

The S&P 500[®] ESG Index: Integrating Environmental, Social, and Governance Values into the Core

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EXECUTIVE SUMMARY

- The [S&P 500 ESG Index](#) aligns investment objectives with environmental, social, and governance (ESG) values.
- It can serve as a benchmark as well as the basis for index-linked investment products. The index's broad market exposure and industry diversification result in a return profile similar to that of the [S&P 500](#).
- The index uses 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 the S&P 500.
- The S&P 500 ESG Index 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 an improved composite ESG score compared with the S&P 500. This holds true in all industries.

INTRODUCTION

An increasing number of investors require indices that are aligned with their investment objectives and their personal or institutional values. The S&P 500 ESG Index was designed with both of these needs in mind.

The S&P 500 ESG Index is broad and constructed to be part of the core of an investor's portfolio, unlike many ESG indices that have preceded it, which were thematic or narrow in their focus. By targeting 75% of the S&P 500's market capitalization, industry by industry, the S&P 500 ESG Index offers industry diversification and a return profile in line with the U.S. large-cap market.

Yet the composition of this new index is meaningfully different from that of the S&P 500 and more compatible with the values of ESG investors. Exclusions are made related to tobacco, controversial 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 suitable for investors moving ESG from the fringe of their portfolio to the core.

The S&P 500 ESG Index is constructed to be part of the core of a portfolio...

KEY OBJECTIVES

The methodology of the S&P 500 ESG Index was constructed with two objectives:

- To provide a similar risk/return profile to the S&P 500; and
- To avoid companies that are not managing their businesses in line with ESG principles, while including companies that are.

These two objectives run somewhat counter to each other. Eliminating companies from the S&P 500 necessarily changes its performance. But with further methodological adjustments, the industry composition of the S&P 500 ESG Index is brought back into general alignment with the S&P 500.

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

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 objectives of the index are to provide a similar risk/return profile to the S&P 500...

...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 500 ESG Index Summary

Objective: To target 75% of the market capitalization within each GICS industry group of the S&P 500, using the S&P DJI ESG Score.

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 S&P 500, sort the remaining companies by their S&P DJI ESG Scores within each GICS industry group.

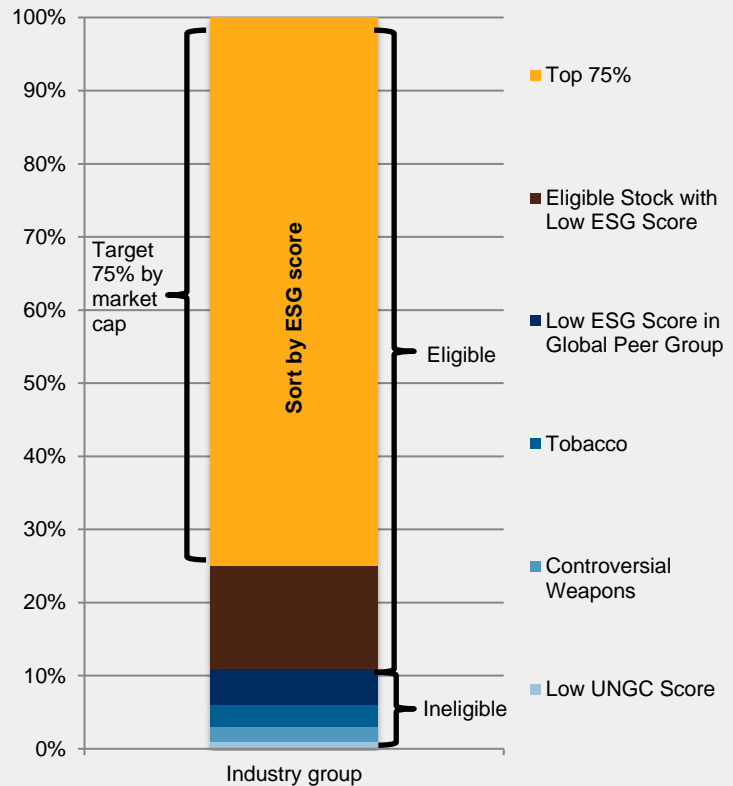
Step 4:

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.

