



S I L E X



carbon

score



methodology

Since day one, SILEX's main objective is to provide investment solutions and risk management to its clients. In the recent years, it became increasingly clear that thorough risk management must include extra-financial indicators.

Our quantitative DNA naturally led us to take data as a starting point. We started in 2019 to build proprietary indices with sustainability filters, such as the iStoxx Ocean Care 40. Today, our ambition is to address the emergency of global warming by providing independent and robust carbon impact information in our portfolios and investment ideas.

We chose to focus on carbon impact because we believe it is a non-controversial, globally standardized measure of the environmental impact of an investment.

We are deeply convinced that, as a financial player, our role is not to directly drive the energy transition.

We share a responsibility today, along with our entire industry, to indicate where these impacts are occurring and what they are.

Our ambition : enable our clients to invest in the real economy by taking into account carbon emissions.

**. providing transparency
to make the right choice**



SILEX offers a robust and independent carbon footprint assessment tool using the Carbon4 Finance database. The entire value chain of a product or portfolio (funds, AMCs, etc.) is taken into account when establishing this carbon footprint. Quantification includes not only the level of CO₂ emissions generated by a company and adjusted to its size and sector (Scope 1 2 3), but also avoided emissions (Scope 4), as well as its temperature trajectory in relation to the +2°C target set by the Paris Agreements.

Metrics

SILEX will provide the following indicators:

For a company/issuer: the SILEX Carbon Score.

For all the other products:

- SILEX carbon score
- Temperature alignment.

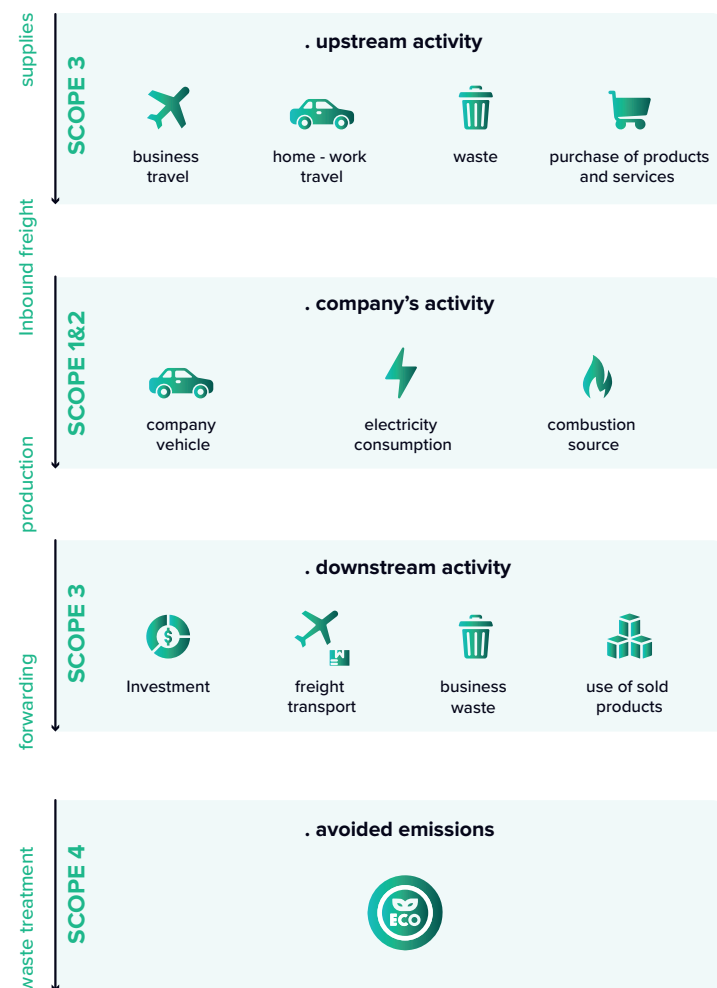
Data sources

All data used to construct our carbon metrics are sourced from Carbon4 Finance. SILEX methodologies do not incorporate any internal assumptions or parameters.

The Carbon4 Finance database encompasses one of the widest ranges of carbon data. SILEX focuses on CIA (Carbon Impact Analytics, the aggregation of all analysed carbon metrics into a single score) and alignment temperatures, which are the most relevant for investment decisions.

Scope of application

Our methodology allows us to cover all structured products at SILEX when the data is available. Our ambition is to extend it to all financial products over the long term, with minor adjustments to the methodology to accommodate other types of products. This will allow investors to take into account carbon risk is systematically taken into account across our entire product range.



. overview

Methodology at the level of a single company_

At the company level, SILEX built its own internal score based on the CIA score Carbon4 Finance's carbon impact assessment tool.

The CIA score, ranging from 1 to 15, encompasses all aspects of contribution of a company to the energy transition (and its climate risks) taking into account past, current and future performance.

