ESG Investing
Finding Your Motivation

We’ve seen three common motivations among investors for using ESG in their portfolios.

- **Incorporating personal values**: “I want my investments to reflect my personal values.”
- **Making a positive impact**: “I want my investments to make a difference in the world.”
- **ESG integration**: “I believe that incorporating ESG may improve my investment results.”

**Did you know?**

- 86% of U.S. investors believe that companies with strong ESG practices may be more profitable.
  
  Source: Morgan Stanley (2019)

- 84% of U.S. investors want the ability to tailor their investments to their values. This rises to 90% among millennials.

  Source: Morgan Stanley (2019)

- Plastic reduction and climate change are the top sustainability themes that investors would like to include in their portfolios.

  Source: Morgan Stanley (2019)

**Did you know?**

- 46% of investors are very interested in plastic reduction.
- 42% are very interested in community development.
- 46% are very interested in climate change.
- 30% are very interested in multicultural diversity.

**ESG investing doesn’t need to be a one size fits all solution.**

With various angles to approach it from, there’s likely a strategy best suited to your motivations.

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The MSCI ACWI ESG Leaders Index has outperformed its standard counterpart by 7.9% over 159 months.

MSCI ACWI Index\(^1\)  
2,982 companies

MSCI ACWI ESG Leaders Index\(^1\)  
1,170 companies

It is not possible to invest directly in an index. Index returns do not represent the results of actual trading of investible assets/securities. Past performance is not indicative of future results, which may differ materially.

Source: MSCI (As of Dec 31, 2020)
MSCI World Index

MSCI World Index

1,585 companies

ESG exclusions

88 companies

MSCI World ESG Screened Index

1,497 companies

Environmental screens

Thermal coal
Oil sands extraction

Social screens

Tobacco
Controversial weapons
Nuclear weapons

Governance screens

UN global compact¹

¹ Identifies companies that breach the UN recognized standards of conduct and human rights

Source: MSCI (As of Dec 31, 2020)