Parallel Benchmarks.

In response to growing demand from clients and other stakeholders, institutional investors worldwide are integrating climate considerations into their investment and risk management processes. But such considerations require precise metrics. Using a climate index as a parallel benchmark could help these managers provide targeted transparency.

While broad market-cap weighted indexes are often used to gauge equity-market performance, an important consideration for active climate funds is to demonstrate their commitment to climate objectives. An appropriate parallel benchmark could help many active funds show alignment to fund objectives. This would improve transparency and allow investors to make more informed decisions.

One portfolio with dual perspectives.

About MSCI

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