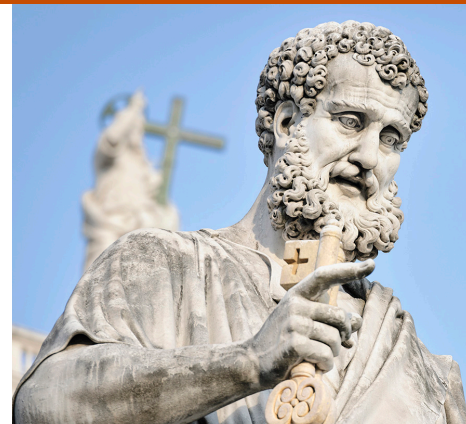


# Magni Catholic Values Index



BECAUSE GOVERNANCE MATTERS™

Magni Catholic Values Index combines Catholic Social Teachings with a best-practice model for corporate governance to screen large-cap US companies. Most strategies just use negative screening to eliminate stocks inconsistent with Catholic teachings. Magni has a repeatable process to assess the consistency of a company's behavior with the values of the Church.



## WHY IS CORPORATE GOVERNANCE IMPORTANT?

### 1. Good Governance = Honesty and Transparency

The more honest and transparent a company is with its shareholders, customers, suppliers, employees, competitors, and communities in which the company operates, the greater the opportunity for a positive impact on equity valuations.

### 2. Behavior is More Important than Intent

Measuring good governance is not easy. Just because rules and

regulations are in place does not mean that they are enforced. A key factor in determining good governance is behavior versus self-described intent.

### 3. Insightful Approach to ESG Investing

We evaluate both the governance and the social aspects of ESG investing for the index. Currently, companies are assessed on what they are willing to disclose, but not their behavior or actual impact.

## OVERVIEW

Ticker . . . . . MAGCATH  
Inception Date . . . . . 2/28/18  
Index Calculation/  
Publication . . . . . INDXX  
Holdings . . . . All stocks in S&P 500  
Rebalance . . . . . Semi-annually  
(Feb/Aug)  
Weighting Scheme . . . . Modified,  
Magni Corporate  
Governance Score

## THE MAGNI DIFFERENCE—LOOKING BELOW THE SURFACE FOR THE BIG PICTURE

Traditional analysis focuses on surface-level data reported by the company instead of actual behavior of employees and management.

**Magni's Corporate Governance Assessment takes the research methods used on good country-level governance and applies them to a best-practices model for corporate governance.**

**This provides a more accurate and complete analysis of governance that aligns with the teachings of the church.**



## LICENSING INFORMATION

Magni Global Asset Management LLC licenses its indexes to firms involved in the issuance of Exchange Traded Products (ETPs). If you are interested in licensing an index from Magni, contact us at [info@magniglobal.com](mailto:info@magniglobal.com)

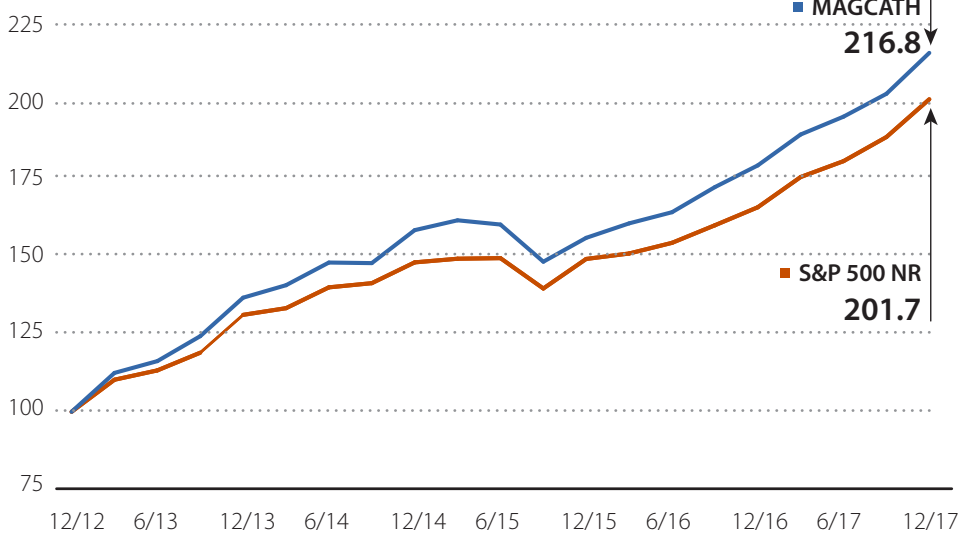
*Provided by Magni Global Asset Management LLC. This is not investment advice or a recommendation to buy or sell securities. Investors may not invest directly in an index.*

## WHY MAGNI?

- 1. Quality and depth of research**—Magni's research database analyzes 316 factors based on the Sustainable Value Creation principles. We assess the company's relationship with not only its shareholders and employees, but also its customers, suppliers, and competitors along with the communities in which the company operates.
- 2. Repeatable process**—Our research results in a score for each company, and that score determines the company's weight in the index.
- 3. Experienced Manager**—Magni has used this approach in their country governance research to run Magni Model Portfolios since 2003 and to manage money for clients in Magni Global Portfolios since 2012.

## INDEX BACK-TEST RESULTS

TOTAL RETURN



Magni's index back-tested returns reflect results from 12/31/2012 to 12/31/2017, using large capitalization securities listed on the NYSE and NASDAQ. Results do not include transaction costs or imputed commissions. The Magni Catholic Values Index (MAGCATH) typically contains the 500 companies considered to be large cap.

## TOP 10 HOLDINGS

As of 2/28/19

in alphabetical order

- Alcoa Inc.
- Amazon
- American Airlines
- American International Group
- American Tower Corp.
- Ecolab
- FedEx
- Intel
- J P Morgan Chase
- Southwest Airlines

## CONSTITUENT REQUIREMENTS

To be eligible for inclusion in the index, companies must be in the S&P 500 Index.