

MSCI ESG INDEXES

INDEX RENAMING PROPOSAL

FOR CLIENT DISCUSSION

MSCI INDEX PRODUCT

APRIL 2024

Background: New Fund Naming Regulations in UK and EU

- The UK Sustainability Disclosure Requirements (SDR) fund labels and anti-greenwashing rules become effective in 2024
- ESMA published an update to its guidelines in December 2023¹, and is expected to publish the final rules in Q2'24
 - These are expected to become effective 3 and 6 months later for existing and new funds respectively
- Under the SDR and/or preliminary ESMA guidelines, the use of certain words such as 'ESG' and 'Sustainable' in the fund name:
 - Become restricted to certain use cases/scenarios, and
 - May require funds to adopt specific exclusions or align with strict new label definitions
- The regulations focus on fund names, however names of index tracking funds and indexes tend to closely align
- Thus, we propose to **rename MSCI ESG Leaders, MSCI ESG Screened and MSCI ESG Universal indexes** by Q4 2024, and solicit your views on our proposal

MSCI ESG Index renaming proposals

Current Index Series Names	Proposed Index Series Names	Illustrations
ESG Leaders	Sector Top Ratings	MSCI World Sector Top Ratings Index
	Sector Top Rated	MSCI World Sector Top Rated Index
	Sector Top ESG Ratings	MSCI World Sector Top ESG Ratings Index
ESG Screened	Screened	MSCI World Screened Index
	Business Involvement Screened	MSCI World Business Involvement Screened Index
	Business Activity Screened	MSCI World Business Activity Screened Index
ESG Universal	Ratings Tilt [Universal]	MSCI World Ratings Tilt [Universal] Index
	ESG Ratings Tilted	MSCI World ESG Ratings Tilted Index

- Which of these suggested names do you prefer?
- Would you have alternate suggestions?

Implementing an index name change

- MSCI is proposing to rename the following ESG indexes by Q4 2024:
 - **MSCI ESG Leaders**
 - **MSCI ESG Screened**
 - **MSCI ESG Universal**

Questions:

1. How would the proposed MSCI index name change impact you?
2. Would you be able to implement the proposed MSCI index name changes within the proposed timing?
 - If not, would you be concerned if the index names were officially changed before you may be able to implement all necessary changes on your end? (e.g., what impact, if any, would there be if the index names were changed but not yet reflected in some of your materials?)
3. What types of wrappers does your organization manage on these indexes?
4. What are the various steps you would need to take by wrapper type (ETF and/or pooled funds, segregated mandates) in connection with the name change?
 - Would you like to retain the existing index name(s) for certain types of clients or wrappers?
5. Would there be other index names that you would like us to consider for renaming?

About MSCI: Index

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The process for submitting a formal index complaint can be found on the index regulation page of MSCI's website at: <https://www.msci.com/index-regulation>.

About MSCI: ESG

About MSCI ESG Research Products and Services

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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.

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