Press Release

Mackenzie Investments and Wealthsimple launch Socially Responsible ETFs tracking Solactive Indices

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ESG investing gains increased momentum. A recent study arguing that ESG investments perform better in times of market distress compared to their non-ESG variants emphasizes the sustainable investment approach's raison d'être, and the findings likely consolidate the advancement of ESG even further. For Canadian investors interested in putting their assets in a passive strategy focusing on sustainability criteria, Wealthsimple launched its first two exchange-traded funds (ETFs), tracking the Solactive Wealthsimple North America Socially Responsible Factor index and Solactive Wealthsimple DM ex NA Socially Responsible Factor index, respectively. Mackenzie assumes a role as trustee, manager, and portfolio manager of the ETFs.

Both the **Solactive Wealthsimple North America Socially Responsible Factor Index** and the **Solactive Wealthsimple DM ex NA Socially Responsible Factor Index** seek to achieve diversified exposure to companies without poor social or environmental values. The screening excludes companies involved in human rights violations, major controversies, or controversial industries, including, e.g., fossil fuels, gambling, tobacco, weapons, and alcohol. Both indices bear the same methodology but differ in their regional focus. The **Solactive Wealthsimple North America Socially Responsible Factor Index** includes North American markets, whereas the **Solactive Wealthsimple DM ex NA Socially Responsible Factor Index** targets developed markets, e.g., Europe, Australia, and Asia but excluding North American markets.

In addition to the ESG screening, the stocks of the underlying universe, consisting of large- and mid-cap stocks exclusively, receive a multi-factor score according to their respective momentum, value, and quality characteristics. The stocks in the bottom 35%, according to this score, are excluded from the indices. Furthermore, the stocks are ranked according to their business exposure to fossil fuels. Here, the top 35% of stocks by carbon intensity are removed from the index. The remaining companies are weighted within each sector according to the inverse of volatility. This step is followed by an inverse volatility weighting among all sectors.

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Timo Pfeiffer, CMO of Solactive, comments: *"With regulatory initiatives for sustainable finance and a shift in consumers' demands, ESG investing is an inevitable trend that is here to stay. We are very proud to work with Wealthsimple and Mackenzie, two players at the forefront of ESG, to enable Canadian investors to invest in sustainable companies while at the same time expanding our footprint once more in Canada."*

The **Wealthsimple Developed Markets ex North America Socially Responsible Index ETF** and the **Wealthsimple North America Socially Responsible Index ETF** were listed on the **Toronto Stock Exchange** on the 16th of June.

For further information, please visit**:** http://www.solactive.com

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Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt, and with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 14,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at April 2020, Solactive served approximately 450 clients across the world, with approximately US$200 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

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