

# Consultation on Potential Enhancements to Select MSCI ESG Indexes

SEPTEMBER 2021

This consultation may or may not lead to the implementation of any or all of the proposed changes in the highlighted or any other MSCI indexes. Consultation feedback will remain confidential. MSCI may publicly disclose feedback if specifically requested by specific market participants. In that case, the relevant feedback would be published together with the final results of the consultation.

# Proposed Enhancements

MSCI proposes methodology changes aiming to enhance the climate risk profile and align the controversial business involvement criteria of select MSCI ESG Indexes focused on U.S. market

## Proposed Enhancements

### 1. Incorporate Climate Risk

#### KLD 400 Social / USA Catholic Values:

- Exclude companies with fossil fuel reserves (new)
- Exclude companies involved in thermal coal and unconventional oil and gas businesses (new)

#### USA ESG Select:

- Exclude companies involved in thermal coal and unconventional oil and gas businesses (new)

### 2. Business Involvement Criteria

#### KLD 400 Social / USA Catholic Values:

- Align with restriction level applied to MSCI SRI Indexes

#### USA ESG Select

- Align with restriction level applied to MSCI ESG Focus Indexes

- MSCI invites feedback from market participants on or before **October 01, 2021** and will announce the results of the consultation as well as the implementation timeline on or before **October 08, 2021**.

# Summary of Current Methodologies

	KLD 400 Social	USA Catholic Values	USA ESG Select
Parent Index	MSCI USA Investable Market Index (IMI) <i>Large, Mid &amp; Small Caps</i>		MSCI USA Index <i>Large &amp; Mid Caps</i>
Weighting scheme	Market capitalization		Tilted (optimization)
Key objectives	<ul style="list-style-type: none"> <li>• Best-in-class selection using ESG Rating</li> <li>• Targets 400 companies</li> <li>• Min ESG Rating BBB, min ESG Controversies Score 3 (new constituents)</li> </ul>		Aims to achieve highest ESG Score under a set of constraints (tracking error, turnover, sector weights, etc.)
Business Exclusions	<ul style="list-style-type: none"> <li>• Controversial Weapons</li> <li>• Tobacco</li> <li>• Civilian Firearms</li> <li>• Nuclear Weapons</li> <li>• Alcohol</li> <li>• Gambling</li> <li>• Conventional Weapons</li> <li>• Nuclear Power</li> <li>• Adult Entertainment</li> <li>• GMO</li> </ul>	Same as KLD 400 Social, with following catholic screens added: <ul style="list-style-type: none"> <li>• Abortion Providers</li> <li>• Abortifacients</li> <li>• Contraceptives</li> <li>• Stem Cells</li> </ul>	<ul style="list-style-type: none"> <li>• Controversial Weapons</li> <li>• Tobacco</li> <li>• Civilian Firearms</li> <li>• Nuclear Weapons</li> <li>• Alcohol</li> <li>• Gambling</li> <li>• Conventional Weapons</li> <li>• Nuclear Power</li> </ul>

More details are available in the respective index methodology books at: <https://www.msci.com/index-methodology>

# Proposal 1 – Incorporate Climate Risk

# Incorporating Climate Risk in ESG Indexes

## Strengthening the index climate profile:

- Incorporating Climate Risk may support investors in their ESG integration strategies.
- Some institutional ESG investors are seeking greater climate awareness to support their use of ESG Indexes.
- Regulatory scrutiny on climate risk considerations are increasing and may impose a significant short-term risk for some investors.

Index	ESG Approach	Enhancement Proposals	Rationale for Proposal
<b>KLD 400 Social</b>	<b>Values</b>	<ul style="list-style-type: none"> <li>• Exclude companies with Fossil Fuel (FF) reserves</li> <li>• Exclude companies involved in thermal coal and unconventional oil and gas businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Apply a fossil fuel divestment strategy to mitigate stranded asset risk*</li> <li>• Additional revenue screen ensures exclusion of power generation companies that do not own FF reserves</li> </ul>
<b>USA Catholic Values</b>			
<b>USA ESG Select</b>	<b>Integration + Values</b>	<ul style="list-style-type: none"> <li>• Exclude companies involved in thermal coal and unconventional oil and gas businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively fewer exclusions to reflect the Integration approach and maintain a similar overall ESG profile</li> </ul>

\* Stranded assets are now generally accepted to be those assets that at some time prior to the end of their economic life (as assumed at the investment decision point), are no longer able to earn an economic return (i.e. meet the company's internal rate of return), as a result of changes associated with the transition to a low-carbon economy (lower than anticipated demand / prices).

# Proposed Enhancements

The rationale for the proposal is to have a set of exclusions<sup>1</sup> which –

- Help reduce index carbon footprint and exposure to stranded assets
- Are sensible and consistent with ESG objective of the index
- Would maintain similar risk-return characteristics and overall ESG profile of the index

	Exclusion Thresholds <sup>2</sup>			
	Thermal Coal (Mining and Sale) + Unconventional Oil & Gas (Extraction)	Thermal Coal (Power Generation)	Fossil Fuel Reserves Ownership	
<b>KLD 400 Social / USA Catholic Values</b>	>0% revenue	>=5% revenue	Any evidence of ownership (zero threshold)	→ Aligned with MSCI SRI Indexes
<b>USA ESG Select</b>	>=5% revenue	>=5% revenue	N/A	→ Aligned with MSCI ESG Focus and MSCI ESG Leaders Indexes

1. Implemented as additional screens in the above methodologies. Other aspects of index methodologies like – ranking, sorting, weighting, are not changed.

2. Exact definitions of screens are provided in Appendix.

# Simulated Impact - MSCI KLD 400 Social Index

The proposed exclusion screens would result in ~27% lower Carbon Intensity while maintaining similar characteristics compared to the current indexes

Key Metrics <sup>1</sup>	MSCI USA IMI Index	MSCI KLD 400 Social Index Current index <sup>2</sup>	MSCI KLD 400 Social Index Simulated index
Total return* (%)	16.3	17.5	18.3
Total risk (%)	15.4	14.9	14.7
Tracking error (%)		2.1	2.2
Number of constituents***	2428	402	402
Turnover** (%)	2.4	9.5	8.9
Transition Turnover (%) <sup>4</sup>			3.6
Included in transition			19
Removed in transition			17
ESG Metrics <sup>3</sup>			
ESG score	5.6	7.0	7.1
ESG leaders (AAA-AA) (%)	22.0	45.6	47.6
ESG laggards (B-CCC) (%)	7.3	0.0	0.0
Environmental pillar score	5.8	6.5	6.6
Wtd. Avg. Carbon Intensity	128	104	75
Fossil fuel reserves (%)	3.4	1.3	0.0

