S&P Dow Jones Indices
A Division of S&P Global

Fixed Income

S&P GREEN BOND SELECT INDEX CAD HEDGED

Description
The S&P Green Bond Select Index CAD Hedged is a market value-weighted subset of the S&P Green Bond Index that seeks to measure the performance of green-labeled bonds issued globally, subject to stringent financial and extra-financial eligibility criteria, while hedging Canadian dollar currency risk.

Index Attributes
As concern over climate change and interest in green investing grows, so does the need for green indexing. By applying a set of rigorous criteria, the S&P Green Bond Select Index includes only those green-labeled bonds whose issuers have provided accurate information about the use of proceeds, or whose compliance with the Green Bond Principles around the “Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds and Reporting” has been independently verified. In this way, the index calls for a higher standard of transparency, disclosure and accountability in the green bond market.

Covering green bonds from around the world, the S&P Green Bond Select Index includes bonds issued by multilateral institutions, governments, and corporates globally. The index is designed for use by institutional investment managers, mutual fund managers, ETF providers, and professional advisors.

The index is comprised of fixed coupon bonds with no specific restriction on market of issue for bonds denominated in G10 currencies, which include the United States dollar, the euro, the Japanese yen, the British pound sterling, the Swiss franc, the Australian dollar, the New Zealand dollar, the Canadian dollar, the Swedish krona, and the Norwegian krone.

Bonds issued in non-G10 currencies in the native market of that currency are not eligible. Bonds issued in non-G10 currencies issued in global markets (Foreign, Global, Eurobond) are eligible without any specific restrictions.

The components of the S&P Green Bond Select Index must be rated by at least one rating agency (S&P, Moody's or Fitch) to be considered for inclusion. Bonds that are no longer rated or have defaulted are removed at the next rebalancing. The credit rating quality will include both investment-grade and high-yield securities along with securities considered emerging markets.

The index methodology is maintained and the index is calculated and managed independently by S&P Dow Jones Indices according to S&P Dow Jones Indices’ standard policies and procedures, including the policies and procedures governing S&P Dow Jones Indices’ independent Index Committee.

Methodology Construction
• **Universe.** All index constituents must be constituents of the S&P Green Bond Index.
• **Weighting scheme.** Modified market value weighted.
• **Capping.** Issuers are first capped at 10%. If the high-yield portion of the index exceeds 20% following the first step, a 20% cap is applied. The excess weight is redistributed proportionally to all uncapped securities that do not carry a high-yield rating.
• **Total return calculation.** The total return is calculated by aggregating the interest return, reflecting the return due to paid and accrued interest, and price return, reflecting the gains or losses due to changes in the end-of-day price and principal repayments.
Quick Facts

WEIGHTING METHOD: Market value weighted
REBALANCING FREQUENCY: Monthly
CALCULATION FREQUENCY: End of day
CALCULATION CURRENCIES: AUD, CAD, CHF, DKK, EUR, GBP, HKD, JPY, NOK, NZD, SEK, USD
LAUNCH DATE: February 17, 2017
FIRST VALUE DATE: November 28, 2008
REGULATORY AUTHORIZATION: European Union

For more information, including the complete methodology document, please visit: https://www.spindices.com/indices/fixed-income/sp-green-bond-select-index-cad-hedged

All information for an index prior to its Launch Date is back-tested, based on the methodology that was in effect on the Launch Date. Back-tested performance, which is hypothetical and not actual performance, is subject to inherent limitations because it reflects application of an Index methodology and selection of index constituents in hindsight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, back-tested returns.

Historical Performance

* Data has been re-based at 100

Performance

<table>
<thead>
<tr>
<th>INDEX LEVEL</th>
<th>RETURNS</th>
<th>ANNUALIZED RETURNS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 MO</td>
<td>3 MOS</td>
</tr>
<tr>
<td>TOTAL RETURNS</td>
<td>147.43</td>
<td>0.97%</td>
</tr>
<tr>
<td>BENCHMARK* TOTAL RETURNS</td>
<td>173.28</td>
<td>2.22%</td>
</tr>
</tbody>
</table>

* The index benchmark is the S&P Green Bond Select Index CAD
## Calendar Year Performance

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL RETURNS</td>
<td>-4.44%</td>
<td>10.35%</td>
<td>1.41%</td>
<td>-7.34%</td>
<td>-1.16%</td>
<td>0.18%</td>
<td>11.72%</td>
<td>6.58%</td>
<td>8.62%</td>
<td>9.41%</td>
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<tr>
<td>BENCHMARK* TOTAL RETURNS</td>
<td>5.09%</td>
<td>3.74%</td>
<td>-1.66%</td>
<td>11.18%</td>
<td>7%</td>
<td>6.32%</td>
<td>8.89%</td>
<td>9.48%</td>
<td>3.63%</td>
<td>-5.8%</td>
</tr>
</tbody>
</table>

* The index benchmark is the S&P Green Bond Select Index CAD

## Risk

<table>
<thead>
<tr>
<th></th>
<th>3 YRS</th>
<th>5 YRS</th>
<th>10 YRS</th>
<th>3 YRS</th>
<th>5 YRS</th>
<th>10 YRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>STD DEV</td>
<td>4.88%</td>
<td>5.13%</td>
<td>7.91%</td>
<td>0.42</td>
<td>0.04</td>
<td>0.38</td>
</tr>
<tr>
<td>BENCHMARK* STD DEV</td>
<td>6.45%</td>
<td>7.4%</td>
<td>6.87%</td>
<td>0.51</td>
<td>0.66</td>
<td>0.76</td>
</tr>
</tbody>
</table>

Risk is defined as standard deviation calculated based on total returns using monthly values.

* The index benchmark is the S&P Green Bond Select Index CAD

## Index Characteristics

10-YEAR HISTORICAL INDEX LEVEL HIGH [AUGUST 15, 2019] 148.72

10-YEAR HISTORICAL INDEX LEVEL LOW [JUNE 07, 2010] 100.93
DISCLAIMER

Source: S&P Dow Jones Indices LLC.

The launch date of the S&P Green Bond Select Index CAD Hedged was February 17, 2017. The launch date of the S&P Green Bond Select Index CAD was February 17, 2017.

All information presented prior to the index launch date is back-tested. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. Past performance is not an indication or guarantee of future results. Please see the Performance Disclosure at http://www.spindices.com/regulatory-affairs-disclaimers/ for more information regarding the inherent limitations associated with back-tested performance.

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