

STOXX® GLOBAL CLIMATE IMPACT AND CLIMATE AWARENESS INDICES

February, 2017



Agenda

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1. INTRODUCTION

Climate Change is not a trend, but a long-term commitment by governments, financial sector and investors globally

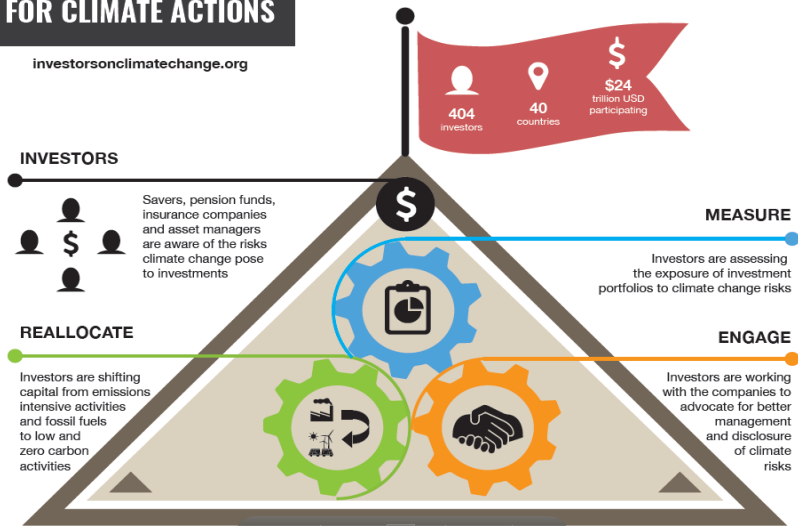
Investors worth a total of \$24 trillion committed to participate in the transition to a low-carbon economy

Risks

- » Research¹⁾ shows that climate change could cost up to 19% of global GDP by end of 2030
- » Investors are seeking ways to mitigate the financial costs of climate change

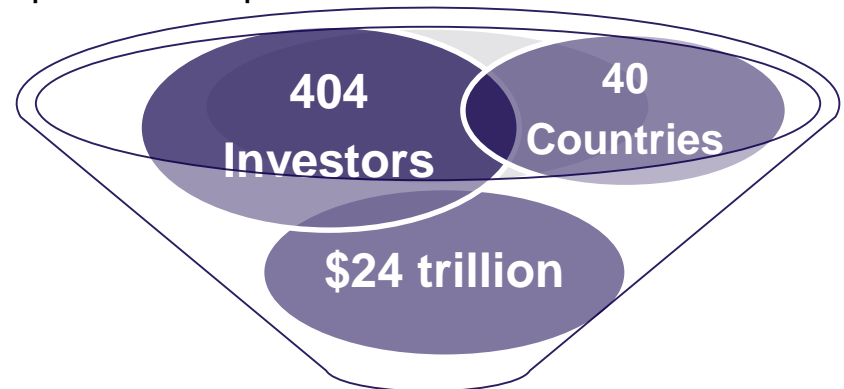
INVESTOR PLATFORM FOR CLIMATE ACTIONS

investorsonclimatechange.org



Opportunities

- » Investors are discovering the potential of investments in renewable energy and the low-carbon economy
- » Such investments offer favorable risk-return profiles compared to the benchmark



Global Investor Statement on Climate Change

STOXX Climate Impact and Climate Awareness indices use forward-looking data from CDP

Value proposition

I STOXX Climate Impact Indices

- » Unique concept utilizing forward-looking indicators based on CDP research
 - » Contains companies with a CDP Performance Band Score¹⁾ of between A (Leadership) and B- (Management)
 - » Constituents focus on solving the climate problem (A to A-: „Leaders“) and managing climate change risks and impact (B to B-: „Management“)
-

II STOXX Climate Awareness Indices

- » Unique concept utilizing forward looking indicators based on CDP research
- » Contains companies with a CDP Performance Band Score of between A (Leadership) and C- (Awareness)
- » Constituents focus on solving the climate problem (A to A-: „Leaders“), managing climate change risks and impact (B to B-: „Management“) and understanding what climate change means for their company (C to C-: „Awareness“)

2. METHODOLOGY

STOXX® Global Climate Impact and Climate Awareness Indices

Methodology

Universe



- » STOXX® Global 1800
- » Exclude:
 - » ICB subsector Coal (1771)
 - » UN Global Compact Violations and Controversial Weapons

