

# Tortoise Global Water ESG Index<sup>®</sup>

## About the index

We believe that the Tortoise Global Water ESG Index<sup>®</sup> represents the current global water landscape. It is comprised of companies that make conscientious efforts to positively impact the world environmentally, socially and with solid governance, and are poised to participate in and benefit from growth in the water industry. The index is a proprietary, rules-based, modified capitalization-weighted, float-adjusted index comprised of companies that are materially engaged in the water infrastructure or water equipment/services industries. Water infrastructure companies are those whose principal business is providing public water distribution or supporting/enhancing water distribution infrastructure via engineering, construction and/or consulting. Water equipment/services companies are those engaged in the business of producing water equipment, such as pipes, valves and pumps, or providing water services, such as filtration, treatment and testing.

## Methodology highlights

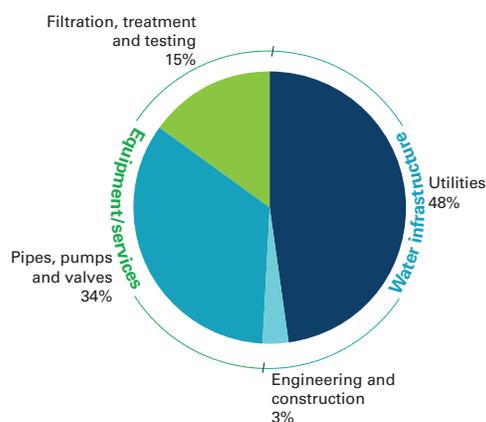
- **ESG screen** provided by Sustainalytics, with a minimum required ESG score of 48
- **Water requirement** (i) derive at least 50% of gross revenue to come from water industry activities (ii) derive at least 40% of its revenues from the water industry, be ranked in the top five companies by total revenue derived from any one water sub-industry, and whose principal source of revenue comes from the water industry
- Minimum of 30 securities
- No single issuer greater than 7.5% as of the rebalance reference date
  - Only six names will be above 4% of the total index market cap
  - All remaining index constituents will be capped at a maximum weight of 4%

## Environmental, social and governance (ESG)

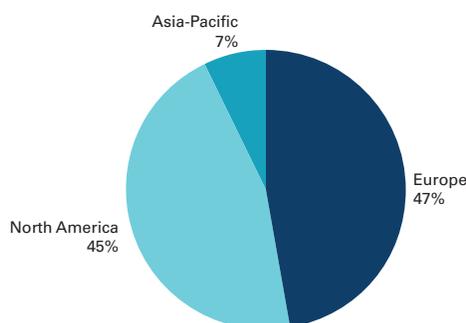
To ensure consistency and integrity in the ESG screening of companies that comprise the index, Tortoise has leveraged Sustainalytics data and research. Sustainalytics is the largest investment research and ratings firm dedicated to responsible investment and ESG research with more than 25 years of experience and a robust staff. We feel that Sustainalytics provides a comprehensive analysis and relevant scoring of a company's ESG related activities.

## Portfolio allocation\*

### By sector



### By geographic exposure



Water infrastructure includes utilities and engineering and construction.

Equipment/services includes pipes, pumps and valves and filtration, treatment and testing. Due to rounding, totals may not equal 100%.

\*As of most recent rebalance date (3/15/2019)

## Key information

### Tickers

Price	TGWESG
Total return	TGWESGT
Net return	TGWESGNT

### Base date

December 31, 2007

### Inception date

April 2, 2018

### Calculated by

S&P Dow Jones Indices

### Rebalancing

Quarterly

## Index portfolio characteristics\*

<b>Number of companies</b>	39
<b>Market capitalization</b>	\$177 billion
<b>Constituent size</b>	
Average	\$4,545 million
Median	\$2,590 million

