MSCI Real Estate Climate VaR is a new solution that provides forward-looking and return-based valuation assessments to measure climate-related risks for real estate assets in an investment portfolio. By calculating both transition risk from changing legislation due to climate action and physical risk from extreme weather impacts, Real Estate Climate VaR offers a framework that enables investors to improve portfolio performance, risk management, regulatory reporting and progress towards broader sustainability goals.

Using the framework you can:

- Understand acute (event-driven) and chronic (longer-term in nature) risks
- Measure both forward-looking transition and physical risk
- Compare Climate VaR across asset classes
- Understand the impact of these risks in the context of your total portfolio

How Climate VaR can help you be prepared

| Scenario analysis on climate risks and opportunities | Systemic tools for disclosure | Automated, streamlined report creation |

Transition and physical scenarios

Climate change impacts can be placed into two broad categories commonly used in market practice for how environmental threats, and efforts to address them, can create financial impacts:

Transition risks and opportunities

Risks and opportunities arising from efforts to address environmental change, including but not limited to abrupt or disorderly introduction of public policies, technological changes, shifts in consumer demand, investor sentiment, and disruptive business model innovation.

Physical risks and opportunities

Risks and opportunities arising from the impact of climatic events, such as extreme weather, or widespread changes in eco-system equilibria, such as soil quality or marine ecology. Physical changes can be event-driven ('acute') or longer-term in nature ('chronic').
Your Real Estate Climate VaR analysis is delivered to you in two reports:

- **Portfolio report** – A summarized view of your portfolio Climate VaR, highlighting key risks and their underlying drivers.
- **Asset level data report** – A consolidated file of all Climate VaR data at an individual asset level, allowing you to develop analysis across various scenarios.

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.

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