

Integrating ESG into Core around the World: The S&P 500[®] ESG Index and Beyond

Contributors

Reid Steadman

Managing Director
Global Head of ESG Indices
reid.steadman@spglobal.com

Daniel Perrone

Associate Director
ESG Indices
daniel.perrone@spglobal.com

EXECUTIVE SUMMARY

- The [S&P ESG Indices](#) align investment objectives with environmental, social, and governance (ESG) values.
- The indices, which include the [S&P 500 ESG Index](#) can serve as benchmarks as well as the basis for index-linked investment products. The S&P ESG Indices' broad market exposure and industry diversification result in return profiles similar to those of their benchmarks (see Appendix 1).
- The indices use the new S&P DJI ESG Scores (see page 4) and other ESG data to select companies, targeting 75% of the market capitalization of each GICS[®] industry group within each index.
- The S&P ESG Index Series excludes tobacco, controversial weapons, and companies not in compliance with the UN Global Compact (UNGC). In addition, those with S&P DJI ESG Scores in the bottom 25% of companies globally within their GICS industry groups are excluded.
- Our methodology results in improved composite ESG scores for all the indices in the series (see Exhibit 4).

INTRODUCTION

An increasing number of investors require indices that are aligned with their investment objectives and their personal or institutional values. The S&P ESG Indices were designed with both of these needs in mind.

The S&P ESG Indices are broad and constructed to be part of the core of an investor's portfolio, unlike many ESG indices that have preceded them, which were thematic or narrow in their focus. By targeting 75% of the benchmark index's market capitalization, industry by industry, the S&P ESG Indices offer industry diversification and return profiles in line with their underlying markets (for a full list of indices in the series and their return profiles, see Appendix 1).

Yet, the composition of these new indices are meaningfully different from that of their benchmark indices and more compatible with the values of ESG investors. Exclusions are made related to tobacco, controversial

The S&P ESG Indices are constructed to be part of the core of a portfolio...

weapons, and compliance with the UNGC. Furthermore, companies with low ESG scores relative to their industry peers around the world are also excluded. The result is an index series suitable for investors moving ESG from the fringe of their portfolio to the core.

KEY OBJECTIVES

The methodology of the S&P ESG Indices was constructed with two objectives:

- To provide a similar risk/return profile to the benchmark; and
- To avoid companies that are not managing their businesses in line with ESG principles, while including companies that are.

...unlike many previous ESG indices, which were thematic or narrow in their focus.

These two objectives run somewhat counter to each other. Eliminating companies from an index necessarily changes its performance. But with further methodological adjustments, the industry compositions of the S&P ESG Indices are brought back into general alignment with their benchmarks.

METHODOLOGY SUMMARY

Exclusions

Companies are eliminated that:

- Produce tobacco, have tobacco sales accounting for greater than 10% of their revenue, derive more than 10% of their revenue from tobacco-related products and services, or hold more than a 25% stake in a company involved in these activities;
- Are involved in controversial weapons, including cluster weapons, landmines, biological or chemical weapons, depleted uranium weapons, white phosphorus weapons, or nuclear weapons, or hold more than a 25% stake in a company involved in these activities;
- Have a UNGC score that is in the bottom 5% of scores in the eligible universe;^{1,2} or
- Have an S&P DJI ESG Score that is in the bottom 25% of scores within their GICS industry group in the [S&P Global LargeMidCap](#) and [S&P Global 1200](#).

The indices aim to provide similar risk/return profiles to their benchmarks...

...and to avoid companies that are not managing their businesses in line with ESG principles.

¹ The UNGC, which was established in 2000, commits its signatories—companies and nations from around the world—to abide by principles related to human rights, labor, the environment, and anti-corruption. For more information, see www.unglobalcompact.org.

² Calculated by Arabesque.

Exhibit 1: The S&P ESG Indices Summary

Objective: To target 75% of the market capitalization within each GICS industry group of the benchmark index, using the S&P DJI ESG Scores.

Step 1:

Exclude companies involved in tobacco or controversial weapons, or with a low UNGC score.