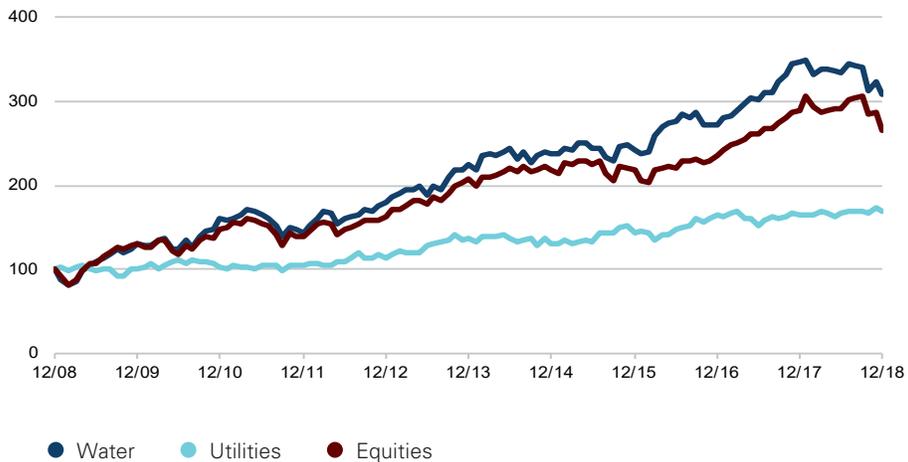
## Key eligibility requirements

- Companies derive substantial gross revenues from water related activities
- Listed on a developed market exchange
- Market capitalization of \$400 million for two consecutive quarters at time of index inclusion
- Minimum liquidity turnover of 0.15 for two consecutive quarters to enter the index
- At least 80% of the market cap of index must meet minimum ESG score

## Top 10 constituents\*

Name	Index weight
American Water Works Company, Inc.	7.7%
Geberit AG	7.6%
Veolia Environnement	7.6%
Xylem Inc.	7.5%
Ferguson Plc	7.4%
United Utilities Group PLC	4.9%
Suez	4.1%
Aqua America, Inc.	4.0%
Severn Trent Plc	4.0%
Pentair plc	4.0%
<b>Total</b>	<b>58.8%</b>

## 10 year historical index performance as of 12/31/2018



## Historical index statistics as of 12/31/2018

	Water	Utilities	Equities
<b>Total returns</b>			
10 year	11.92%	5.41%	10.29%
7 year	11.51%	7.21%	9.66%
5 year	6.48%	4.38%	5.14%
3 year	8.48%	5.60%	6.91%
1 year	-11.04%	2.26%	-8.20%
<b>Sharpe ratio</b>			
10 year	0.82	0.49	0.73
7 year	0.95	0.66	0.86
5 year	0.56	0.40	0.46
<b>Sortino ratio</b>			
10 year	2.19	0.75	1.14
7 year	1.77	1.08	1.36
5 year	0.89	0.65	0.70

## Disclaimers

**The characteristics provided for the index are illustrative of the characteristics of an asset class and are not indicative of the performance of any investment product. The historical data of the index prior to its inception date was calculated on the same basis on which the index is currently calculated. Past characteristics are no guarantee of future results. It is not possible to invest directly in an index.**

Water = Tortoise Global Water ESG Total Return Index®, a proprietary, rules-based, modified capitalization-weighted, float-adjusted index comprised of companies that are materially engaged in the water infrastructure or water equipment/services industries. Utilities = MSCI World Utilities Index, a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets in the utilities sector. Equities = MSCI World Index, a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and does not offer exposure to emerging markets. Sharpe ratio is the excess return per unit of risk in an index (total return minus risk free rate divided by standard deviation). Risk free rate is the interest an investor would expect from a risk-free investment and is based on the BofA Merrill Lynch 3-Month Treasury Bill Index, an unmanaged index that measures returns of three-month treasury bills. Standard deviation is a statistical measure of the historical volatility of the index, usually computed using monthly returns. Sortino ratio is calculated as the measure of total return per unit of downside risk in an index. Downside risk or deviation reflects the square root of sum of squared deviations of monthly total returns below 0% divided by total number of months, on an annualized basis.

Index return data: Bloomberg.

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