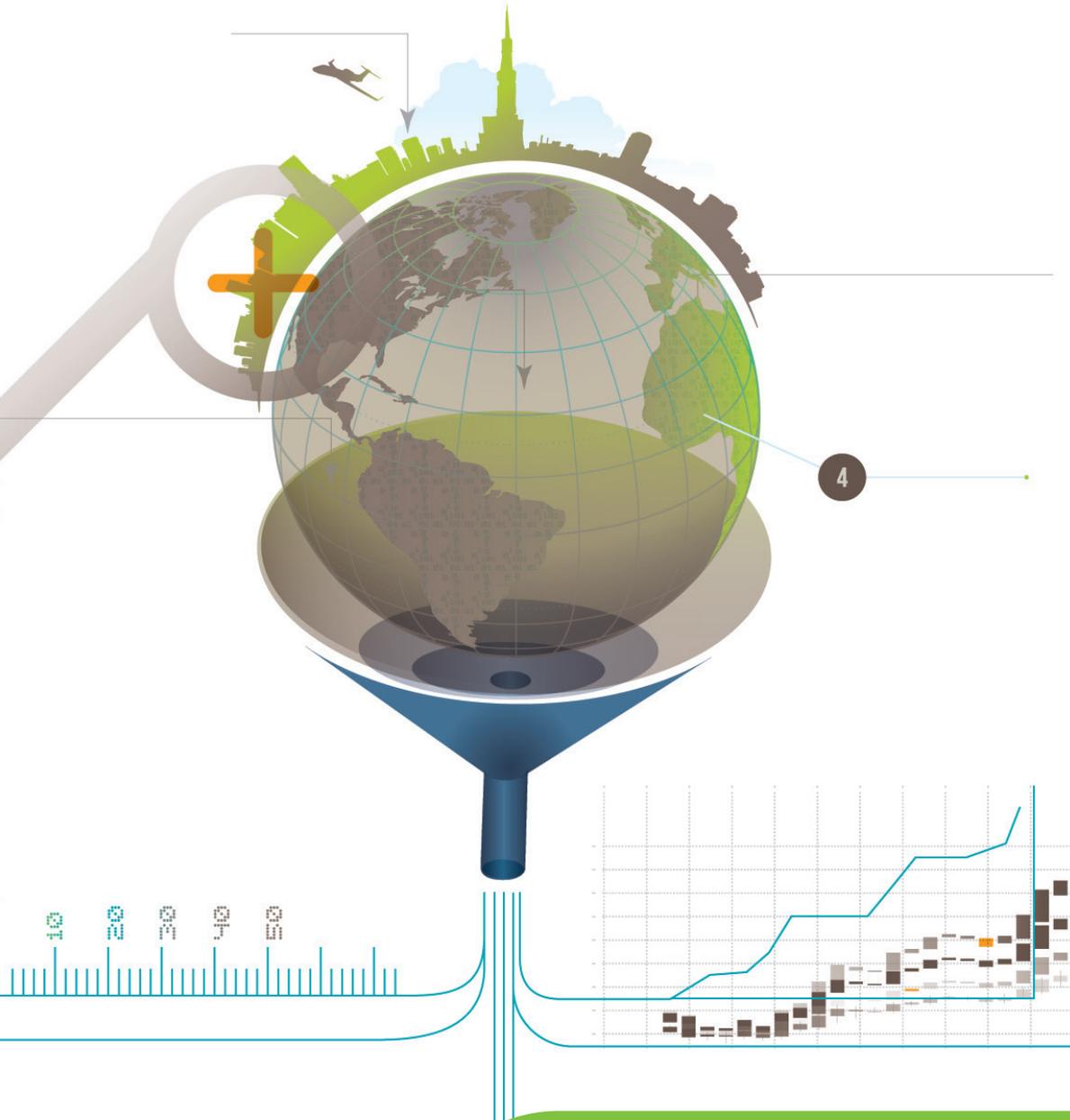




**S&P DOW JONES  
INDICES**

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**ROBECOSAM**   
We are Sustainability Investing. Years



# DJSI Diversified Family



# Investment Rationale

The Dow Jones Sustainability Diversified Indices (DJSI Diversified) family is an investment solution for investors who measure their performance against a standard benchmark but wish to tilt their portfolios towards sustainable companies while minimizing country, size or sector risks relative to the benchmark.