Overall, 183 constituents of the S&P 500 were excluded from the S&P 500 ESG Index, totaling 24.37% of the S&P 500 market capitalization as of May 31, 2019.³ Exhibit 2 ranks the reasons behind these exclusions.

Exhibit 2: 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.

³ 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 2 is less than the difference in constituents between the S&P 500 and the S&P 500 ESG Index in Exhibit 4.

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.⁴

S&P DJI ESG Scores

The key criteria for constituent eligibility and selection in the S&P 500 ESG Index 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 3).

The key criteria for constituent eligibility and selection in the S&P 500 ESG Index 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.

⁴ Please see the [S&P ESG Index Series Methodology](#) for more information on the S&P 500 ESG Index.

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 3: 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

When controversies unfold between annual rebalances of the S&P 500 ESG Index, 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.

By selecting 75% of each industry group’s market cap in the S&P 500, industry weights are closely aligned with those of the S&P 500...

CHARACTERISTICS OF THE S&P 500 ESG INDEX

The methodology of the S&P 500 ESG Index is 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 S&P 500. By virtue of selecting 75% of each GICS industry group’s market capitalization in the S&P 500, industry weights are closely aligned with those of the S&P 500. This allows the S&P 500 ESG Index to track the S&P 500 closely (see Exhibit 4), while offering improved ESG performance across each industry group (see Exhibit 5).

...which allows the S&P 500 ESG Index to track the S&P 500 closely, while offering improved ESG performance across each industry group.

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.

ESG score improvement is most appropriately measured at the industry level...

...and the average change in ESG score across industries was 11.07.

Exhibit 4: Fundamental Calculations of the S&P 500 ESG 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.

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 is over 25% of the possible improvement that the index could have.

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 ESG score across industries was 11.07.

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

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

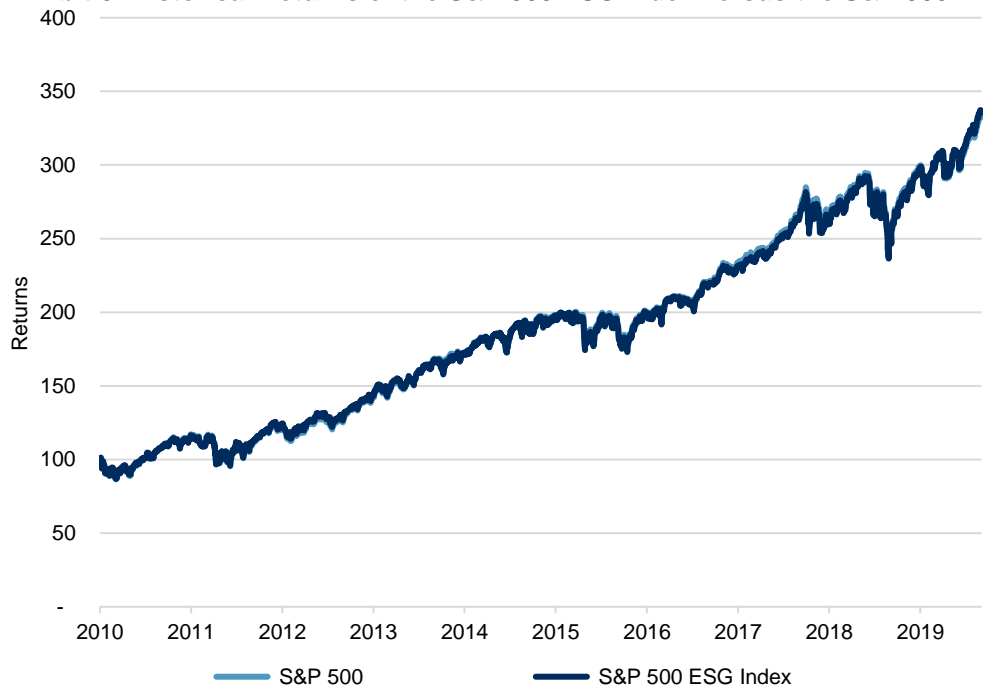
The S&P 500 ESG Index tracks the S&P 500 closely...

