MSCI ESG RATINGS

MORE DATA. MORE CONTEXT. MORE INFORMED DECISIONS.



Providing institutional investors with a more robust ESG integration tool to help them mitigate risk and enhance long term value creation.



INTEGRATING MSCI ESG RATINGS INTO INVESTMENT DECISION MAKING CAN HELP IDENTIFY RISKS OR OPPORTUNITIES THAT MAY NOT BE CAPTURED BY CONVENTIONAL FINANCIAL ANALYSIS.

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Eric Moen

Managing Director, MSCI ESG Research

MSCI ESG RATINGS

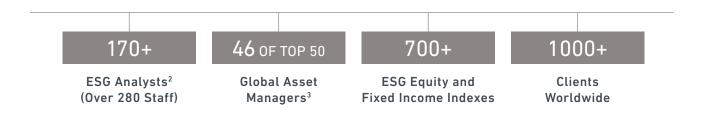
MORE DATA. MORE CONTEXT. MORE INFORMED DECISIONS.

MSCI ESG Ratings helps investors identify environmental, social and governance (ESG) risks and opportunities within their portfolio. We research and rate companies on a 'AAA' to 'CCC' scale according to their exposure to industry-specific ESG risks and their ability to manage those risks relative to peers.

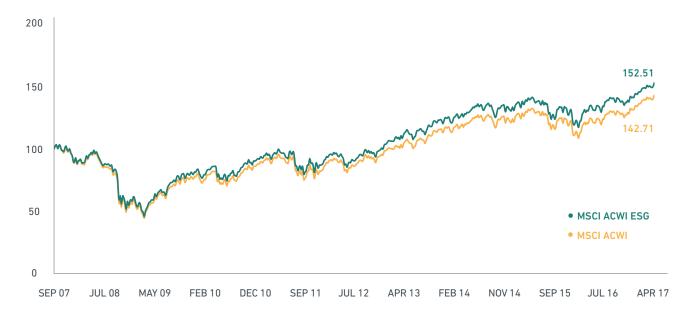
OVERVIEW

We have over 40 years of experience through our legacy companies collecting, cleaning, standardizing and modelling ESG data from thousands of sources to create a precision tool for a clear signal of ESG performance.

Integrating MSCI ESG Ratings into the investment decision making process can help identify risks or opportunities that may not be captured by conventional financial analysis – incorporating these signals may help you mitigate risks and enhance long term returns. MSCI ESG ACWI INDEX, POWERED BY MSCI ESG RATINGS, HAS OUT-PERFORMED THE MSCI ACWI INDEX IN 8 OF THE LAST 9 YEARS¹.



CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) SEP 2007 – APR 2017



1 Past performance is not indicative of future results. Performance data may include back tested data. There are frequently material differences

between back tested or simulated performance results and actual results subsequently achieved by any investment strategy.

² Source: MSCI ESG Research as of January 2017

³ Based on P&I AUM data as of Dec 2016 and MSCI clients as of March 2017

KEY FEATURES AND BENEFITS

RISK EXPOSURE NOT DISCLOSURE

Risk management efforts assessed in the context of a granular breakdown of widely reported business and geographic exposure to ESG risks. Emphasis on performance, not disclosure.

ROBUST DATA ON BOARDS AND DIRECTORS

Data on board size, tenure and director election standards; director age and gender diversity; plus financial, industry and risk management expertise on key board committees.

PRECISION APPROACH TO IDENTIFY INDUSTRY OUTLIERS

156 industry model variants to focus on the key issues that pose the most significant risk to a company relative to its industry peers.

MARKET LEADING CORPORATE GOVERNANCE INSIGHTS

For each company, 96 unique corporate governance metrics that look at board, pay, ownership and control, and accounting practices.

EXTENSIVE COVERAGE

6,400 companies (11,800 total issuers, including subsidiaries) and more than 400,000 equity and fixed income securities globally.

DAILY UPDATES

Continuous evaluation of ESG risks, including daily monitoring of 2,100 media publications and regular updates of public documents and third-party data sets.