Investors are often restricted from deviating significantly from their benchmark allocations by strict investment

guidelines, which can discourage them from selecting a sustainability benchmark. The DJSI Diversified family seeks to address this challenge by providing a benchmark consisting of a balanced allocation of sustainable companies derived from standard market benchmarks, enabling investors to implement a sustainable investment solution without requiring a substantial shift in their strategic asset allocation.

## Objective

The primary objective of the DJSI Diversified family is to offer investors a similar risk profile and financial performance as the S&P Global LargeMidCap Index and its regional subsets, yet with a significantly higher exposure to sustainability.

The DJSI Diversified family selects sustainable companies from the global or regional S&P Global

Broad Market Index (BMI) universe with the aim of ensuring that the resulting sustainability index has minimal country, sector or size biases relative to the reference S&P Global LargeMidCap Index, and therefore, a negligible tracking error. Each of the resulting DJSI Diversified indices is intended to closely track its respective benchmark in terms of risk-return profile while also ensuring high sustainability standards.

## Research Methodology

The companies' sustainability profiles are analyzed using RobecoSAM's Corporate Sustainability Assessment (CSA) methodology<sup>1</sup>. The CSA was developed in 1999 and is used as the basis for selecting companies for inclusion in the renowned Dow Jones Sustainability Indices (DJSI), which RobecoSAM maintains in collaboration with S&P Dow Jones Indices.

The DJSI family was the first of its kind and is now globally recognized as the leading benchmark for corporate sustainability. The DJSI Diversified use the same research methodology as the DJSI, yet aim to include a broader selection of companies for diversification purposes.

<sup>1</sup> For additional information on the structure and scoring methodology of the RobecoSAM Corporate Sustainability Assessment, please refer to "Measuring Intangibles"

# Index Construction Methodology

<sup>2</sup>Please refer to the Country Classification in the S&P Global BMI Equity Indices Factsheet

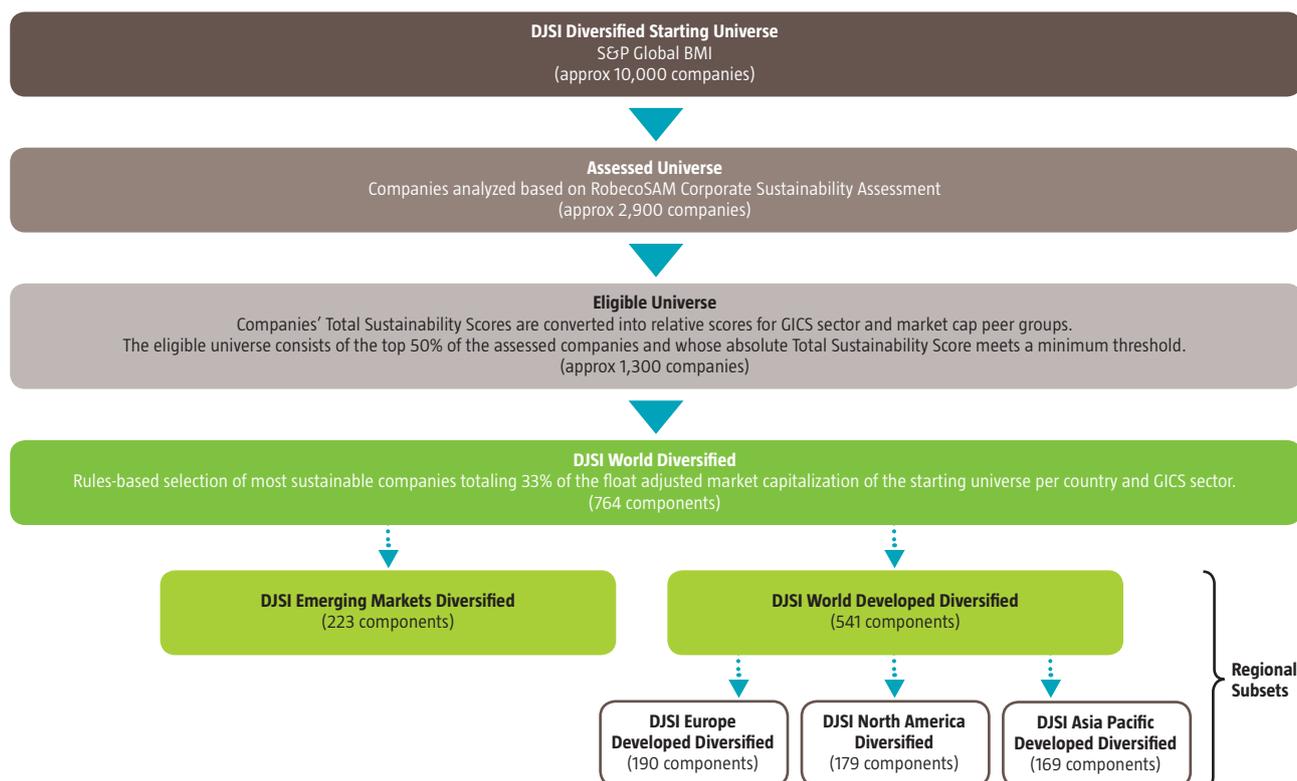
The DJSI World Diversified is the flagship index of the DJSI Diversified family. It covers 26 developed market and 20 emerging market countries and replicates the regional and sector allocation of the S&P Global LargeMidCap Index<sup>2</sup> while taking sustainability performance into account.