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

Return Profile

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

Exhibit 6: Historical Returns of the S&P 500 ESG Index versus the S&P 500



The S&P 500 ESG Index is designed to integrate ESG factors into core investments, while not straying far from the overall profile of the S&P 500.

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 500 ESG Index is designed for investors wishing to integrate ESG factors into their core investments, while not straying far from the overall profile of the S&P 500.

APPENDIX: CONSTITUENTS OF THE S&P 500 NOT SELECTED FOR THE S&P 500 ESG INDEX

Exhibit 7: Constituents of the S&P 500 Not Selected for the S&P 500 ESG Index		
COMPANY	REASON FOR EXCLUSION	WEIGHT IN S&P 500 (%)
Boeing Co	Ineligible; involved in controversial weapons	0.81
Honeywell Intl Inc	Ineligible; involved in controversial weapons	0.47
Lockheed Martin	Ineligible; involved in controversial weapons	0.31
General Dynamics	Ineligible; involved in controversial weapons	0.21
Raytheon Co	Ineligible; involved in controversial weapons	0.21
Northrop Grumman Corp	Ineligible; involved in controversial weapons	0.20
Textron Inc	Ineligible; involved in controversial weapons	0.05
Huntington Ingalls Industries Inc.	Ineligible; involved in controversial weapons	0.04
Fluor Corp	Ineligible; involved in controversial weapons	0.02
Philip Morris International	Ineligible; involved in tobacco production or sales	0.49
Altria Group Inc	Ineligible; involved in tobacco production or sales	0.44
Eastman Chemical Co	Ineligible; involved in tobacco production or sales	0.05
Berkshire Hathaway B	Ineligible; UNGC score too low	1.89
Netflix Inc	Ineligible; UNGC score too low	0.56
Home Depot Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.92
Walgreens Boots Alliance Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.26
Intuitive Surgical Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.26
Stryker Corp	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.23
Deere & Co	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.23
Illumina Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.21
Intercontinental Exchange Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.20
Analog Devices Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.15
Allstate Corp	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.14
Roper Technologies, Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.13
Moody's Corp	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.11
Pioneer Natural Resources	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.11
Digital Realty Trust	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.10
Zimmer Biomet Holdings Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.10
Concho Resources Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.10
PACCAR Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.09
Fortive Corp	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.09
Monster Beverage Corp New	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.09
SBA Communications Corp	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.09
Verisk Analytics Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.09
TransDigm Group	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.08
Omnicom Group	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.08
American Water Works Co Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.08

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2018. Table is provided for illustrative purposes.

Exhibit 7: Constituents of the S&P 500 Not Selected for the S&P 500 ESG Index (cont.)		
COMPANY	REASON FOR EXCLUSION	WEIGHT IN S&P 500 (%)
ResMed Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.08
Church & Dwight Co	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.08
Mylan NV	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.07
Genuine Parts Co	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.07
L3 Technologies, Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.06
American Airlines Group Inc.	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.06
Huntington Bancshares (OH)	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.06
Loews Corp	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.06
Take-Two Interactive Software	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry Group	0.06
Cincinnati Financial Corp	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.06
AmerisourceBergen Corp	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.06
Lennar Corp A	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.05
Extra Space Storage Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.05
Hologic Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.05
Western Digital Corp	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.05
National Oilwell Varco Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.05
Wynn Resorts Ltd	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.05
Norwegian Cruise Line Holdings Ltd	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.04
Everest Re Group Ltd	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.04
Albemarle Corp	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.04
Packaging Corp of America	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.04
Western Union Co	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.04
Robert Half Intl Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.03
SCANA Corp	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.03
Smith A.O. Corp	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.03
Cimarex Energy Co	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.03
DISH Network Corp A	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.03
Michael Kors Holdings Ltd	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.03
Helmerich & Payne Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.02
IPG Photonics Corp	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.02
Brighthouse Financial Inc	Ineligible; S&P DJI ESG Score in bottom 25% of GICS industry group	0.02
Johnson & Johnson	Not selected; S&P DJI ESG Score not high enough to warrant selection	1.65
Alphabet Inc C	Not selected; S&P DJI ESG Score not high enough to warrant selection	1.52
Alphabet Inc A	Not selected; S&P DJI ESG Score not high enough to warrant selection	1.49
Broadcom Limited	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.50
US Bancorp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.33
Danaher Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.30
Automatic Data Processing	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.27
EOG Resources	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.24

