

# ECPI CIRCULAR ECONOMY LEADERS EQUITY INDEX

The Index selects the 50 top capitalized companies  
in the Global market which  
are exposed to the opportunities offered by the  
Circular Economy.

23 May 2017

# CIRCULAR ECONOMY BACKGROUND

The concept of Circular Economy has gained, in recent years, a fundamental importance in giving an answer to the crisis of the traditional linear economic model based on a scheme consisting of extraction of resources, their processing, consumption of goods and services produced and their related disposal (**take - make - dispose**)

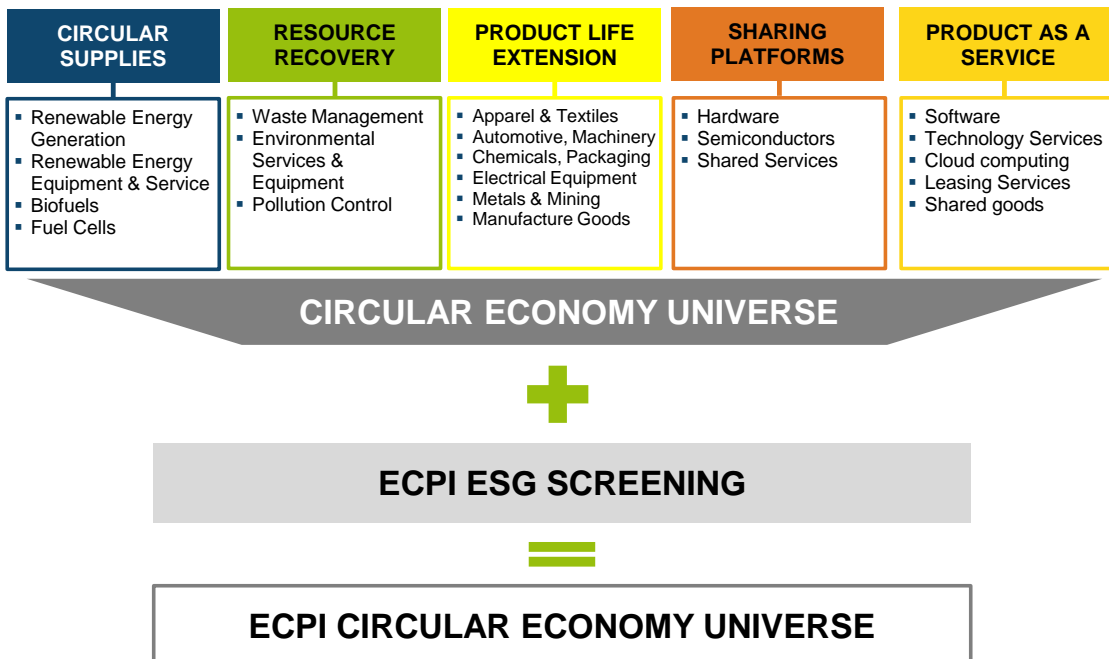
A system that is based on a circular economy, however, can help to reduce waste of limited resources, given the exponential growth in their demand, because it requires that all activities, starting from the extraction and production, are organized so that the waste become a resource for new production cycles (**reduce - reuse - recycle**)



Source: [www.europarl.europa.eu/](http://www.europarl.europa.eu/)

# CIRCULAR ECONOMY INVESTING WITH ECPI

ECPI makes Circular Economy investable by selecting companies able to exploit the business opportunities arising from these changes grouping them into five thematic categories.