Selection



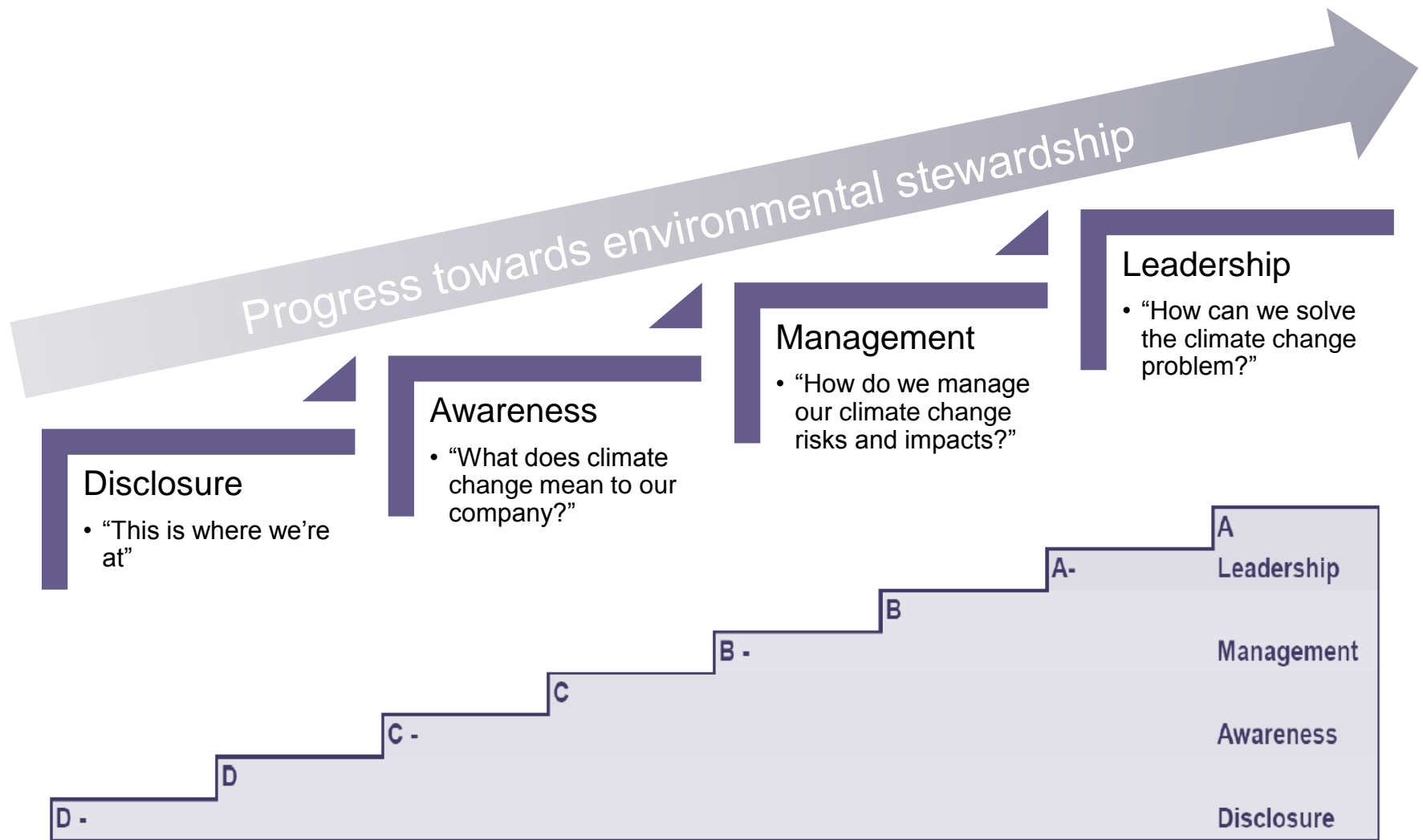
- » **Climate Impact:** Select all stocks from the Universe with a CDP Performance Band Score between A and B- (Leadership and Management)
- » **Climate Awareness:** Select all stocks from the Universe with a CDP Performance Band Score between A and C- (Leadership, Management and Awareness)