Step 2:

Exclude companies with S&P DJI ESG Scores in the bottom 25% of their GICS industry group globally.

Step 3:

Within the index, sort the remaining companies by their S&P DJI ESG Scores within each GICS industry group.

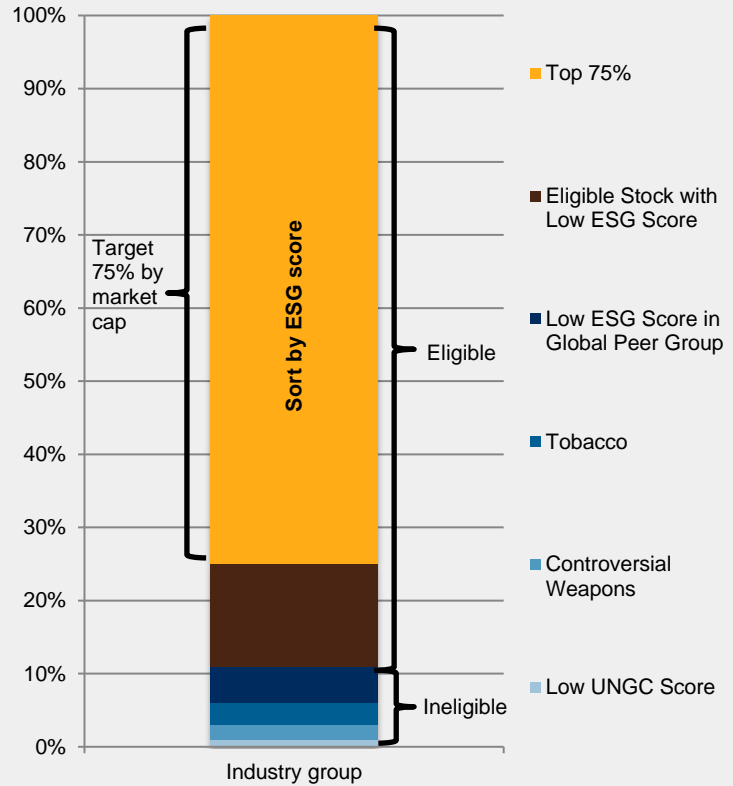
Step 4:

Starting from the company with the highest S&P DJI ESG Score, select companies for inclusion from the top down, targeting 75% of the GICS industry group.

Step 5:

Weight companies by float-adjusted market capitalization.

Index Construction Example



Source: S&P Dow Jones Indices LLC. Chart is provided for illustrative purposes.

Constituent Selection and Weighting

Once the exclusions are made, the index constituents are selected in the following manner.

1. Companies are ranked by their S&P DJI ESG Score.
2. Within each GICS industry group, companies are selected from the top down by S&P DJI ESG Score until 75% of the float-adjusted market capitalization of the S&P 500 GICS industry group is reached.

The index constituents are then weighted by their float-adjusted market capitalization. Using these rules, the index is rebalanced on an annual basis, after the close of trading on the last business day of April.³

S&P DJI ESG Scores

The key criteria for constituent eligibility and selection in the S&P ESG Indices are the S&P DJI ESG Scores. The S&P DJI ESG Scores are based on data gathered by SAM, a division of RobecoSAM, through SAM's Corporate Sustainability Assessment (CSA). The CSA is an annual evaluation of companies' sustainability practices, covering a wide range of industry-specific ESG criteria.

Data come from either the companies' responses to the CSA or research done by SAM on publicly available information for companies that do not fill out the CSA. A preliminary score is then calculated for each company as a weighted sum of a number of individual ESG indicators for each company, with each indicator corresponding to a different question in the CSA. The indicators are weighted to eliminate biases among different industries.

This preliminary score is then modified to account for differences that may exist between companies that complete the CSA (where information is provided directly by participating companies) versus companies that are assessed purely on the basis of publicly available information. In an effort to capture underreported or upcoming sustainability issues, the CSA methodology covers ESG indicators that may not be widely reported in the public domain. Scores are then normalized across individual indicators, and then once more at the final score level based on an "anchor" universe, defined as the combination of the S&P Global 1200 and the S&P Global LargeMidCap, resulting in the S&P DJI ESG Score (see Exhibit 2).