Additions – 1.7%  
 Deletions – 1.0%  
 Maintenance – 0.9%

<sup>1</sup> Period: 30<sup>th</sup> Dec 2015 to 30<sup>th</sup> June 2021, <sup>2</sup> Simulated index as per current MSCI KLD 400 Social Index Methodology, <sup>3</sup> As of 30<sup>th</sup> Jun 2021, <sup>4</sup> Transition of current index to proposal as of 28<sup>th</sup> May 2021, \* Gross returns annualized in USD \*\* Annualized one-way index turnover over index reviews \*\*\* Monthly averages

# Simulated Impact - MSCI USA Catholic Values Index

The proposed exclusion screens would result in ~29% lower Carbon Intensity while maintaining similar characteristics compared to the current indexes

Key Metrics <sup>1</sup>	MSCI USA IMI Index	MSCI USA Catholic Values Index Current index <sup>2</sup>	MSCI USA Catholic Values Index Simulated index
Total return* (%)	16.3	18.1	18.8
Total risk (%)	15.4	15.3	15.2
Tracking error (%)		1.9	2.1
Number of constituents***	2428	402	402
Turnover** (%)	2.4	10.1	10.2
Transition Turnover (%) <sup>4</sup>			8.4
Included in transition			29
Removed in transition			27
ESG Metrics <sup>3</sup>			
ESG score	5.6	7.1	7.1
ESG leaders (AAA-AA) (%)	22.0	47.9	48.4
ESG laggards (B-CCC) (%)	7.3	0.0	0.0
Environmental pillar score	5.8	6.5	6.6
Wtd. Avg. Carbon Intensity	128	109	77
Fossil fuel reserves (%)	3.4	1.4	0.0

Additions – 3.9%  
 Deletions – 4.0%  
 Maintenance – 0.9%



# Simulated Impact - MSCI USA ESG Select Index

The proposed exclusion screens resulted in ~47% lower Carbon Intensity while maintaining similar characteristics compared to the current indexes

Key Metrics <sup>1</sup>	MSCI USA IMI Index	MSCI USA ESG Select Index Current index <sup>2</sup>	MSCI USA ESG Select Index Simulated index
Total return* (%)	16.5	18.1	17.9
Total risk (%)	15.0	14.9	14.9
Tracking error (%)		2.2	2.2
Number of constituents***	627	162	165
Turnover** (%)	2.7	18.4	18.6
Transition Turnover (%) <sup>4</sup>			7.5
Included in transition			9
Removed in transition			22
ESG Metrics <sup>3</sup>			
ESG score	5.8	7.4	7.4
ESG leaders (AAA-AA) (%)	23.8	64.0	62.8
ESG laggards (B-CCC) (%)	6.2	1.5	1.5
Environmental pillar score	6.0	6.6	6.6
Wtd. Avg. Carbon Intensity	127	113	60
Fossil fuel reserves (%)	3.4	2.2	1.1

Additions – 1.1%  
 Deletions – 2.3%  
 Maintenance – 4.1%

<sup>1</sup> Period: 30<sup>th</sup> Dec 2015 to 30<sup>th</sup> June 2021, <sup>2</sup> Simulated index as per current MSCI USA ESG Select Index Methodology, <sup>3</sup> As of 30<sup>th</sup> Jun 2021, <sup>4</sup> Transition of current index to proposal as of 28<sup>th</sup> May 2021, \* Gross returns annualized in USD \*\* Annualized one-way index turnover over index reviews \*\*\* Monthly averages

# Proposal 2 – Enhance the Business Involvement Criteria

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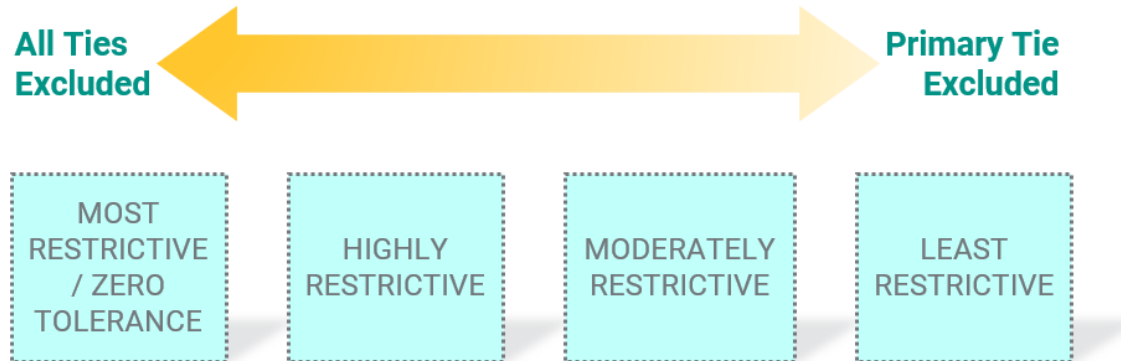
# Basis for Screen Migration

- **Objective:**

To adjust the current exclusion screens to be consistent with MSCI ESG Research's Exclusions Framework

- **Advantages of Migration to Latest Framework**

- ✓ Clearer focus on the intent of exclusion (primary vs. secondary involvement – e.g., tobacco producer vs. retailer)
- ✓ Remove absolute thresholds and categorize activities based on the level of involvement



# Proposed Enhancements

- Align the business involvement screens to be consistent with MSCI ESG Research’s Exclusions Framework
- Align the catholic screens for the MSCI USA Catholic Values Index with ESG Research’s Catholic Values Screening Research for USCCB guidelines, including the addition of a “Predatory Lending” screen