To avoid any regional, size or sector bias in the index component selection, the DJSI Diversified family makes a global selection of the highest scoring companies in terms of relative Total Sustainability Score from RobecoSAM's annual Corporate Sustainability Assessment (CSA) that cover 33% of the float adjusted

market capitalization of each country and each sector held in the underlying S&P Global LargeMidCap Index benchmark. The Total Sustainability Scores are converted into relative scores, which are calculated within each GICS sector and are adjusted for size bias.

The DJSI World Diversified is further broken down into regional and local subsets, which automatically inherit the unbiased country and sector allocations from the DJSI World Diversified. As subsets of the DJSI World Diversified, the regional indices roll up to the global index, which is consistent with the approach used in standard benchmark index families, as shown in Figure 1.

Figure 1: Structure of DJSI Diversified family



The total number of components in the DJSI World Diversified Index may differ from the sum of the components in the regional indices due to the inclusion of Middle East developed markets.

Source: RobecoSAM and S&P Dow Jones Indices

# Index Construction Methodology

The DJSI World Diversified applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual RobecoSAM CSA:

## Universe Definition

The definition of the eligible universe is carried out separately for developed market companies and for companies based in the emerging markets.

- 1. Starting Universe:** consists of all companies in the S&P Global BMI.
- 2. Assessed Universe:** consists of all companies in the starting universe that have been analyzed by the RobecoSAM Corporate Sustainability Assessment, comprising 2,900 large and mid-cap companies globally.
- 3. Relative Score calculation:** In order to make the sustainability scores comparable across sectors and market capitalization, the companies' Total Sustainability Scores from the CSA are converted into relative scores. Companies are grouped into 10 GICS sectors. Within each sector, companies

are sorted in descending order by float adjusted market capitalization and divided into three groups containing an equal number of components where possible, resulting in 30 peer groups for the developed and emerging markets, respectively. Within each peer group, the company with the highest Total Sustainability Score receives a relative score of 1. All other companies in the same peer group receive a relative score that equals their Total Sustainability Score divided by the Total Sustainability Score of the leader of the peer group.

- 4. Eligible Universe:** To be included in the eligible universe, companies must have a minimum Total Sustainability Score of 20 points; any company with a lower sustainability score is removed from the eligible universe. In addition, for liquidity purposes, the 3-month average daily trading volume for emerging markets companies must exceed 10% of float adjusted market capitalization. Once companies not meeting these criteria have been removed from the eligible universe, the developed markets and emerging markets universes are further screened to include only the top 50% of the assessed companies based on their relative scores.

