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This issue of the journal is devoted to the coverage of climate change and its impact on the investment industry. The editor of this special issue is Professor Darwin Choi. I want to express my gratitude for his efforts in selecting and reviewing the articles that appear in this issue. The introductory essay by Choi, Gao, and Jiang provides an excellent review of the issue and the articles that follow.

In the article titled "Measuring the Carbon Exposure of Institutional Investors," Choi, Gao, and Jiang introduce a simple definition of carbon-intensive firms to measure institutional investors' exposure to the emission intensities of portfolio companies. The definition is based on major emission industry sectors identified by the Intergovernmental Panel on Climate Change. Using the data from 13F forms, the article examines investors' carbon exposures.

Westcott, Ward, Surminski, Sayers, Bresch, and Claire explore how real estate investors and lenders can assess and manage the physical risks of climate change through well-established risk models and climate scenarios in their article titled "Be Prepared: *Exploring Future Climate-Related Risk for Residential and Commercial Real Estate Portfolios*." The authors propose a methodology that real estate investors and lenders can use to improve their understanding and management of these risks.

In "Volumetric Risk Hedging Strategies and Basis Risk Premium for Solar Power," Kanamura studies volumetric risk hedging strategies for solar power. Temperature-based and solar power generation–based models for solar power derivatives are studied, and the basis risk arising from solar power volumetric risk, which is affected by changes in temperature, is discussed.

Green bonds are a novel way to help unlock finance for investment in sustainable development. Partridge and Medda study these instruments in "Green Bond Pricing: *The Search for Greenium*." Some issuers and investors are watching this market with keen interest to see if a green premium, or "greenium," arises. The authors argue that the current consensus in the literature is that there is a detectable greenium in the secondary markets for corporate and US municipal bonds.

Following the Partridge and Medda article, Deng, Tang, and Zhang question whether greenness is priced in the market. In "Is 'Greenness' Priced in the Market? *Evidence from Green Bond Issuance in China*," the authors take advantage of the unique feature of the Chinese green bond market that allows a proportion of the proceeds to be used

for nongreen purposes. The authors find that greener bonds—those with more proceeds used for green projects—are sold at a premium.

The article by Gyura titled "Green Bonds and Green Bond Funds: *The Quest for the Real Impact*," argues that green bond funds have so far not kept pace with green bonds' rapidly increasing volumes. Such funds are well placed to meet millennial investors' demand for both impact investment opportunities and more information on the tangible benefits of their investments. The survey reported here provides new insights on the potential of the green bonds and green bond funds.

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