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IMPACT

COVID-19 Could be ‘Major Turning Point’ for Sustainable Investing



The coronavirus pandemic and the destruction left in its wake could lead to a greater adoption of socially responsible investing, according to JPMorgan.

The firm said that Covid-19 could prove to be a “major turning point for ESG,” which is when investors consider a company’s environmental, social and governance factors alongside traditional metrics like balance sheet strength and earnings growth potential.

“The COVID-19 crisis has not only brought on the greatest recession since World War II, but investors are also calling it the 21st century’s first “sustainability” crisis and one that has renewed the focus on climate change, acting as a wake-up call for decision makers to prioritize a more sustainable approach to investment,” wrote JPMorgan’s co-heads of sustainability research Jean-Xavier Hecker and Hugo Dubourg.

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The firm surveyed investors around the world totaling nearly \$13 trillion in assets under management and found that more than 70% believe unforeseen events like Covid-19 will spark investor interest over tackling issues like the climate crisis. And more than 50% said the pandemic would be positive for ESG momentum over the next three years. Of the respondents, 18% said they believe Covid-19 will be neutral for ESG investing.

“We believe that pandemics and environmental risks are viewed as similar in terms of impact, representing an important wake-up call for decision makers,” said Hecker and Dubourg. “The impacts of the COVID-19 crisis on the real economy and the financial system highlight the limits of most forecasting models, which do not deal well with non-linear, complex systemic risks.”

Sustainability-focused funds attracted a record amount of capital in the first quarter of this year, even as the pandemic rattled worldwide markets. Global sustainable funds saw inflows of \$45.7 billion, while the broader fund universe had an outflow of \$384.7 billion, according to Morningstar.

In the U.S., sustainable funds saw a record \$10.5 billion of inflows in the first quarter, although the pace of buying did slow by March.

But with investor momentum now returning to the market, 2020 is on track to be another record year for sustainable funds. In fact, inflows in the first quarter were more than half of the record \$21.4 billion pumped into sustainable funds in 2019.

ESG investing in the broadest sense is set to encapsulate \$45 trillion in total assets by the end of the year, according to JPMorgan, with more than 90% of that concentrated in Europe and North America.

“While ‘tipping-point’ has been used to characterize this market for almost as long as it has existed, we do believe a substantial shift is under way: stakeholders are increasingly pricing in sustainability preferences, which should lead to a reconciliation of ‘sustainable’ and ‘financial’ materiality over the long-term,” the report said.

Back to the Roots Fills Growing Need for Organic, 100% US-Grown Seeds



Published by Sustainable Brands October 10, 2020

The food and gardening startup furthers its mission to “undo food” with the release of organic, non-GMO, domestically grown seeds for 92 varieties of fruits, vegetables, herbs and flowers — in packaging made of 100% recyclable materials.

With so many more of us in the US turning to our own backyards for fulfillment and nourishment during the **COVID-19** pandemic, sustainable food and garden startup **Back to the Roots** is looking to bring the industry back to its homegrown origins with an expanding line of organic, 100 percent US-grown seeds.

The **Oakland, Calif**-based company — which specializes in indoor and at-home gardening kits — first launched a pilot version of its organic seed packet program this past spring, during which the company’s wide variety of vegetable and herb seeds became available at 100 **Home Depot** stores. Next spring, the program will expand to locations across the country; and launch nationwide in **Albertsons** and **H-E-B** supermarkets.

The seed line is the first 100 percent US-grown seed packet program in the country — a designation that has proven especially significant in light of **Amazon**’s recent ban on the sale of foreign seeds into the United States. On Sept. 30, all listings on seeds from sellers abroad were removed from the online marketplace, creating what Back to the Roots’ founders view as a new opportunity for small, domestic seed farmers.

“Transparency has been at the core of our brand since day one — sharing the stories of our incredible partner farmers and letting our community know exactly where and how each of our products are made,” said Back to the Roots co-founder and co-CEO **Nikhil Arora**. “And it’s exciting to see how consumers are now demanding this transparency from brands — voting with their dollars across categories and industries for transparently sourced products. Ultimately, transparency is what we think will anchor a more sustainable future.”

Back to the Roots defines itself as a company for a new generation of home gardeners, with a mission to “undo food” by reconnecting young people to the land — whether that land is a backyard or an indoor planter in an urban apartment — and to the way food is grown. The company’s products — sold in over 10,000 stores nationwide — are aimed at making gardening accessible to growers of all experience levels and in all types of living environments, ranging from easy-to-use indoor grow kits to aquaponic water gardens and raised beds.

The pilot seed program launched this past spring included 92 varieties of fruits, vegetables, herbs and flowers — all of which are organic and non-GMO, with packaging made of 100 percent recyclable materials.

“The future of gardening is changing — to really bring a new generation into the garden, we have to move away from spraying who-knows-what chemicals on seeds from farms located who-knows-where,” co-founder and co-CEO **Alejandro Velez** said. “It’s about trust, transparency; and forming relationships: with the earth, with our family and friends we share our harvests with, and with the farmers who grow these incredible seeds.”

Back to the Roots was named a 2019 winner of **The Home Depot Innovation Award**, and named **Walmart**’s 2021 **Gardening Spotlight Brand** for innovation and sustainability.

Four Scenarios for the Energy Transition in the Age of COVID

Published by Impact Alpha October 13, 2020



The pandemic “has caused more disruption to the energy sector than any other event in recent history,” reports the **International Energy Agency** in its annual energy outlook. Global energy demand will drop by 5% this year and CO2 emissions by 7% – and energy investment by 18%. Oil investments have fallen by a third and producers have written down \$50 billion worth of assets, in what the IEA calls “a palpable expression of a shift in perceptions about the future.” *Strategic keywords:* low cost, low emissions, and diversification of energy sources. What happens next hinges on the duration of the pandemic, its economic fallout, and

the ways clean energy and sustainability are built into recovery strategies.

