



# ECPI GLOBAL ESG ALPHA EQUITY INDEX

The Index selects the 100 highest market capitalization and ESG-rated companies according to ECPI ESG Rating Methodology

OCTOBER 2011

## SUSTAINABLE INVESTING

Ever since 1997, ECPI has provided the financial community with investable indices focused on core ESG principles: Environmental, Social and Corporate Governance.

The ECPI ESG rating methodology is a well-recognised tool in sorting investment exposure to non-financial risks out of a wide range of opportunities in the financial markets.

The rating methodology, based on an academic and scientific approach and inspired by International Bodies dedicated to Responsible Investment such as UN Global Compact ( [www.unglobalcompact.org](http://www.unglobalcompact.org) ), the Global Reporting Initiative ( [www.globalreporting.org](http://www.globalreporting.org) ) and UN PRI ( [www.unpri.org](http://www.unpri.org) ), aims to appraise and monitor a issuer's long-term strategic attitude, operational management and actual behaviour towards the society and the environment.

ECPI currently publishes more than 50 indices for delta one (ETFs, certificates) funds and structured products. (Bloomberg: ECPS <GO>, Reuters: ECAPITAL)

## ECPI ESG METHODOLOGY

The ECPI methodology allows an institution to integrate ESG issues into the investment analysis and decision-making process (Principle 1 of the United Nations Principles for Responsible Investments, or the UN PRI). The screening process consists of the analysis of companies along a wide and comprehensive set of indicators belonging to the following macro-categories: Environmental Strategy and Policy, Environmental Management, Products, Production Process, Community Relations, Employees, Markets and Corporate Governance.

If a company scores poorly with respect to corporate sustainability and responsibility criteria it is not considered an eligible investment.

## SUSTAINABLE INVESTING

The ECPI Global ESG Alpha Equity is composed of the 100 highest market cap and highest ESG-Rated and liquid companies.

The Index is capitalization weighted and the financial constraints used for the selection are:

- Min Market Capitalization: EUR 3 bio
- Min Av. Daily Volume Traded (last 6 months): EUR 5 mio

## WHY ECPI

ECPI is a leading, independent provider of sustainability rating and indexing solutions.

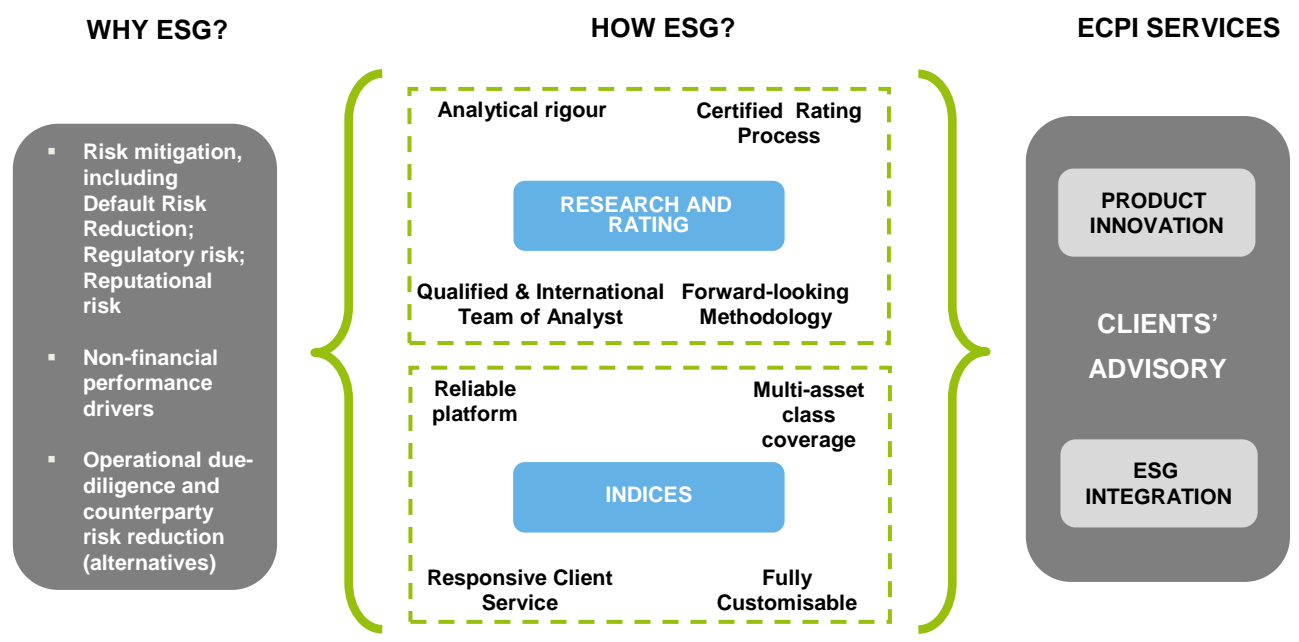
ECPI is dedicated to providing investors with tools to inform socially responsible and ethical investment decision-making.

Its ESG Ratings and Indices have helped investors integrate values, sustainability and non-traditional risk factors into mainstream quantitative financial analysis since 1997.

