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with objective insight

MSCI : Indexes and Research

Rome, June 18th 2014

Sabrina Principi: MSCI Milan (Sabrina.Principi@msci.com)

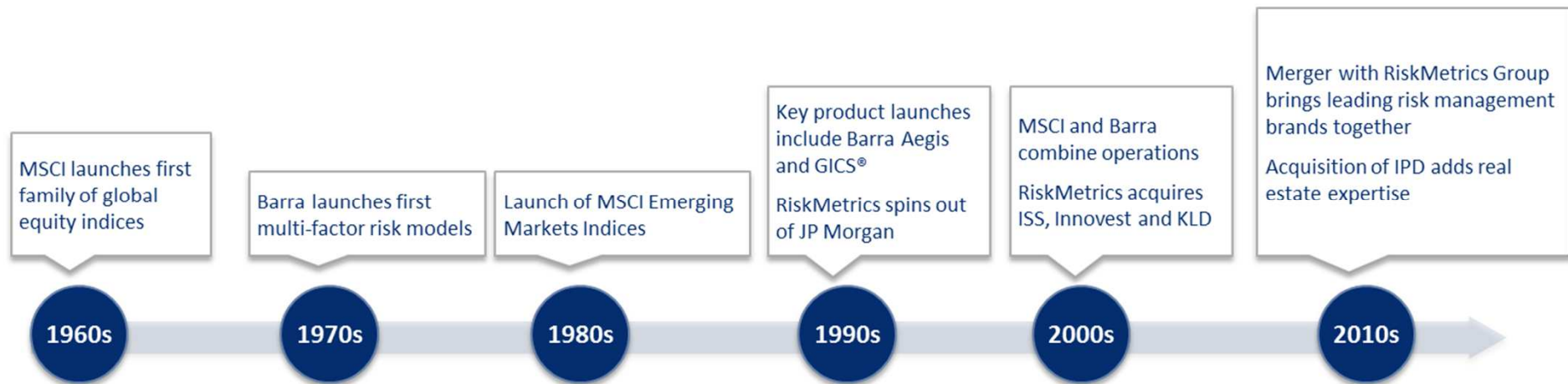
Maria Lilli: MSCI London (Maria.Lilli@msci.com)

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Agenda

- Introduction: MSCI
- Asset Owners and ESG
- MSCI ESG Research
 - Analysis of ESG risks
 - Portfolio analysis
- ESG Indexes
 - Equity
 - Fixed Income

MSCI – A Clear View Of Risk & Return



A leading provider of world class, mission critical investment decision support tools to financial institutions worldwide, with over 40 years of experience

- **Delivering** indexes, risk and return portfolio analytics, and ESG data and research for use throughout the investment process
- Covering **major asset classes**: equity, fixed income, hedge funds, energy, commodities and real estate
- **First** provider of global equity indexes and multi-factor risk models
- Approximately **USD 8 trillion** is estimated to be benchmarked to MSCI indexes on a worldwide basis¹
- **Large and experienced** team of index, portfolio analytics and governance specialists
 - Over 2,600 employees in 23 countries
- Supporting **over 6,000 clients across more than 80 countries**, including asset managers, banks, hedge funds and pension funds

Growing Demand For ESG: Institutions Increasing ESG Focus

MONEY
management executive

THE PREMIER NEWS SOURCE
FOR ASSET MANAGEMENT LEADERS

February 24, 2014 | Volume 22 • Number 8 | mmexecutive.com | feedback-mme@sourcemediacom.com

Fund Managers Increasing ESG Focus

MANY OF THE NATION'S LARGEST fund managers are tracking environmental, social, governance (ESG) factors when determining their investment strategies.

Emily Bannister, director of research at Boston-based Federal Street Advisors, says



evolved to the point where investors reward companies for rating well on factors rather than negative social factors. Also points out that returns on investments have also improved in the last few years.

"We do see a lot of investors who are also looking at ESG factors," she says.

also of investing in companies that rate well with certain social causes such as climate change and shareholder activism. Bannister also emphasized that ESG has

Proposal to improve pension fund ESG disclosure tabled in UK Parliament

Florida State Board of Administration Selects MSCI to Link ESG Research with Financial Risk Analysis

October 18, 2013 12:00 AM

AXA IM to grow ESG framework

By Andrew Tsanadis

APPLYING economic, social and governance (ESG) criteria to the construction of a sovereign debt portfolio can help to minimise reputational risk, according to a new report by AXA Investment Managers.

With the group recently applying an ESG framework to its country selection process, AXA IM global head of responsible investment Matt Christensen said the issues affecting the Eurozone had influenced the growing client demand for a thorough evaluation of sovereign issuers' creditworthiness.

Christensen said the ESG screening process is particularly useful when considering emerging market allocations, since these countries tend to score poorly on

governance measures such as control of corruption compared to developed markets.

"One of AXA IM's clients asked the firm to minimise the reputational risk of their existing emerging markets sovereign portfolio holdings," he said.

"The rules-based reputational screen identified 10 sovereign issuers that presented significant reputational risk - representing 9.7 per cent of the universe's market capitalisation."

In relation to credit quality, the risk screen reduced the percentage of highly speculative debts without significantly impacting yield and duration, he said.

According to the study, the top ESG over-weights for emerging markets were Poland and Chile, while Spain topped the developed markets with a better than

average ESG score.

For the under-weights in emerging markets, the Philippines, Columbia and Indonesia scored highest while Japan, United Kingdom and the United States were the largest for developed market under-weights, the latter two largely as a result of poor environmental indicators.

"We are already using this ESG country framework in our core responsible investment (RI) funds, but see an opportunity to expand this into our mainstream funds," AXA IM director, Australia and New Zealand Craig Hurt said.

Hurt added that AXA was currently in the process of expanding its global RI research and initiatives in order to offer Australian institutional investors a wider opportunity to invest in ESG-screened strategies.