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2018. Table is provided for illustrative purposes.

Exhibit 7: Constituents of the S&P 500 Not Selected for the S&P 500 ESG Index (cont.)

COMPANY	REASON FOR EXCLUSION	WEIGHT IN S&P 500 (%)
Charter Communications Inc A	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.24
Occidental Petroleum	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.22
Southern Co	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.21
Crown Castle Intl Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.21
AFLAC Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.16
HCA Healthcare Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.16
BB&T Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.16
Sherwin-Williams Co	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.15
Marriott Intl A	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.15
Public Storage	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.14
The Williams Companies Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.13
Centene Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.11
VF Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.11
SunTrust Banks Inc (GA)	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.11
ONEOK Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.11
Anadarko Petroleum Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.11
WEC Energy Group Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.10
Xilinx Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.10
Lam Research Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.10
PPL Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.10
M&T Bank Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.10
DTE Energy Co	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.10
Willis Towers Watson PLC	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.09
Clorox Co	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.09
United Continental Holding Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.09
FirstEnergy Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.09
Royal Caribbean Cruises Ltd	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.08
Nucor Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.08
Advanced Micro Devices	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.08
Aptiv plc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.08
Essex Property Trust	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.08
Ameren Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.08
Fifth Third Bancorp (OH)	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.07
Align Technology Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.07
NetApp Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.07
CBS Corp B	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.07
CenturyLink Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.07
Centerpoint Energy Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.07
Citizens Financial Group Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.07

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2018. Table is provided for illustrative purposes.

Exhibit 7: Constituents of the S&P 500 Not Selected for the S&P 500 ESG Index (cont.)		
COMPANY	REASON FOR EXCLUSION	WEIGHT IN S&P 500 (%)
Regions Financial Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.07
KLA-Tencor Corporation	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.07
Gallagher Arthur J. & Co	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.06
MGM Resorts International	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.06
Marathon Oil Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.06
Skyworks Solutions Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.06
CH Robinson Worldwide Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.05
Equifax Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.05
Mid-America Apt Communities	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.05
Martin Marietta Materials	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.05
Chipotle Mexican Grill Inc.	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.05
Devon Energy Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.05
Varian Medical Systems Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.05
SVB Financial Group	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.05
Apache Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.05
Universal Health Services B	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.05
F5 Networks Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.05
Kansas City Southern Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.05
Cabot Oil & Gas A	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.05
Hasbro Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.04
Juniper Networks Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.04
Macy's Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.04
Discovery Communications Inc C	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.04
Dentsply Sirona Inc.	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.04
Hunt J.B. Transport Services	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.04
Zions Bancorp (UT)	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.04
Avery Dennison Corp	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.04
Qorvo, Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.04
Borgwarner Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.03
FLIR Systems Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.03
Nektar Therapeutics	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.03
Harley-Davidson Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.03
Assurant Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.02
Discovery Communications Inc A	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.02
Mattel Inc	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.02
Under Armour Inc A	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.02
Under Armour Inc-C	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.01
Coty Inc.	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.01
Newfield Exploration Co	Not selected; S&P DJI ESG Score not high enough to warrant selection	0.01

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2018. Table is provided for illustrative purposes.

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The S&P 500 ESG Index was launched January 28, 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.

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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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