## Index Component Selection

Once the eligible universe has been defined for developed markets and emerging markets, these two subsets are combined. Index components are selected globally from the combined eligible universe.

- 1.** All companies in the eligible universe are ranked in descending order by relative score and float adjusted market capitalization.
- 2.** For each of the 10 GICS sectors within each country, companies are selected in decreasing order of relative score until their combined market capitalization reaches or exceeds 33% of the float adjusted market capitalization of each GICS sector within the respective country, provided that there is a sufficient number of eligible companies. The

weight of the last component selected is reduced to match the 33% capitalization limit exactly. To minimize turnover, a standard buffer rule based on current index members is applied to the component selection process.

All DJSI Diversified indices are weighted by float adjusted market capitalization, in line with the relevant S&P BMI methodology.

The composition of the DJSI Diversified indices is reviewed each year in March and September based on the Total Sustainability Scores resulting from the annual RobecoSAM Corporate Sustainability Assessment and is rebalanced quarterly.

# Index Composition and Characteristics

Figure 2: Country and sector breakdowns for DJSI World Diversified (As of March 31, 2015)

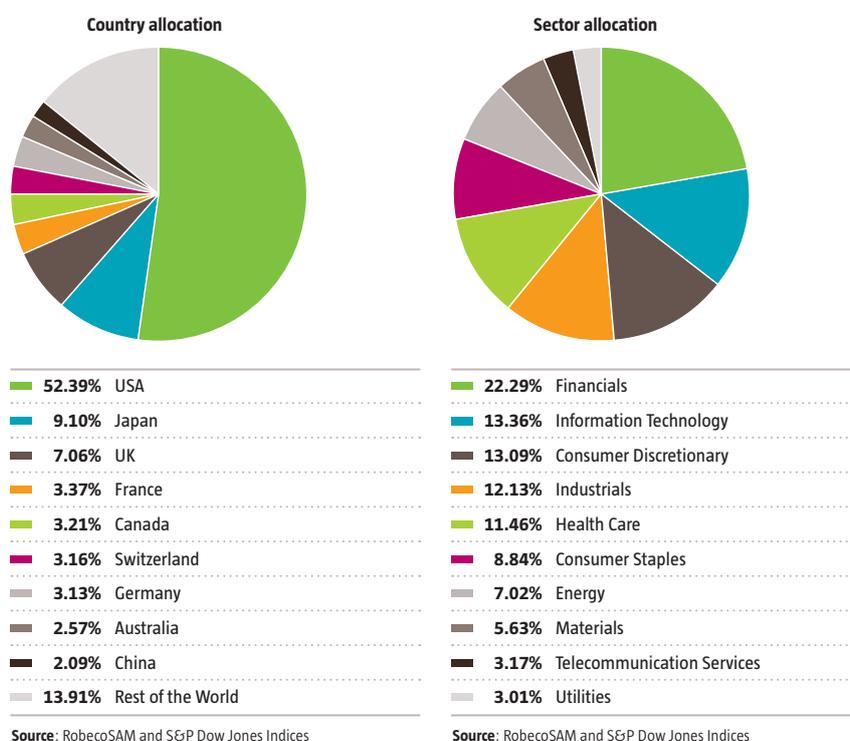
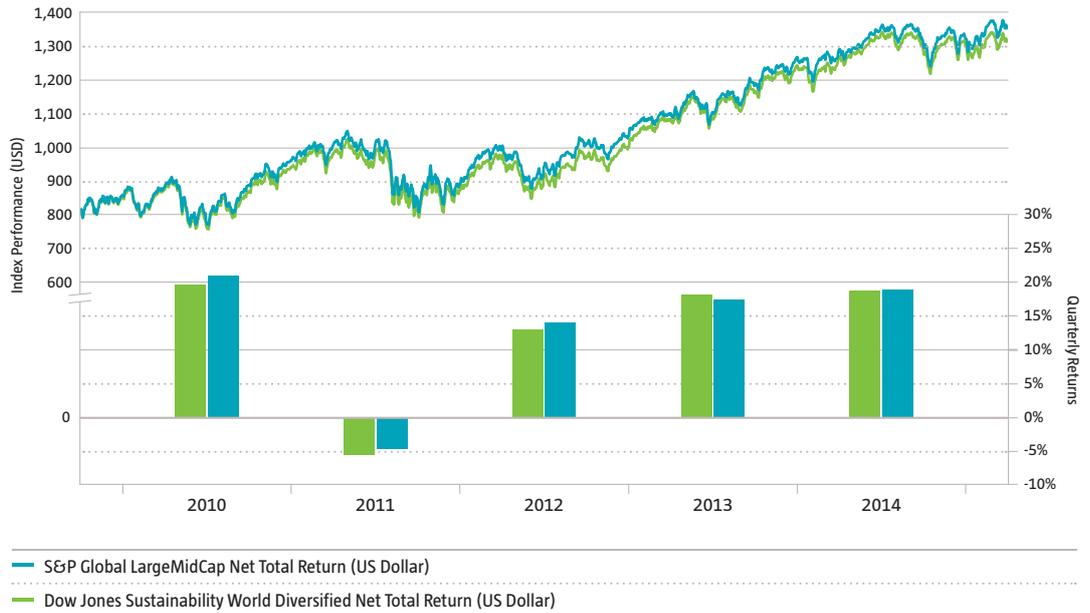