Colleges and universities under pressure to divest from fossil fuels



Harvard adopts U.N.-backed ESG investment practices

BY JAMES COMTOIS | APRIL 8, 2014 12:34 PM | UPDATED 12:38 PM

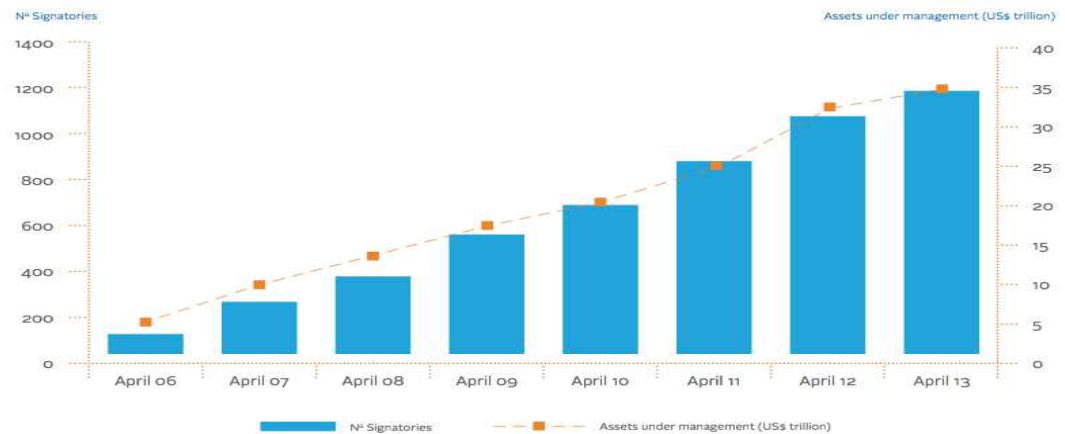
The Market For ESG Investment

- \$13.6 trillion in ESG strategies globally (across all asset classes)
 - \$8.7t in Europe
 - \$4.3t in North America
 - \$252b in Asia



Source: Global Sustainable Investment Review 2012

- UNPRI has 1,250 signatories representing \$34t in assets



How AOs Have Been Integrating ESG

- Benchmark the risk and return of ESG mandates
- Invest in passive and active ESG products
- Use as an investment universe
- Define and measure ESG characteristics of portfolios

Benchmarks



- Analyze financial performance
- Measure portfolio ESG characteristics
- Monitor managers with ESG mandates

Passive and Active Products



- Institutional funds & SMAs
- ETFs
- Mutual funds
- Structured products

Investment Universes



- Fundamental stock selection
- Quantitative strategies

MSCI ESG Research



Different Approaches to ESG Investment



MSCI ESG Research

- 40+ years experience based on legacy ESG firms IRRC, KLD & Innovest
- One of the largest ESG providers with a global staff of over 160
- ESG ratings and research produced 100% in-house following a robust and transparent methodology

MSCI ESG Research Locations



MSCI ESG Research

**Best ESG
Research**

Extensive Client Reach

- Over 120 asset owners with \$2.3 trillion in assets depend on MSCI ESG Research
- Over 650 clients with \$15 trillion in assets globally



“MSCI’s analysis of the portfolios was extremely useful for us during the evaluations of managers.”

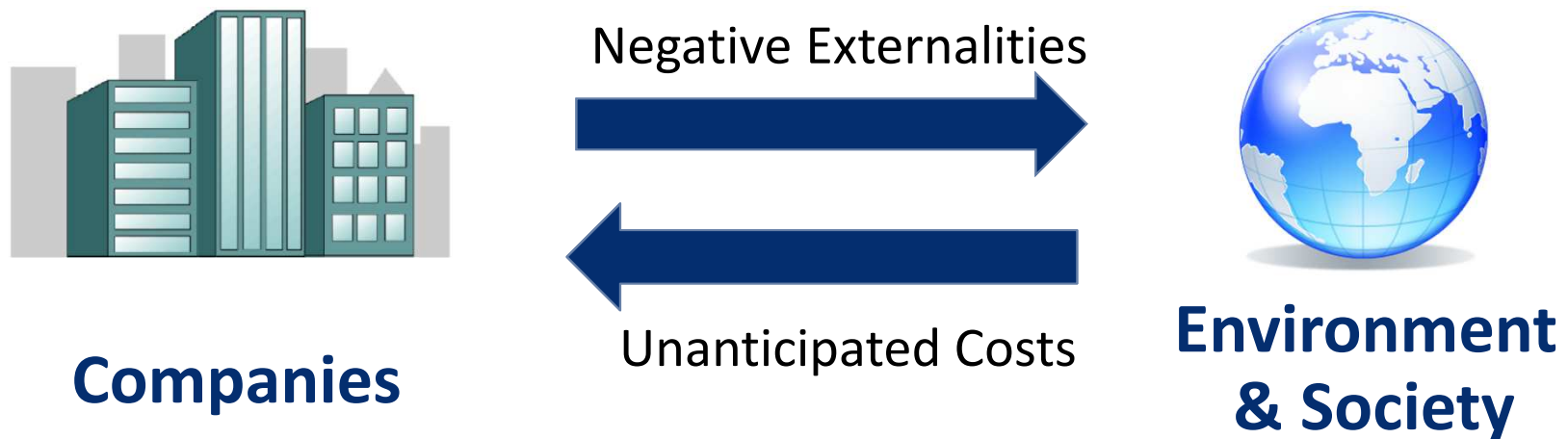
-a large European pension fund

“We use MSCI to highlight risks across our entire portfolio and to review each of our external managers, engaging on areas of high ESG risk to ensure they have been considered in the investment process.”

