

Florida State Board of Administration Selects MSCI to Link ESG Research with Financial Risk Analysis

New York – October 18, 2013 – The Florida State Board of Administration (SBA) has selected [MSCI Inc.](#) (NYSE: MSCI), a leading provider of investment decision support tools worldwide, for a new initiative to pair environmental, social and governance (ESG) data with financial risk factors to support its corporate engagement efforts and provide a more comprehensive view of total portfolio risk. The SBA of Florida is the first state pension plan to adopt such a strategy.

“Our Corporate Governance team has long sought to engage companies on sustainability issues so that we have a better gauge of their ESG risks and business management practices,” said Michael McCauley, Senior Officer for Investment Programs and Governance at the SBA. “With the coupling of ESG and financial risk data on Barra, we gain a broader view of portfolio risk and aim for better long-term returns from companies that raise their ESG ratings and improve their governance management practices.”

Through MSCI’s BarraOne and Barra Portfolio Manager platforms, the SBA will scrutinize companies and manage portfolios for their exposure to ESG risks and opportunities, including energy efficiency, business supply chains, and data security and privacy.

“We are very pleased that the SBA of Florida is the first state pension plan to leverage MSCI ESG Research and ratings on the Barra platform,” added Remy Briand, Managing Director, MSCI Index and ESG Research. “This coupling of ESG ratings and financial risk factors will help the SBA select companies for engagement and provide more transparency into how ESG fits into the larger picture of total portfolio risk.”

The SBA will also make use of MSCI ESG Portfolio Analytics to assist in outside manager monitoring and selection. MSCI ESG Portfolio Analytics enables plan sponsors to analyze managed portfolios for exposure to ESG risk factors, with comparisons to standard and ESG-tilted benchmarks.

“The combined benefits of this analysis are two-fold,” commented Ash Williams, Executive Director and Chief Investment Officer of the SBA. “In addition to isolating material ESG risk factors to address through our corporate engagement efforts, we open the door to portfolio managers who wish to strengthen their analysis of ESG risks and opportunities. With this approach, we can stay on the cutting edge of managing portfolio risks so that the long-term interests of our plan are protected and sustainable investment returns are preserved.”

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About MSCI ESG Research

MSCI ESG Research products and services 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 are also used in the construction of the MSCI ESG Indices and are integrated in the BarraOne and Barra Portfolio Management risk analytics platforms. MSCI ESG Research is produced by MSCI's indirect wholly-owned subsidiary Institutional Shareholder Services, Inc. ("ISS"). ISS is a Registered Investment Adviser under the Investment Advisers Act of 1940.

For further information on MSCI ESG Research, contact esgclientservice@msci.com, or visit www.msci.com/esg

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 with approximately USD 7.5 trillion estimated to be benchmarked to them on a worldwide basis¹; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; IPD real estate information, indices and analytics; MSCI ESG (environmental, social and governance) Research screening, analysis and ratings; ISS corporate governance research, data and outsourced proxy voting and reporting services; and FEA valuation models and risk management software for the energy and commodities markets. MSCI is headquartered in New York, with research and commercial offices around the world.

¹As of March 31, 2013, as reported on July 31, 2013 by eVestment, Lipper and Bloomberg

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