

Introducing MSCI Climate Change Indexes

Part of a holistic toolkit to enable clients to build more climate resilient portfolios

MSCI offers a range of climate indexes designed for institutional investors seeking to address climate change.

The new MSCI Climate Change Indexes are designed to represent the performance of a strategy that reweights securities based upon the opportunities and risks associated with the transition to a low carbon economy, enabling institutional investors and wealth managers to integrate climate risk considerations in their global equity investment process.

Key features

Shift from brown to green

- Indexes aim to reduce their exposure to stranded assets
- Indexes aim to increase their exposure to low carbon solution providers

Broad & diversified

- Indexes use a simple rules-based reweighting methodology
- No exclusions based on climate change criteria

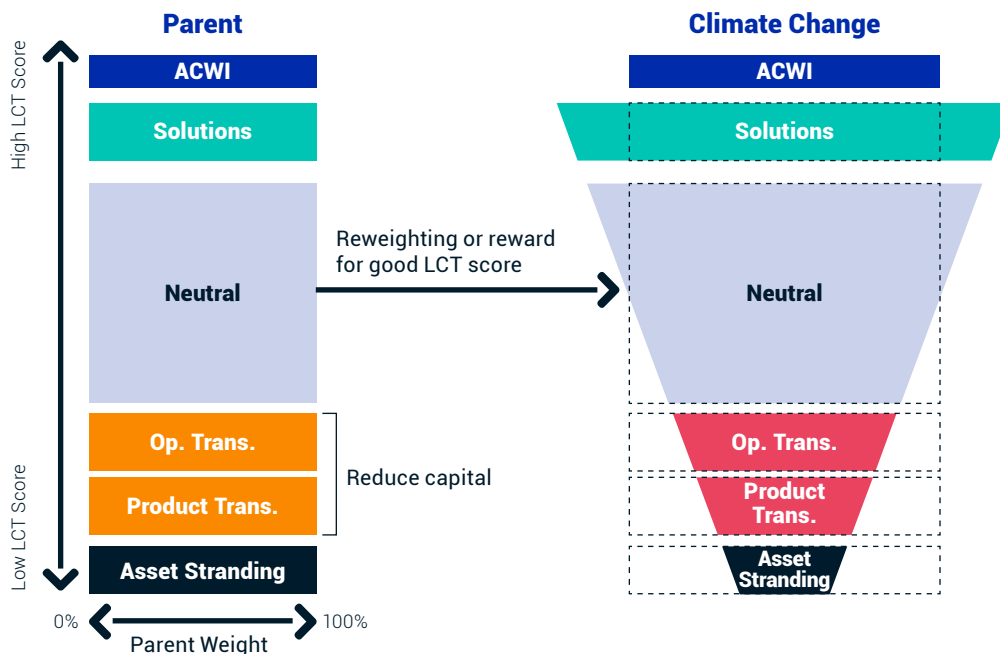
Multifunctional

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

MSCI Climate Change Indexes methodology

MSCI Climate Change Indexes reweight securities based on their Low Carbon Transition Score

The diagram below is for illustrative purposes only:



Low carbon transition categories & scores*

Measures a company's absolute exposure to and management of economically relevant risks and opportunities related to the Low Carbon Transition.

* Provided by MSCI ESG Research

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 used as an underlying index for passive products (e.g. ETF and mutual funds)

Performance benchmark

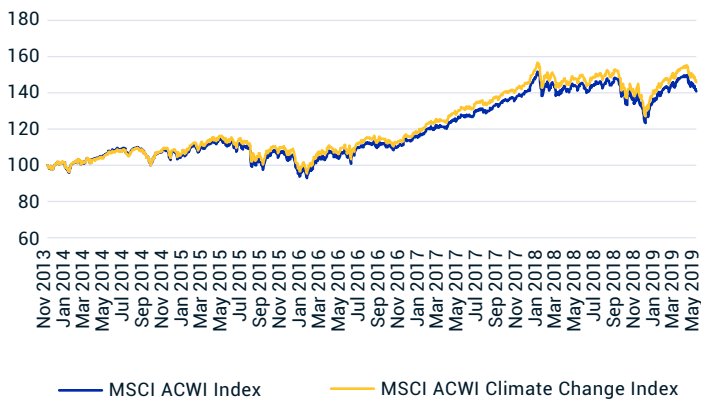
May be used as benchmark to measure performance of active managers

Engagement tool

May be used as a scalable way to engage companies to improve ESG performance

MSCI ESG Indexes and MSCI Risk Analytics utilize information from, but are not provided by, MSCI ESG Research LLC. MSCI Equity Indexes are products of MSCI Inc. and are administered by MSCI UK Limited.

