

Methodology summary

The proportion of sustainable investments is calculated via a pass/fail approach, where the pass or fail is determined on the basis of a minimum threshold of 10% and of the ranked PAI value of the target investment within the investable universe: PAIs 1 and 2 are measured with reference to Enterprise Value; PAIs 3, 4, 6 are measured with reference to Revenues; PAIs 8 and 9 are measured with reference to metric tonnes; PAIs 5, 10, 11, 12, 13, 14 are measured as pure numbers without reference to any accounting measure. For any given PAI, the ranked value of each company score determines whether that company contributes or not, and to what extent, to an improvement of sustainability, according to that PAI. Companies whose PAI score is better than average are deemed to contribute to an improvement of sustainability; companies whose PAI score is worse than average are deemed not to contribute to an improvement of sustainability. For example, considering PAI 1, companies that reduce GHG emissions more than average, or that have lower GHG emissions than average, contribute to an improvement of sustainability as measured by GHG emissions.

Sector exclusions are determined on the basis of a revenue threshold equal to 10%: companies that derive more than 10% of their revenues from business in an excluded sector, are not eligible to be purchased (however they are eligible to be sold, the fund being a long/short fund). The full list of excluded issuers is [available](#).