

FOR IMMEDIATE RELEASE

Solactive and South Pole Group launch Solactive low carbon index

Bringing low carbon investment opportunities to the fixed income market

Frankfurt, Germany and Zurich, Switzerland, 8th of March 2016 – Following the successful launch of its low carbon equity index family, Solactive AG in collaboration with South Pole Group sets the bar for fixed income low-carbon index solutions with its new Solactive SPG Euro IG Low Carbon Bond Index. The index will cover investment grade corporate bonds denominated in EUR while selecting companies that are less dependent on fossil fuels relative to higher carbon-emitting peers.

In line with the ambition shown at the recent Paris Climate Conference, many of the world leading economies have already imposed taxes or partial taxes on carbon (e.g. US, China, UK, Sweden) or implemented regulatory standards to lower emissions (e.g. Emission Trading Scheme in the EU). France is the first country to have introduced a carbon reporting obligation on financial institutions. Growing global concern about climate change has also encouraged the adaptation of climate themed investment strategies and prompted the inception of investor coalitions committed to reduce their portfolio exposure to greenhouse gas emissions. However, the mainstreaming of low carbon in finance has been limited to the equity side so far.

With a large proportion of global assets dedicated to fixed income debt, tapping into debt markets is essential to accelerate the transition towards a low-carbon economy and ultimately attain the “two-degree target”. Institutional investors have lacked investment-grade opportunities to invest in bonds where revenues are specifically allocated to climate change solutions in the past.

The Solactive SPG Euro IG Low Carbon Bond Index will attend to the needs of all risk-sensitive fixed income investors that seek to reduce the carbon footprint of their investment portfolio and mitigate climate change related investment risk. For the creation of the index, Solactive has extended its successful partnership with South Pole Group, the world’s leading provider of sustainability and climate finance solutions, and build on its past expertise in the development of climate-themed bond indices (Solactive green bond indices).

Dr. Maximilian Horster, Partner, Financial Industry, South Pole Group explains: *“Until recently, transferring the logic of low carbon investments from equity to fixed income has been a challenge. We are excited that our innovative methodologies and unmatched climate change data capabilities now enable easy and effective climate friendly fixed income investments.”*

Steffen Scheuble, CEO, Solactive AG says: *“Solactive will make a vital contribution to the integration of climate change and mitigation efforts in fixed income investments as it will be providing the first diversified investment grade universe of bonds dedicated to finance low carbon companies.”*

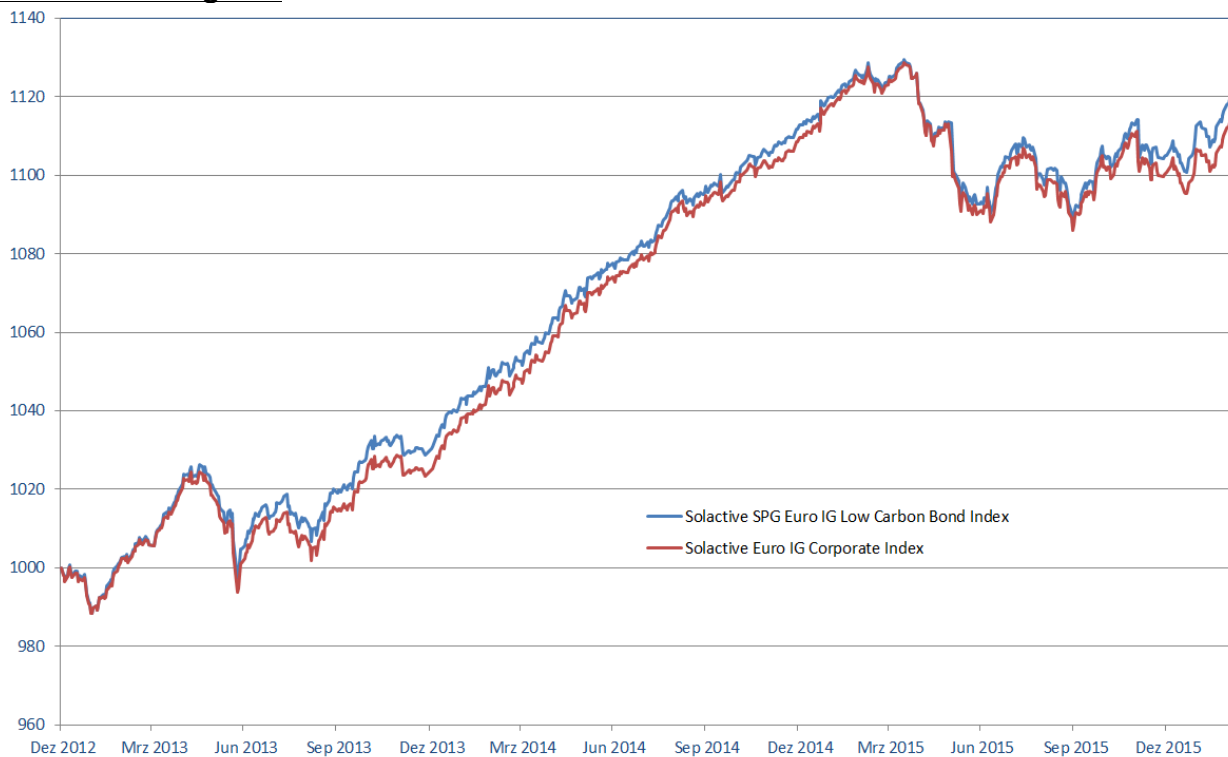
The basis of the Solactive SPG Euro IG Low Carbon Bond Index is the Solactive Euro IG Corporate Index, including fixed rate bonds with an amount outstanding of at least 500 million EUR and a remaining time to maturity of at least 24 months.

Companies that do not report their carbon emissions are excluded from the selection pool since non-reporting companies are likely to have higher carbon emissions and no carbon reduction strategies in place.

Finally, companies are selected if their carbon footprint scaled by revenues as determined by the methodology of South Pole Group lies below the median carbon score in their economic sector.

Index components are weighted by market value.

Performance Figures



	Solactive SPG Euro IG Low Carbon Bond Index	Solactive Euro IG Corporate Index
Return	11.89%	11.29%
Return p.a.	3.60%	3.42%
Vola p.a.	2.02%	2.09%
Return/Risk	1.79	1.64
Maximum Drawdown	-0.88%	-0.74%
# of Constituents	670	1751
Avg Bid Yield to Maturity	1.20%	1.27%
Avg Bid Modified Duration	4.91	5.10

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About South Pole Group

Zurich-based South Pole Group began as a project-driven company focused on developing and selling high-quality carbon credits. Today, it is the world's leading provider of climate solutions. South Pole Group helps public and private sector organisations develop climate proven policies and strategies. Areas of expertise cover every key sustainability-related area of climate change, including but not limited to: forests & land use, water, sustainable cities & buildings, as well as renewable energy and energy efficiency. For more information, visit www.thesouthpolegroup.com or follow the company @southpolegroup.

About Solactive

Solactive AG is one of the key players in the indexing space. Focusing on tailor-made indices, the German multi asset class provider is developing, calculating and distributing them worldwide. Solactive AG calculates indices for 160 clients in Europe, America and Asia. There



are around 180 ETFs tied to indices that Solactive AG is calculating. In the US Solactive is the 3rd biggest index provider in terms of ETFs linked to indices.

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