GLOBAL IN-HOUSE TEAM

Global, multilingual team of analysts and client service professionals providing around the clock expertise and support to help clients find the best way to integrate ESG into their investment processes.

GOLD STANDARD DATA PROVIDER

MSCI ESG Research has been recognized as a 'Gold Standard data provider' by the Deep Data Delivery Standard.

MSCI ESG RATINGS AND ESG INDEXES

MSCI ESG Ratings is the foundation of many of the 700+ MSCI ESG Indexes.

Visit msci.com/esg-indexes

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MSCI ESG Ratings as seen on the MSCI ESG Manager Platform

Volkswag	gen	AG (/LKAY)	ESG RATING CCC
Dieselgate contin	nues t	o pose si	bstantial business risks	
GOVERNANCE SN	APSH	от	INDUSTRY RATING DISTRIBUTION ESG RAT	TING HISTORY
Seard independence %		51.7%		
Sanificant Notes Against Mar	naperment	NO		
Extended Board		NO		653
			20%	~
Pay Portamarce Gap		NO	18N 15N 18N 18N 18N	BB CCC
Executive Pay Non-Osciences		NO	LIN PA	
Multiple Share Chases with 0	Sterest	YES		<u> </u>
Voting Rights			CCC 8 88 888 A AA AAA Jul-13	Jun-14 Aug-15 Sep-15 Jul-16
		2.5	allegations in the US. However, pending and new lawouits and regulator company has set aside EUR 16.2 billion to cover potential upcoming ces	
Product Carbon Footprine Carbon Smissions Taols Emissions & Waster Water Scress Special Product Safety & Quelly	0.0% 0.0% 0.0% 0.0% 0.0%	12.0 ••• 2.3 • 8.6 •• 2.3 0.5 •	strategy to become the market leader in terms of size and sustainability in light of the scendel, lobiourgen ennounced to strengthen to clean to electric cerr models by 2005. Due to is above arearing HIGs openees to P2013-2015, Velowagen is well positioned to implement in plans, like outra mixed of the emainter mainpluidess could impact is antibiate including legal, in. Separative Sci26, inventplant numwale that also en including legal, in. Separative Sci26, inventplant numwale that also en	vin the auto industry. In straingy and to develop 30 new bettery sales note of SLAN for the period wever, at the same time, further potential in addition, with a highly unionized worklon Densitypes multis in netrocating activities gineers and executives at the company's
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Tear sheets designed to highlight the key material risks and opportunities driving the ESG Rating

MSCI VOTED 'BEST' FOR RESEARCH, DATA AND INDEXES (IRRI 2015 & 2016) – 1,363 SURVEY PARTICIPANTS FROM 704 FIRMS IN 58 COUNTRIES

METHODOLOGY

• Company reports

• Industry reports

• Thematic reports

• Analyst calls and webinars

ESG RATING OF 6,400 COMPANIES (11,800 TOTAL ISSUERS, INCLUDING SUBSIDIARIES) AND MORE THAN 400,000 EQUITY AND FIXED INCOME SECURITIES GLOBALLY



MORE DATA. MORE CONTEXT. MORE INFORMED DECISIONS.

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Manager or integrated into client platforms

THE MAKING OF AN MSCI ESG RATING

MSCI ESG Ratings is designed to provide more data with more context to support more informed decisions for the modern institutional investor.





ABOUT

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MSCI

For more than four decades, MSCI (NYSE: MSCI) has helped global investors build and manage better portfolios. Our research-based tools and services provide our clients with deeper insights into the drivers of risk and performance, broad asset class coverage and innovative ways to bring investment strategies to market. Our offerings include indexes, data, analytical models, regulatory reporting and ESG research.

MSCI's clients include 97 of the top 100 global asset managers, as ranked by P&I⁵.

For more information, visit us at www.msci.com

⁵ Based on latest P&I AUM data and MSCI clients as of March 31, 2017

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