Agenda

- Introduction to MCV
- Investment Approach
- Lessons Learned
Introduction to MCV
What is MCV?

Founded in 2021, Michigan Climate Venture is a first-of-its-kind, multidisciplinary program at the intersection of climate technology and venture capital. We house a student-run investment fund targeting early stage climate tech companies in the Great Lakes Region with moonshot potential for rapid decarbonization.

MCV is designed to provide a hands-on, transformational experience that prepares students for impactful careers addressing climate change - the defining challenge of our generation.

We are currently founded by the University of Michigan endowment, but are pursuing external fundraising to ensure the sustainability of the fund.
Our people

- Fund size: 30 graduate students from across UM's campus
  - SEAS
  - Ross
  - Ford
  - Engineering
  - Law
  - SIS
- Multidisciplinary, entrepreneurial doers
- MCV requirements:
  - An interest in climate technology and investing
  - Graduate student with 2 years left in program
  - No prior experience in climate-tech/VC required.
Portfolio Companies

ReJoule

EV battery diagnostics platform based out of Signal Hill, CA

Coming soon
Summer 2023
Investment Approach
Our Investment Thesis

Verticals
- Mobility
- Food & Agriculture
- Materials & Circular Economy

Leadership
- Leadership team
- Vertical lead
- Diligence lead

Investment strategy
- Patient capital, evergreen fund seeking investment opportunities across three verticals
- Focus on Pre-Seed and Seed Stage climate startup deals in the Great Lakes Region
- Anticipate ~1 - 3 investments per year at check sizes of $25K - $50K. Made our first investment in year one
Impact Investing Criteria - Environmental

**Decarbonization Potential**
Quantify the potential of the solution/industry to reduce GHG emissions while accounting for uncertainty in measurement

*Increase long-term demand and potential for company's product/service*

**Social Cost of Carbon**
Utilizing methodology developed by UM faculty and students, integrate social cost of carbon into financial projections

*Mitigate potential PR risk and increase value proposition*
## Impact Investing Criteria – Social

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<tr>
<th>Social Risk or Empowerment</th>
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<td>Evaluate how the success of this company may help or hinder human health, job development, social equality, etc.</td>
<td>Determine whether the company is providing adequate opportunity for underrepresented communities</td>
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**Mitigate potential PR risk and increase value proposition**

**Increase equitable opportunity and diversity of thought on management teams**
### Parallel Education Process

#### Climate Tech
- Climate Science
- Decarbonization Pathways
- State of Climate Tech
- Vertical Deep Dive
  - Mobility
  - Agriculture
  - Materials and Circular Economy

#### Impact Assessment
- Decarbonization potential
- Social impact of carbon (In development)

#### Market Sizing
- Traditional VC market sizing

#### Financial & Business Models
- Accounting and Finance Overview
- Financial Models
- Business Models

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Our education modules empower members to effectively participate in the fund with no prior investment or climate technology experience.
Lessons Learned
### Lessons Learned

#### Picking Investments
- Utilize universities and accelerators to find pre-seed/seed investments
- Lean on internal experts who understand sub-sectors, both to know where to look for them and conduct rigorous due diligence
- Consider the decarbonization potential of the industry/solution, ideally through rigorous internal research

#### Impact Evaluation
- Validate environmental and social impact claims in a similar manner to financial projections or product evaluation
- Go beyond conventional climate impact assessment by integrating LCA & embedded carbon
- Consider the social cost of carbon in financial evaluation
- Weigh philanthropic aspirations against economic realities