The key criteria for constituent eligibility and selection in the S&P ESG Indices are the S&P DJI ESG Scores...

...which are based on data gathered through SAM's Corporate Sustainability Assessment.

SAM, founded in 1995, was the world's first investment company focused on sustainable investment.

In 1999, SAM partnered with S&P DJI to launch the Dow Jones Sustainability Indices.

³ Please see the [S&P ESG Index Series Methodology](#) for more information.

When controversies unfold, SAM reviews them to consider whether the ESG score should be reduced...

...and then the S&P DJI Index Committee determines whether the company should be removed.

Exhibit 2: Description of S&P DJI ESG Scores	
CHARACTERISTIC	DESCRIPTION
Underlying Research Methodology	SAM CSA
Calculation Agent	SAM ESG data, ratings, and benchmarking
Review Frequency	Annually (with quarterly controversy updates)
Data Collection	Direct company participation through CSA or assessment of publicly available data by SAM analysts
Question Scoring	Aggregation of data points by predefined CSA methodology; unanswered questions are not scored
Question Weights	Predefined CSA weights by SAM, based on financial materiality of sustainability topics to a specific industry
Criteria Scoring	Question scores are aggregated to a criteria score; weight of unanswered questions is redistributed among other questions within criteria
Criteria Weights	Predefined CSA weights by SAM, based on financial materiality of sustainability topics to a specific industry
Dimension Scoring	Criteria scores are aggregated to a dimension score; if all questions in a criteria are unanswered, the weight of that criteria is redistributed among other criteria within a dimension (economic, environmental, and social)
Dimension Weights	Dimension weights are always preserved according to the original SAM weighting scheme
Total ESG Score	Relative score calculated
Score Type	Relative (scores are normalized within assessed SAM industry)

Source: S&P Dow Jones Indices LLC. Table is provided for illustrative purposes.

Controversies

By selecting 75% of each industry group’s market cap, industry weights are closely aligned with those of the benchmark...

When controversies unfold between annual rebalances of the S&P ESG Indices, SAM reviews these to consider whether a company’s S&P DJI ESG Score should be reduced. The S&P DJI Index Committee overseeing the index then determines whether the company should be removed. Controversies monitored by SAM include those related to economic crime and corruption, fraud, illegal commercial practices, human rights issues, labor disputes, workplace safety, catastrophic accidents, and environmental disasters. Once a company is removed from the index, it is not eligible again for a full calendar year.

APPLYING THE METHODOLOGY TO BENCHMARKS

...which allows the S&P ESG Indices to track their respective benchmarks closely, while offering improved ESG performance across each industry group.

As outlined in the methodology, the S&P ESG Indices are constructed to be simple, with straightforward exclusions and a selection process meant to keep the index’s industry weights in line with those of the benchmark. By virtue of selecting 75% of each GICS industry group’s market capitalization in the underlying index, industry weights are closely aligned with those of the benchmark. This allows the S&P ESG Indices to track the underlying indices closely (see Exhibit 3), while offering improved ESG performance across each industry group (see Exhibit 5).

The composite ESG score of the S&P 500 ESG Index was 75.36, an increase of 8.35 compared with the S&P 500.

S&P DJI ESG Scores are designed to be read as percentiles.

A score increase of 8.35 from the S&P 500 to the S&P 500 ESG Index is over 25% of the possible improvement the index could have.