ECPI analyzes over 4,000 issuers annually, maintaining one of the world's largest sustainability databases, and is also an index design and calculation specialist, with a long experience in developing customized benchmark indices, sector indices, single- and multi-theme indices, and strategy indices for institutional investors.

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# THE ECPI APPROACH TO ESG



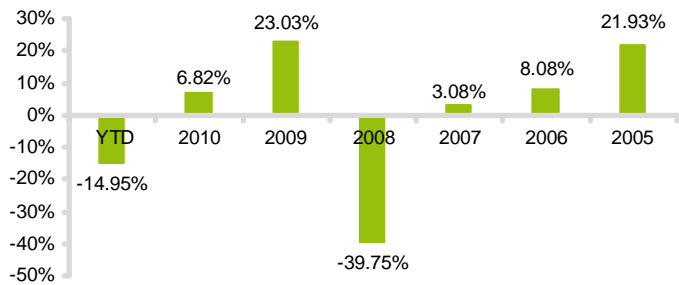
# THE ECPI APPROACH TO ESG

Management system	Community relations	Markets	Employees	Environment	Products and Production process
Executives compensation	Human rights	Supply chain management	Health & Safety	Environmental impact	Controversial products and services
Shareholders rights	Impact on local communities	Anticompetitive practices	Compensation policy/ Labour conditions	Pollution	Health & Safety
Activity in controversial countries		Marketing practices	Freedom of association	Waste management	
		Sales practices	Forced labour	Animal treatment	
		Corruption & Bribery	Child labour		
			Diversity management (race, gender, disabilities)		

**Compliance with national legislation & Compliance with international standards**  
 (the covered topics are compliant with both the Principles of **UN Global Compact** and the **UN PRI**)

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Number of Constituents	<b>100</b>
Eligibility Monitoring	<b>Daily</b>
Component Weights	<b>Cap Weighted</b>
Maximum Sector weight	<b>20%</b>
Component Minimum Market Cap	<b>3 Bio EUR</b>
Minimum 6 months ADV	<b>5 mio EUR</b>
Index Rebalancing Frequency	<b>Semi Annual</b>
Currency of Calculation	<b>EURO</b>
Average Market Cap (EUR bio)	<b>29.79</b>
Largest Market Cap (EUR bio)	<b>138.51</b>
Smallest Market Cap (EUR bio)	<b>3.19</b>
Highest Index Value (since 2003)	<b>1689.95</b>
Lowest Value (since 2003)	<b>762.07</b>



Average Since 2003	Annualized Volatility
	<b>16.78%</b>

Sector	
Basic Materials	7.96%
Communications	10.04%
Consumer, Cyclical	6.95%
Consumer, Non-cyc.	23.11%
Energy	8.58%
Financial	13.47%
Industrial	12.56%
Technology	10.91%
Utilities	6.42%
Country	
AUSTRALIA	5.59%
AUSTRIA	0.15%
CANADA	5.43%
FINLAND	0.58%
FRANCE	5.78%
HONG KONG	1.96%
IRELAND	0.37%
ITALY	3.26%
JAPAN	9.38%
NETHERLANDS	1.79%
SPAIN	3.15%
SWEDEN	1.59%
SWITZERLAND	2.93%
UNITED STATES	43.71%
GERMANY	4.71%
UNITED KINGDOM	7.63%
GREECE	0.11%
BELGIUM	0.28%
DENMARK	1.21%
SINGAPORE	0.19%
PORTUGAL	0.21%

Fundamental Analysis	P/E Trailing	P/E Projected	P/B	P/S	P/CF	Dividend Yield
	11.84	10.68	1.57	0.91	7.88	3.15



Index Summary			
Asset Class	Equity	Bond	Alternative
Investment Objective	Beta	Alpha	Income
Constituents	Large Caps	Medium Caps	Small Caps
Screening	Positive	Negative	Both
Bias	Geographical	Industry	Quantitative

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## DEFINITIONS

**P/E trailing:** Current price/index earnings. Index earnings are calculated by summing up the trailing 12 months EPS before XO items of the member companies multiplied by the shares in the index and divided by the index divisor. US and Canada: calculated using trailing 12 month diluted EPS from continuous operations of each member.

**P/E projected:** Current price/index projected earnings. Index projected earnings are calculated by summing all members' best EPS in FY1 multiplied by shares in the index and divided by the index divisor.

**P/B:** Current price/index weighted book value. Index weighted book value is calculated by summing up current book value per share of the member companies, multiplied by the shares in the index and divided by the index divisor.

**P/S:** Current price/index sales. Index sales are calculated by summing up all trailing 12 month sales per share, multiplied by shares in the index and divided by the index divisor.

**P/CF:** Current price/index cash flow. Index cash flow is calculated by summing up the trailing 12 month cash flow per share of the member companies, multiplied by the shares in the index and divided by the index divisor.

**Dividend Yield:** Index dividend/current price. Index dividend is calculated by taking the sum of all members' last 12 month dividends, multiplied by shares in the index and divided by the index divisor. Market convention dividends use gross dividends except for Australia, New Zealand, and the United Kingdom, which use net.

Fundamental Data Source: Bloomberg

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