	Most Restrictive <sup>1</sup>	Highly Restrictive <sup>1</sup>	Moderately Restrictive <sup>1</sup>	Least Restrictive <sup>1</sup>	Other <sup>1</sup>
KLD 400 Social	<ul style="list-style-type: none"> <li>• Controversial Weapons</li> </ul>	<ul style="list-style-type: none"> <li>• Tobacco</li> <li>• Civilian Firearms</li> <li>• Nuclear Weapons</li> </ul>	<ul style="list-style-type: none"> <li>• Alcohol</li> <li>• Gambling</li> <li>• Adult Entertainment</li> <li>• Conventional Weapons</li> <li>• GMO</li> <li>• Nuclear Power</li> </ul>		
USA Catholic Values	<ul style="list-style-type: none"> <li>• Controversial Weapons</li> <li>• Abortion Providers<sup>2</sup></li> <li>• Abortifacients<sup>2</sup></li> <li>• Contraceptives<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Tobacco</li> <li>• Civilian Firearms</li> <li>• Nuclear Weapons</li> <li>• Adult Entertainment<sup>2</sup></li> <li>• Stem Cells<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Alcohol</li> <li>• Gambling</li> <li>• Conventional Weapons</li> <li>• GMO</li> <li>• Nuclear Power</li> </ul>		<ul style="list-style-type: none"> <li>• Predatory Lending<sup>2</sup> (new screen)</li> </ul>
USA ESG Select	<ul style="list-style-type: none"> <li>• Controversial Weapons</li> </ul>	<ul style="list-style-type: none"> <li>• Nuclear Weapons</li> <li>• Tobacco</li> </ul>	<ul style="list-style-type: none"> <li>• Civilian Firearms</li> </ul>	<ul style="list-style-type: none"> <li>• Alcohol</li> <li>• Gambling</li> <li>• Nuclear Power</li> <li>• Conventional Weapons</li> </ul>	

1. Detailed screens / formulas are provided in Appendix.

2. Catholic screens. The MSCI USA Catholic Values Index aims to screen areas targeted by USCCB (United States Conference of Catholic Bishops) guidelines

# Simulated Impact on Eligible Universe – KLD 400 Social

- The table shows the impact of Proposal 2 on the MSCI USA IMI (parent index for MSCI KLD 400 Social Index)

Screen	Current Screen		Proposed Screen	
	Count	Weight	Count	Weight
Alcohol	8	0.42%	9	0.21%
Gambling	18	0.31%	17	0.31%
Tobacco	8	0.59%	13	0.75%
Adult Entertainment	0	0.00%	0	0.00%
Nuclear Power	23	3.12%	19	1.53%
Controversial Weapons	6	0.79%	6	0.79%
Conventional Weapons	38	3.16%	22	1.38%
Nuclear Weapons	15	2.02%	14	1.64%
All Weapons	38	3.16%	26	1.82%
Civilian Firearms	11	0.71%	6	0.16%
Genetically Modified Organisms (GMO)	4	0.31%	3	0.31%
<b>Overall</b>	<b>102</b>	<b>6.47%</b>	<b>90</b>	<b>4.73%</b>

Unchanged  
(already aligned)

Simulation as of the May 2021 Semi-Annual Index Review.

Please refer to the Appendix for the simulated list of additions and deletions for the MSCI KLD 400 Social Index.

# Simulated Impact on Eligible Universe – KLD 400 Social (Top Changes)

- Simulated newly eligible companies (Top 3 by weight)

Security Name	Weight in USA IMI	Prior Exclusion Reason	Simulated KLD 400 Social constituent*
WALMART	0.51%	<b>Civilian Firearms:</b> Walmart retails rifles, shotguns, pistols, and ammunition for hunting and sports shooting. The company is excluded under the current screen as its civilian firearms retail revenue was above USD 20 million. Under the proposal Walmart would be eligible as its aggregated civilian firearms revenue is below 5% of its total revenue.	No
GENERAL ELECTRIC CO	0.29%	<b>Nuclear Power:</b> GE designs and manufactures nuclear reactors, such as boiling water reactors and fast breeder reactors. Under the proposal GE would be eligible as the focus is on primary involvement in nuclear power generation. <b>Conventional Weapons:</b> Under the current screen GE is excluded as it derived more than USD 500 million revenue from Conventional Weapons. Under the proposal GE would be eligible as its aggregated revenue from weapons businesses is below 15%.	No
TELEDYNE TECHNOLOGIES	0.05%	<b>Conventional Weapons:</b> Under the proposal Teledyne Technologies would be eligible as its conventional weapons revenue is below 15% (excluded under the current 5% threshold).	Yes

- Simulated newly ineligible companies (Top 3 by weight)

Security Name	Weight in USA IMI	Exclusion Reason	Current KLD 400 Social Constituent**
AMCOR	0.04%	Tobacco	Yes
CELANESE CORP	0.04%	Tobacco	Yes
EASTMAN CHEMICAL CO	0.04%	Tobacco	No

\*Based on simulation as of the May 2021 Semi-Annual Index Review, reflecting both Proposal 1 and Proposal 2.

\*\*Based on simulated MSCI KLD 400 Social Index constituents. Please refer to the Appendix for the full simulated list of additions and deletions for the MSCI KLD 400 Social Index.

# Simulated Impact on Eligible Universe – USA Catholic Values

- The table shows the impact of Proposal 2 on the MSCI USA IMI (parent index for the MSCI USA Catholic Values Index)
- There is no impact of the adjustment of the five existing catholic screens to be consistent with MSCI ESG Research’s Exclusions Framework
- The Predatory Lending screen aims to reflect USCCB Policy on affordable housing/banking<sup>1</sup> and would screen two companies in the parent index

Screen	Current Screen		Proposed Screen	
	Count	Weight	Count	Weight
Alcohol	8	0.42%	9	0.21%
Gambling	18	0.31%	17	0.31%
Tobacco	8	0.59%	13	0.75%
Nuclear Power	23	3.12%	19	1.53%
Controversial Weapons	6	0.79%	6	0.79%
Conventional Weapons	38	3.16%	22	1.38%
Nuclear Weapons	15	2.02%	14	1.64%
All Weapons	38	3.16%	26	1.82%
Civilian Firearms	11	0.71%	6	0.16%
Genetically Modified Organisms (GMO)	4	0.31%	3	0.31%
Adult Entertainment	2	0.09%	2	0.09%
Abortifacient	7	0.56%	7	0.56%
Abortion	8	1.20%	8	1.20%
Contraceptives	16	2.63%	16	2.63%
Predatory Lending	-	-	2	0.01%
Stem Cells	48	6.84%	48	6.84%
<b>Overall</b>	<b>171</b>	<b>14.43%</b>	<b>162</b>	<b>12.99%</b>

Unchanged  
(already aligned)

Catholic screens

Proposed new  
screen

# Simulated Impact on Eligible Universe – USA Catholic Values (Top Changes)

- Simulated newly eligible companies (Top 3 by weight)