Scenario planning. In two of the IEA’s four scenarios, humanity fails to take steps to prevent catastrophic warming. In two others, a sweeping transformation of the energy sector drastically reduces emissions and delivers the cleanest air in years. “We are entering a critical decade for accelerating clean energy transitions and putting emissions into structural decline,” IEA’s **Fatih Birol** writes in a foreword to the 400-plus page report.

King Solar. As oil and coal consumption declines, renewables will see a slight rise in 2020. Solar is “at the center of this new constellation of electricity generation technologies” in all four of the IEA’s scenarios. Solar power is cheaper than new coal or gas-fired power plants in most countries, making it “some of the lowest cost electricity ever seen.” Even with current policies, renewables are expected to account for 80% of the growth in global energy demand over the next decade.

Net zero. Sustainable recovery plans like those proposed in the European Union, the U.K., Canada, Korea and New Zealand could set a trajectory to net-zero emissions by 2050. In its sustainable development scenario,

the IEA calls for an additional \$1 trillion in annual investments in efficiency, low-emissions power and electricity grids, and sustainable fuels. More than 70% of that will come from private capital, the IEA says. In a funding shift, the Oil Age's equity and balance-sheet investing is giving way to debt-based financing based on renewable energy's predictable cash flows.

Investors ratchet up pressure on big corporate carbon emitters. More investors are pressing more companies to cut more emissions. One effort, Climate Action 100+, sought commitments from 161 big corporate emitters to meet the Paris climate agreement's goals of keeping temperature increases below 2°C. The new **Business Ambition for 1.5°C** campaign is urging more than 1,800 high-emitting companies to set science-based emissions targets to achieve net zero emissions by 2050 at the latest. U.K.-based nonprofit **CDP**, which is leading the effort, has warned that large companies face \$1 trillion in risk from climate impacts that are likely to hit in the next five years. Among the 137 investors representing \$20 trillion in assets are **AXA Group, Legal & General Investment Management, Nikko Asset Management and Generation Investment Management**. "Companies that are failing to set targets grounded in science risk losing out – and causing greater damage to the world economy," said CDP's **Emily Kreps**.

Impact in the News



- **Vestas Wind Energy**

Energy Industry's leading global partner on sustainable energy solutions. Reduced carbon emissions by over 15% to 5.9 grams of CO2 per kWh

- **Cisco Systems**

2.15 million students built digital and entrepreneurial skills in 2019 via Cisco Networking Academy and 469 million people positively impacted. All while dropping greenhouse gas emissions by 48% since 2007.

- **Clorox**

Funded a program to help tree-planting groups and to increase awareness to 4,000 schools within California. Founded The Safe Water Project to disinfect water across the globe.

- **Qualcomm**

Bridging the gender gap in STEM for women in India, as well as founded Thinkabit Lab Program to educate kids in the STEM field to promote growth.

E3 = Epic Time, Talent & Treasure

Epic Capital is a mission-driven firm with a genuine heart for community, both locally and around the world. We focus specifically on social outreach initiatives. We give our time, talent and treasure to organizations that support families in need, the working poor, homeless or impoverished. This is meaningful to us because we recognize the incredible blessings in our lives and the opportunities that we have been given to do work that we love. So we have taken our personal passion for empowering others and made it a part of our corporate charter. We call it **E3**.

- We give **our time** through our quarterly *Epic Outreach* program, serving where the greatest needs are through local charities.
- We give **our talent** through our *Epic-EDU* program, in addition to our partnership with [CommonWealth Charlotte](#), administering financial workshops for organizations and churches that minister to low income families, the working poor and the previously incarcerated.
- And we give **our treasure** through our *Epic Impact Grant* program to local community and global organizations that meet our social outreach criteria.

We believe that we are all called to serve. We also believe that the positive impact one can make by empowering the life of another can alter the direction of that life forever.

We are pleased to announce that we have opened up our quarterly Epic Outreach initiatives to include volunteer participation from clients of Epic Capital. Please consider joining us during one of our upcoming volunteer efforts.

Wine to Water: Reaches 1 Million People Served!



Hear from founder and CNN hero Doc Hendley

North Carolina-based Nonprofit that's near and dear to our hearts at Epic Capital, [Wine To Water](#), reached its 1 millionth person served earlier this year. At 2:40 am EST on June 26, within a wonderful family in the East African village of Eluai, Tanzania, we reached our 1 millionth person with clean water.

A Milestone 13 years in the making:

1 Million people reached with clean water!

“We celebrate this incredible goal that was made possible by the dedication of our incredible global teams and the generous, unrelenting support of our community!”

We believe the world is made better by people coming together and caring for the needs of others. Water is essential not just to survive, but to thrive - and that is why we are committed to supporting life and dignity for all through the power of clean water.

Wine to Water's aim is to eradicate the global water crisis, by providing clean to those in need all around the world. If you would like to learn more about Wine to Water, or would like to support them in any way, please visit their website at <https://winetowater.org> or simply reach out to [Ed Doughty](#) who leads the [Charlotte Chapter of Wine to Water](#). Ed has also volunteered with WTW in [Uganda](#), [Ethiopia](#) and the [Dominican Republic](#) as well as his most recent trip to the [Amazon](#).



If you would like to consider other volunteer opportunities, or to learn more about over 400 local non-profits in the Charlotte region, please visit a community partner of ours who we hold in very high regard: **Share Charlotte** <https://sharecharlotte.org/>

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