Figure 3: Comparison of DJSI World Diversified country allocation versus S&P Global LargeMidCap Index (As of March 31, 2015)

Country	DJSI Diversified weight	S&P Global LargeMidCap Index weight	Deviation from S&P Global LargeMidCap Index
USA	52.39%	50.23%	2.16%
Japan	9.10%	8.66%	0.44%
UK	7.06%	6.47%	0.59%
France	3.37%	3.07%	0.30%
Canada	3.21%	3.3%	-0.09%
Switzerland	3.16%	2.89%	0.27%
Germany	3.13%	2.93%	0.20%
Australia	2.57%	2.45%	0.12%
China	2.09%	2.84%	-0.75%
Korea	1.68%	1.63%	0.05%
Taiwan	1.23%	1.47%	0.24%
Sweden	1.20%	1.1%	0.10%
Spain	1.18%	1.1%	0.08%
Netherlands	1.00%	1.02%	-0.02%
Italy	0.93%	0.9%	0.03%

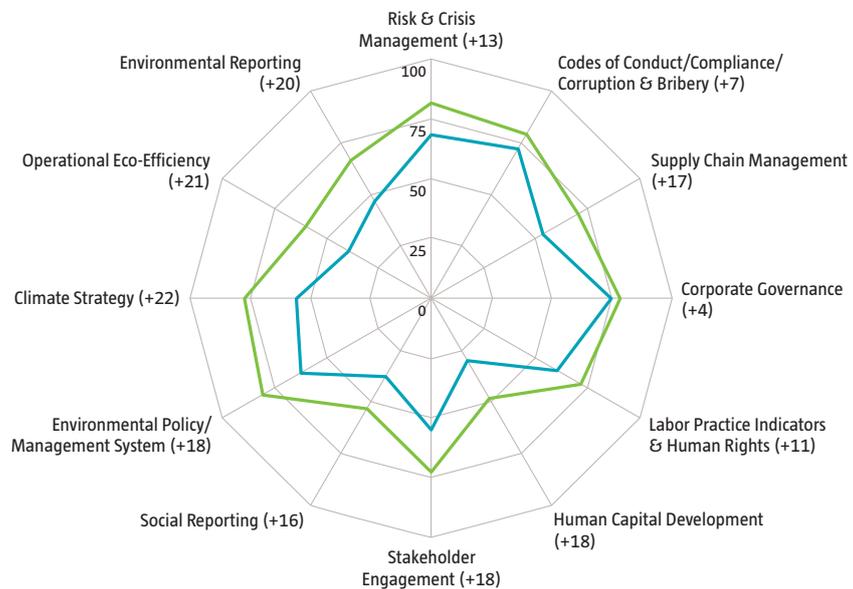
Source: RobecoSAM and S&P Dow Jones Indices