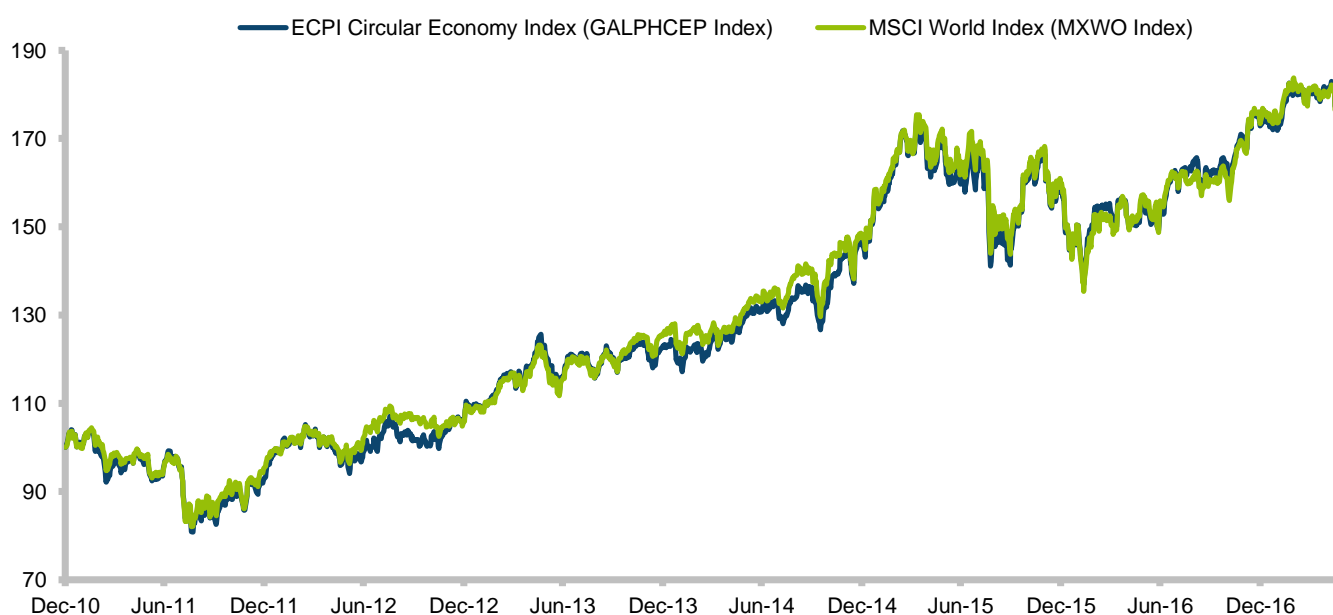
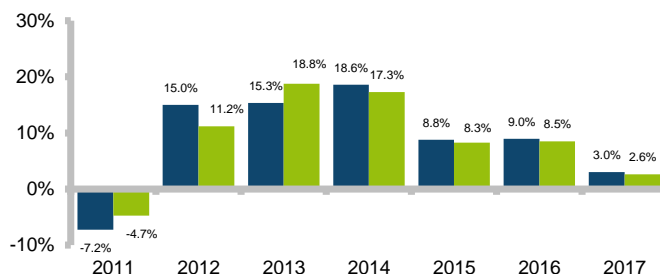


## INFORMATION

<b>BB TICKER</b>	GALPHCEP Index
<b>COMPONENTS</b>	50
<b>WEIGHTING</b>	Equally Weighted
<b>REBALANCING FREQUENCY</b>	Semi Annual
<b>CURRENCY</b>	EUR and LC
<b>HISTORICAL SERIES SINCE</b>	December 31, 2010
<b>INDEX RULES</b>	Available on <a href="http://www.ecpigroup.com">www.ecpigroup.com</a>

## PERFORMANCE

BB TICKER	GALPHCEP	MXWO	BB TICKER	GALPHCEP	MXWO
<b>RETURN</b>			<b>RELATIVE ANALYSIS</b>		
YTD	3.04%	2.60%	ALPHA wrt COMPARABLE	0.76%	
1Y	17.99%	16.76%	BETA wrt COMPARABLE	0.92	
3Y	39.31%	36.74%	SHARPE RATIO	0.63	0.63
5Y	82.89%	79.38%	INFORMATION RATIO	0.00	
7Y	NA	NA	<b>DATA FROM/TO</b>	31-Dec-10	23-May-17
CAGR	9.45%	9.42%			
<b>RISK</b>					
ANN. VOLATILITY	13.29%	13.30%			
VAR 95%	-21.93%	-21.95%			
VAR 99%	-30.97%	-30.99%			
MAX DRAWDOWN	-22.26%	-22.83%			
START OF MAX DD PERIOD	11-Jan-11	10-Apr-15			
END OF MAX DD	22-Aug-11	11-Feb-16			
END OF RECOVERY PERIOD	14-Mar-12	15-Dec-16			

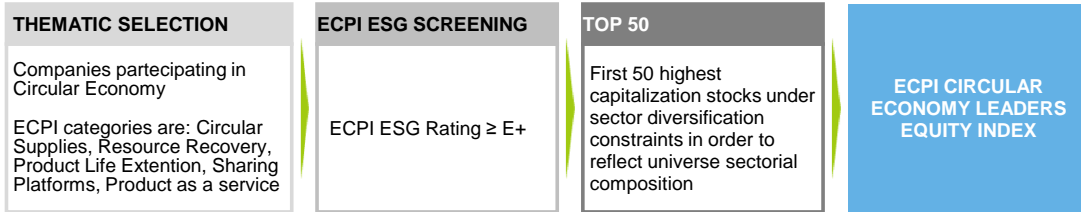


# CONSTITUENTS SELECTION: METHODOLOGY

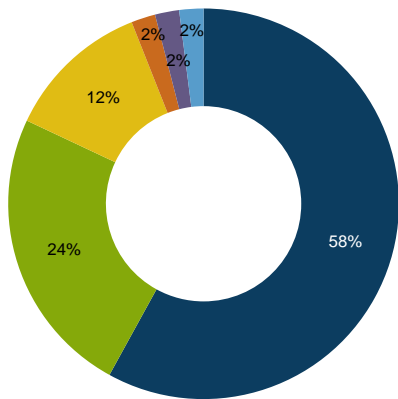
The **ECPI ESG Rating Methodology** is a rule based process focusing on a company's Environmental, Social and Governance performance.

**ECPI ESG Rating** is a synthetic measure of these performances, based on a set of indicators defined by the ECPI ESG Rating Methodology.