Exhibit 3: Fundamental Calculations of the S&P 500 ESG Index versus the S&P 500

CATEGORY	S&P 500	S&P 500 ESG INDEX
Number of Constituents	505	311
Float-Adjusted Market Cap (USD Billions)	26,760	19,659
ANNUALIZED TOTAL RETURNS (%)		
Five-Year	11.70	11.94
Three-Year	15.27	15.82
One-Year	31.49	33.39
EXCESS RETURNS (%)		
Five-Year	-	0.24
Three-Year	-	0.55
One-Year	-	1.90
ANNUALIZED RISK (%)		
Five-Year	11.98	11.95
Three-Year	12.10	11.93
REALIZED TRACKING ERROR (%)		
Five-Year	-	0.76
Three-Year	-	0.76
One-Year	-	0.82

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

We take the S&P 500 ESG Index as an example. The composite ESG score of the S&P 500 ESG Index was 75.36, compared with the S&P 500's score of 67.01, an increase of 8.35. This composite score is derived by converting each constituent's S&P DJI ESG Score into a z-score, calculating the weighted average of the z-scores within the index, and once again converting that weighted average into an S&P DJI ESG Score, using the cumulative distribution function with a mean of zero and a standard deviation of one.

S&P DJI ESG Scores are designed to be read as percentiles. A score of 70 means that company has a stronger score than 70% of the companies in that particular industry. A score of 67.01 means that the S&P 500 had a higher score than 67.01% of the companies in the broader universe. As a result, a score increase of 8.35 from the S&P 500 to the S&P 500 ESG Index is over 25% of the possible improvement that the index could have. Exhibit 4 highlights the percentage of the possible score improvement for each index in the S&P ESG Index Series.

Exhibit 4: Percentage of Possible S&P DJI ESG Score Improvement for the S&P ESG Indices

INDEX	S&P DJI ESG SCORE IMPROVEMENT (%)
S&P 500 ESG Index	25.5
S&P Europe 350 [®] ESG Index	45.6
S&P Global 1200 ESG Index	29.7
S&P Japan 500 ESG Index	34.5
S&P/ASX 200 ESG Index	27.6
S&P Asia Pacific Developed Ex-Korea LargeMidCap ESG Index	34.4
S&P Asia Pacific Developed LargeMidCap ESG Index	38.2
S&P Asia Pacific Emerging LargeMidCap ESG Index	21.8
S&P Asia Pacific Emerging Plus LargeMidCap ESG Index	29.1
S&P Canada LargeMidCap ESG Index	42.5
S&P Developed Ex-Korea LargeMidCap ESG Index	31.7
S&P Developed LargeMidCap ESG Index	32.4
S&P Mid-East and Africa Developed LargeMidCap ESG Index	33.7
S&P Europe Emerging LargeMidCap ESG Index	17.7
S&P Emerging LargeMidCap ESG Index	23.2
S&P Mid-East and Africa Emerging LargeMidCap ESG Index	27.6
S&P Emerging Plus LargeMidCap ESG Index	28.6
S&P Europe Developed LargeMidCap ESG Index	42.8
S&P Global LargeMidCap ESG Index	31.6
S&P Korea LargeMidCap ESG Index	64.5
S&P Latin America Emerging LargeMidCap ESG Index	30.9
S&P North America LargeMidCap ESG Index	27.1
S&P United States LargeMidCap ESG Index	26.5

Source: S&P Dow Jones Indices LLC. Data as of May 31, 2019. Table is provided for illustrative purposes.

S&P DJI ESG Score improvement is most appropriately measured at the industry level...

...and the average change in S&P DJI ESG Score across industries was 10.87.

ESG score improvement is most appropriately measured at the industry level, as the S&P DJI ESG Scores are normalized by industry (see Exhibit 5). The average change in S&P DJI ESG Score across industries in the S&P 500 ESG Index was 10.87.

Exhibit 5: Top 10 Industries (as Defined by SAM) by Overall ESG Score Improvement

INDUSTRY	S&P DJI ESG SCORE (S&P 500)	S&P DJI ESG SCORE (S&P 500 ESG INDEX)	CHANGE
Building Products	27.96	82.61	54.64
Containers & Packaging	44.61	86.41	41.80
Life Sciences Tools & Services	57.76	85.71	27.95
Oil & Gas Upstream & Integrated	44.50	70.28	25.78
Health Care Equipment & Supplies	48.10	70.82	22.72
Energy Equipment & Services	58.92	81.26	22.35
Commercial Services & Supplies	51.72	73.24	21.52
Communications Equipment	50.38	70.46	20.07
Banks	50.22	70.16	19.94
Electronic Equipment, Instruments & Components	45.99	65.18	19.19

Totalling 24.36% of the S&P 500 market cap, 183 constituents of the S&P 500 were excluded from the S&P 500 ESG Index.

