

# Systematic ESG World Equity

## SUMMARY

Benchmark <sup>(1)</sup>	MSCI World (net)
Value added objective	2% (4-year rolling periods)
Target active risk	4% to 6%
ESG approach	Negative and positive filters
Number of holdings	50 to 100
Currency hedging	Hedged back to the index
Target beta vs index	0.98 to 1.02

## ESG CHARACTERISTICS

	Strategy	MSCI World
Carbon emissions (t CO <sub>2</sub> / \$B)	9	63
Water intensity (m <sup>3</sup> / \$M of sales)	120	11,028
Energy use intensity (GJ / \$M of sales)	184	1,083
Recycling ratio (t recycled / t produced)	69%	65%
Renewable energy use	34%	37%

Source of company ESG data: Refinitiv

## RESPONSIBLE INVESTMENT

- Selection based on negative and positive filters developed by DGAM's ESG research team.
- Systematic exclusion of largest carbon emitters, fossil fuel emitters, coal extracting companies, and companies in the tobacco and armament industries.
- Qualified companies are industry-leaders according to several ESG criteria.

## PORTFOLIO CONSTRUCTION

- Systematic approach
- Multifactor model: varied sources of alpha that have performed well in the past and whose perspectives are rational
- Target beta of 1.0 to capture market return
- Systematic control of active risk

## STYLE BIAS (vs MSCI World)



Source: DGAM, June 30, 2023

## PERFORMANCE (% , CAD)

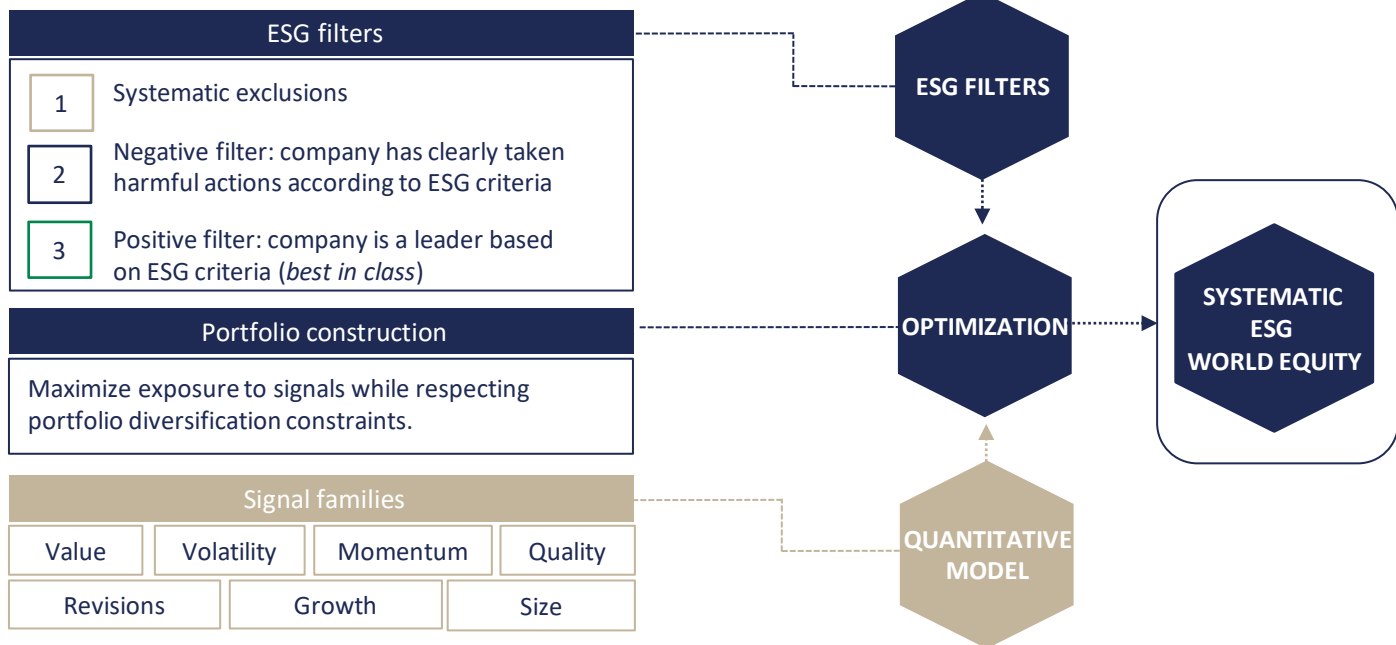
	3 months	YTD	1 year	2 years	3 years	5 years	10 years	Since inception
Systematic ESG World Equity	4.38	12.10	21.49	0.45	10.26	---	---	11.93
MSCI World (net) <sup>(1)</sup>	4.45	12.40	21.57	4.15	10.25	---	---	10.27
<b>VALUE ADDED</b>	<b>-0.07</b>	<b>-0.30</b>	<b>-0.08</b>	<b>-3.70</b>	<b>0.01</b>	<b>---</b>	<b>---</b>	<b>1.66</b>
					2019	2020	2021	2022
Systematic ESG World Equity					17.87	18.22	23.55	-17.92
MSCI World (net) <sup>(1)</sup>					11.37	12.26	20.78	-12.19
<b>VALUE ADDED</b>					<b>6.50</b>	<b>5.96</b>	<b>2.77</b>	<b>-5.73</b>

Note: The inception date is June 1, 2019. Returns for periods greater than 12 months are annualized.

(1) The benchmark was hedged to the U.S. dollar up to December 31, 2020

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## INVESTMENT PROCESS



## EXAMPLES OF COLLABORATIVE INITIATIVES

- Statement of support for the Green New Deal (2019)
- Investor letter to governments in the context of COP25 (2019)
- Letter from global investors to governments of the G20 nations calling them to achieve the objectives of the Paris Agreement (2019)



## INVESTMENT TEAM

**Nelson Cabral, M.Sc., CFA**  
Portfolio manager  
Experience: 16 years  
Team member since 2011

**Gabriel Laprise, B.Eng., MSc.A., CFA**  
Quantitative Analyst  
Experience: 5 years  
Team member since 2018

### ESG RESEARCH

**Véronique Marchetti, CFA**  
Analyst  
Experience: 17 years  
Team member since 2010

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Sources: MSCI, DGAM, as at June 30, 2023

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The performance shown is that of a composite of portfolios that invest solely in companies that meet DGAM’s requirements in terms of ESG practices. The inception date of the Composite is June 1, 2019. Performance results are presented gross of management and administrative fees and net of transaction fees. Past performance is not necessarily indicative of future performance. The information and opinions herein are provided for informational purposes only and are subject to change based on market and other conditions. It should not be relied upon as the basis for your investment decisions. This document is not and should not be construed as a solicitation or offering of units of any fund or other security in any jurisdiction. No part of this document may be reproduced in any manner without the prior written permission of DGAM.