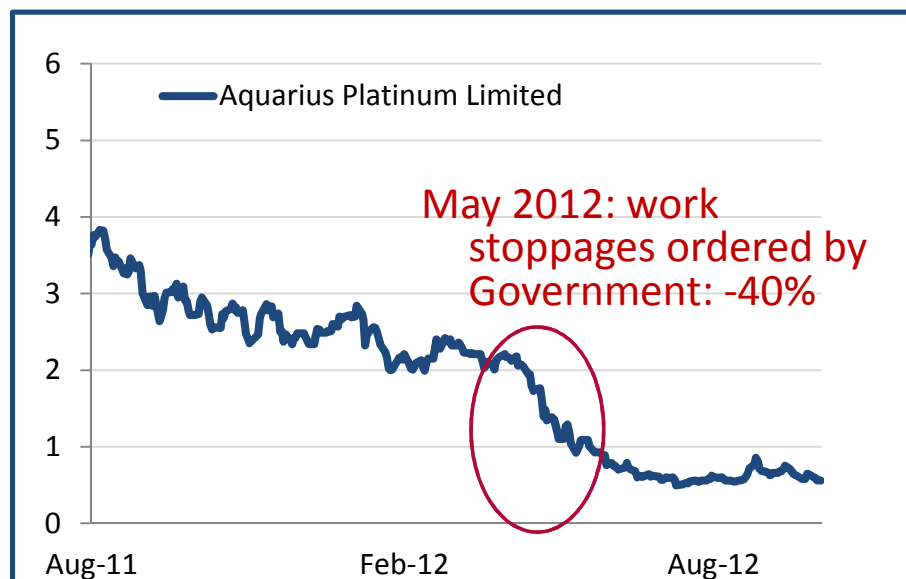
-Local Government Super



Which Externalities Will Lead To Unanticipated Costs?



Example of ESG Driven Event Risk: Aquarius Platinum



*Past performance is not indicative of future performance

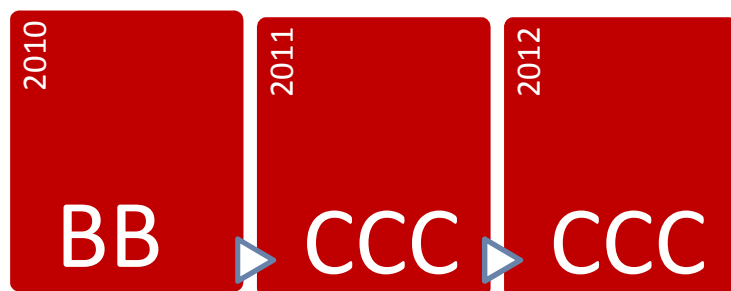
May 2012: ESG Event

- Frequent work stoppages ordered by government of Zimbabwe for safety reasons disrupts production
- Mine fire traps 60 workers for hours underground at Mimosa mine in Zimbabwe
- Stock falls sharply losing more than a third of its share price

March 2012: Rated 'CCC'

Bottom quartile ranking on 'Health & Safety'

Aquarius Platinum MSCI Rating History

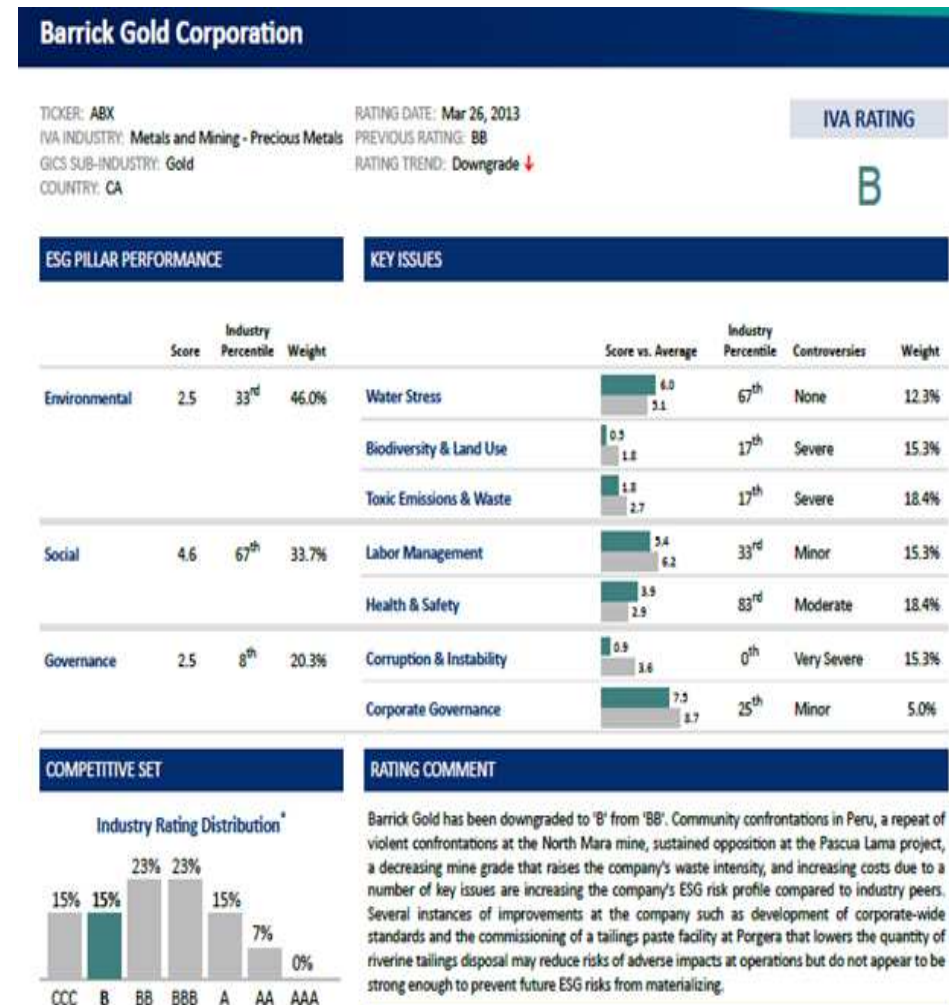


Excerpts from 2012 Company Profile:

IVA 2012 Profile: "Aquarius Platinum ranks in the bottom quartile on this key issue. [...] [The Company] has suffered repeated fatalities across its mining operations over time. In 2011, it reported eight fatalities...the highest, by far, when normalized on a per employee basis. From 2007 to 2011, it suffered an average of six fatalities per year..."

