

Adhesion ESG Leaders Direct Index

Adhesion ESG Leaders Direct Index focuses on companies that exceed their industry peers from an ESG perspective, as described below, within a low cost, passive strategy that seeks to track the performance of the Russell 3000 Index.

BENCHMARK:
Russell 3000 Index

NUMBER OF HOLDINGS:
150

TRACKING ERROR (EX-ANTE):
1.39

ESG RISK SCORES:
Top 35% of
Sub-Industry*

ESG Integration

The strategy focuses on companies that rank in the top 35% of their respective sub-industry on overall ESG risk metrics, identifying companies that excel at managing the unique ESG opportunities and threats that face every sector of the economy.*

ESG Rated
US Equity Universe

2951
Companies



Identify industry leaders at managing ESG opportunities and risk

ESG Top 35%
Sub-industry

1041
Companies



Optimize portfolio to minimize tracking error vs. Russell 3000
Tracking Error (ex-ante): 1.39

Multi-Factor
Optimized Direct Index

150
Companies

ESG



Environmental

- Climate Change
- Resource Use
- Water Usage
- Ecological Footprint



Social

- Diversity Policies
- Human Rights
- Health & Safety
- Community Relations



Governance

- Shareholder Rights
- Code of Ethics
- Risk Management
- Tax Transparency

Morningstar Style Box – Adhesion Direct Index ESG Leaders

Portfolio Date: 2/28/2022

	Value	Blend	Growth
Large	16.5	25.8	31.8
Mid	7.0	12.1	6.3
Small	0.5	0.0	0.0

Market Cap	%
Market Cap Giant %	31.3
Market Cap Large %	42.8
Market Cap Mid %	25.5
Market Cap Small %	0.5
Market Cap Micro %	0.0

*As measured by Sustainalytics ESG risk ratings as of 5/31/2021.

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