

MSCI ESG Indices



With over 40 years of expertise in index construction and maintenance, MSCI ESG Indices aim to set new standards allowing clients to more effectively benchmark ESG investment performance, issue index-based ESG investment products, as well as to manage, measure and report on their compliance with ESG mandates.

Key Features and Benefits

Proven Track Record: MSCI ESG Indices are the continuation of indices developed over the past 20 years by KLD, which became part of MSCI following its acquisition of RiskMetrics in 2010.

MSCI is the only major index provider with a separate in-house ESG research business unit.

Based on Market-Leading MSCI Global Equity Indices: The MSCI ESG Indices are created by applying data from MSCI ESG Research to the 'MSCI Global Investable Market Indices' (GIMI) Methodology.

Utilize Data from MSCI ESG Research: MSCI ESG Research, the successor to ESG pioneers KLD, Innovest and IRRC, provides ESG ratings, screening tools, and compliance tools to advisers, portfolio managers and asset owners worldwide.

Follow Transparent, Rules-Based Methodologies: The MSCI ESG Indices are rules-based indices combining the MSCI Global Investable Market Indices and data from MSCI ESG Research. They follow the regular MSCI Index review schedule, treatment of corporate events and integrate all the MSCI security level data.

MSCI ESG Indices

BEST-IN-CLASS	VALUES BASED
MSCI WORLD ESG INDEX	SOCIALLY RESPONSIBLE
MSCI AUSTRALIA ESG INDEX	MSCI WORLD SOCIALLY RESPONSIBLE INDEX
MSCI CANADA ESG INDEX	MSCI EUROPE & MIDDLE EAST SOCIALLY RESPONSIBLE INDEX
MSCI EAFE ESG INDEX	MSCI EUROPE SOCIALLY RESPONSIBLE INDEX
MSCI EMU ESG INDEX	MSCI NORTH AMERICA SOCIALLY RESPONSIBLE INDEX
MSCI EUROPE & MIDDLE EAST ESG INDEX	MSCI PACIFIC SOCIALLY RESPONSIBLE INDEX
MSCI EUROPE ESG INDEX	MSCI USA SOCIALLY RESPONSIBLE INDEX
MSCI EUROPE ex UK ESG INDEX	MSCI KLD 400 SOCIAL INDEX
MSCI JAPAN ESG INDEX	RELIGIOUS
MSCI KOKUSAI ESG INDEX	MSCI USA CATHOLIC VALUES INDEX
MSCI NORTH AMERICA ESG INDEX	UNIVERSAL OWNER
MSCI PACIFIC ESG INDEX	MSCI ACWI ex CONTROVERSIAL WEAPONS
MSCI PACIFIC ex JAPAN ESG INDEX	MSCI CANADA ex CONTROVERSIAL WEAPONS
MSCI UK ESG INDEX	MSCI EM ex CONTROVERSIAL WEAPONS
MSCI USA ESG INDEX	MSCI EUROPE ex CONTROVERSIAL WEAPONS
MSCI WORLD ex AUSTRALIA ESG INDEX	MSCI JAPAN ex CONTROVERSIAL WEAPONS
MSCI WORLD ex UK ESG INDEX	MSCI PACIFIC ex CONTROVERSIAL WEAPONS
MSCI WORLD ex USA ESG INDEX	MSCI PACIFIC ex JP ex CONTROVERSIAL WEAPONS
MSCI USA IMI ESG INDEX	MSCI USA ex CONTROVERSIAL WEAPONS
MSCI USA LARGE CAP ESG INDEX	MSCI WORLD ex CONTROVERSIAL WEAPONS
MSCI USA MID CAP ESG INDEX	ENVIRONMENTAL
MSCI USA SMALL CAP ESG INDEX	MSCI GLOBAL ENVIRONMENT INDEX
MSCI USA SMID ESG INDEX	MSCI GLOBAL ALTERNATIVE ENERGY INDEX
MSCI USA ESG SELECT INDEX	MSCI GLOBAL CLEAN TECHNOLOGY INDEX
	MSCI GLOBAL GREEN BUILDING INDEX
	MSCI GLOBAL POLLUTION PREVENTION INDEX
	MSCI GLOBAL SUSTAINABLE WATER INDEX
	MSCI GLOBAL CLIMATE INDEX