ESG Ratings To Identify Material Risks And Opportunities

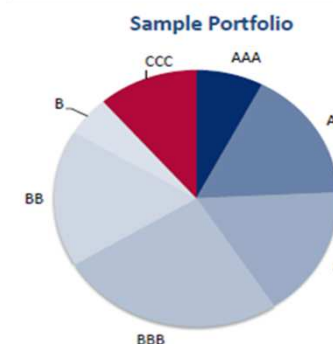
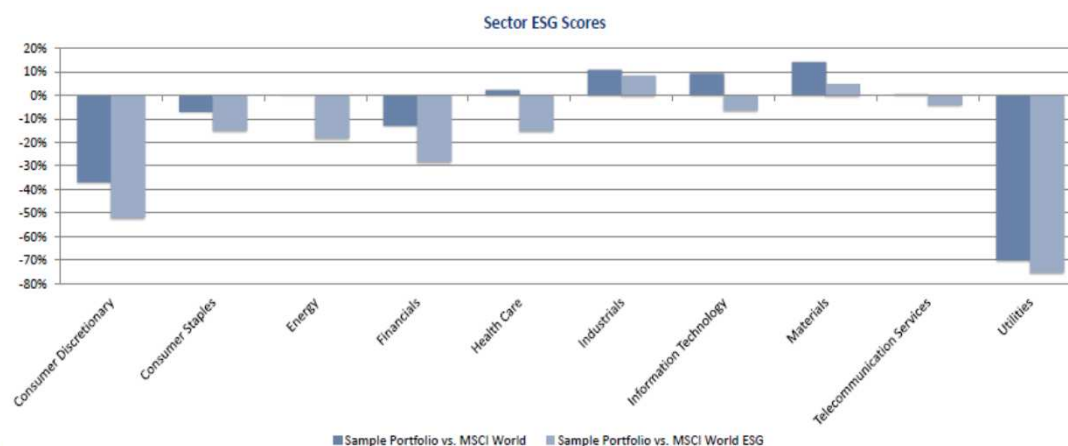
- **Financial relevance** – focus on core business risks and opportunities with material impact
- **Risk Exposure** –risk management necessary to mitigate company exposure to industry risks
- **Quantitative Performance** - emphasizes quantifiable performance metrics over policies and disclosure



Portfolio Reports To Help Managers' Selection And Monitoring

- Compare portfolio ESG performance to Index benchmarks
- Identify portfolios' ESG risk exposure at portfolio, industry sector, ESG theme, and company levels
- Engage with managers or clients

Sample Portfolio vs. MSCI World	Sample Portfolio vs. MSCI World ESG
-1.8%	-19.4%
6.3%	-1.7%
-3.8%	-13.1%
-5.6%	-11.5%
-2.1%	-11.7%
1.9%	-2.9%
-1.8%	-8.4%
0.4%	4.1%
1.1%	6.6%
-3.9%	1.1%
4.5%	11.3%



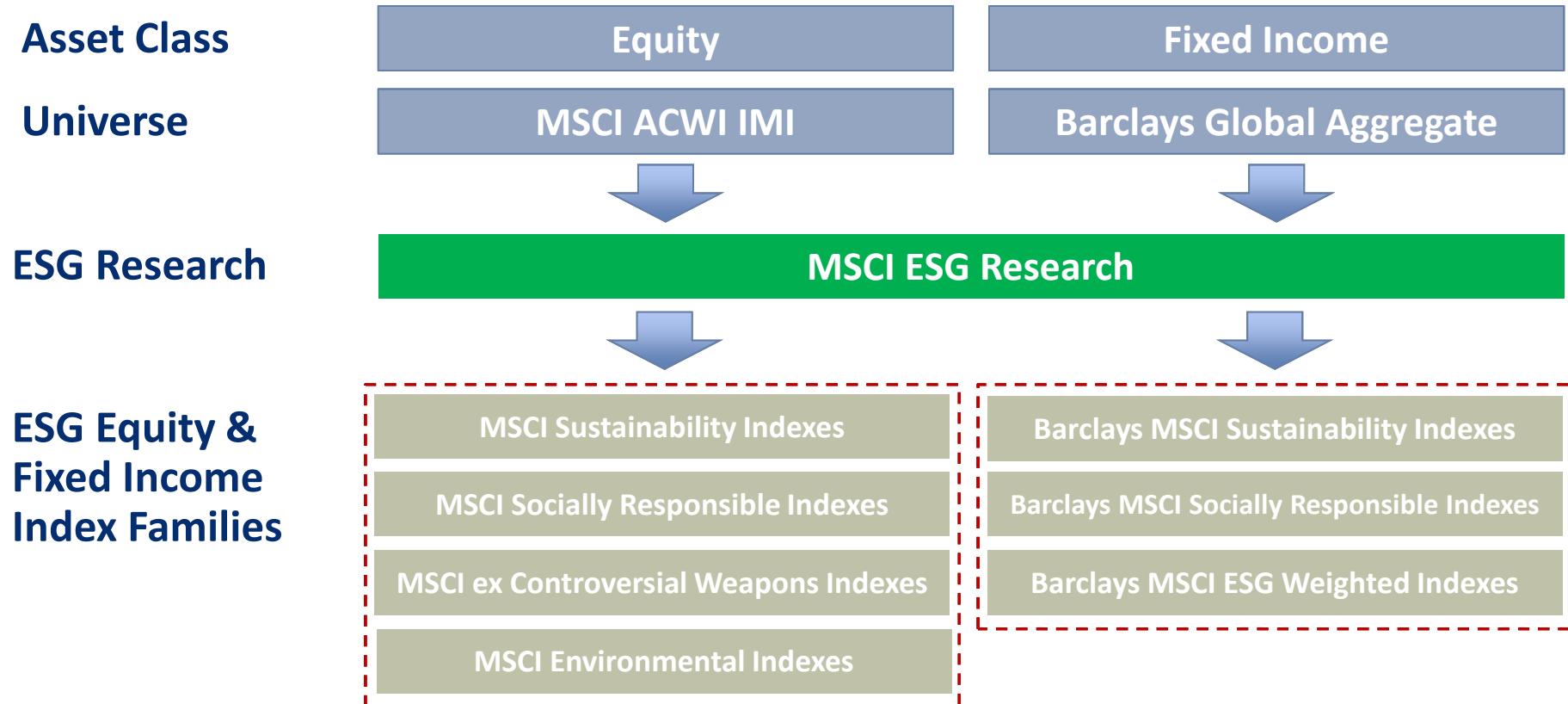
MSCI
Note: All data for illustration purpose only.