Source: S&P Dow Jones Indices LLC. Data as of May 31, 2019. Table is provided for illustrative purposes.

Exclusions

Once again using the S&P 500 ESG Index as an example, 183 constituents of the S&P 500 were excluded from the S&P 500 ESG Index, totaling 24.36% of the S&P 500 market capitalization as of May 31, 2019.⁴ Exhibit 6 ranks the reasons behind these exclusions.

The S&P 500 ESG Index tracks the S&P 500 closely...

Exhibit 6: Reasons for Exclusion from the S&P 500 ESG Index

REASON FOR EXCLUSION	NUMBER OF EXCLUSIONS	WEIGHT IN S&P 500 (%)
Not Part of the Top 75% of Industry Group Market Cap	123	15.48
S&P DJI ESG Score in Bottom 25% of Industry Group Globally	44	3.08
Involved in Controversial Weapons	10	2.44
UNGC Score Too Low	3	2.39
Involved in Tobacco Production or Sales	3	0.98

Source: S&P Dow Jones Indices LLC. Data as of May 31, 2019. Table is provided for illustrative purposes.

Return Profile

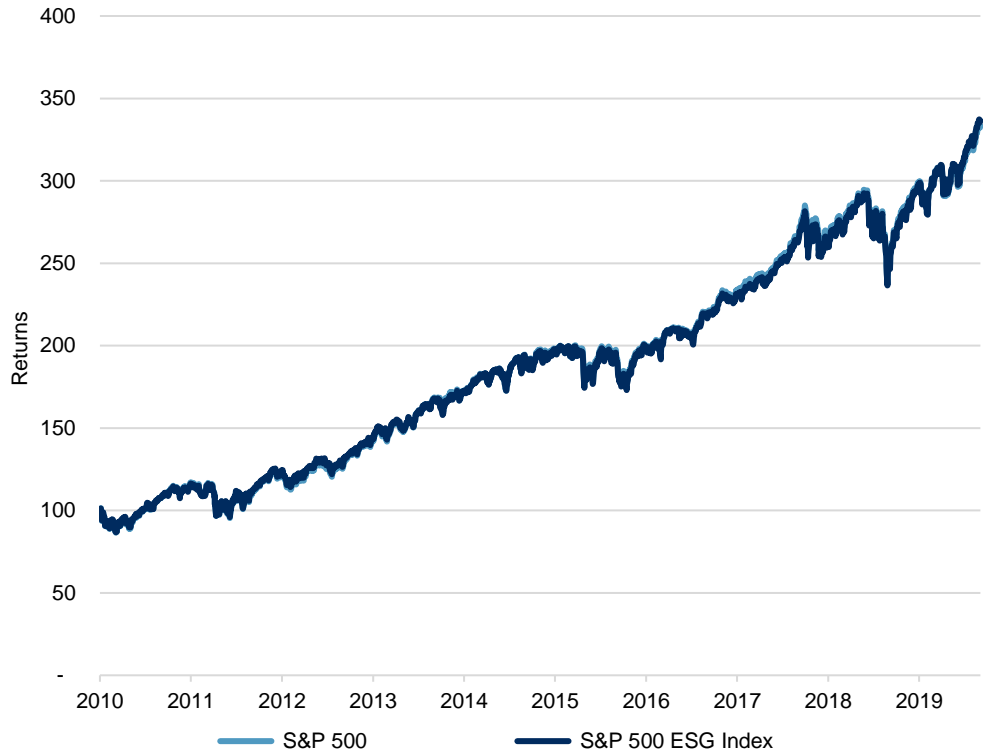
The S&P 500 ESG Index tracks the S&P 500 closely (see Exhibit 7), and it has done so despite excluding more than 30% of constituents based on the various eligibility criteria (see Exhibit 6). Realized tracking errors for the one-, three-, and five-year periods were consistently within 1%, and the index volatility was nearly identical to the S&P 500 over those same periods. This return profiles holds for the rest of the indices in the S&P ESG Index Series as well.

