The MSCI ESG Leaders Indexes target companies that have the highest environmental, social and governance (ESG) rating in each sector of the parent index. MSCI provides investors globally with ESG indexes designed to facilitate clients’ integration of ESG considerations into their investment process.

The indexes use a best-in-class approach by only selecting companies that have the highest MSCI ESG Ratings. They are free float-adjusted market capitalization weighted indexes designed to represent the performance of companies that have favorable ESG profiles compared to industry peers. Overall the indexes target a 50% sector representation vs. the parent index.

The indexes are designed for institutional investors seeking exposure to companies with a strong sustainability profile and relatively low tracking error to the underlying equity market. The indexes aim to help investors seeking to:

- Mitigate short- and long-term ESG risk
- Meet their fiduciary obligations
- Mitigate reputational risk
- Maintain broad market exposure
- Have sector diversification
- Avoid taking active country or sector bets

**Key features**

- Leverages MSCI's award winning MSCI ESG Research and ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities
- Best-in-class approach – the indexes select the highest rated companies in each sector
- Designed to exclude companies involved in severe controversies
- Based on industry leading MSCI Indexes and are designed to enable seamless integration
- Parent index construction rules designed to achieve replicability

**MSCI ESG Ratings:** A rating system designed to identify ESG risks or opportunities that may not be captured through conventional analyses.

**MSCI ESG Controversies:** An evaluation framework designed to provide assessment of controversies concerning the negative ESG impact of company operations, products and services.
The indexes can be used as follows:

- As part of the portfolio creation process: Consistent market representation designed to represent a broad spectrum of the global equity opportunity set without home bias
- Performance benchmarks for ESG funds for global mandates, with regional, country, sector and other subsets available for more targeted investment mandates
- May be licensed for use as the basis for structured products and other index-linked investment vehicles, such as exchange-traded funds (ETFs) and exchange-traded notes (ETNs)
- A source of research to aid ESG investment strategies
- To define a universe of securities that have a strong ESG profile

For more details please refer to the methodology: www.msci.com/msci-esg-leaders-indexes/methodology

Cumulative index performance — USD gross returns (November 2009 - March 2019)

<table>
<thead>
<tr>
<th>MSCI ACWI ESG Leaders Index</th>
<th>MSCI ACWI Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tracking error¹</td>
<td>1.24%</td>
</tr>
<tr>
<td>Number of constituents¹</td>
<td>1,237</td>
</tr>
<tr>
<td>ESG score²</td>
<td>6.8</td>
</tr>
</tbody>
</table>

1  MSCI Research, as of March 31, 2019
2  MSCI Research, as of March 31, 2019

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.

For more information on Carbon Delta, visit www.carbon-delta.com.

For enquiries, contact ESG Client Service  esgclientservice@msci.com.

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.