Equity and Fixed Income ESG Indexes

MSCI

[msci.co](https://www.msci.co) MSCI

Integrating ESG Research Into Equity And Fixed Income Indexes



MSCI ESG Equity Indexes

MSCI ESG Equity Indexes

Sustainability

Broad, diversified indexes that use a Best-in-Class methodology to include companies with high ESG ratings relative to sector peers and maintain low tracking error to their parent index

SRI

Indexes that exclude companies incompatible with values-based criteria and use a Best-in-Class methodology to include companies with very high ESG ratings relative to sector peers

Environmental

MSCI Global Environment Index – Indexes that include companies which derive substantial revenues from environmentally beneficial products
MSCI Global Climate Index – Equal-weighted benchmark of 100 companies providing solutions to climate change

Ex
Controversial
Weapons

Broad market equity indexes that exclude companies involved in controversial weapons production

Barclays MSCI ESG Fixed Income Index

Barclays MSCI ESG Fixed Income Indices

Sustainability Indices

- Apply a best-in-class methodology to select issuers (sovereign, corporate, and quasi-sovereign) with high ESG ratings relative to their peers. Intended for investors who place a premium on companies' sustainability strategies and believe ESG criteria can be applied to identify companies that are more effective in managing the ESG risks unique to their industry.

Socially Responsible (SRI) Indices

- Broad benchmarks that exclude issuers that are engaged in particular business activities that may be restricted for certain investors and are intended for those whose investment selections are governed by values-based policies.

ESG Weighted Indices

- Use ESG ratings to systematically over- and under-weight issuers within a bond index using an objective rules-based approach. They are targeted toward universal owners whose investment strategies express a view on the financial impact that ESG factors will have on their investments.

MSCI Case Studies: Allocations to ESG Indexes

<p>Swedish Pension Fund</p> <ul style="list-style-type: none"> • Objective: Reduce carbon exposure while maintaining tight tracking in an emerging markets portfolio • Optimized to reduce exposure to companies with high carbon footprint and high fossil fuel reserves while exhibiting risk and return characteristics similar to those of the MSCI EM Index • Passive implementation through an external manager • The fund tracks MSCI Custom Emerging Markets Low Carbon Optimized Index 	<p>Swiss Government Fund</p> <ul style="list-style-type: none"> • Objective: Avoid reputational risk from owning companies that produce controversial weapons (landmines, cluster bombs, etc.) • Allocation of entire developed market equity portfolio • Passive implementation through external managers • The funds track MSCI North America ex Controversial Weapons Index, MSCI Europe ex Controversial Weapons Index and MSCI Pacific ex Controversial Weapons Index
<p>French Investment Manager</p> <ul style="list-style-type: none"> • Objective: Family of global open-end funds that exclude controversial weapons • Transition assets (€1b) from existing passive funds • New funds track benchmarks in the MSCI World ex Controversial Weapons Index family 	<p>UK Investment Manager</p> <ul style="list-style-type: none"> • Objective: Developed and emerging markets benchmarks for institutional ESG funds • Passive commingled funds • Funds track custom indexes based on a custom ESG policy, including global norms, corporate governance and weapons screens

Appendix

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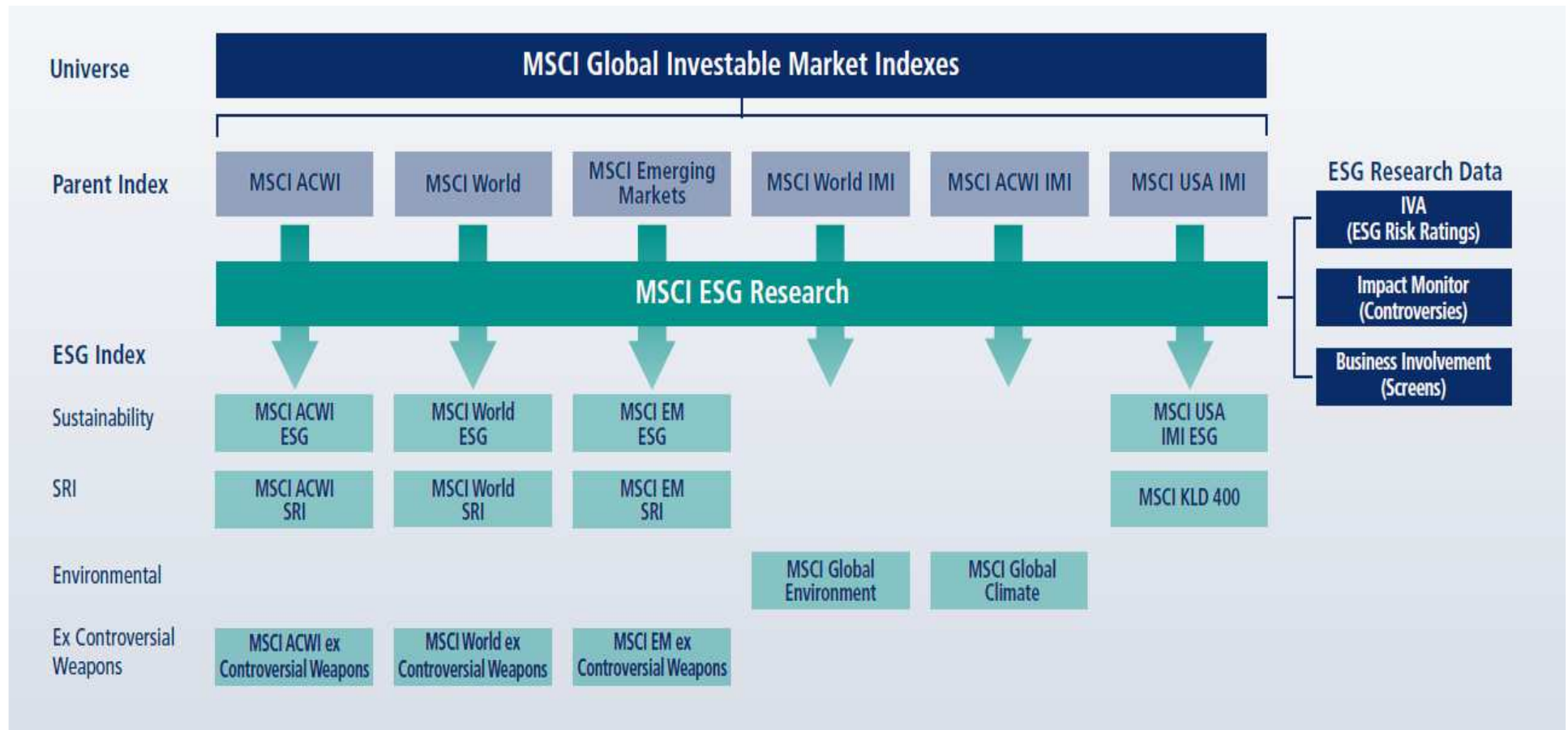
MSCI ESG Research Products