Weighting



- » Price weighted:
 - » Free-float market cap multiplied by the corresponding Z-score carbon intensity factor of each constituent with constituent capping at 5%
 - » Overweight stocks with lower carbon intensities, underweight those with higher emissions

CDP's scoring approach and corresponding level



CDP Scoring Levels

STOXX Climate Awareness Indices

STOXX Climate Impact Indices

Disclosure (D & D-)

- » Measures completeness and comprehensiveness of the CDP response
- » Early stage companies can still get a good disclosure
- » It's the first step because it is the place to start

Awareness (C & C-)

- » Identifies companies who have looked at implications of climate change for and on their business
- » Recognises high level, contextual knowledge of environmental issues
- » It's the second step because it is a basis for action

Management (B & B-)

- » Seeks evidence of climate actions implemented
- » Requires company-specific understanding of climate change related issues
- » It's the third step because broad-based action precedes developing excellence

Leadership (A & A-)

- » Is based on companies disclosing particular actions which mark them as leaders, as well as high scores across all other levels
- » Scoring requires detailed company-specific explanations
- » Requirements to achieve leadership in 2016 will be challenging, but achievable

» A high Leadership score will suggest that: 1) the company's climate change strategy is integrated throughout the business, 2) it is successfully managing climate change and risk and has advanced accounting in place, and looks to its environmental management as a source of opportunity and innovation and, 3) it looks beyond direct climate change risks and impacts to trying to tackle water issues in their wider context, and makes a public commitment to do this

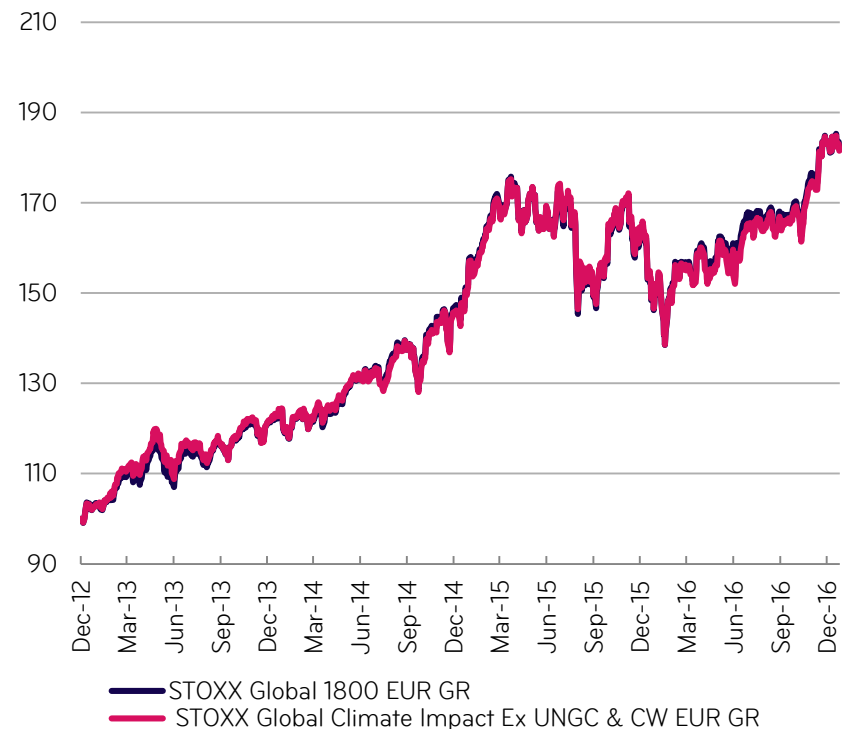
3. PERFORMANCE

STOXX Global Climate Impact GR (EUR) Index

Risk and return characteristics¹⁾

	STOXX Global Climate Impact GR (EUR)			STOXX® Global 1800 GR (EUR)		
	Overall ²⁾	1y ²⁾	3y ²⁾	Overall ²⁾	1y ²⁾	3y ²⁾
Performance (actual)	81.78%	21.85%	46.22%	82.21%	22.54%	47.11%
Performance (annualized)	15.42%	21.01%	13.11%	15.48%	21.68%	13.33%
Volatility (annualized)	13.62%	13.79%	14.74%	13.44%	13.24%	14.55%
Tracking error (annualized)	0.00%	0.00%	0.00%	2.01%	1.94%	1.92%
Maximum drawdown	20.94%	10.39%	20.94%	21.20%	10.12%	21.20%
Sharpe ratio (annualized)³⁾	1.13	1.47	0.92	1.14	1.57	0.94

