

# MSCI ESG Indices



With over 40 years of expertise in index construction and maintenance, MSCI ESG Indices set the standard for asset owners and managers – to benchmark ESG investment performance, issue index-based ESG investment products and to report on their compliance with ESG mandates.

## Key Benefits

MSCI is the only major index provider with in-house ESG research expertise.

### Integrated Business Model

- Control over the quality and content of the ESG research
- Alignment between the research and the indices
- Consistency between the ESG and standard indices

### Experience

- ESG research since 1972 and indices since 1990
- MSCI's 40 years of index experience
- Advanced data and technology infrastructure

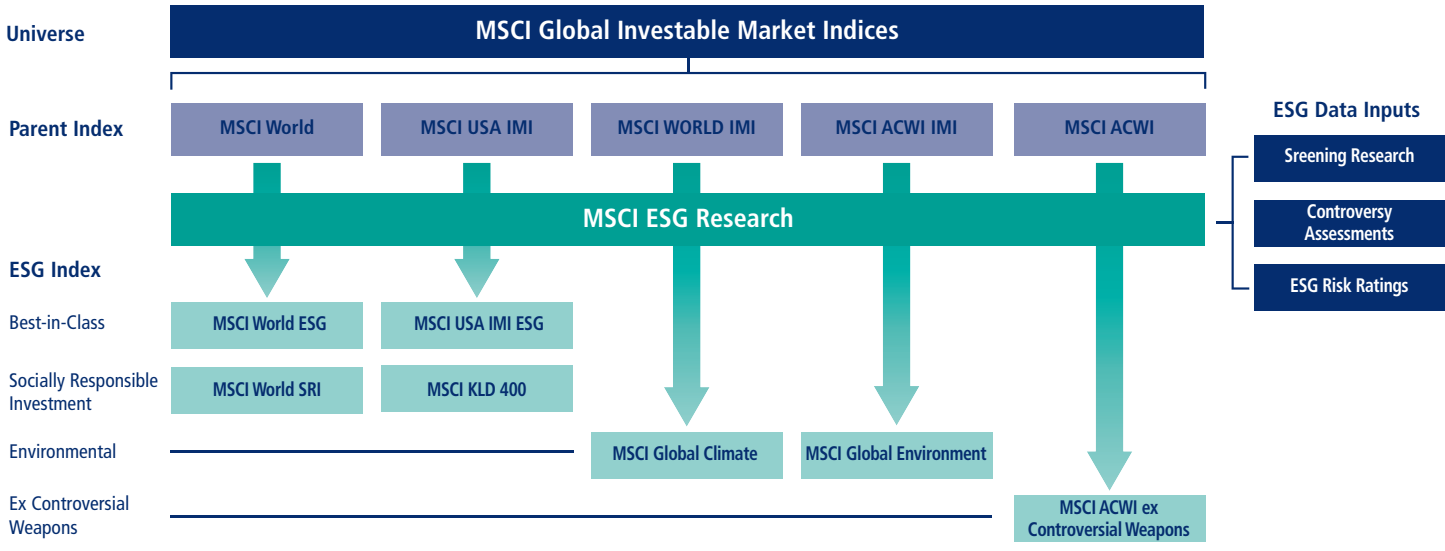
### Quality ESG Research

- MSCI ESG Research\* has a 24 year legacy based on KLD & Innovest
- Staff of 140 based in 11 offices around the world
- Products to support the full range of ESG investment strategies

### Client Service Excellence

- Committed relationship management process
- Backed by a dedicated ESG client service team
- 24/5 client service

## MSCI Index Framework



\* Certain products and services of MSCI ESG Research, including products and services utilized in MSCI ESG Indices, are provided by Institutional Shareholder Services Inc. ("ISS") and/or KLD Research & Analytics, Inc. ("KLD"), which are both indirect wholly-owned subsidiaries of MSCI.

# 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 Indices

Categories	Description	Indices	# of Indices
Best in Class	<ul style="list-style-type: none"> <li>Broad, diversified equity indices comprised of companies with high ESG ratings relative to sector peers.</li> <li>Designed for investors seeking a benchmark comprised of best-in-class ESG companies with relatively low tracking error to the underlying equity market.</li> </ul>	MSCI Global ESG Indices	30
Socially Responsible Investment	<ul style="list-style-type: none"> <li>The investment opportunity set of best-in-class ESG companies that explicitly exclude securities of companies involved in particular industries, such as tobacco, nuclear power or GMOs.</li> <li>Benchmarks for investors whose objectives include owning companies with very high ESG ratings and avoiding companies that are incompatible with specific values-based criteria.</li> </ul>	MSCI Global Socially Responsible Indices MSCI KLD 400 Social Index	26
Ex Controversial Weapons	<ul style="list-style-type: none"> <li>Investment opportunity set of companies that excludes companies involved in cluster bombs, landmines, chemical and biological weapons, and depleted uranium weapons.</li> <li>For institutions – including pension funds and universal owners – whose investment policies prohibit investments in controversial weapons to comply with regulations or to avoid the reputational risk from owning these companies.</li> </ul>	MSCI ACWI ex Controversial Weapons Indices	27
Environmental	<ul style="list-style-type: none"> <li>The MSCI Global Environment Index is the investment opportunity set of companies that derive substantial revenues from environmentally beneficial products and services in five key environmental themes: Alternative Energy, Sustainable Water, Green Building, Pollution Prevention and Clean Technology.</li> <li>The Global Environment Indices are benchmarks for investors seeking exposure to companies whose primary source of revenues increase the efficient use of scarce natural resources or mitigate the impact of environmental degradation.</li> <li>The MSCI Global Climate Index is an equal weighted basket of 100 companies that are leaders in mitigating the causes of climate change. Index constituents are selected for their involvement in three key environmental themes: Renewable Energy, Clean Technology &amp; Efficiency, and Future Fuels.</li> </ul>	MSCI Global Environment Index MSCI Global Climate Index	7
Custom	<ul style="list-style-type: none"> <li>Application of ESG ratings or data to select or exclude companies based on client-specified criteria.</li> <li>Clients can apply the full range of MSCI ESG Research for timely and flexible customization.</li> </ul>	—	—

Over 85 MSCI ESG Indices are available in one module.

[www.msci.com](http://www.msci.com) | [clientservice@msci.com](mailto:clientservice@msci.com)

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 with approximately USD 7 trillion estimated to be benchmarked to them on a worldwide basis; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; MSCI ESG (environmental, social and governance) Research screening, analysis and ratings; 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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<sup>1</sup> As of June 30, 2011, based on eVestment, Lipper and Bloomberg data.