



ESG Quality Rating  
MSCI Barra Methodology



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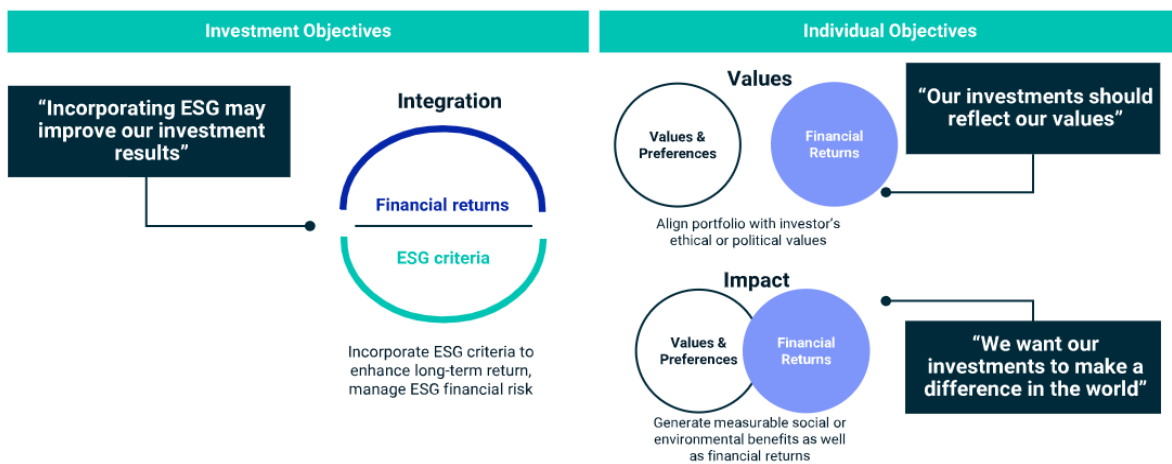


# Environmental, Social and Governance Factors (ESG)

The world is rapidly changing, and its interdependency and interconnectivity are accelerating at an exponential pace. These significant changes require new approaches to investing that seriously consider notions of sustainable finance. ESG considerations can impact risk and return of which climate change is the clearest and most pressing illustration of this urgent reality.

From an investment objective incorporating ESG may improve long term investment results, whilst integrating both the financial returns and criteria pertaining to ESG.

Sanlam Umbrella Fund believe our investments should reflect our values and be aligned with investor’s ethical and political values. **“We want our investments to make a difference in the World”** by generating measurable and environmental benefits, whilst also improving investment returns!



## Methodology Overview

### Company data, ratings and scores

- ⊗ MSCI ESG Ratings aim to measure a company’s resilience to long-term, financially relevant ESG risks. The top-level assessment is the overall **Company ESG Rating**, an industry-relative rating that is explicitly intended to be interpreted relative to a company’s industry peers.
- ⊗ The holdings-based assessment is industry relative for local and international listed equity and property exposure, using a seven-point AAA-CCC scale. For each company, MSCI ESG Ratings identify two to seven Environmental and Social Key Issues (out of 33 total Key Issues).
- ⊗ Environmental and Social Key Issues are industry-specific and are determined based on the environmental or social externalities that may generate unanticipated costs for a given company or industry. Assessment of a company’s governance Key Issues is made using a deduction-based scoring model, whereby each company starts with a “perfect 10” score and scoring deductions are applied based on an assessment of Key Metrics.





# MSCI Company Ratings – Translated



**LAGGARD**  
 A company lagging its industry based on its high exposure and failure to manage significant ESG risks

**AVERAGE**  
 A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers

**LEADER**  
 A company leading its industry in managing the most significant ESG risks and opportunities

## Methodology Overview

### Investment Portfolio metrics, ratings and scores

- ⦿ The SUF **Investment Portfolio ESG Rating** is designed to assess the resilience of a fund’s aggregate holdings to long-term, financially relevant, ESG risks. The ESG Rating is assessed on a seven-point letter rating scale from CCC to AAA, with CCC and AAA being the lowest and highest possible ESG Quality Scores, respectively.
- ⦿ Investment Portfolios with an ESG Rating of AAA or AA are assessed as Leaders (best in class versus peers).
- ⦿ The ESG Rating is derived from the Investment Portfolio’s ESG Quality Score, assessed on a rating scale from 0 to 10, with 0 and 10 being the lowest and highest possible fund scores, respectively. The ESG Quality Score and the ESG Rating is derived from the asset-weighted average of the MSCI ESG Ratings of the Investment Portfolio’s underlying holdings.

ESG Investment Portfolio Rating	ESG Quality Score		
AAA	8.571	-	10
AA	7.143	-	8.571
A	5.714	-	7.143
BBB	4.286	-	5.714
BB	2.857	-	4.286
B	1.429	-	2.857
CCC	0	-	1.429



# SUF Investment Menu Fund Ratings

March 2023

Fund Name	BBBEE Rating	ESG Fund Rating
Camissa Balanced Fund	Level 1	AA
SIM Temperance Balanced Fund	Level 1	AA
Allan Gray Global Balanced Portfolio	Level 1	AA
Truffle Balanced Fund	Level 1	AA
PSG Balanced Fund	Level 8	AA
Coronation Houseview Portfolio	Level 1	AA
Satrix Enhanced Balanced Tracker Fund	Level 1	A
Sanlam Accumulation Portfolio	Level 1	AA
SMM 30 Portfolio	Level 1	AA
SMM 50 Portfolio	Level 1	AA
SMM 70 Portfolio	Level 1	AA
SMM NUR Balanced Fund	Level 1	AA
SIM Moderate Absolute Fund	Level 1	A
SMM Moderate Absolute Fund	Level 1	A
SMM Select Balanced Fund	Level 1	AA
Ninety One Balanced Fund	Level 1	AA
SPW Balanced Fund	Level 1	AA
SIM Balanced Fund	Level 1	AA
Sanlam Wealth Creation	Level 1	A
Sanlam The Most Aggressive Portfolio	Level 1	AA

