific security selection. Such results may not be repeatable.
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- The MSCI All Country World Investable Market Index (ACWI IMI) is a free float-adjusted market capitalization-weighted index that is designed to measure the combined equity market performance of developed and emerging markets. The Index covers approximately 99% of the global equity investment opportunity set. The MSCI ACWI IMI figures do not reflect any fees, expenses, or taxes. Investors cannot invest directly in this index.
- The SPDR MSCI Global Stock Market ETF (ticker: SPGM) seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the MSCI ACWI IMI. Investors can invest directly in SPGM.
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