...and it has done so, despite excluding more than 30% of constituents.

⁴ Companies added to the S&P 500 following the rebalance reference date of the annual rebalance are not eligible for the S&P 500 ESG Index until the subsequent annual rebalance of the S&P 500 ESG Index. These ineligible companies are not considered "exclusions." This is why the number of exclusions in Exhibit 6 is less than the difference in constituents between the S&P 500 and the S&P 500 ESG Index in Exhibit 3.

Exhibit 7: Historical Returns of the S&P 500 ESG Index versus the S&P 500

The S&P ESG Index Series is designed to integrate ESG factors into core investments...



...while not straying far from the overall profile of the benchmark indices.

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2019. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

CONCLUSION

The S&P ESG Indices are designed for investors wishing to integrate ESG factors into their core investment strategies, while not straying far from the overall profile of the benchmark. In particular, the S&P 500 ESG Index demonstrates how this methodology is applied, producing an index with improved ESG performance while providing risk and return characteristics in line with the S&P 500, qualities that hold true for the rest of the blue chip and regional indices in the S&P ESG Index Series.

APPENDIX: FUNDAMENTAL CALCULATIONS OF THE S&P ESG INDICES VERSUS THEIR UNDERLYING BENCHMARKS

Exhibit 8: Fundamental Calculations of the S&P ESG Indices versus Their Benchmarks													
INDEX	NUMBER OF CONSTITUENTS	FLOAT-ADJUSTED MARKET CAP (USD BILLIONS)	ANNUALIZED TOTAL RETURNS (%)			EXCESS RETURNS (%)			ANNUALIZED RISK (%)		REALIZED TRACKING ERROR (%)		
			FIVE-YEAR	THREE-YEAR	ONE-YEAR	FIVE-YEAR	THRE E-YEAR	ONE-YEAR	FIVE-YEAR	THREE-YEAR	FIVE-YEAR	THREE-YEAR	ONE-YEAR
S&P 500													
Benchmark	505	26,760	11.70	15.27	31.49	-	-	-	11.98	12.10	-	-	-
ESG Index	311	19,659	11.94	15.82	33.39	0.24	0.55	1.90	11.95	11.93	0.76	0.76	0.82
S&P ASIA PACIFIC DEVELOPED EX-KOREA LARGEMIDCAP													
Benchmark	578	6,059	7.49	9.82	19.50	-	-	-	12.04	10.16	-	-	-
ESG Index	349	4,484	7.47	10.08	20.68	-0.02	0.27	1.18	12.41	10.22	1.44	1.11	1.12
S&P ASIA PACIFIC DEVELOPED LARGEMIDCAP													
Benchmark	737	6,852	7.31	9.86	18.48	-	-	-	12.43	10.94	-	-	-
ESG Index	397	5,045	7.73	10.44	20.51	0.42	0.58	2.03	12.81	10.89	1.37	1.10	1.02
S&P CANADA LARGEMIDCAP													
Benchmark	89	1,530	3.77	8.05	28.88	-	-	-	14.72	13.29	-	-	-
ESG Index	54	1,016	3.38	7.29	27.17	-0.39	-0.76	-1.71	14.43	13.21	1.88	1.67	1.75
S&P DEVELOPED EX-KOREA LARGEMIDCAP													
Benchmark	1,690	44,287	9.31	13.16	28.15	-	-	-	11.62	11.22	-	-	-
ESG Index	985	32,411	9.55	13.68	29.61	0.24	0.52	1.46	11.63	11.05	0.58	0.54	0.57
S&P DEVELOPED LARGEMIDCAP													
Benchmark	1,849	45,080	9.25	13.11	27.80	-	-	-	11.65	11.27	-	-	-
ESG Index	1,033	32,973	9.55	13.67	29.41	0.30	0.56	1.61	11.66	11.10	0.58	0.54	0.56
S&P EMERGING LARGEMIDCAP													
Benchmark	1,463	5,872	6.53	12.66	20.24	-	-	-	15.38	13.68	-	-	-
ESG Index	473	3,703	6.47	12.51	18.65	-0.06	-0.16	-1.59	15.49	13.68	1.95	1.75	1.51
S&P MID-EAST AND AFRICA DEVELOPED LARGEMIDCAP													
Benchmark	34	112	0.85	6.96	16.67	-	-	-	17.08	17.34	-	-	-
ESG Index	8	60	-1.47	4.44	16.43	-2.32	-2.52	-0.24	19.33	19.92	7.12	8.11	6.64
S&P MID-EAST AND AFRICA EMERGING LARGEMIDCAP													
Benchmark	120	625	0.53	4.91	9.14	-	-	-	19.16	17.21	-	-	-
ESG Index	36	302	0.45	5.86	12.07	-0.08	0.95	2.92	22.85	20.24	6.47	5.46	6.28
S&P EUROPE 350													
Benchmark	362	9,146	5.75	10.51	24.87	-	-	-	13.04	12.14	-	-	-
ESG Index	232	6,718	6.11	11.38	25.51	0.36	0.87	0.64	13.02	11.95	0.95	0.90	0.81
S&P EMERGING PLUS LARGEMIDCAP													
Benchmark	1,622	6,665	6.43	12.30	18.93	-	-	-	15.52	13.98	-	-	-
ESG Index	545	4,316	6.90	12.59	18.14	0.48	0.28	-0.80	15.80	14.12	1.80	1.67	1.43
S&P ASIA PACIFIC EMERGING LARGEMIDCAP													
Benchmark	1,123	4,132	7.46	13.87	20.41	-	-	-	15.33	14.19	-	-	-
ESG Index	313	2,648	7.25	13.39	17.42	-0.22	-0.48	-2.99	14.64	13.64	2.39	2.31	1.91