Fund Name	ESG Quality Score*	Environment Score*	Social Score*	Governance Score*	ESG Score*
Camissa Balanced Fund	8.13	4.9	5.3	6.0	6.7
SIM Temperance Balanced Fund	8.09	5.1	5.2	6.4	6.8
Allan Gray Global Balanced Portfolio	8.12	4.7	4.6	6.3	6.6
Truffle Balanced Fund	8.10	5.0	5.0	6.2	6.9
PSG Balanced Fund	7.41	5.0	4.9	6.1	6.3
Coronation Houseview Portfolio	7.30	5.0	5.0	6.0	6.7
Satrix Enhanced Balanced Tracker Fund	7.10	5.7	5.2	5.8	6.7
Sanlam Accumulation Portfolio	7.30	5.2	5.2	6.0	6.8
SMM 30 Portfolio	7.25	5.3	5.1	6.0	6.8
SMM 50 Portfolio	7.28	5.1	5.2	6.0	6.8
SMM 70 Portfolio	7.29	5.1	5.2	6.0	6.8
SMM NUR Balanced Fund	8.55	4.6	5.3	6.2	6.8
SIM Moderate Absolute Fund	7.13	5.8	5.0	6.0	6.4
SMM Moderate Absolute Fund	6.55	5.4	5.0	5.9	6.6



SMM Select Balanced Fund	7.74	5.0	5.0	5.9	6.7
Ninety One Balanced Fund	8.30	5.0	5.3	6.0	6.9
SPW Balanced Fund	7.95	5.1	5.0	6.2	6.8
SIM Balanced Fund	8.36	5.2	5.2	6.1	7.0
Sanlam Wealth Creation	6.66	5.2	5.1	6.0	6.8
Sanlam The Most Aggressive Portfolio	7.28	5.1	5.2	6.1	6.8

Note: \* Rolling 12M Moving Average

## SUF Investment Menu Fund Rating Score Trend

	ESG Quality						ESG Score					
	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22
Camissa Balanced Fund	8.9	9.0	8.6	8.5	8.5	8.4	7.2	7.2	7.1	7.0	7.0	6.8
SIM Temperance Balanced Fund	8.5	8.6	8.5	9.2	9.0	8.8	7.3	7.3	7.2	7.2	7.2	7.1
Allan Gray Global Balanced Portfolio	8.5	8.4	8.5	8.5	8.1	8.3	7.0	7.0	6.9	6.9	6.7	6.6
Truffle Balanced Fund	8.3	8.3	8.2	8.2	8.2	8.1	7.0	7.0	7.0	7.0	7.0	6.9
PSG Balanced Fund	7.7	7.5	7.7	8.2	7.9	7.6	6.6	6.5	6.6	6.7	6.6	6.4
Coronation Houseview Portfolio	7.2	7.3	7.7	7.8	7.9	7.6	7.2	7.2	7.1	7.1	7.0	6.7
Satrix Enhanced Balanced Tracker Fund	7.2	7.2	7.1	7.2	7.2	7.1	6.9	6.9	6.9	6.9	6.9	6.8
Sanlam Accumulation Portfolio	7.5	7.5	7.5	7.4	7.5	7.3	7.0	7.0	7.0	7.0	6.9	6.8
SMM 30 Portfolio	7.5	7.5	7.4	7.4	7.5	7.3	7.0	7.0	7.0	6.9	6.9	6.8
SMM 50 Portfolio	7.5	7.5	7.5	7.4	7.5	7.3	7.0	7.0	7.0	7.0	6.9	6.8
SMM 70 Portfolio	7.5	7.5	7.5	7.4	7.5	7.3	7.0	7.0	7.0	7.0	6.9	6.8
SMM NUR Balanced Fund	8.5	8.5	8.5	8.5	8.8	8.8	7.0	7.0	7.0	6.9	7.0	6.8
SIM Moderate Absolute Fund	8.1	8.1	7.2	7.1	7.1	6.9	7.2	7.2	6.4	6.4	6.3	6.1
SMM Moderate Absolute Fund	6.9	6.9	6.8	6.7	6.7	6.6	6.9	6.9	6.8	6.8	6.7	6.7
SMM Select Balanced Fund	8.0	8.0	7.9	7.9	7.8	7.7	6.9	6.9	6.9	6.9	6.8	6.7
Ninety One Balanced Fund	8.5	8.7	8.5	8.4	8.3	8.3	7.2	7.2	7.1	7.0	7.0	6.9
SPW Balanced Fund	8.3	8.4	8.3	8.3	8.3	8.1	7.2	7.2	7.2	7.1	7.1	6.9
SIM Balanced Fund	8.8	8.9	8.8	8.7	8.6	8.4	7.4	7.4	7.2	7.2	7.2	7.1
Sanlam Wealth Creation	6.8	6.9	6.8	6.8	6.6	6.5	7.0	7.0	6.9	6.9	6.8	6.7
Sanlam The Most Aggressive Portfolio	7.5	7.5	7.4	7.4	7.5	7.4	7.0	7.0	7.0	7.0	6.9	6.8

Source: MSCI ESG Manager, MSCI Barra, MSCI, RobecoSAM, Sanlam Investments, Sanlam Investments Multi Manager (2023)

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