■ ESG Research on 5,000+ Companies and Fixed Income Issuers

ESG Values and Compliance		ESG Integration
MSCI ESG Business Involvement Screening Research	MSCI ESG Impact Monitor	MSCI ESG Ratings (IVA + Government ratings)
<p>Identifies the nature and extent of company business activities to support ESG portfolio screening</p> <ul style="list-style-type: none"> ➤ Data covering the global investable universe for a broad range of business activities <ul style="list-style-type: none"> • Values-based (e.g. ethical or religious) • Social (e.g. child labor) • Environmental (e.g. major polluters) • Global sanctions (e.g. Sudan) ➤ Screening Metrics <ul style="list-style-type: none"> • 'True/False' indicators for different types of involvement • \$ amounts • % of revenue 	<p>Assessments of 'ESG controversies' and violations of global norms such as the UN Global Compact principles</p> <ul style="list-style-type: none"> ➤ Current assessments of companies based on 31 impact indicators under the following ESG headings <ul style="list-style-type: none"> • Environment • Customers • Human Rights & Community • Labor Rights & Supply Chain Mgmt. • Governance ➤ Impact Monitor Metrics <ul style="list-style-type: none"> • Overall, pillar, and indicator scores (0-10) for each company • Flags (Red/Yellow/Green) for each company 	<p>Analyzes ESG investment risks and opportunities not always captured by conventional analysis</p> <ul style="list-style-type: none"> ➤ An in-depth analysis that generates robust risk ratings for integrating ESG factors into investments <ul style="list-style-type: none"> • Select Key Indicators for each industry • Evaluate Risk Exposure vs. Risk Management based on Key Indicators for each company • Generate company scores measuring unmanaged ESG risk • Rate companies vs. industry peer group ➤ IVA Metrics <ul style="list-style-type: none"> • Overall, E,S & G pillar, and Key Indicator scores (0-10) for each company • ESG Risk Ratings (AAA-CCC) • Industry reports

MSCI ESG Equity Index Framework

- The growth of ESG investment calls for new benchmarks to represent ESG strategies and measure their impact on portfolio construction



MSCI ESG Indices – Comparative Methodologies

		MSCI Global Sustainability Indices	MSCI Global SRI Indices	MSCI Global ex Controversial Weapons Indices
Parent Index		MSCI ACWI	MSCI World	MSCI ACWI
Sector Representation Target		50%	25%	NA
IVA	Eligible to add	> B	> BBB	NA
	Ineligible	< B	< BB	NA
Impact Monitor	Eligible to add	> 2	> 3	NA
	Ineligible	< 2	< 2	NA
Business Involvement Screening Research	Ineligible / Remove	NA	Alcohol, Tobacco, Gambling, Adult Entertainment, Civilian Firearms, Military Weapons, Nuclear Power, GMOs	Cluster Bombs, Landmines, Chemical and Biological, Depleted Uranium Weapons

Equity: MSCI Global Sustainability Indexes

Description	<ul style="list-style-type: none"> • The MSCI Global Sustainability Indexes are broad, diversified equity indexes comprised of companies with high ESG ratings relative to their sector peers • Best-in-Class benchmarks for investors seeking high ESG quality with relatively low tracking error to the underlying equity market
Parent Index	<p>MSCI Regional indexes making up MSCI World Index and MSCI Emerging Markets Index:</p> <ul style="list-style-type: none"> • MSCI Europe and Middle East • MSCI North America* • MSCI Pacific • MSCI Emerging Markets EMEA • MSCI Emerging Markets Latin America • MSCI Asia
Company Characteristics	Large and mid cap developed and emerging market companies
Eligibility Criteria	<ul style="list-style-type: none"> • Eligible for addition: IVA rating > B and Impact Monitor score > 2 • Ineligible: IVA rating < B or Impact Monitor < 2
Inclusion Criteria	<ul style="list-style-type: none"> • Include highest-rated companies making up 50% of the free float adjusted market capitalization in each GICS sector of the underlying regional parent index, subject to IVA and Impact Monitor eligibility criteria
Additions and Deletions	<p>At Annual Review, delete companies whose IVA rating is < B or Impact Monitor score < 2</p> <ul style="list-style-type: none"> • Select highest-rated eligible companies representing 50% of the market cap in each sector in each region of the parent index, after applying buffer rules to minimize turnover <p>At Quarterly Reviews, delete companies whose IVA rating is < B or Impact Monitor score < 2</p> <ul style="list-style-type: none"> • Add securities with the highest ESG scores in sectors more than 10% below the 50% target • Companies may be deleted between Quarterly Reviews under extraordinary circumstances
Index Reviews	<p>Annual: May</p> <p>Quarterly: August, November and February</p>
Launch Date	MSCI World ESG Index: October 1, 2007; MSCI Emerging Markets ESG Index: June 3, 2013



* The MSCI USA ESG and MSCI Canada ESG Indices are constructed separately and then aggregated to derive the MSCI North America ESG Index