Security Name	Weight in USA IMI	Prior Exclusion Reason	Simulated USA Catholic Values constituent*
WALMART	0.51%	<b>Civilian Firearms:</b> Walmart retails rifles, shotguns, pistols, and ammunition for hunting and sports shooting. The company is excluded under the current screen as its civilian firearms retail revenue was above USD 20 million. Under the proposal Walmart would be eligible as its aggregated civilian firearms revenue is below 5% of its total revenue.	No
TELEDYNE TECHNOLOGIES	0.05%	<b>Conventional Weapons:</b> Under the proposal Teledyne Technologies would be eligible as its conventional weapons revenue is below 15% (excluded under the current 5% threshold).	Yes
BOOZ ALLEN HAMILTON A	0.03%	<b>Conventional Weapons:</b> Under the proposal Booz Allen Hamilton would be eligible as its conventional weapons revenue is below 15% (excluded under the current 5% threshold).	No

- Simulated newly ineligible companies (Top 3 by weight)

Security Name	Weight in USA IMI	Exclusion Reason	Current USA Catholic Values constituent**
AMCOR	0.04%	Tobacco	Yes
CELANESE CORP	0.04%	Tobacco	Yes
EASTMAN CHEMICAL CO	0.04%	Tobacco	No

\*Based on simulation as of the May 2021 Semi-Annual Index Review, reflecting both Proposal 1 and Proposal 2.

\*\*Based on simulated MSCI USA Catholic Values Index constituents. Please refer to the Appendix for the full simulated list of additions and deletions for the MSCI USA Catholic Values Index.



# Simulated Impact on Eligible Universe – USA ESG Select

- The table shows the impact of Proposal 2 on the MSCI USA Index (parent index for MSCI USA ESG Select Index)

Screen	Current Screen		Proposed Screen	
	Count	Weight	Count	Weight
Alcohol	4	0.23%	4	0.23%
Gambling	5	0.22%	5	0.22%
Tobacco	4	0.68%	5	0.78%
Nuclear Power	6	1.50%	13	1.45%
Controversial Weapons	4	0.89%	4	0.89%
Conventional Weapons	6	1.27%	7	1.31%
Nuclear Weapons	12	2.26%	10	1.81%
All Weapons	12	2.26%	10	1.81%
Civilian Firearms	1	0.15%	0	0.00%
<b>Overall</b>	<b>30</b>	<b>4.14%</b>	<b>38</b>	<b>4.49%</b>

Unchanged  
(already aligned)

Simulation as of the May 2021 Semi-Annual Index Review.

Please refer to the Appendix for the simulated list of additions and deletions for the MSCI USA ESG Select Index.

# Simulated Impact on Eligible Universe – USA ESG Select (Top Changes)

- Simulated newly eligible companies (Top 3 by weight)

Security Name	Weight in USA	Prior Exclusion Reason	Simulated USA ESG Select constituent*
GENERAL ELECTRIC CO	0.32%	<b>Nuclear Power:</b> GE designs and manufactures nuclear reactors, such as boiling water reactors and fast breeder reactors. Under the proposal GE would be eligible as the focus is on primary involvement in nuclear power generation.	No
L3HARRIS TECHNOLOGIES	0.12%	<b>Nuclear Weapons:</b> L3Harris Technologies has been excluded due to its involvement in nuclear weapons components. Since these components are not manufactured exclusively for nuclear weapons, L3Harris Technologies would be eligible as per the proposed screen.	Yes
APOLLO GLOBAL MGMT A	0.03%	<b>Tobacco:</b> Apollo Global Management owns ClubCorp Holdings Inc., which is involved in retailing tobacco products. Under the proposal the company would be eligible as the focus is on primary involvement in Tobacco business.	No

- Simulated newly ineligible companies (Top 3 by weight)

Security Name	Weight in USA	Exclusion Reason	Current USA ESG Select constituent**
PUBLIC SERVICE ENT GRP	0.08%	Nuclear Power	Yes
CELANESE CORP	0.05%	Tobacco	No
AMCOR	0.05%	Tobacco	Yes

\*Based on simulation as of the November 2020 Semi-Annual Index Review, reflecting both Proposal 1 and Proposal 2.

\*\*Based on simulated MSCI USA ESG Select Index constituents. Please refer to the Appendix for the full simulated list of additions and deletions for the MSCI USA ESG Select Index.

# Discussion Points

	Applicable to		
	KLD 400 Social	USA Catholic Values	USA ESG Select
• Do you agree with the introduction of Climate related screens?	✓	✓	✓
• Do you agree with exclusion of thermal coal and unconventional oil and gas companies?	✓	✓	✓
• Do you agree with further excluding fossil fuel reserves, in line with MSCI SRI Indexes?	✓	✓	
• Do you agree to adjust the business involvement criteria to be consistent with MSCI ESG Research's Exclusions Framework?	✓	✓	✓
• Do you agree to add a screen for Predatory Lending?		✓	
• Would you favor implementation of the changes, if any, as part of the November 2021 Index Review or the February 2022 Index Review?	✓	✓	✓

To participate in the consultation, please provide your feedback through an online survey available on:

[https://www.msci.com/consultation-KLD\\_Catholic\\_Select](https://www.msci.com/consultation-KLD_Catholic_Select)



# Appendix

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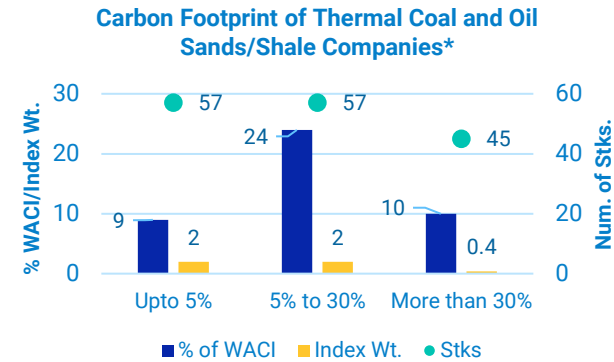
# Definition of Climate Exclusion Screens

- **THERMAL\_COAL\_MAX\_REV\_PCT** - The maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading.
- **GENERAT\_MAX\_REV\_THERMAL\_COAL** - The maximum percentage of revenue (either reported or estimated) that a company derives from the thermal coal based power generation.
- **UNCONV\_OIL\_GAS\_MAX\_REV\_PCT** – The maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from unconventional oil and gas. It includes revenues from oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane. It excludes all types of conventional oil and gas production including Arctic onshore/offshore, deepwater, shallow water and other onshore/offshore.
- **FF\_RESERVES\_ENERGY\_APPLICATION** – This screen identifies companies, regardless of their industries, with evidence of owning fossil fuel reserves used most likely for energy applications. For high-intensity industries (belonging to Energy and Utilities GICS Sector & Diversified Metals & Mining GICS Sub-Industry), this factor flags companies with evidence of fossil fuel reserves (excluding Metallurgical Coal). For other industries, it flags companies with evidence of fossil fuel reserves (excluding Metallurgical Coal) and deriving revenue from business segments associated with energy application of fossil fuels such as Thermal Coal mining, Oil & Gas exploration & production and downstream activities e.g. refining; distribution & retail; pipeline & transportation; trading and fossil fuel- based power generation.