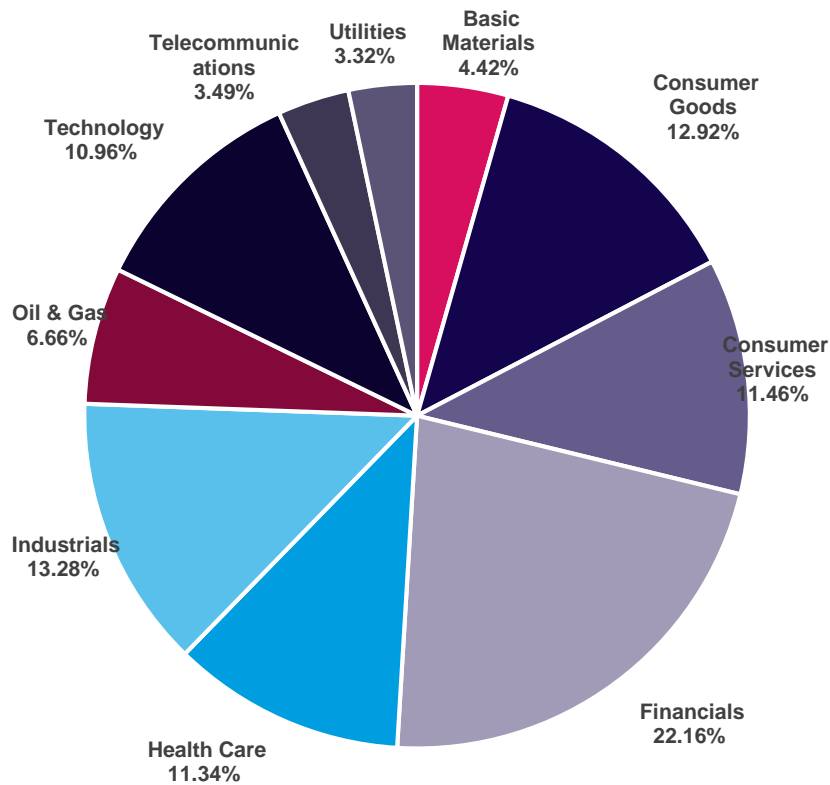
Index performance



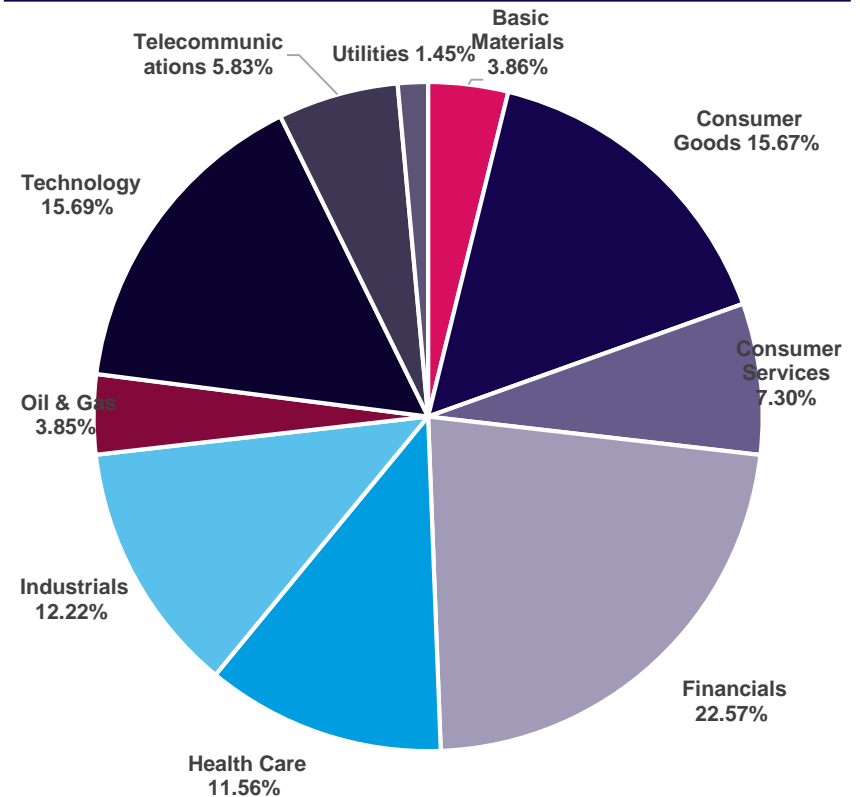
The STOXX Global Climate Impact GR (EUR) Index has a 66% lower carbon footprint than the STOXX® Global 1800 GR (EUR) Index

