



SOLACTIVE SUSTAINABLE DEVELOPMENT GOALS WORLD RC 8 EUR INDEX

MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY | OCTOBER 2021

ALPHA | BETA | ENHANCED BETA

Currency	Type of index	Bloomberg code	Reuters code	Launch Date
EUR	Adjusted Return	SOGOALEU Index	.SOGOALEU	05 Sep. 2016

2000

MILLENNIUM DEVELOPMENT GOALS (MDGs)

As part of the Millennium Summit, 189 member states of the United Nations have adopted the United Nations Millennium Declaration, committing to work together to reduce extreme poverty and define 2015 targets. These targets have galvanised unprecedented efforts and are known as the Millennium Development Goals (MDGs):

Objectives	1	2	3	4	5	6	7	8
Results 2000 - 2015								

Source: Millennium development goals report 2015, <http://www.un.org/millenniumgoals>, May 2016.

2015

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Based on the success of the Millennium Development Goals and the dynamic they have provided, the 17 new universal goals cover a wider range, go beyond the Millennium Goals and recognise that achieving sustainable development and ending poverty must go with facing up the climate change.

With the aim of creating an investment methodology linked to these intersecting and complementing objectives, Vigeo Eiris Equitics® methodology defines distinct areas for corporate action and identifies strong corporate contributors.



Goals from the United Nations



Themes based on investment needs



Pillars

Practices

- Business Ethics
- Corporate Governance

Prosperity

- Basic Needs
- Development tools

People

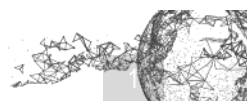
- Societal development
- Fair work

Planet

- Energy and climate change
- Natural resources



2030



# SOLACTIVE SUSTAINABLE DEVELOPMENT GOALS WORLD RC 8 EUR INDEX METHODOLOGY

Investment universe: World developed listed companies assessed by Vigeo Eiris

The Index was awarded Smart Beta Strategy of the Year 2017 by SRP



## Step 1 - ESG Control

### Exclusion of companies:

- ✗ with an ESG score<sup>2</sup> below their region average
- ✗ involved in alcohol, armament, gambling, nuclear, pornography or tobacco, or in critical controversies about the environment, human and labour rights
- ✗ that are part of the most intensive carbon emitters unless they have a robust energy transition strategy



## Step 2 - SDGs Methodology

### Selection of companies contributing to the SDGs

- ✓ a significant part of their activity (at least 20%) dedicated to sustainable products
- ✓ or a leading sustainable behaviour in their sector



## Step 3 - Financial Filters

### Ensures the final selection is suitable for equity index investing

- ✓ liquidity filter<sup>3</sup>
- ✓ low volatility filter<sup>4</sup>
- ✓ geographical and sectorial diversification<sup>5</sup>
- ✓ equally-weighted
- ✓ volatility control: 8% vol cap
- ✓ adjustment factor: 3% p.a.



50 companies rebalanced yearly

Solactive, one of the leading providers of financial markets indices, is the index sponsor and calculation/publication agent. BNP Paribas licenses the Index.

<sup>1</sup>Environmental, Social and Governance. <sup>2</sup>Vigeo Eiris rating. <sup>3</sup>Average Daily Volume on 1 month and 6 months above 10M EUR. <sup>4</sup>The 50 lowest volatile stocks meeting the below diversification constraints. <sup>5</sup>Max. 25% stocks from the same Sector (as defined by Factset "Economy"). Min. 10% and Max. 50% stocks from the same region (Europe, America, Asia). Source: Vigeo Eiris, Solactive as of June 2016. For Information and discussion purposes only.

## INDEX PERFORMANCE SIMULATIONS



Dec. 00 – Oct. 21	Solactive Sustainable Development Goals World RC 8 EUR Index	EURO STOXX 50 Index
Ann. Return	3.16%	-0.55%
Ann. Volatility	7.75%	23.08%
Sharpe Ratio	0.41	-
Max drawdown	-27.64%	-62.19%

Performance sources: Bloomberg, BNP Paribas as of 31 October 2021. Simulated performance until 04 September 2016, historical performance thereafter. Past or simulated performance or achievement is not indicative of current or future performance. Index Bloomberg Ticker: SOGOALEU Index. Benchmark Bloomberg ticker: SX5E Index. For indicative purposes only. Index webpage: <https://www.solactive.com/Indices/?index=DE000SLA2MZ1>

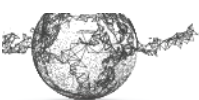
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