# Carbon Footprint and Fossil Fuel Mix

- Thermal Coal and Oil Sands/Oil Shale produce more carbon dioxide per unit of energy than other fossil fuels.
- Extraction and refining of Thermal Coal and Oil Sands are more carbon intensive than other fossil fuels.
- Exclusion of companies involved in Thermal Coal and Oil Sands business from an index lowered the index's footprints in simulated back-tests.
- Companies involved in extraction of thermal coal and oil sands/shale and also power generation from thermal coal are exposed to significant climate risk.

Fuel	CO <sub>2</sub> Content <sup>1</sup> (kg per GJ)
Oil Sand and Oil Shale	106.7
Thermal Coal	96.4
Metallurgical Coal	94.6
Crude Oil	73.3
Natural Gas	56.1



1 - <https://www.msci.com/www/research-paper/fossil-fuel-divestment-a/0471389508>

\* MSCI ACWI constituents as of 29<sup>th</sup> June 2019.

# KLD 400 Social – Business Involvement Criteria

Screen	Current	Restrictiveness level	Proposal Expression
Alcohol	≥5% or \$ 500 Mil Producer	Moderate	≥5% Producer or ≥15% Production, Distribution, Retail, Supply
Gambling	≥5% or \$ 500 Mil Operation or Support	Moderate	≥5% Operations or ≥15% Related Activities
Tobacco	Producer or ≥15% Distributor, Retailer, Supplier	High	Producer or ≥5% Production, Distribution, Retail, Supply, Lincensing
Adult Entertainment	≥5% or \$ 500 Mil Producer	Moderate	≥5% Production or ≥15% Production, Distribution, Retail
Nuclear Power	Utility, Key Suppliers <sup>1</sup> ≥50% or 6000MW capacity	Moderate	≥5% Power generated or ≥5% Installed Capacity or ≥15% Revenue
Controversial Weapons		Most Restrictive / Zero Tolerance	
Conventional Weapons	≥5% or \$ 500 Mil Weapons, Components, Services	Moderate	≥5% Production or ≥15% Production, Distribution, Retail
Nuclear Weapons	Nuclear Weapons and Components	High	Nuclear Warheads, Components, Delivery Platforms, Auxiliary Services
Civilian Firearms	Producer or ≥5% or \$ 20 Mil Retailer	High	Producer or ≥5% Production and Distribution
Genetically Modified Organisms (GMO)	> \$ 0	Moderate	≥5%

<sup>1</sup>All companies involved in Uranium Mining, Nuclear Reactor design, Nuclear Fuel enrichment, classified as a “Supplier” to the nuclear power industry that earn 15% or more in revenue

# USA Catholic Values – Business Involvement Criteria

Screen	Current	Restrictiveness level	Proposal Expression
Alcohol	≥5% or \$ 500 Mil Producer	Moderate	≥5% Producer or ≥15% Production, Distribution, Retail, Supply
Gambling	≥5% or \$ 500 Mil Operation or Support	Moderate	≥5% Operations or ≥15% Related Activities
Tobacco	Producer or ≥15% Distributor, Retailer, Supplier	High	Producer or ≥5% Production, Distribution, Retail, Supply, Lincensing
Nuclear Power	Utility, Key Suppliers <sup>1</sup> ≥50% or 6000MW capacity	Moderate	≥5% Power generated or ≥5% Installed Capacity or ≥15% Revenue
Controversial Weapons	Most Restrictive / Zero Tolerance		
Conventional Weapons	≥5% or \$ 500 Mil Weapons, Components, Services	Moderate	≥5% Production or ≥15% Production, Distribution, Retail
Nuclear Weapons	Nuclear Weapons and Components	High	Nuclear Warheads, Components, Delivery Platforms, Auxiliary Services
Civilian Firearms	Producer or ≥5% or \$ 20 Mil Retailer	High	Producer or ≥5% Production and Distribution
Genetically Modified Organisms (GMO)	> \$ 0	Moderate	≥5%
Abortion	Abortion Provider or Acute Care Facilities	Most	Abortion Provider or Acute Care Facilities or Ownership By/Of
Abortifacients	Producer	Most	Producer or Inteded use by Producer or Ownership By/Of
Adult Entertainment	Producer or ≥15% Distributor, Retailer	High	Producer or ≥5% Production, Distribution, Retail
Contraceptives	Producer	Most	Producer or Licensor or Ownership By/Of
Stem Cells	Stem Cell/Fetal Tissue Research, Use of Fetal Cell Line, Enabling Tech	High	Stem Cell/Fetal Tissue Rearch, Use of Fetal Cell Line, Enabling Tech, Human stem cell cloning
Predatory Lending	-	None	Financial institutions that received rating of "Needs to improve" and "Substantial Noncompliance" after taking Community Reinvestment Act* examination

→ Catholic screens

<sup>1</sup>All companies involved in Uranium Mining, Nuclear Reactor design, Nuclear Fuel enrichment, classified as a “Supplier” to the nuclear power industry that earn 15% or more in revenue



# USA ESG Select – Business Involvement Criteria

Screen	Current	Restrictiveness level	Proposal Expression
Alcohol	≥50% or \$ 1 Bil Producer	Least	≥10% Production
Gambling	≥50% or \$ 1 Bil Operation or Support	Least	≥10% Operations
Nuclear Power	Nuclear Fuel Enrichment, Uranium Mining, Reactor Design, ≥50% or 6000MW capacity	Least	≥10% revenue from ownership, operation of nuclear power plants
Controversial Weapons	Most Restrictive / Zero Tolerance		
Conventional Weapons	≥50% or \$ 3 Bil Weapons, Components	Least	≥10% Production of Weapons, Components
Civilian Firearms	≥50% or \$ 100 Mil Producer	Moderate	≥5% Producer or ≥15% Production, Distribution, Retail
Nuclear Weapons	Nuclear Weapons component or system manufacturers	High	Nuclear Warheads, Components, Delivery Platforms, Auxiliary Services
Tobacco	Producer or Licensor, ≥15% Production, Distribution, Retail, Supply, Ownership by/of	High	Producer or ≥5% Production, Distribution, Retail, Supply, Lincensing

