



MSCI ESG MULTI-ASSET CLASS ANALYTICS

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MSCI ESG ANALYTICS

Integrate ESG into portfolio construction and risk management using MSCI's Multi-Asset Class risk and performance analytics systems.

Asset owners and their investment consultants increasingly demand systematic integration of environmental, social and governance (ESG) factors into their investment processes. Institutional investors often require regular reporting on the ESG exposures and characteristics of their investments.

Powered by MSCI ESG Ratings and MSCI ESG Indexes, MSCI has created MSCI ESG Analytics – delivering ESG analysis from MSCI ESG Research through industry-leading multi-asset class risk management, performance attribution and reporting systems: BarraOne and RiskManager.

KEY FEATURES

RISK MANAGEMENT

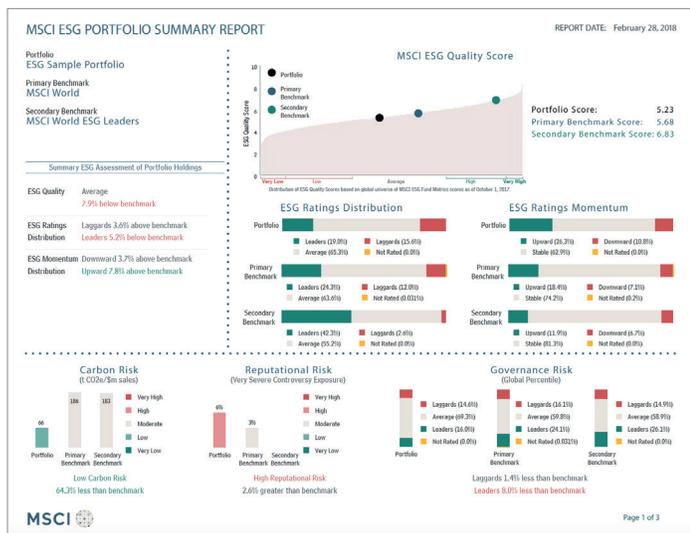
Measure, monitor, and manage ESG exposures on over 650,000 equity and fixed income securities and over 8 million active equity and bond derivatives ¹

RISK AND PERFORMANCE ATTRIBUTION

Analyze sources of ESG portfolio returns, attribute performance to ESG, analyze the relationship between ESG and market risk, and evaluate the risk-adjusted return implications of applying ESG constraints.

MONITORING AND REPORTING

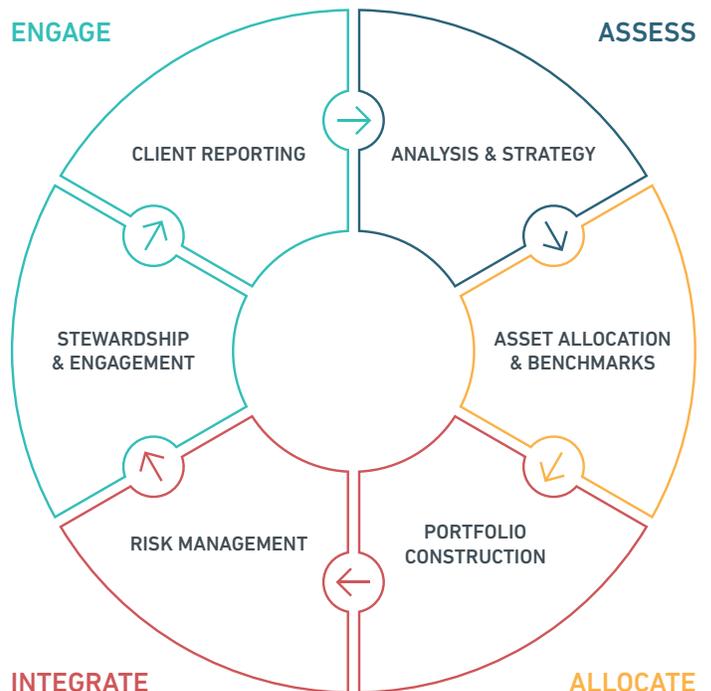
Automated ESG risk monitoring and regular reporting to clients on the ESG Quality or carbon footprint of all multi-asset class portfolios benchmarked to MSCI ESG Indexes.



MSCI ESG portfolio summary report

PORTFOLIO CONSTRUCTION

Flexibility to construct portfolios to meet client requirements such as higher ESG Quality scores while managing factor exposures or using Carbon Metrics to reduce carbon footprints or climate risk within tracking error constraints.



1 Source MSCI Inc. as of August 2018

WHY MSCI?

MSCI ESG Ratings and Carbon Metrics are built by MSCI ESG Research, the world's largest provider of ESG research and data². Our award-winning ESG Ratings cover over 6,800 companies (13,000 total issuers, including subsidiaries) and more than 650,000 equity and fixed income securities globally. We continuously evaluate ESG risks, including daily monitoring of 2,100 media publications and regular updates of public documents and third-party data sets. MSCI ESG Indexes leverage this data in more than 900 indexes.

MSCI ESG RATINGS³

156 industry model variants focus on the key issues that pose the most significant risk to a company relative to its industry peers. Management of ESG risks assessed in the context of a granular breakdown of ESG geographic and segment risk exposure analysis. Emphasis on exposure and performance, not disclosure. Companies with higher ESG Ratings have demonstrated higher profitability, lower tail risk, and lower systematic risk⁴.

MSCI CARBON METRICS³

Access to MSCI Carbon Metrics data for automated carbon footprinting of funds, indexes, and portfolios; optimization of portfolios to reduce carbon exposures while limiting tracking error; and the development of climate scenario analysis and stress tests.

MSCI ESG INDEXES

Automated ESG risk monitoring and regular reporting to clients on the ESG Quality or carbon footprint of all multi-asset class portfolios benchmarked to MSCI ESG Indexes.

MSCI'S BARRA FACTOR MODELS

MSCI recently introduced ESG into the Europe Total Market Equity Model to help clients understand the contribution of ESG to the performance of funds and utilize ESG in constructing portfolios.

KEY BENEFITS

- **Actionable Solutions:** Create an ESG investing program by systematically integrating ESG into existing risk management processes
- **Seamless and Automated:** Leverage existing workflows and high volume reporting capabilities to automate internal risk or client reporting
- **Enhanced Insights:** Integrate ESG Ratings into portfolio construction to explore how ESG may affect the risk-adjusted returns of the portfolio
- **Be ahead of emerging trends:** Utilize ESG in the Barra European Equity Factor Model for direct attribution of risk and return in European markets

“MSCI ESG ANALYTICS HELPS CLIENTS BROADEN THE SCOPE OF RISK MANAGEMENT AND BE WELL-POSITIONED FOR THE EVOLVING INVESTMENT LANDSCAPE AND THE GROWING INTEREST IN ESG INTEGRATION”

JORGE MINA
HEAD OF ANALYTICS

² By coverage of companies based on public information produced by Sustainalytics, Vigeo/EIRIS and ISS/Oekom as of July 2018

³ MSCI ESG Ratings and MSCI Carbon Metrics are provided by MSCI ESG Research LLC and its affiliates

⁴ MSCI report: Foundations of ESG Investing Part 1 - How ESG Affects Equity Valuation, Risk and Performance, November 2017



MSCI ESG Analytics is available to subscribers of MSCI ESG Research. For more details, contact your client service representative or email, esgclientservice@msci.com

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 99 of the 100 largest money managers, according to the most recent Pensions & Investments ranking.

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

MSCI ESG RESEARCH PRODUCTS AND SERVICES

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