**Figure 4: Comparison of the financial performance of the DJSI World Diversified versus the S&P Global LargeMidCap Index\*** (As of March 31, 2015)



Source: RobecoSAM and S&P Dow Jones Indices  
 \*Performance for DJSI World Diversified is based on backtested data

**Figure 5: Comparison of the sustainability profile of the DJSI World Diversified versus the S&P Global LargeMidCap Index** (As of March 31, 2015)



Values in the spider chart represent the weighted average of the criteria scores of the index components versus the weighted average of the criteria scores for companies in the S&P Global LargeMidCap Index.  
 The number in brackets indicates relative score value of the DJSI World Diversified compared to S&P Global LargeMidCap Index.

Source: RobecoSAM and S&P Dow Jones Indices

# RobecoSAM

## Corporate Sustainability Assessment

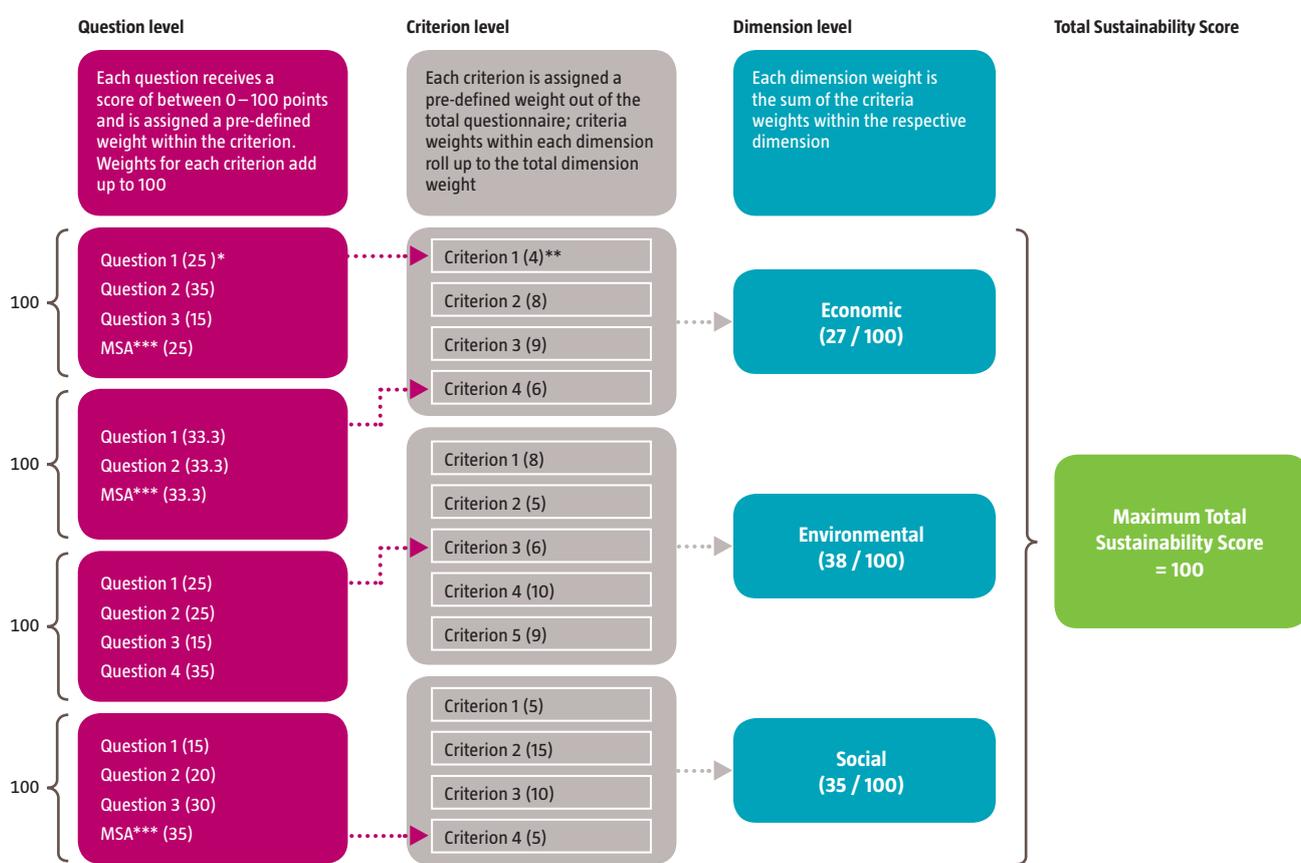
The results of the annual RobecoSAM Corporate Sustainability Assessment form the research backbone for the construction of all DJSI indices.

