MANAGED PRODUCTS SELECTION CRITERIA

1. OVERVIEW

This selection criteria document defines the guidelines for choosing Managed Products. Managed products are professionally overseen investment vehicles designed to pool resources from multiple investors into a diversified portfolio of public market securities, such as equities, bonds, and other liquid financial instruments traded on exchanges or over-the-counter markets. These products are actively or passively managed by a dedicated fund manager. Prospective Impact Index issuers and products must initially meet the minimum screening requirements, and Managed Products issuers must meet more comprehensive additional requirements.

2. MINIMUM SCREENING REQUIREMENTS

These are the fundamental criteria that must be met to be listed on the Impact Index and selected as a potential issuer.

a. **Impact sector alignment** with social, environmental, and economic impact focus.
b. **Investment size/scale** with at least $10 million in capital being sought.
c. **Investment structures** including managed products that can include a range of public equities, fixed income, cash, and alternative assets via pooled products. At this time, we are not considering individual public companies for the Impact Index.
d. **Investment availability,** Issuers currently in a capital-raising phase or those planning to initiate one in the next 6 months.
e. **Canadian domiciled,** eligible for Canadian investors (impact not necessary in Canada).

Disclosure of any past, current or ongoing criminal or civil legal matters, or violations of securities laws and regulations is a mandatory requirement for inclusion on the Impact Index.

3. MANAGED PRODUCTS REQUIREMENTS

These requirements will help in further streamlining the list of Issuers and determine the final curated list.

a. **Management and Governance**
    1. **Track Record:** Demonstrated track record for active and established issuers or previous track record of team and partners for new and emerging issuers.
    2. **Team Capability:** Must comprise high-calibre professionals with relevant expertise, a strong track record, and strategic senior leadership aligned with the fund's mission.
    3. **Transparency & Reporting:** Must demonstrate rigorous transparency through regular, accurate, and timely reporting on financial performance, impact metrics, and governance practices.

b. **Impact: Management and Standards**

1. **Management:** Impact management strategies, including impact measures, impact achieved, and impact investment philosophy.
2. **Impact Data:** Impact performance data related to the impact investment strategy and management framework, including a track record of historical data. Where a fund has insufficient impact performance data due to limited operating history, submission of an impact-aligned Investment Policy Statement (IPS) may fulfil the impact data criteria on a provisional basis.
3. **Standards:** Adherence to market-standard for portfolio impact reporting. This may include a third-party standard or agreement to code of conduct.
4. **Holdings Alignment:** All portfolio holdings must demonstrably target positive social, environmental, or economic outcomes aligned with the fund's stated impact thesis, with negative screens applied to exclude holdings inconsistent with impact objectives.

c. **Finances: Sustainability and Return**

1. **Performance Track Record:** Proven track record of delivering returns in line with the fund's objectives, with transparency on historical performance data and comparisons to relevant benchmarks.
2. **Fees and Expenses:** Clear disclosure of all fees and expenses associated with the fund, including how these costs impact net returns over time
3. **Risk Management:** Must have a robust risk management framework that identifies, assesses, and mitigates financial, operational, and impact-related risks while ensuring long-term sustainability and resilience.
4. **Ongoing Portfolio Monitoring:** A formal process for ongoing monitoring of holdings for continued impact alignment and ESG risk is required, with a minimum annual review cycle. Where the fund holds public equities, a proxy voting and/or shareholder engagement policy consistent with the fund's impact mandate must be disclosed.

d. **Equity: Racial and Gender Equity**

1. **Diversity and Inclusion:** Demonstrated commitment to diversity within management and governance, focusing on the representation of diverse racial and gender backgrounds in leadership roles.
2. **Engagement on Diversity Goals:** Evaluation of the fund's commitment to promoting diversity, equity, and inclusion by actively signing and adhering to relevant initiatives. This reflects the fund's dedication to upholding DEI principles and aligning with industry standards that prioritize inclusive and equitable practices. Issuers should also report on portfolio-level DEI outcomes and investee engagement practices where applicable.

4. CLASSIFICATION RANGE FOR MANAGED PRODUCTS REQUIREMENTS

Each category should include a range of classifications to evaluate with minimum requirements.

Requirements	Fail	Pass

Management and Governance for Active and Established Issuers	Unsuccessful capital initiatives, limited sector knowledge, misalignment with impact objectives, unproven leadership capabilities and absence of reporting.	Demonstrable assets, relevant sector experience, alignment with impact goals, proven leadership success, and regular and accurate reporting.
Management and Governance for New and Emerging Issuers	Lack of a clear track record, lack of experience, lack of transparency.	Track record of institution and key team members, and achievement of financial milestones.
Impact Management and Standards	No impact strategies or data to be collected and agreement to a third-party impact commitment.	Ability to collect and report demonstrable and verifiable impact measures and adherence to impact standard(s).
Financial Sustainability and Return	Lacks transparency in both performance data and fee structure. Historical performance shows significant underperformance relative to benchmarks, and fee details are unclear, with high costs impacting net returns. Lacks a risk management framework.	Provides clear historical performance data with returns generally in line with the fund's objectives and benchmarks. Offers a basic breakdown of fees and expenses, explaining their impact on net returns, with costs aligned with industry norms and provides a risk management framework.
Racial and Gender equity	The fund has minimal or no representation of diverse racial or gender backgrounds within its management and governance. There is no clear strategy or initiative to improve diversity.	The fund has some diversity in leadership roles, with efforts to ensure racial and gender representation. There are initial steps towards building a strategy to improve diversity, but it lacks clear benchmarks or ongoing initiatives.

5. INCLUSION CRITERIA

Status	**Definition**
Included	Meets both requirements: • Passes 8 or more subcomponents • Passes at least one subcomponent in every category

Conditional: Requires Follow-Up	• Passes at least 6 subcomponents and at least 3 categories are partially met. • May be reconsidered pending additional documentation or clarification.
Not Included	Either: • Passes 4 or fewer subcomponents • Fails more than one entire category (i.e., all subcomponents in any single category are marked Fail)

6. RENEWAL
By self-attestation, issuers may renew for two (2) years if an annual impact and financial update is provided to SVX.

7. Data Use and Disclosure
By submitting information in connection with the Impact Index, issuers consent to the use of their data in aggregated or anonymized form for the purpose of producing market reports and related publications. Issuers may withdraw this consent at any time by providing written notice, after which their data will be excluded from future reporting. Withdrawal of consent does not affect any reports already published.

8. REMOVAL

Issuers may be removed from the platform at the discretion of the SVX team for non-compliance of the requirements or other circumstances in line with non-inclusion on the Index as per Section 5.

DOCUMENTATION REQUIREMENTS

a. Incorporation document(s)
b. Financial statements (audited, reviewed or NTR)[1]
c. Offering document(s) and latest fund fact sheet (including list of top holdings, if available)
d. Investment Policy Statement
e. Impact standard or impact report
f. Diversity, equity, and inclusion commitments or reporting

[1] If historical statements are available.