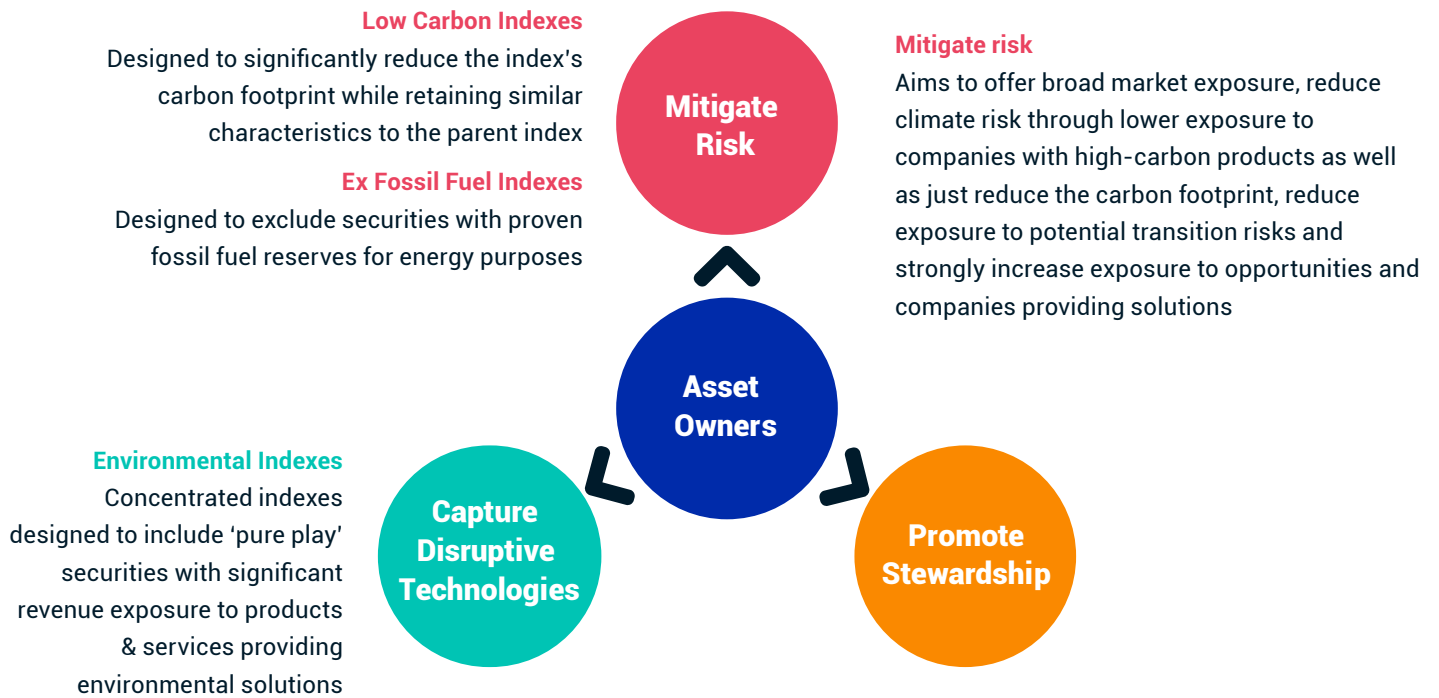
Cumulative index performance (November 2013 - May 2019)



	MSCI ACWI	MSCI ACWI Climate Change
Tracking Error		0.96%
Average Number of Stocks	2,529	2,391
Number of Stocks – 31st May '19	2,852	2,746

MSCI Climate Indexes suite

The new MSCI Climate Change Indexes are part of a range of MSCI climate indexes that aim to meet the needs of institutional investors seeking to address climate change.



MSCI Climate Change Solutions

The MSCI climate index suite utilizes MSCI ESG Research tools and data including the Low Carbon Transition Categories and Score, data on fossil fuel and clean tech exposure, carbon emissions, and carbon risk management and portfolio reporting.

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.

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