Each year, over 3,000 publicly traded companies, including 800 companies in emerging markets, are invited to participate in the CSA. Companies are evaluated based on a range of material non-financial criteria that have been developed over time. The industry-specific questionnaires feature between 80-120 questions focusing on economic, environmental and social factors that are relevant for the companies' success and are under-researched in conventional financial analysis. The CSA comprises an in-depth analysis of the world's largest companies based on economic, environmental and social criteria – such as corporate governance, labor practices and environmental policies – with a special focus on industry-specific risks and opportunities companies face.

RobecoSAM pursues a truly integrated approach to sustainability research. An interdisciplinary team of analysts designs, monitors and refines the CSA with the purpose of generating additional insights into the value creating and risk mitigating potential of companies, ensuring that the assessment focuses on sustainability criteria that are financially material to corporate performance and relevant for investors.

The CSA is continuously adapted to capture the sustainability trends that are at the forefront of each industry and that are likely to have an impact on the companies' competitive landscape. What may have been cutting edge in the past may have now become standard practice, and new sustainability opportunities and challenges continue to develop over time.

Figure 6: Structure of the RobecoSAM Corporate Sustainability Assessment



\* (pre-defined question weight)      \*\* (pre-defined criterion weight)      \*\*\* (Media & Stakeholder Analysis)

Question, criteria, and dimension weights provided in the diagram above are for illustrative purposes only. The actual number of questions, criteria and their corresponding weights will vary from industry to industry.

Source: RobecoSAM

# DJSI

## Diversified Family

Figure 7: Overview of DJSI Diversified family

Index	Number of components**	Type	Bloomberg Ticker EUR	Bloomberg Ticker USD
DJSI World Diversified	764	Price	DJSWDIEP	DJSWDIUP
		Net	DJSWDIEN	DJSWDIUN
		Total	DJSWDIET	DJSWDIUT
DJSI World Diversified Select Index	704	Price	DJSWISEP	DJSWISUP
		Net	DJSWISEN	DJSWISUN
		Total	DJSWISET	DJSWISUT
DJSI World Developed Diversified	541	Price	DJSWDEP	DJSWDUP
		Net	DJSWDEN	DJSWDUN
		Total	DJSWDET	DJSWDUT
DJSI World Developed ex-Korea Diversified	503	Price	DJSWKDEP	DJSWKDUP
		Net	DJSWKDEN	DJSWKDUN
		Total	DJSWKDET	DJSWKDUT
DJSI North America Diversified	179	Price	DJSNADEP	DJSNADUP
		Net	DJSNADEN	DJSNADUN
		Total	DJSNADET	DJSNADUT
DJSI Europe Developed Diversified	190	Price	DJSEDEP	DJSEDDUP
		Net	DJSEDDEN	DJSEDDUN
		Total	DJSEDET	DJSEDDUT
DJSI Asia Pacific Developed Diversified	169	Price	DJSAPDEP	DJSAPDUP
		Net	DJSAPDEN	DJSAPDUN
		Total	DJSAPDET	DJSAPDUT
DJSI Emerging Markets Diversified	223	Price	DJSEMDEP	DJSEMDUP
		Net	DJSEMDEN	DJSEMDUN
		Total	DJSEMDET	DJSEMDUT
DJSI Emerging Markets Plus Diversified*	261	Price	DJSEPDEP	DJSEPDUP
		Net	DJSEPDEN	DJSEPDUN
		Total	DJSEMPET	DJSEMPUT

Source: RobecoSAM and S&P Dow Jones Indices

\* DJSI Emerging Markets Plus Diversified includes Korea \*\* Number of components as of March 31, 2015

All DJSI Diversified indices are calculated in price, net and total return versions in EUR and USD, and are disseminated daily.