STOXX Global Climate Impact GR (EUR) Index - Industry Allocation

STOXX® Global 1800 Industry weights¹⁾

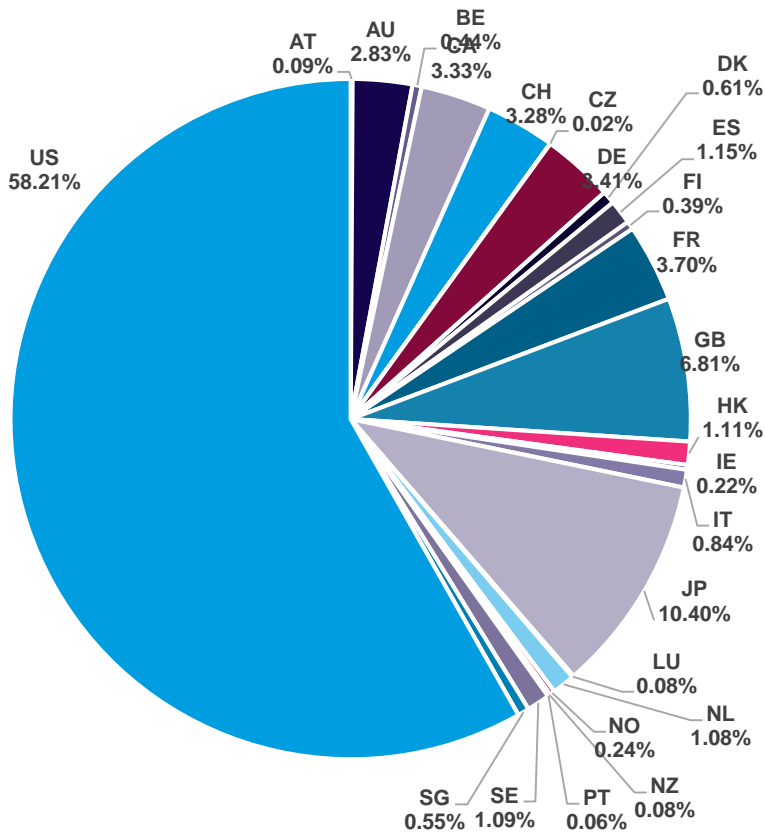


STOXX Global Climate Impact Industry weights¹⁾

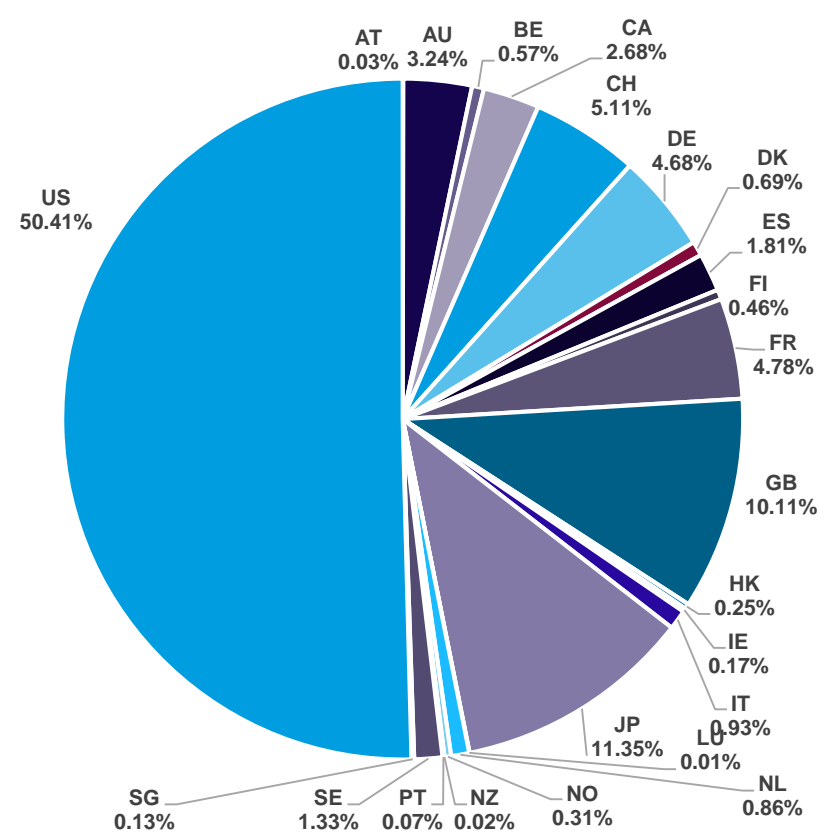


STOXX Global Climate Impact GR (EUR) Index - Country Allocation

STOXX® Global 1800 Country weights¹⁾



STOXX Global Climate Impact Country weights¹⁾

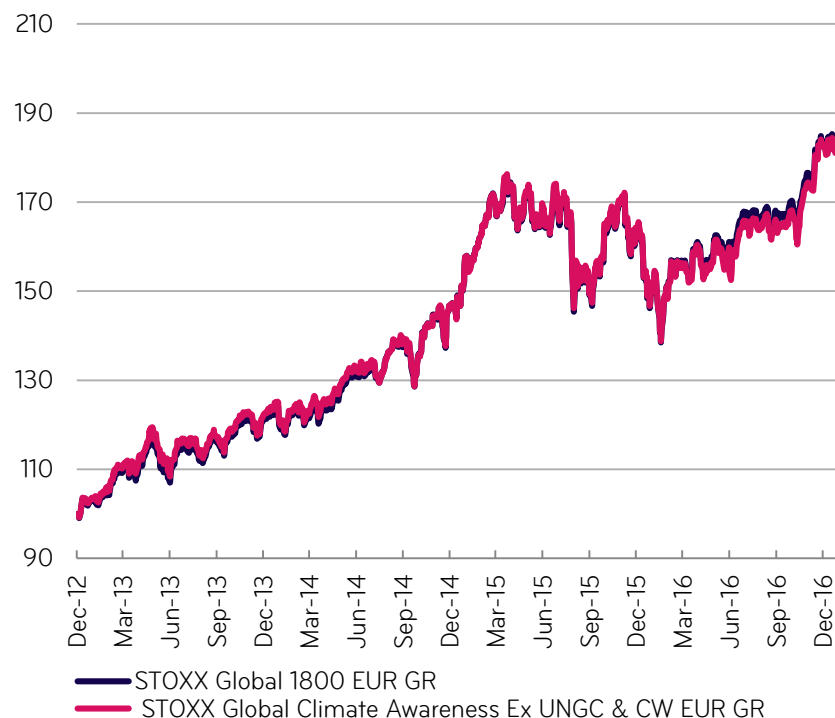


STOXX Global Climate Awareness GR (EUR) Index

Risk and return characteristics¹⁾

	STOXX Global Climate Awareness GR (EUR)			STOXX® Global 1800 GR (EUR)		
	Overall ²⁾	1y ²⁾	3y ²⁾	Overall ²⁾	1y ²⁾	3y ²⁾
Performance (actual)	81.29%	21.49%	44.98%	82.21%	22.54%	47.11%
Performance (annualized)	15.34%	20.67%	12.80%	15.48%	21.68%	13.33%
Volatility (annualized)	13.58%	13.64%	14.69%	13.44%	13.24%	14.55%
Tracking error (annualized)	0.00%	0.00%	0.00%	1.45%	1.35%	1.40%
Maximum drawdown	21.30%	10.23%	21.30%	21.20%	10.12%	21.20%
Sharpe ratio (annualized)³⁾	1.12	1.47	0.90	1.14	1.57	0.94

