



Ossiam adds ESG and Low Carbon to Shiller Barclays CAPE® Sector Value Strategy for new ETF

London, 13th June 2018: Ossiam, the Paris-based smart beta investment manager and affiliate of Natixis Investment Managers, has announced the launch of a new ETF: a low carbon and environmental, social, governance (ESG) version of its existing *Ossiam Shiller Barclays CAPE® US Sector Value ETF*.

The Ossiam ESG Low Carbon Shiller Barclays CAPE® US Sector UCITS ETF aims to deliver a risk/return profile similar to the existing Shiller Barclays CAPE®¹ US Sector Value index, but with a significantly reduced carbon footprint and improved ESG² profile. The ETF has been listed on Deutsche Börse Xetra and London Stock Exchange.

Ossiam developed the enhanced strategy in response to feedback from existing investors, who are looking to improve their climate impact and ESG-related exposure. The original Ossiam Shiller Barclays CAPE® US Sector Value strategy currently has €1.31 bn (USD 1.53bn; GBP 1.15bn) in assets under management as of the end of May.

The ETF, which uses physical replication, has a total expense ratio (TER) of 0.85% and is the first Ossiam ETF to use the ICAV (Irish Collective Asset Management Vehicle) structure.

Bruno Poulin, Ossiam's CEO, said, *"We expanded on our existing ETF with ESG and low carbon criteria since they can play a significant part in creating long-term equity value and enhance the contribution of the Shiller CAPE ratio. We see the revised strategy as likely to deliver sustainable positive returns while meeting greater demand for investment funds satisfying ethical standards."*

Professor Robert J. Shiller, said, *"ESG investing no longer has to be a sacrifice for morality. With this new fund it can serve as both a key component of a portfolio as well as investing in companies that do good for society."*

Nicolas Aractingi, Director in the Quantitative Investment Strategies Origination team at Barclays, said, *"We are delighted to continue building on our successful partnership with Ossiam and renowned author and Yale economist Robert Shiller. This launch highlights Barclays' commitment to offering ethical investment solutions as our clients look to invest more responsibly and hold an environmentally friendly and sustainable portfolio."*

The enhanced strategy starts by removing companies in specific businesses, such as controversial weapons, tobacco and coal, companies that undergo severe controversies, and companies in breach of the UN Global Compact Ten Principles³. The strategy incorporates publicly-available exclusion lists offered by large, highly-regarded Scandinavian institutional investors. All of the filters improve the strategy's ESG profile.

With the remaining stocks, the strategy selects the portfolio that mimics the financial behaviour of the Barclays Shiller CAPE® US Sector Value Net TR Index and minimises the expected tracking error. It then reduces its carbon footprint, while keeping the same sector exposure of the original index. The carbon footprint reduction is three-fold: 40% reduction in the total greenhouse gas emissions (GHG), 40% reduction in the total potential GHG emissions from reserves (i.e. GHG emission linked to fossil proven reserves that are not yet burned but will be in the future, when extracted from the ground) and 40% reduction in the carbon intensity of the strategy compared to the original index.

ESG factors have come to feature more prominently in investors' requests for investment solutions and as a reference in determining economic policy. Earlier this year, the European Commission launched its financial action plan, *Financing Sustainable Growth*¹, which referred to ESG as a core element of the policy.

The ETF is available under an accumulating share class denominated in USD (ISIN code: IE00BF92LR56) and is traded on the LSE in USD (symbol: 5HED LN) and GBP (symbol: 5HEP LN).

- Ends -

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Notes to editors:

Ossiam is a signatory to the United Nations-backed Principles for Responsible Investment.

1. CAPE[®] ratio: Cyclically-adjusted price-earnings ratio, devised by Robert Shiller with graduate student John Campbell in 1981. The Shiller Barclays CAPE[®] Sector indices, developed jointly by Barclays and Professor Robert Shiller, use the CAPE[®] ratio as a valuation driver in a sector rotational strategy.
2. Link to the [Ten Principles](#) of the UN Global Compact for corporate sustainability.
3. Link to the [European Commission Action Plan](#), *Financing Sustainable Growth* (8th March 2018)



About Ossiam

Ossiam is a specialist asset management company that develops and manages investment funds, including exchange-traded funds (ETFs), based on systematic investment processes. Ossiam funds use alternatively weighted indexes – also known as alternative beta or smart beta – applied to a range of financial asset classes. Our ETFs have been listed on major European stock exchanges, including Deutsche Boerse, Borsa Italiana, London Stock Exchange, NYSE Euronext and the SIX Swiss Exchange since 2011. The team behind Ossiam has extensive experience in quantitative research and product design, fund management, trading and risk management.

Ossiam is headquartered in Paris, France, and is an affiliate of Natixis Investment Managers. The investment company is regulated by the Autorité des marchés financiers (AMF) of France.

* First asset manager to launch an ETF based on a minimum variance strategy

* First asset manager to launch a risk-weighted smart beta commodity ETF

www.ossiam.com



About Barclays

Barclays is a transatlantic consumer and wholesale bank, offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in our two home markets of the UK and the US.

With over 325 years of history and expertise in banking, Barclays operates in over 40 countries and employs approximately 80,000 people. Barclays moves, lends, invests and protects money for customers and clients worldwide.

For further information about Barclays, please visit our website <https://www.home.barclays/>

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About Natixis Investment Managers

Natixis Investment Managers serves financial professionals with more insightful ways to construct portfolios. Powered by the expertise of 26 specialized investment managers globally, we apply Active ThinkingSM to deliver proactive solutions that help clients pursue better outcomes in all markets. Natixis ranks among the world's largest asset management firms¹ with more than \$1 trillion assets under management² (€818.1 billion AUM). Headquartered in Paris and Boston, Natixis Investment Managers is a subsidiary of Natixis. Listed on the Paris Stock Exchange, Natixis is a subsidiary of BPCE, the second-largest banking group in France.

¹ Cerulli Quantitative Update: Global Markets 2017 ranked Natixis Investment Managers (formerly Natixis Global Asset Management) as the 15th largest asset manager in the world based on assets under management as of December 31, 2016.

² Net asset value as of March 31, 2018 is \$1.008 trillion. Assets under management ("AUM"), as reported, may include notional assets, assets serviced, gross assets and other types of non-regulatory AUM.