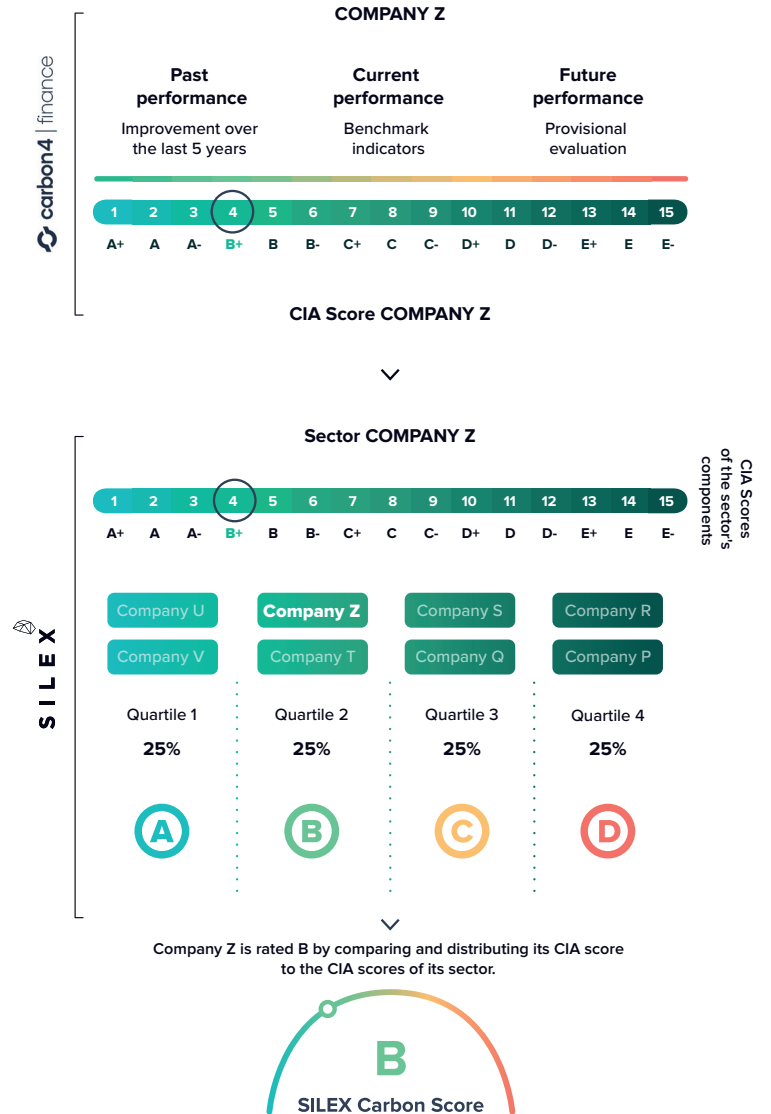
The SILEX Carbon Score is based on a quartile methodology, classifying the asset as A, B, C or D.

The SILEX Carbon Score at the company level is constructed as follows: for each company, we determine the sector given by MSCI.

Using the MSCI World components for each sector, we calculate the quartiles of the distribution of the CIA score for the whole sector.

We rank the company within the quartiles of its sector to determine its SILEX Carbon Score.

At this time, we do not provide temperature at a single name/ company level.



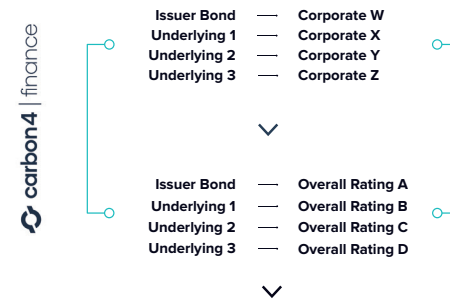
. methodology

Portfolio methodology: AMCs, funds and structured products_

A SILEX Carbon Score is aggregated for other products as follows:
 using the MSCI World components, the quartiles of the entire distribution of the CIA score are calculated.
 The portfolio is ranked in quartiles of the index to determine its SILEX Carbon Score.
 The temperature score can be calculated directly using the Carbon4 Finance methodology.

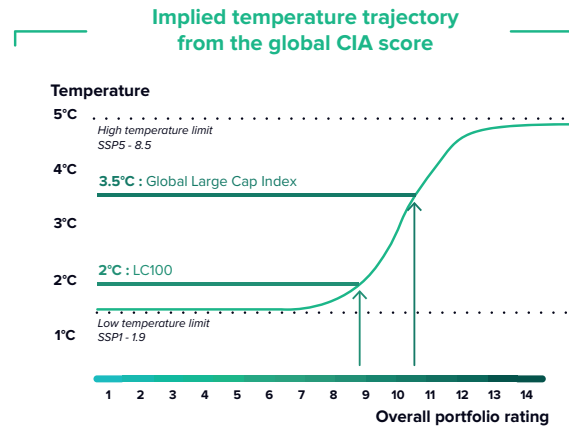
For AMCs and funds, the aggregation is based on portfolio weights and the CIA score of each constituent.
 For structured products, SILEX uses the delta-adjusted exposure to the underlying and to the issuers at issuance.

. Composition of the investissement vehicle .



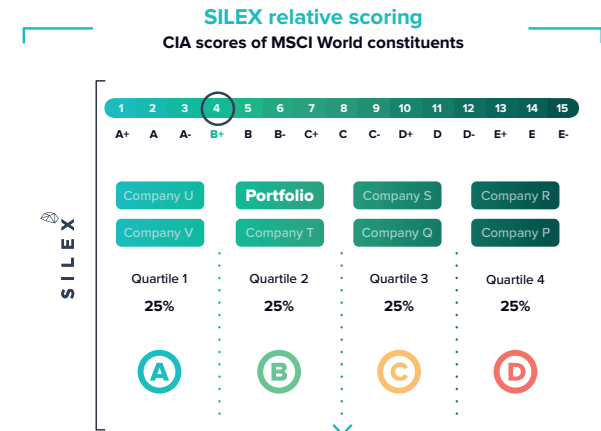
Aggregation of portfolio CIA scores

. OVERALL PORTFOLIO CIA SCORE .



$$1.5^{\circ} < T^{\circ}C < 5^{\circ}$$

Expected temperature



The portfolio is rated B by comparison and distribution relatively to the CIA scores of the companies in the MSCI World Index.





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