# KLD 400 Social Index – Simulated Additions

Security Short Name	Sector	Weight in simulated index	Eligible as per current screen
MORGAN STANLEY	Financials	0.69%	✓
CROWN CASTLE INTL CORP	Real Estate	0.44%	✓
DUPONT DE NEMOURS	Materials	0.24%	✓
EBAY	Consumer Discretionary	0.22%	✓
SYNOPSISYS	Information Technology	0.21%	✓
CARRIER GLOBAL	Industrials	0.20%	✓
LYONDELLBASELL INDS A	Materials	0.16%	✓
SKYWORKS SOLUTIONS	Information Technology	0.15%	✓
KEURIG DR PEPPER	Consumer Staples	0.14%	✓
INTERNATIONAL PAPER	Materials	0.13%	✓
HUBSPOT	Information Technology	0.12%	✓
GENERAC HOLDINGS	Industrials	0.11%	✓
TELEDYNE TECHNOLOGIES	Industrials	0.10%	✗
CONAGRA BRANDS	Consumer Staples	0.10%	✓
INSULET CORP	Health Care	0.10%	✓
ZENDESK	Information Technology	0.09%	✓
PTC	Information Technology	0.08%	✓
FAIR ISAAC CORP	Information Technology	0.08%	✓
INTERPUBLIC GROUP OF COS	Communication Services	0.07%	✓
CABLE ONE	Communication Services	0.05%	✓
GUIDEWIRE SOFTWARE	Information Technology	0.04%	✓

1 newly eligible security added

# KLD 400 Social Index – Simulated Deletions

Security Short Name	Sector	Current weight in Index	Deletion Reason	
			Proposal 1	Proposal 2
CONOCOPHILLIPS	Energy	0.41%	Fossil Fuel Reserves and Fossil Fuel Extratction	-
SCHLUMBERGER	Energy	0.24%	Fossil Fuels	-
NUCOR CORP	Materials	0.17%	Fossil Fuel Extraction	-
WEC ENERGY GROUP	Utilities	0.16%	Thermal Coal Power	-
OCCIDENTAL PETROLEUM	Energy	0.13%	Fossil Fuel Reserves and Fossil Fuel Extratction	-
HESS	Energy	0.13%	Fossil Fuel Reserves and Fossil Fuel Extratction	-
PPL CORP	Utilities	0.12%	Thermal Coal Power	-
FIRSTENERGY CORP	Utilities	0.11%	Fossil Fuel reserves and Thermal Coal Power	-
CELANESE CORP	Materials	0.11%	-	Tobacco
AMCOR	Materials	0.10%	-	Tobacco
CMS ENERGY CORP	Utilities	0.10%	Thermal Coal Power	-
AES CORP	Utilities	0.09%	Thermal Coal Power	-
DEVON ENERGY CORP	Energy	0.09%	Fossil Fuel Reserves and Fossil Fuel Extratction	-
ALLIANT ENERGY CORP	Utilities	0.08%	Thermal Coal Power	-
NISOURCE (NEW)	Utilities	0.05%	Thermal Coal Power	-
MARATHON OIL CORP	Energy	0.05%	Fossil Fuel Reserves and Fossil Fuel Extratction	-
APA CORPORATION	Energy	0.04%	Fossil Fuel Reserves and Fossil Fuel Extratction	-
OGE ENERGY CORP	Utilities	0.04%	Thermal Coal Power	-
EQT	Energy	0.03%	Fossil Fuel Reserves and Fossil Fuel Extratction	-

Simulation as of the May 2021 Semi-Annual Index Review.

# USA Catholic Values Index - Simulated Additions

Security Name	Sector	Weight in simulated index	Eligible as per current screen
VISA A	Information Technology	2.19%	✓
MORGAN STANLEY	Financials	0.73%	✓
EMERSON ELECTRIC CO	Industrials	0.33%	✓
DUPONT DE NEMOURS	Materials	0.26%	✓
SYNOPSIS	Information Technology	0.22%	✓
LYONDELLBASELL INDS A	Materials	0.17%	✓
MAXIM INTEGRATED PRDCTS	Information Technology	0.16%	✓
KEURIG DR PEPPER	Consumer Staples	0.15%	✓
INTERNATIONAL PAPER	Materials	0.13%	✓
SLACK TECHNOLOGIES A	Information Technology	0.12%	✓
GENERAC HOLDINGS	Industrials	0.12%	✓
TELEDYNE TECHNOLOGIES	Industrials	0.11%	✗
CONAGRA BRANDS	Consumer Staples	0.11%	✓
ON SEMICONDUCTOR CORP	Information Technology	0.09%	✓
FAIR ISAAC CORP	Information Technology	0.08%	✓
INTERPUBLIC GROUP OF COS	Communication Services	0.07%	✓
ANNALY CAPITAL MGMT	Financials	0.07%	✓
PENTAIR PLC	Industrials	0.07%	✓
NOVAVAX	Health Care	0.06%	✓
WESTERN UNION	Information Technology	0.06%	✓
CABLE ONE	Communication Services	0.06%	✓

1 newly eligible security added

# USA Catholic Values Index - Simulated Deletions

Security Short Name	Sector	Current weight in Index	Deletion Reason	
			Proposal 1	Proposal 2
CONOCOPHILLIPS	Energy	0.44%	Fossil Fuel Reserves and Fossil Fuel Extratction	-
SCHLUMBERGER	Energy	0.26%	Fossil Fuels	-
NUCOR CORP	Materials	0.18%	Fossil Fuel Extraction	-
WEC ENERGY GROUP	Utilities	0.17%	Thermal Coal Power	-
OCCIDENTAL PETROLEUM	Energy	0.14%	Fossil Fuel Reserves and Fossil Fuel Extratction	-
HESS	Energy	0.14%	Fossil Fuel Reserves and Fossil Fuel Extratction	-
PPL CORP	Utilities	0.13%	Thermal Coal Power	-
FIRSTENERGY CORP	Utilities	0.12%	Fossil Fuel reserves and Thermal Coal Power	-
CELANESE CORP	Materials	0.11%	-	Tobacco
AMCOR	Materials	0.11%	-	Tobacco
CMS ENERGY CORP	Utilities	0.10%	Thermal Coal Power	-
AES CORP	Utilities	0.10%	Thermal Coal Power	-
DEVON ENERGY CORP	Energy	0.09%	Fossil Fuel Reserves and Fossil Fuel Extratction	-
ALLIANT ENERGY CORP	Utilities	0.08%	Thermal Coal Power	-
NISOURCE (NEW)	Utilities	0.06%	Thermal Coal Power	-
MARATHON OIL CORP	Energy	0.06%	Fossil Fuel Reserves and Fossil Fuel Extratction	-
APA CORPORATION	Energy	0.05%	Fossil Fuel Reserves and Fossil Fuel Extratction	-
OGE ENERGY CORP	Utilities	0.04%	Thermal Coal Power	-
EQT	Energy	0.03%	Fossil Fuel Reserves and Fossil Fuel Extratction	-

Simulation as of the May 2021 Semi-Annual Index Review.