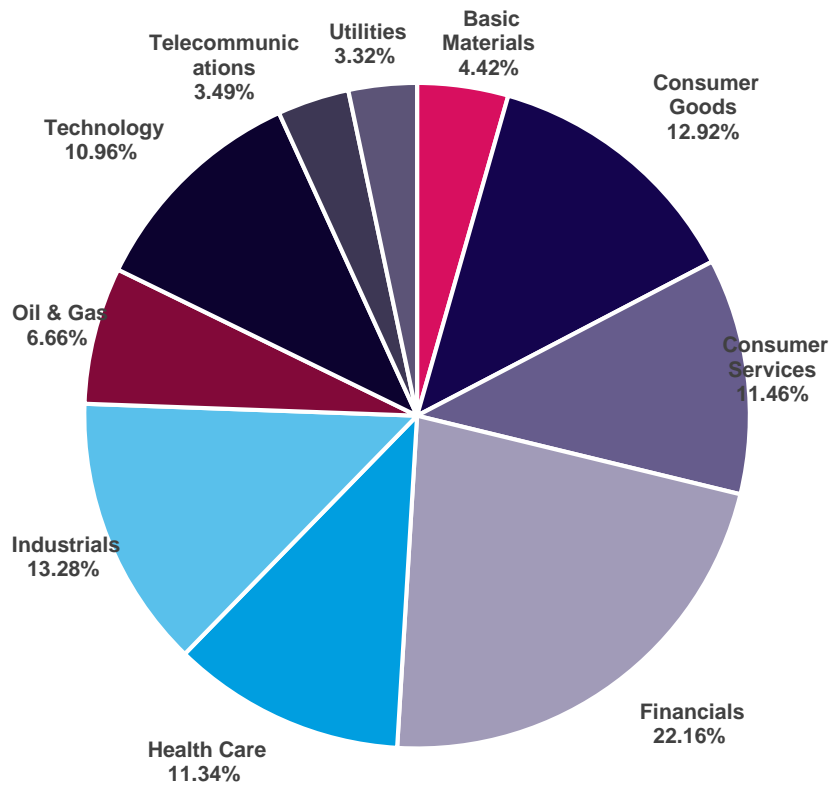
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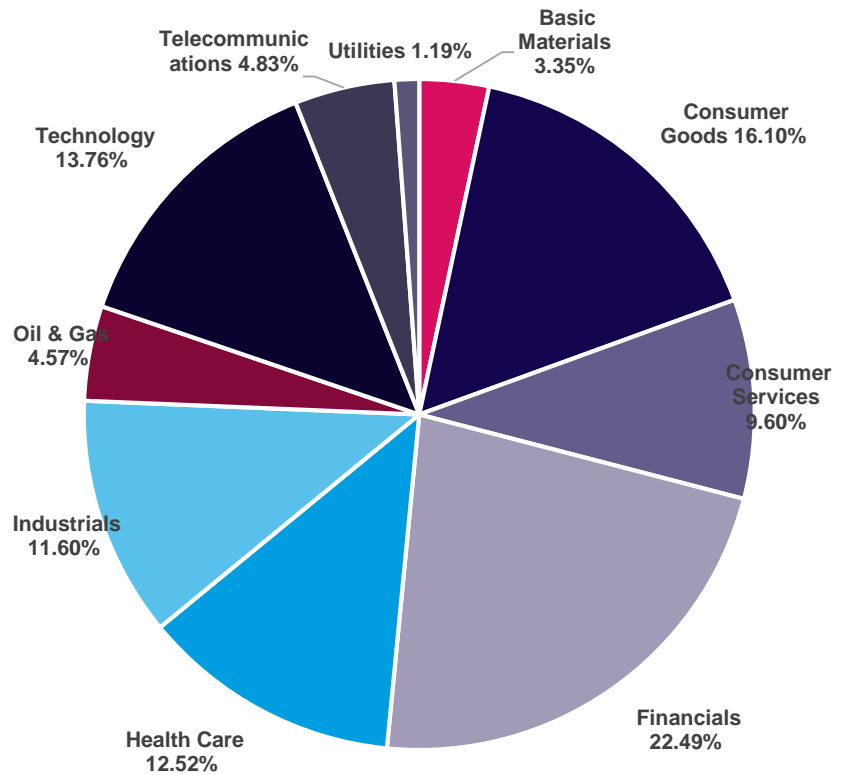
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STOXX Global Climate Awareness GR (EUR) Index - Industry Allocation

