The MSCI Climate Change Indexes consider both the opportunities and risks associated with transition to a low carbon economy, enabling institutional investors and wealth managers to integrate climate risk considerations in their global equity investment process. The indexes are designed to exceed the minimum requirements of the EU Climate Transition Benchmark minimum requirements.

**Key features**

**Shift from carbon intensive to green**
- Indexes aim to reduce their emissions
- Indexes aim to increase their exposure to climate solutions providers

**Broad & diversified**
- Limited number of exclusions*

**Multifunctional**
- Implementable as a standalone index
- Or can be used as part of an existing ESG strategy

The indexes apply an heuristics-based approach in order to meet the following objectives:

- Minimum 30% reduction in Greenhouse Gas (GHG) intensity (Scope 1+2+3) relative to the Reference Index
- Potential emission intensity 30% lower
- Neutral exposure to high impact sector
- Annual decarbonization at 7% starting June 1st 2021 (base date)

- Increases weight in companies which see opportunities from climate transition
- 3x category tilt score for companies in Solutions LCT Category (green companies) to the parent index
- N/A

**Key use cases**

The MSCI Climate Change Indexes are rules-based, transparent and designed to be replicable for clients seeking to implement a climate strategy.

**ASSET ALLOCATION**
- May be used as a policy benchmark for strategic asset allocation

**FINANCIAL INSTRUMENTS**
- May be licensed to created financial products such as ETFs or mutual funds

**PERFORMANCE BENCHMARK**
- May be used as benchmark to measure performance of active managers

**ENGAGEMENT TOOL**
- The index can help identify companies that need to action on climate and support engagement strategies

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**Cumulative index performance (As of May 28, 2021)**

**Index performance (USD)**

The "ACWI Climate Change Sim" represents the historical simulation using the enhanced climate change index methodology.

As of May 28, 2021

MSCI IndexMetrics®

This chart contains analysis of historical data, which includes backtested or simulated performance results. There are frequently material differences between backtested or simulated performance results and actual results subsequently achieved by any investment strategy. The analysis and observations are limited solely to the period of the relevant historical data, backtest or simulation. Past performance — whether actual, backtested or simulated — is no indication or guarantee of future performance. None of the information or analysis herein is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision or asset allocation and should not be relied on as such.
MSCI Climate Indexes suite

MSCI offers a wide range of custom index capabilities to help investors integrate climate in their investment process in a way that is aligned with their specific objectives. Climate index features can be combined with ESG or Factors in equity and fixed income indexes.

MSCI Climate Solutions

Our Climate Solutions give you access to a wide range of tools and data designed to enable you to address a variety of needs. This includes measuring and reporting on climate risk exposure, implementing low carbon fossil-fuel-free strategies, factoring climate change research into risk management processes, engaging companies and external stakeholders, and implementing a net-zero strategy.

For information visit msci.com/climate-change-solutions

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 50 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.