# USA ESG Select Index - Simulated Additions

Security Name	Sector	Weight in simulated index	Eligible as per current screen
MORGAN STANLEY	Financials	0.90%	✓
LILLY (ELI) & COMPANY	Health Care	0.31%	✓
PPG INDUSTRIES	Materials	0.23%	✓
L3HARRIS TECHNOLOGIES	Industrials	0.19%	✗
DELTA AIR LINES	Industrials	0.18%	✗
ANSYS	Information Technology	0.17%	✓
HORMEL FOODS CORP	Consumer Staples	0.15%	✓
CROWN CASTLE INTL CORP	Real Estate	0.14%	✓
LAMB WESTON HOLDINGS	Consumer Staples	0.11%	✓
FORTUNE BRANDS HOME & SE	Industrials	0.11%	✓
INTERPUBLIC GROUP OF COS	Communication Services	0.10%	✓

2 newly eligible securities added

# USA ESG Select Index - Simulated Deletions

Security Short Name	Sector	Current weight in Index	Deletion Reason	
			Proposal 1	Proposal 2
XCEL ENERGY	Utilities	0.68%	Thermal Coal Power	Nuclear Power
HESS	Energy	0.59%	Fossil Fuel Extraction	-
CONOCOPHILLIPS	Energy	0.58%	Fossil Fuel Extraction	-
CMS ENERGY CORP	Utilities	0.33%	Thermal Coal Power	-
PUBLIC SERVICE ENT GRP	Utilities	0.28%	-	Nuclear Power
SOUTHERN COMPANY (THE)	Utilities	0.22%	Thermal Coal Power	Nuclear Power
AMCOR	Materials	0.22%	-	Tobacco
AXALTA COATING SYSTEMS	Materials	0.22%	-	-
QUALCOMM	Information Technology	0.22%	-	-
AES CORP	Utilities	0.21%	Thermal Coal Power	-
BROADCOM	Information Technology	0.19%	-	-
KINDER MORGAN P	Energy	0.18%	Fossil Fuel Extraction	-
OCCIDENTAL PETROLEUM	Energy	0.14%	Fossil Fuel Extraction	-
US BANCORP	Financials	0.14%	-	-
FRANKLIN RESOURCES	Financials	0.12%	-	-
MODERNA	Health Care	0.11%	-	-
WILLIS TOWERS WATSON	Financials	0.11%	-	-
T-MOBILE US	Communication Services	0.11%	-	-
DANAHER CORP	Health Care	0.11%	-	-
HEICO CORP	Industrials	0.10%	-	-
ARAMARK	Consumer Discretionary	0.09%	-	-
SNOWFLAKE A	Information Technology	0.09%	-	-
DOCUSIGN	Information Technology	0.08%	-	-
PINTEREST A	Communication Services	0.08%	-	-

Simulation as of the May 2021 Semi-Annual Index Review.

# Simulated active sector exposures – KLD 400 Social (Proposal 1)

MSCI KLD 400 Social Sim Index (%)

	Min	Max	Average	Current
<b>Energy</b>	-4.2	-0.1	-1.0	-0.7
<b>Materials</b>	-1.2	0.5	-0.2	0.4
<b>Industrials</b>	-0.8	1.2	-0.0	-0.5
<b>Cons. disc.</b>	-2.5	2.5	-0.3	-2.2
<b>Cons. stap.</b>	1.1	4.6	2.2	2.2
<b>Health care</b>	-4.3	0.1	-2.6	-3.6
<b>Financials</b>	-5.0	-1.8	-3.2	-2.1
<b>IT</b>	1.9	10.3	6.8	6.8
<b>Comm. serv.</b>	-1.9	3.6	-0.3	0.5
<b>Utilities</b>	-1.6	-0.9	-1.3	-0.9
<b>Real estate</b>	-0.3	0.3	-0.0	0.1

Period: May 29, 2015 to Jun 30, 2020, monthly data

MSCI KLD 400 Social Proposal Index (%)

	Min	Max	Average	Current
<b>Energy</b>	-5.1	-1.6	-2.6	-1.7
<b>Materials</b>	-1.0	0.4	-0.2	0.3
<b>Industrials</b>	-0.6	1.4	0.2	-0.2
<b>Cons. disc.</b>	-1.7	2.8	0.2	-1.7
<b>Cons. stap.</b>	1.2	4.8	2.4	2.2
<b>Health care</b>	-4.4	0.4	-2.1	-3.5
<b>Financials</b>	-4.3	-1.7	-2.9	-2.0
<b>IT</b>	2.7	10.3	7.2	7.4
<b>Comm. serv.</b>	-1.9	3.9	-0.3	0.8
<b>Utilities</b>	-2.4	-1.5	-2.1	-1.9
<b>Real estate</b>	-0.1	0.7	0.1	0.1

Period: May 29, 2015 to Jun 30, 2020, monthly data



# Simulated active sector exposures – USA Catholic Values (Proposal 1)

MSCI USA Catholic Values Sim Index (%)

	Min	Max	Average	Current
<b>Energy</b>	-4.1	0.4	-0.6	-0.7
<b>Materials</b>	-1.1	0.6	-0.1	0.5
<b>Industrials</b>	-0.2	1.6	0.7	0.5
<b>Cons. disc.</b>	-0.9	2.9	0.9	0.1
<b>Cons. stap.</b>	-1.0	3.2	0.3	0.2
<b>Health care</b>	-9.0	-1.9	-5.9	-8.3
<b>Financials</b>	-3.9	-1.1	-2.3	-1.3
<b>IT</b>	2.3	10.9	7.8	7.7
<b>Comm. serv.</b>	-1.9	4.8	0.0	1.7
<b>Utilities</b>	-1.4	-0.7	-1.1	-0.7
<b>Real estate</b>	0.0	0.9	0.3	0.4

Period: May 29, 2015 to Jun 30, 2020, monthly data

MSCI USA Catholic Values Proposal Index (%)