Equity: MSCI Global SRI Indexes

Description	<ul style="list-style-type: none"> • MSCI Global Socially Responsible (SRI) Indexes comprise securities of best-in-class ESG companies and exclude securities of companies involved in particular industries • The Indexes are benchmarks for investors whose objectives include owning companies with very high ESG ratings and avoiding companies incompatible with specific values-based criteria
Parent Index	MSCI Regional indices making up MSCI World Index <ul style="list-style-type: none"> • MSCI Europe and Middle East • MSCI Pacific • MSCI North America*
Company Characteristics	Large and mid cap developed market companies
Eligibility Criteria	<ul style="list-style-type: none"> • Eligible for addition: IVA rating >BBB and Impact Monitor score >3 • Ineligible: IVA rating <BB or Impact Monitor score <2
Inclusion Criteria	<ul style="list-style-type: none"> • Exclude companies involved in Alcohol, Tobacco, Gambling, Nuclear Power, Weapons, Civilian Firearms, GMOs & Adult Entertainment • Include highest-rated companies making up 25% of the adjusted market capitalization in each GICS sector of the underlying parent index, subject to eligibility criteria
Additions and Deletions	At the Annual Review: delete companies that fail the business involvement screens <ul style="list-style-type: none"> • Then select highest-rated eligible companies representing 25% of the market cap in each sector in each region of the parent index, after applying buffer rules to minimize turnover At Quarterly Reviews: delete companies that fail the business involvement screens <ul style="list-style-type: none"> • Delete companies whose IVA rating is <BB or Impact Monitor score <2 • Add securities with the highest ESG scores in sectors more than 10% below the 25% target • Companies may be deleted between Quarterly Reviews under extraordinary circumstances
Index Reviews	Annual: May Quarterly: August, November and February
Launch Date	June 1, 2011



*The MSCI USA SRI & MSCI Canada SRI indices are aggregated to derive the MSCI North America SRI Index

Equity: MSCI Global ex Controversial Weapons Indices

Description	<ul style="list-style-type: none"> • The MSCI Global ex Controversial Weapons Indices are broad, diversified benchmarks that exclude companies involved in: <ul style="list-style-type: none"> • Cluster bombs • Landmines • Chemical & biological weapons • Depleted uranium weapons • MSCI Global ex Controversial Weapons Indices are benchmarks for investors – including pension funds and universal owners – whose investment policies prohibit investments in controversial weapons to comply with regulations or to avoid reputational risk
Parent Index	MSCI ACWI Index
Company Characteristics	Large and mid cap developed and emerging market companies
Eligibility Criteria	Any company that does not produce controversial weapons
Inclusion Criteria	<p>Exclude companies that:</p> <ul style="list-style-type: none"> • Produce controversial weapons • Produce key components of controversial weapons • Own 20% or more of a controversial weapons or components producer • Are owned 50% or more by a company involved in controversial weapons or components production
Additions and Deletions	<ul style="list-style-type: none"> • Delete companies that have been added to the Controversial Weapons list since the prior Review • Add companies that have been removed from the Controversial Weapons list since the prior Review
Index Reviews	Quarterly in February, May, August, November
Launch Date	May 31, 2011

Equity: MSCI Global Environment Indexes

Description	<ul style="list-style-type: none"> • The MSCI Global Environment Indices are comprised of securities of companies that derive at least 50% of their revenues from environmentally beneficial products and services. The indices are based on key environmental themes: <ul style="list-style-type: none"> • MSCI Global Alternative Energy Index • MSCI Global Sustainable Water Index • MSCI Global Green Building Index • MSCI Global Pollution Prevention Index • MSCI Global Clean Technology Index • The indices aim to serve as benchmarks for investors seeking exposure to companies whose primary source of revenues increase the efficient use of scarce natural resources or mitigate the impact of environmental degradation
Parent Index	MSCI ACWI IMI Index
Company Characteristics	Large, mid and small cap developed and emerging market companies
Inclusion Criteria	Include companies that earn $\geq 50\%$ of revenues from providing goods and services in Alternative Energy, Sustainable Water, Green Building, Pollution Prevention and Clean Technology
Additions and Deletions	<ul style="list-style-type: none"> • Add eligible companies • Delete companies that are no longer eligible
Index Reviews	Quarterly in February, May, August, November
Launch Date	December 1, 2008

Barclays MSCI ESG Socially Responsible Index – Rules

Constituent Eligibility

- Underlying bonds must be eligible for broad **Barclays corporate index**
- **Issuer eligibility** determined using predefined set of MSCI ESG **business activity screens** (standard screens include alcohol, firearms, gambling, military weapons, nuclear power, tobacco, adult entertainment, GMOs)
 - Thresholds can be level based (e.g. % revenue) or reflect any involvement
 - Additional screens are available for bespoke indices
- Issuers with Red Impact monitor score (Less than 2) are excluded
- Various thematic indices are defined using MSCI eligibility flags (Catholic. Etc.)

Weighting

- Bonds of eligible issuers will be **weighted by market value**
- **Sector neutrality: No attempt is made** to preserve sector neutrality
- Only the corporate sector is SRI screened in Aggregate indices

Return Calculations

- Return calculation methodology of eligible issuers follows that of standard market value weighted indices

Exclusions

- **Excluded securities** are the following:
 - Securities of issuers that **lack ESG ratings**
 - **Securitized bonds**, other than covered securities

Sustainability Indices – Rules

Constituent Eligibility

- Underlying bonds must be eligible for a broad Barclays index
- Bonds must be issued by entities with ESG ratings. The ratings must be higher than a BBB threshold
 - Rating threshold may differ across asset classes
- Bonds must be issued by entities with Green or Yellow overall Impact Monitor flags

Weighting

- MV weighted and Sector Neutral indices will be available
- Sector neutrality of the underlying index will be preserved at a to-be-determined classification level
 - Sector weight is allocated pro-rata, based on the market value of bonds within the MV-weight neutral sector

Return Calculations

- Return calculation methodology of eligible issuers follows that of standard market value weighted indices, using the adjusted (sector-neutral) bond weights

Exclusions

- Issuers without ESG ratings are excluded from the index
- Securitized bonds, other than covered, are excluded from the index

ESG Weighted Indices – Rules

Constituent Eligibility

- Underlying bonds must be eligible for a broad Barclays index

Weighting

- Multipliers are determined for each ESG rating level and momentum
- Rating Adjustments: AAA/AA/A – 1.5x, BBB – 1x, BB-0.8x, B-0.67x, CCC-0.5x
- Momentum Adjustments: Positive-2x, Neutral-1x, Negative-0.5x
- These multipliers are applied to the market value weights of the constituents in the index based on the ESG rating each constituent's issuer
- Both sector-neutral and non-sector-neutral versions of the index will be created
 - In the sector-neutral version, sector neutrality of the underlying index will be preserved at Class 1 or Class 2 level