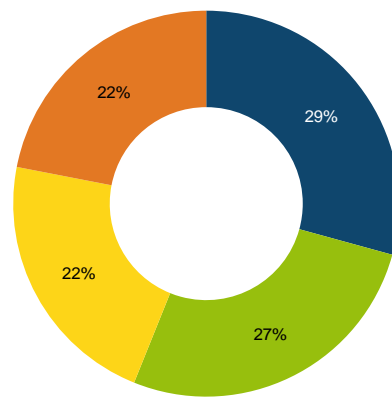
The ECPI Rating scale goes from F (Ineligible) to EEE, with EEE being the highest grade.



## CURRENCY BREAKDOWN

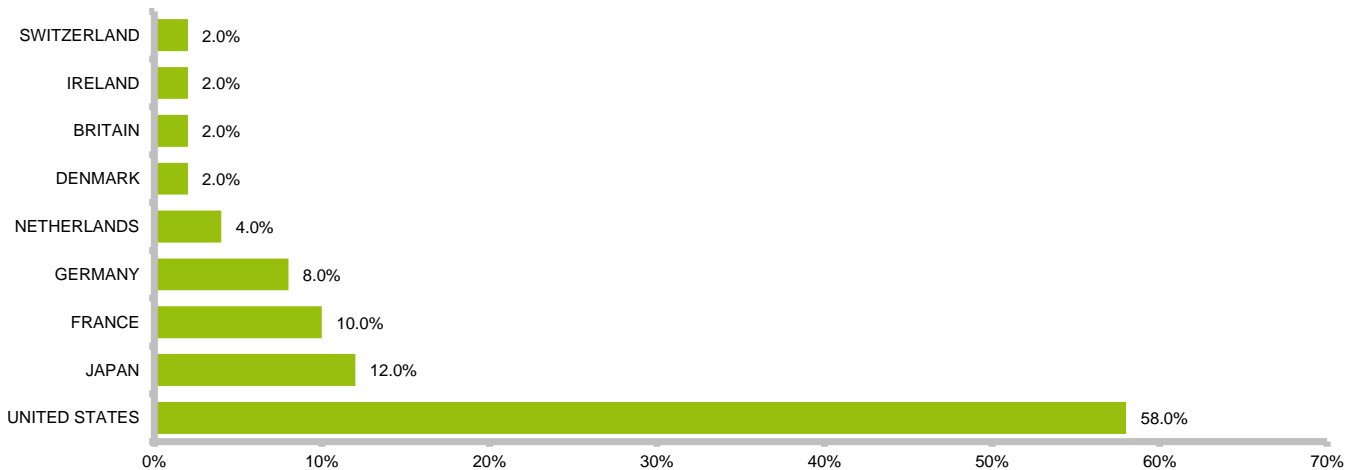


## INDUSTRY SECTOR BREAKDOWN



■ USD ■ EUR ■ JPY ■ DKK ■ CHF ■ GBP ■ ■ ■ ■ ■ Consumer Discretionary ■ Information Technology ■ Industrials ■ Consumer Staples

## COUNTRY BREAKDOWN



## DEFINITIONS

### RETURN

<b>YTD</b>	Year to Date Return
<b>1Y</b>	1 year return
<b>3Y</b>	3 years return
<b>5Y</b>	5 years return
<b>7Y</b>	7 years returns
<b>CAGR</b>	Compounded annual growth rate for the period

### RISK

<b>ANN. VOLATILITY</b>	Annualized volatility for the whole period,calculated using daily returns and 250 annualization factor
<b>VAR 95%</b>	Value At Risk at 95% confidence level assuming normal distribution of returns and expressed in percentage
<b>VAR 99%</b>	Value At Risk at 99% confidence level assuming normal distribution of returns and expressed in percentage
<b>MAX DRAWDOWN</b>	Maximum Drawdown in the whole period. The maximum loss from a market peak to a market trough, the maximum drawdown (MDD) measures how sustained one's losses can be.
<b>START OF MAX DD PERIOD</b>	Date of the start of the maximum drawdown period
<b>END OF MAX DD</b>	Date of end of the maximum drawdown period.
<b>END OF RECOVERY PERIOD</b>	Date of the end of recovery period, blank if full recovery to the levels before drawdown has not taken place yet

### RELATIVE ANALYSIS

<b>ALPHA wrt COMPARABLE</b>	Alpha of ECPI index wrt to the comparable index calculated using a single factor model.
<b>BETA wrt COMPARABLE</b>	Beta of ECPI index wrt to the comparable index calculated using a single factor model.
<b>SHARPE RATIO</b>	The risk return ratio calculated using CAGR returns and assuming a risk free rate of 1%,
<b>INFORMATION RATIO</b>	Information ratio of ECPI Index wrt the comparable.The mean of extra returns of ECPI index wrt to the comparable index divided by their volatility (tracking error volatility).
<b>DATA FROM/TO</b>	The analysis period.

## CONTACTS

**Index Dept.**  
+39 02 97165717  
indices@ecpindices.com

**Research Dept.**  
+39 02 97165700  
research@ecpindices.com

[www.ecpigroup.com](http://www.ecpigroup.com)  
**Bloomberg: ECPS**  
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