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Exhibit 8: Fundamental Calculations of the S&P ESG Indices versus Their Benchmarks (cont.)

INDEX	NUMBER OF CONSTITUENTS	FLOAT-ADJUSTED MARKET CAP (USD BILLIONS)	ANNUALIZED TOTAL RETURNS (%)			EXCESS RETURNS (%)			ANNUALIZED RISK (%)		REALIZED TRACKING ERROR (%)		
			FIVE-YEAR	THREE-YEAR	ONE-YEAR	FIVE-YEAR	THREE-YEAR	ONE-YEAR	FIVE-YEAR	THREE-YEAR	FIVE-YEAR	THREE-YEAR	ONE-YEAR
S&P ASIA PACIFIC EMERGING PLUS LARGEMIDCAP													
Benchmark	1,282	4,925	7.15	13.14	18.61	-	-	-	15.60	14.63	-	-	-
ESG Index	385	3,260	7.71	13.32	16.95	0.56	0.19	-1.66	15.42	14.42	2.18	2.09	1.74
S&P EUROPE DEVELOPED LARGEMIDCAP													
Benchmark	459	9,332	5.61	10.38	24.54	-	-	-	13.04	12.14	-	-	-
ESG Index	267	6,996	5.70	10.89	24.63	0.09	0.51	0.09	13.03	12.00	1.13	0.90	0.81
S&P EUROPE EMERGING LARGEMIDCAP													
Benchmark	95	408	10.18	14.00	35.58	-	-	-	18.50	16.56	-	-	-
ESG Index	53	273	13.40	14.99	39.70	3.23	0.99	4.12	19.43	17.43	3.36	2.64	2.63
S&P GLOBAL 1200													
Benchmark	1,219	44,035	9.50	13.37	28.32	-	-	-	11.72	11.34	-	-	-
ESG Index	778	32,327	9.75	13.93	29.60	0.25	0.57	1.27	11.64	11.09	0.55	0.57	0.57
S&P GLOBAL LARGEMIDCAP													
Benchmark	3,312	50,952	8.98	13.05	27.01	-	-	-	11.72	11.29	-	-	-
ESG Index	1,507	36,699	9.29	13.54	28.33	0.31	0.49	1.32	11.69	11.10	0.59	0.53	0.54
S&P JAPAN 500													
Benchmark	500	4,292	8.51	9.11	19.81	-	-	-	12.37	11.28	-	-	-
ESG Index	254	3,096	8.61	9.82	21.08	0.10	0.71	1.27	12.72	11.07	8.54	6.90	6.03
S&P KOREA LARGEMIDCAP													
Benchmark	159	793	5.92	10.23	11.62	-	-	-	19.27	19.60	-	-	-
ESG Index	59	602	8.77	13.35	22.54	2.85	3.12	10.92	20.70	20.40	3.72	3.90	3.58
S&P LATIN AMERICA EMERGING LARGEMIDCAP													
Benchmark	125	707	4.83	11.77	19.35	-	-	-	23.67	20.55	-	-	-
ESG Index	71	481	3.95	11.94	18.10	-0.89	0.17	-1.24	25.50	21.97	3.13	2.70	3.08
S&P NORTH AMERICA LARGEMIDCAP													
Benchmark	619	28,784	11.17	14.93	31.40	-	-	-	11.95	12.04	-	-	-
ESG Index	361	20,872	11.45	15.50	33.36	0.29	0.57	1.96	12.00	11.93	0.74	0.73	0.81
S&P UNITED STATES LARGEMIDCAP													
Benchmark	530	27,254	11.64	15.35	31.55	-	-	-	11.99	12.12	-	-	-
ESG Index	307	19,855	11.95	15.98	33.69	0.31	0.63	2.15	12.04	12.00	0.79	0.77	0.84
S&P/ASX 200													
Benchmark	200	1,258	5.71	9.17	23.21	-	-	-	14.08	10.98	-	-	-
ESG Index	94	910	5.71	9.62	23.39	0.00	0.45	0.18	14.12	11.16	1.29	1.23	1.24