Return Calculations

- Return calculation methodology of eligible issuers follows that of standard market value weighted indices, using the adjusted (sector-neutral) bond weights

Exclusions

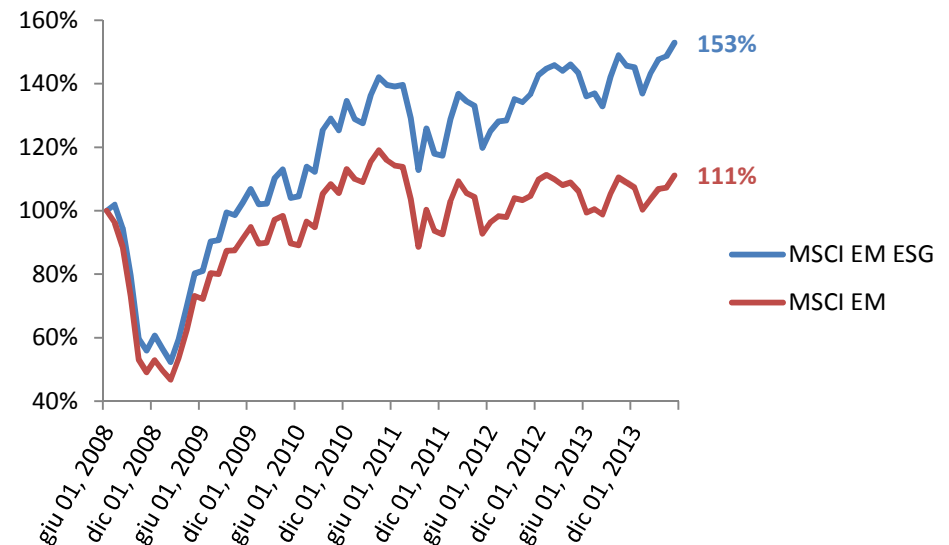
- Securitized bonds (ABS/MBS/CMBS), other than covered, will use a neutral weighting

ESG Investing: Relevance in Emerging Markets

- The ever growing middle class put **heavy pressure on commodities and the environment** which will likely result in increased **environmental** and **social risks**, and ultimately in higher **investment risk**.
- **Regulatory structures** will continue to take form and **governance standards** will continue to be raised. Companies with **high governance** standards today will thus have a **relative advantage**.

“According to a study by Allianz and Risklab, the risk of unlikely events causing catastrophic damage can be reduced by nearly 40% in an EM portfolio with limited ESG risk exposure.”

- Hörter, S. (2011), *Responsible Investing reloaded - Sustainability Criteria Matter*



Note: Performance prior to June 2013 is simulated using 2013 IVA ratings from MSCI ESG Research

Example: MSCI Europe ESG Index

Cumulative Index Performance — Net Returns (Aug 2010 – Apr 2014) — EUR



Annual Performance (%)

Year	MSCI Europe ESG	MSCI Europe
2013	20.81	19.82
2012	18.34	17.29
2011	-6.72	-8.08

Index Characteristics

MSCI Europe ESG	
Number of Constituents	213
Mkt Cap (EUR Millions)	
Index	3,136,069.06
Largest	148,478.84
Smallest	1,254.50
Average	14,723.33
Median	7,669.07

Index Performance — Net Returns (%) (April 30, 2014)

	1 Mo	3 Mo	1 Yr	YTD	Annualized			
					3 Yr	5 Yr	10 Yr	Since Aug 31, 2010
MSCI Europe ESG	1.50	5.76	14.27	3.15	10.01	na	na	11.85
MSCI Europe	1.88	5.87	16.29	4.00	8.92	na	na	11.21

Fundamentals (April 30, 2014)

Div Yld (%)	P/E	P/E Fwd	P/BV
3.19	16.90	14.49	1.99
3.25	17.39	14.09	1.85

Index Risk and Return Characteristics (April 30, 2014)

	Turnover (%) ¹	Annualized Std Dev (%) ²			Sharpe Ratio ^{2,3}			Since Aug 31, 2010	Maximum Drawdown	
		3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
MSCI Europe ESG	15.18	11.87	na	na	0.83	na	na	1.00	22.57	2011-02-18—2011-09-22
MSCI Europe	2.51	12.38	na	na	0.72	na	na	0.91	24.31	2011-02-17—2011-09-22

¹ Last 12 months

² Based on monthly net returns data

³ Based on BBA LIBOR 1M

Thought Leadership: Research Publications

- **MSCI ESG Country Brief: The South-to-North Water Diversion Project: Impacts on China's Industrial Water Pricing and Companies' Bottom Line**, March 2014
http://www.msci.com/resources/research_papers/msci_esg_country_brief_the_south-to-north_water_diversion_project_impacts_on_chinas_industrial_water.html
- **MSCI ESG Research Country Report: Identifying Key ESG Risks in Japan**, March 2014
http://www.msci.com/resources/research_papers/msci_esg_country_snapshot_japan.html
- **2014 ESG Trends to Watch Report**, December 2013
http://www.msci.com/resources/research_papers/msci_esg_research_2014_esg_trends_to_watch.html
- **MSCI ESG Research Issue Brief: Options for Reducing Fossil Fuel Exposure**, December 2013
http://www.msci.com/resources/research_papers/options_for_reducing_fossil_fuel_exposure.html
- **MSCI ESG Research Issue Brief: The 'Tax Gap' in the MSCI World**, December 2013
http://www.msci.com/resources/research_papers/the_tax_gap_in_the_msci_world.html
- **Is trouble brewing for Apple among its retail workforce?** November 2013 (article)
http://www.msci.com/resources/research/articles/2013/RI.com_Article_Is_Trouble_Brewing_for_Apple_among_its_Retail_Workforce.pdf
- **FAQ: Responding to the Call for Fossil-fuel Free Portfolios**, October 2013
http://www.msci.com/resources/research_papers/faq_responding_to_the_call_for_fossil-fuel_free_portfolios.html
- **MSCI ESG Research Issue Brief: Water – Upstream and Downstream Impacts from a Well Running Dry**, October 2013
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MSCI ESG Global Client Service

Europe, Middle East and Africa + 44.207.618.2510

Americas + 1.212.804.5299

Asia Pacific + 612.9033.9339

esgclientservice@msci.com

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