MSCI ESG Indices

Overview

MSCI ESG Indices are designed to help clients incorporate environmental, social and governance (ESG) factors into their investment decisions. The MSCI ESG Indices are grouped into the following main categories:

MSCI ESG 'Best-in-Class' Indices represent the performance of the investment opportunity set ('ESG beta') of companies with high ESG ratings relative to their sector peers. They cover both global developed and the US markets. The indices target the highest ESG-rated companies making up 50% of the adjusted market capitalization in each sector of the underlying index, subject to the limitation that only companies with an ESG rating of 'B' or above are eligible for inclusion. They are reconstituted annually at the May Quarterly Index Review and rebalanced at the August, November and February Quarterly Index Reviews.

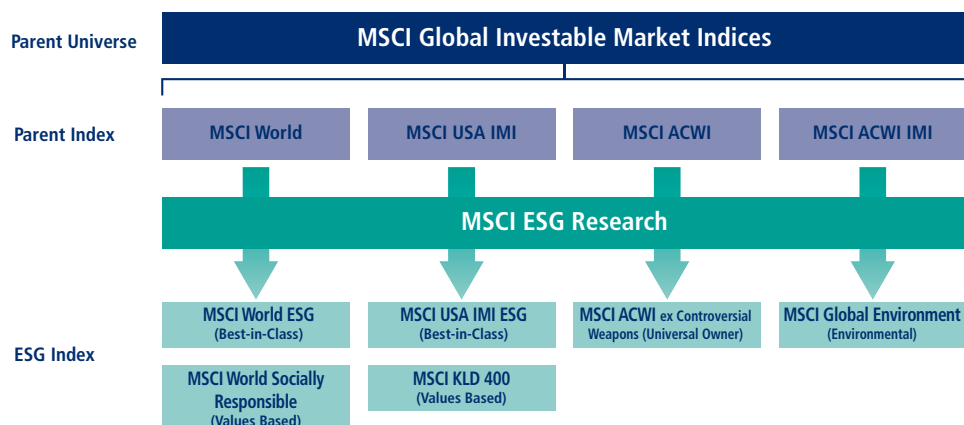
MSCI ESG 'Values based' Indices represent the performance of the investment opportunity set of socially responsible companies with high ESG ratings. They avoid investments in companies involved in certain industries, such as tobacco, nuclear power or GMOs. They also include the investment opportunity set of companies compatible with religious beliefs, moral standards, or ethical views, while excluding companies that are inconsistent with these values-based criteria.

MSCI ESG 'Universal Owner' Indices represent the performance of the investment opportunity set of companies that comply with global norms of corporate behavior. The indices exclude a limited number of companies that violate these norms, such as producers of controversial weapons or companies involved in serious human rights abuses.

MSCI ESG 'Environmental' Indices represent the performance of the investment opportunity set of companies that reflect specific environmental themes, such as renewable energy or clean technology. They include developed and emerging market, large, mid and small cap companies that derive 50% or more of their revenues from products and services in one of five environmental themes: alternative energy, clean technology, sustainable water, green building and pollution prevention.

Custom MSCI ESG Indices are calculated using ESG criteria specified by clients. These indices can include established or client-defined ESG investment universes such as single-country, regional or international for developed and/or emerging markets. Custom MSCI ESG Indices can include companies whose products and services focus on specific environmental themes or are compatible with certain values. They can also include companies with high ESG ratings relative to their sector peers, integrating ESG analysis into the index construction process.

MSCI Index Framework



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MSCI About MSCI

MSCI Inc. is a leading provider of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI products and services include indices, portfolio risk and performance analytics, and governance tools. The company's flagship product offerings are: the MSCI indices which include over 148,000 daily indices covering more than 70 countries; Barra portfolio risk and performance analytics covering global equity and fixed income markets; RiskMetrics market and credit risk analytics; ISS governance research and outsourced proxy voting and reporting services; FEA valuation models and risk management software for the energy and commodities markets; and CFRA forensic accounting risk research, legal/regulatory risk assessment, and due-diligence. MSCI is headquartered in New York, with research and commercial offices around the world.

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