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

PERFORMANCE DISCLOSURE

The S&P 500 ESG Index was launched January 28, 2019. The S&P Europe 350 ESG Index, S&P/ASX 200 ESG Index, S&P Japan 500 ESG Index, S&P Global 1200 ESG Index, S&P United States LargeMidCap ESG Index, S&P Canada LargeMidCap ESG Index, S&P North America LargeMidCap ESG Index, S&P Europe Developed LargeMidCap ESG Index, S&P Mid-East and Africa Developed LargeMidCap ESG Index, S&P Asia Pacific Developed Large Mid ESG Index, S&P Developed LargeMidCap ESG Index, S&P Europe Emerging LargeMidCap ESG Index, S&P Latin America Emerging LargeMidCap ESG Index, S&P Mid-East and Africa Emerging LargeMidCap ESG Index, S&P Asia Pacific Emerging LargeMidCap ESG Index, S&P Emerging LargeMidCap ESG Index, S&P Global LargeMidCap ESG Index, S&P Asia Pacific Developed ex Korea ESG Index, S&P Asia Pacific Emerging Plus LargeMidCap ESG Index, S&P Developed BMI ex Korea LargeMidCap ESG Index, S&P Emerging Plus LargeMidCap ESG Index, and S&P Korea LargeMidCap ESG Index were launched May 6, 2019. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance. The back-test calculations are based on the same methodology that was in effect on the index Launch Date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. Complete index methodology details are available at www.spdji.com. Past performance of the Index is not an indication of future results. Prospective application of the methodology used to construct the Index may not result in performance commensurate with the back-test returns shown.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the Index is set at a fixed value for calculation purposes. The Launch Date designates the date upon which the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its datafeed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

The back-test period does not necessarily correspond to the entire available history of the Index. Please refer to the methodology paper for the Index, available at www.spdji.com for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Another limitation of using back-tested information is that the back-tested calculation is generally prepared with the benefit of hindsight. Back-tested information reflects the application of the index methodology and selection of index constituents in hindsight. No hypothetical record can completely account for the impact of financial risk in actual trading. For example, there are numerous factors related to the equities, fixed income, or commodities markets in general which cannot be, and have not been accounted for in the preparation of the index information set forth, all of which can affect actual performance.

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