STOXX® Global 1800 GR EUR Industry weights¹⁾

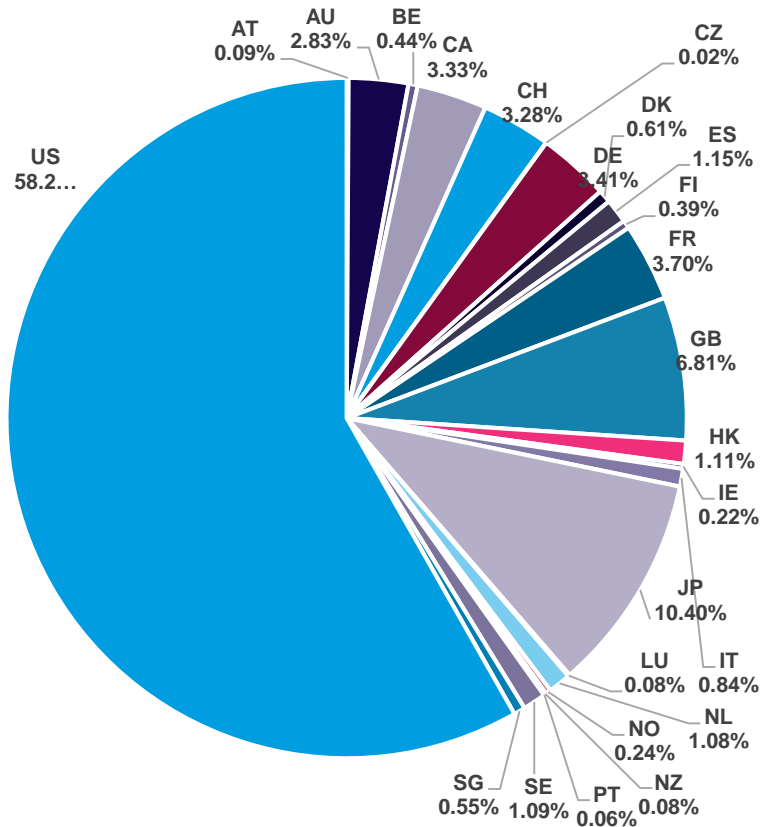


STOXX Global Climate Awareness Industry weights¹⁾

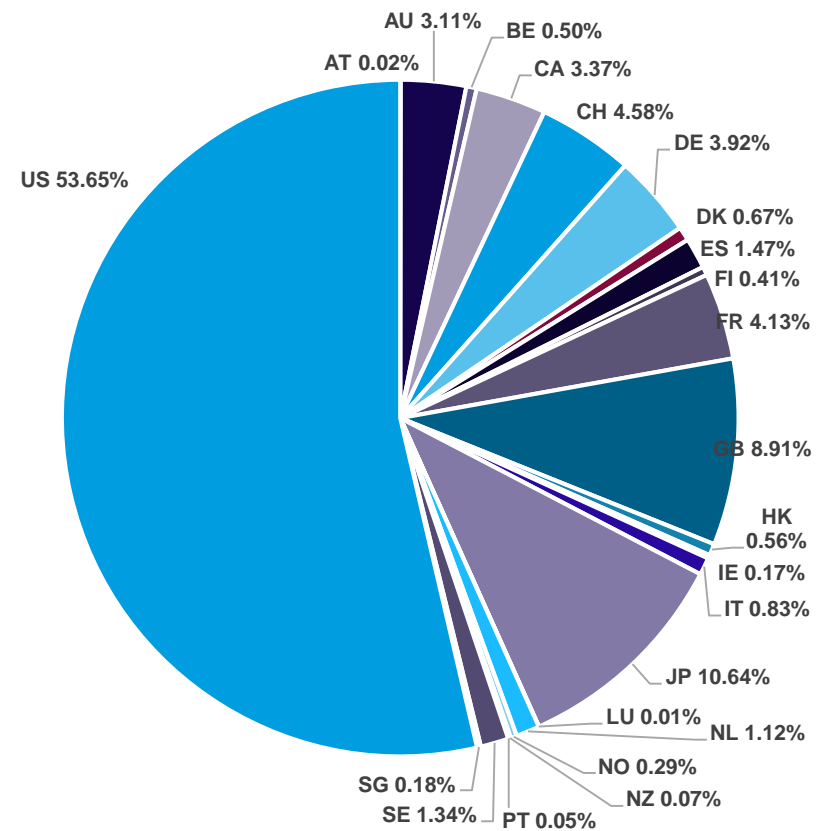


STOXX Global Climate Awareness GR (EUR) Index - Country Allocation

STOXX® Global 1800 Country weights¹⁾



STOXX Global Climate Awareness Country weights¹⁾



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