	Min	Max	Average	Current
<b>Energy</b>	-5.0	-1.5	-2.4	-1.6
<b>Materials</b>	-1.0	0.7	-0.0	0.5
<b>Industrials</b>	0.0	2.4	1.1	1.2
<b>Cons. disc.</b>	-1.0	3.2	1.4	0.3
<b>Cons. stap.</b>	-1.1	3.3	0.6	0.5
<b>Health care</b>	-8.9	-1.7	-5.7	-8.3
<b>Financials</b>	-2.7	-0.4	-1.7	-1.1
<b>IT</b>	3.3	11.0	8.1	7.5
<b>Comm. serv.</b>	-1.9	4.7	0.0	2.2
<b>Utilities</b>	-2.3	-1.4	-2.0	-1.7
<b>Real estate</b>	0.0	1.2	0.5	0.5

Period: May 29, 2015 to Jun 30, 2020, monthly data

# Simulated active sector exposures – USA ESG Select (Proposal 1)

MSCI USA ESG Select Sim Index (%)

	Min	Max	Average	Current
Energy	-3.1	-0.7	-1.7	-0.7
Materials	0.2	3.5	2.2	0.2
Industrials	-2.5	2.7	0.0	2.2
Cons. disc.	-4.0	-2.1	-2.9	-3.3
Cons. stap.	1.7	3.6	2.6	2.0
Health care	-2.4	3.1	0.4	-0.9
Financials	-3.4	1.8	-1.7	-0.9
IT	-3.5	4.1	2.0	3.0
Comm. serv.	-3.2	-1.4	-2.2	-3.0
Utilities	0.2	1.4	0.8	0.6
Real estate	0.0	1.3	0.6	0.8

Period: May 29, 2015 to Jun 30, 2020, monthly data

MSCI USA ESG Select Proposal Index (%)

	Min	Max	Average	Current
Energy	-3.6	-1.0	-2.3	-1.3
Materials	0.3	3.5	2.3	0.3
Industrials	-2.5	3.1	0.5	2.5
Cons. disc.	-4.0	-2.1	-2.9	-3.3
Cons. stap.	1.9	3.5	2.7	2.6
Health care	-2.1	3.8	0.4	-0.7
Financials	-3.4	2.4	-1.6	-0.7
IT	-3.5	4.1	2.1	3.0
Comm. serv.	-3.2	-1.3	-2.1	-3.0
Utilities	-0.9	0.8	0.1	-0.5
Real estate	0.0	1.5	0.8	1.1

Period: May 29, 2015 to Jun 30, 2020, monthly data

# ESG Exclusions Framework(1/2)

The standard screens are based on MSCI ESG Research's Exclusions framework and can be used to implement values-based exclusions in indexes in a simple and consistent manner.

Screen	Factor	Most Restrictive / Zero Tolerance	Highly Restrictive	Moderately Restrictive	Least Restrictive
<b>FREQUENTLY USED SCREENS</b>					
Alcohol	Producer	●	●	≥ 5%	≥ 10%
	Distributor	●			
	Retailer	●	≥ 5%	≥ 15%	
	Supplier	●			
	Licensor	●			
	Ownership Of/By	●			
Civilian Firearms	Producer: Automatic	●	●		●
	Producer: Semi-Automatic	●	●	≥ 5%	●
	Producer	●	●	≥ 5%	≥ 15%
	Producer: Ammunition	●	●		
	Retailer and Distributor	●			
	Ownership Of/By	●			
Conventional Weapons	Conventional Weapons Systems	●	●	≥ 5%	≥ 10%
	Conventional Weapons Components	●	≥ 5%	≥ 15%	
	Support Systems and Services	●			
	Ownership Of/By	●			
Gambling	Operations	●	●	≥ 5%	≥ 10%
	Support	●	≥ 5%	≥ 15%	
	Licensor	●			
	Ownership Of/By	●			

Restriction Levels

Absolute Tie vs. Revenue Threshold\*

\* Shaded cells refer to Aggregate Revenue including the relevant business activities

# ESG Exclusions Framework(2/2)

Screen	Factor	Most Restrictive / Zero Tolerance	Highly Restrictive	Moderately Restrictive	Least Restrictive
<b>FREQUENTLY USED SCREENS</b>					
Nuclear Power	Utility	●	●	≥ 5%	≥ 15%
	Supplier Ownership Of/By	●		Generation / Installed Capacity / Revenue ≥ 5%	Generation / Installed Capacity / Revenue ≥ 10%
Nuclear Weapons	Warheads & Missiles	●	●		●
	Intended-use Components	●	●		●
	Nuclear Exclusive Delivery Platforms	●	●		
	Nuclear Weapons Support Services	●	●		
	Dual-use Components	●	●		
	Dual-use Delivery Platforms	●	●		
	Components of Nuclear Exclusive Delivery Platforms	●	●		
	Components of Dual-use Delivery Platforms	●			
Tobacco	Producer	●	●	≥ 5%	≥ 10%
	Distributor	●			
	Retailer	●		≥ 5%	
	Supplier	●			≥ 15%
	Licensor	●			
	Ownership Of/By	●			

# Example of Revenue Screen: Alcohol



## Any Tie

- Producer
- Distributor
- Retailer
- Supplier
- Licensor
- Ownership

## Alcohol Producer OR

5% Aggregate Revenue

5% Production Revenue OR  
15% Aggregate Revenue

10% Production Revenue

Revenue  
**Alcohol**

Absolute Tie

Revenue Threshold

Alcohol	Producer			≥ 5%	≥ 5%	≥ 10%
	Distributor	•	•			
	Retailer	•		≥ 5%	≥ 15%	
	Supplier	•				
	Licensor	•				
	Ownership Of/By	•				

•	Absolute tie
%	Revenue threshold

# Example of Non-Revenue Screen: Animal Welfare



*Non-Revenue*  
**Animal Welfare**

**Any Tie**

- Non-medical Testing
- Medical Testing
- Factory Farming
- Licensed Breeder
- Licensed Exhibitor
- Ownership Of
- Ownership By

**Non-medical Testing**

- OR**
- Medical Testing**
- OR**
- Factory Farming**
- OR**
- Licensed Breeder**
- OR**
- Licensed Exhibitor**

**Non-medical Testing**

- OR**
- Medical Testing**
- OR**
- Factory Farming**

**Non-medical Testing**

**Absolute Tie**

Animal Welfare	Non-medical Testing	•	•	•	•
	Medical Testing	•	•	•	
	Factory Farming	•	•	•	
	Licensed Breeders	•	•		
	Licensed Exhibitor	•	•		
	Ownership Of/By	•			

•	Absolute tie
%	Revenue threshold

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