Record Year of Growth for MSCI ESG

Revenues grew by 33% in 2015

New York – March 15, 2016 – MSCI ESG Research Inc., the world’s largest provider of Environmental, Social and Governance (ESG) research¹ and MSCI Inc. (MSCI), the world’s largest provider of ESG indexes², announced a record year of growth in 2015, with revenues growing 33% over 2014 to $38 million, counting 47 of the top 50 global asset managers³ as clients.

Eric Moen, Managing Director of MSCI ESG, said, “Controversies like the Volkswagen scandal are a wakeup call to investors who may have previously overlooked ESG research and analysis. We believe this is a tipping point for ESG integration and we’re committed to delivering the quality and innovation that institutional investors expect as they implement these strategies.”

In 2015, some of the world’s largest institutional investors chose⁴ MSCI ESG to support their ESG integration objectives, including:

- Allianz Group
- BMO Global Asset Management
- Environment Agency Pension Fund
- Kempen Capital Management
- Legal and General Investment Management
- M&G Investments’ Equities business
- Manulife Asset Management
- Mercer Investments
- Merrill Lynch
- Metzler Asset Management
- Morgan Stanley
- Nomura Asset Management
- Northern Trust Asset Management
- PIMCO
- Privatbank Berenberg (Joh. Berenberg, Gossler & Co. KG)
- Queensland Investment Corporation
- RBC Global Asset Management, and
- Sun Life Investment Management

A number of large institutional investors have commented on the importance and growth of ESG:

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¹ By client coverage based on public information produced by Sustainalytics, EIRIS, Trucost, as of February 2016
² By number of indexes and by assets tracking the indexes compared with publically available information produced by FTSE and S&P Dow Jones.
³ Based on P&I AUM data as of Dec 2014 and MSCI clients as of December 2015
⁴ This list identifies MSCI ESG Research and MSCI ESG Index clients who subscribed to services in 2015 and who agreed to have their identities disclosed. This list is provided for informational purposes only. It does not constitute an endorsement or testimonial by any client.
Andreas Gruber, Chief Investment Officer of Allianz Group: “When investing our customers’ money, we focus on attractive returns that remain stable over the long term. In this respect, it is becoming increasingly important to take environmental and social risks into consideration early on. With our new approach, we can achieve greater transparency and ensure that our investment strategy will become even more sustainable in the future.”

Douglas Hodge, Chief Executive of PIMCO: “In today’s changed world it is essential for investors to understand how ESG risks can impact companies, capital and returns, and look at ways to embed ESG analysis in their long-term decision making. PIMCO has embraced ESG analysis as intrinsic to its strategy.”

Kai Sotorp, President & CEO, Manulife Asset Management: “Manulife Asset Management was an early adopter of ESG practices, having managed sustainable investment strategies in timber and farmland for many years. We will continue to seek ways to enhance our ESG analysis in order to meet the needs of our clients and to help them better understand ESG risk exposures.”

Audrey Choi, CEO of Morgan Stanley’s Institute for Sustainable Investing: “Increasingly, investors are seeking to understand how environmental, social and governance issues can have material impact on investment performance. As a result, demand for investments that take into account ESG factors continues to increase. At Morgan Stanley, we believe in building tools that enable our clients to know what they own and align their portfolios to address the sustainability issues that matter most while seeking market rate returns.”

Mamadou-Abou Sarr, Managing Director, Global Head of ESG Investing, Northern Trust Asset Management: “With the tremendous growth of ESG assets globally investors are switching their focus to ensuring that their performance objectives are aligned with their ESG values. At Northern Trust Asset Management we do believe that investors do not need to compromise their ESG values to get good long-term investment performance. We expect investor focus in this area to continue in 2016 and beyond.”

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About MSCI

For more than 40 years, MSCI’s research-based indexes and analytics have helped the world’s leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research.

Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research. MSCI serves 97 of the top 100 largest asset managers, based upon P&I data as of December 2014 and MSCI client data as of June 2015.

For more information, visit us at www.msci.com.

Media Inquiries

New York

Kristin Meza, MSCI  +1 212 804 5330/kristin.meza@msci.com

London

Nick Denton | Christian Pickel, MHP Communications  +44 20 3128 8754/8208
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