MSCI ESG Research unveils ESG Rating for 32,000 funds and ETFs to boost investor transparency

**London: July 10, 2019** – MSCI Inc. (NYSE: MSCI), a leading provider of critical decision support tools and services for the global investment community, has broadened the coverage provided by MSCI ESG Research by unveiling ratings for 32,000 funds and exchange-traded funds (ETFs) in the equity and fixed income universe according to their exposure to long-term ESG risks and opportunities.

Each fund or ETF scores a rating on a scale from AAA (leader) to CCC (laggard). The rating is based first on the weighted average score of the holdings of the fund or ETF. MSCI then assess the ESG momentum to gain insight into the fund’s ESG track record. This is designed to indicate a fund’s exposure to holdings with a positive rating trend or worsening trend year on year. Finally, MSCI reviews the ESG tail risk to understand the fund’s exposure to holdings with worst-of-class ESG Ratings of B and CCC.

**Remy Briand, MSCI Head of ESG** said: “The MSCI ESG Fund Ratings is designed to provide investors with greater transparency to better understand the ESG characteristics of fund and ETF components of their portfolios. As the number of ESG funds proliferate and ESG-orientated investment options and ESG strategies are being adopted by wealth and fund managers, we strive to provide the tools and solutions to help these investors better understand ESG risks.”

The MSCI ESG Fund Ratings are designed to offer investors greater insights into the ESG characteristics of funds and ETFs as well as provide key additional information that may be used as part of clients’ ESG fund research, product selection, portfolio construction and portfolio reporting processes across asset classes. Specifically, the MSCI ESG Fund Ratings may be used by wealth and fund managers seeking to:

- Screen for funds to align with client values
- Offer reporting on the sustainability of client investments
- Measure the positive impacts arising from investments
- Complement manager due diligence

More than 200 additional metrics provide insights across multiple diverse dimensions, such as, carbon footprint, water exposure or governance risks. These can be used by investors seeking to align a portfolio to personal or organizational values or identify a report on a measurable social or environmental impact, for example.

“Through the MSCI ESG Fund Ratings we are providing our clients with an intuitive rating to assist their risk management and investment decision processes and to power better investment decisions,” adds Briand.

MSCI ESG Fund Ratings is provided by MSCI ESG Research LLC and builds on the success of the MSCI ESG Fund Metrics launched in March 2016.

For more information, please visit [https://www.msci.com/esg-fund-ratings](https://www.msci.com/esg-fund-ratings).

*ESG data provided by MSCI ESG Research LLC.*
About MSCI ESG Research Products and Services

MSCI ESG Research products and services are provided by MSCI ESG Research LLC, and are designed to provide in-depth research, ratings and analysis of environmental, social and governance-related business practices to companies worldwide. ESG ratings, data and analysis from MSCI ESG Research LLC. are also used in the construction of the MSCI ESG Indexes. MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc.

About MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process. To learn more, please visit www.msci.com.

Media Inquiries

PR@msci.com

Sam Wang +1 212 804 5244
Melanie Blanco +1 212 981 1049
Laura Hudson +44 20 7336 9653

MSCI Global Client Service

EMEA Client Service + 44 20 7618 2222
Americas Client Service +1 888 588 4567 (toll free)
Asia Pacific Client Service + 852 2844 9333

The information contained herein (the "Information") may not be reproduced or redisseminated in whole or in part without prior written permission from MSCI ESG Research. The Information may not be used to verify or correct other data, to create any derivative works, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. MSCI ESG Research is provided by MSCI Inc.‘s subsidiary, MSCI ESG Research LLC, a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. None of the Information or MSCI index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The Information is provided “as is” and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF MSCI INC. OR ANY OF ITS SUBSIDIARIES OR ITS DIRECT OR INDIRECT SUPPLIERS OR ANY THIRD PARTY INVOLVED IN THE MAKING OR COMPILING OF THE INFORMATION (EACH, AN “INFORMATION PROVIDER”) MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH INFORMATION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE INFORMATION PROVIDERS HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited. Privacy notice: For information about how MSCI ESG Research LLC collects and uses personal data concerning officers and directors, please refer to our Privacy Notice at https://www.msci.com/privacy-pledge.