### DJSI World Diversified Select

For Investors who wish to limit their exposure to controversial activities, RobecoSAM and S&P Dow Jones Indices offer the DJSI World Diversified Select Index. It follows the same index construction methodology as the DJSI World Diversified but excludes companies exposed to weapons manufacturing, tobacco, alcohol, adult entertainment and gambling.

### Customized Indices

The DJSI Diversified methodology allows for the design of customized sustainability indices covering regional or country subsets, indices covering different industry groups, customized ethical exclusions and indices denominated in different currencies.

## About RobecoSAM

Founded in 1995, RobecoSAM is an investment specialist focused exclusively on Sustainability Investing. It offers asset management, indices, engagement, voting, impact analysis, sustainability assessments, and benchmarking services. Asset management capabilities cater to institutional asset owners and financial intermediaries and cover a range of ESG-integrated investments (in public and private equity), featuring a strong track record in resource efficiency theme strategies. Together with S&P Dow Jones Indices, RobecoSAM publishes the globally recognized Dow Jones Sustainability Indices (DJSI). Based on its Corporate Sustainability Assessment, an annual ESG analysis of 2,900 listed companies, RobecoSAM has compiled one of the world's most comprehensive databases of financially material sustainability information.

RobecoSAM is a member of the global pure-play asset manager Robeco, which was established in 1929 and is the center of expertise for asset management within the ORIX Corporation. As a reflection of its own commitment to advocating sustainable investment practices, RobecoSAM is a signatory of the UNPRI and a member of Eurosif, ASrIA and Ceres. Approximately 130 professionals work for RobecoSAM, which is headquartered in Zurich. As of June 30, 2014, RobecoSAM had assets under management, advice and/or license in listed and private equity\* of approximately USD 10.7 billion. Additionally, RobecoSAM's Governance & Active Ownership team\*\* had USD 85.1 billion of assets under engagement and USD 53 billion of assets under voting.

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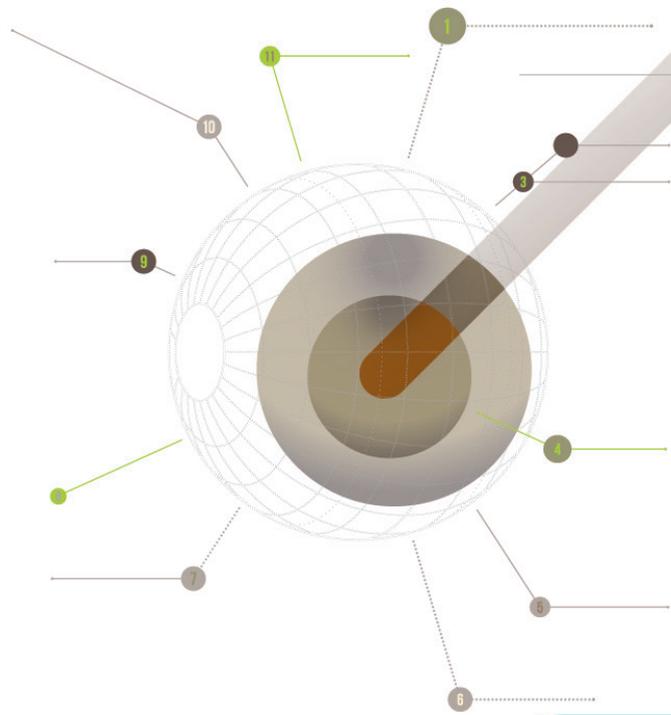
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