

How climate indexes...

can help institutional investors seeking to align portfolios with global temperature goals

If average temperatures continue to rise at their current rate:

> 10% of the world's economic value could **be lost by 2050**¹

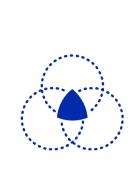
Sea level rise of 8 feet+ could flood coastal cities²

420 million* people could be exposed to extreme heat waves³

*Based on a 2 degree Celsius (2°C) temperature rise above mid-19th century levels. **Sources:** Swiss Re (Apr 2021)¹ NOAA (Jan 2017)² IPCC (2018)³

To prevent the worst effects of climate change, we need to drive carbon emissions down to net-zero.

Source: IPCC (2021)



Net-zero targets

A clearly marked pathway for companies to reduce greenhouse gas emissions in line with the Paris Agreement goal of limiting global warming to well below 2°C, preferably no more than 1.5°C, above preindustrial levels.

Investors have a critical role to play in the transition to net-zero.

Below are five types of climate indexes from MSCI.



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Climate Paris Aligned Indexes 1

Objective: Reduce carbon intensity by 50% compared with benchmark together annual decarbonization of 10%; increase weight in green solutions companies.

Climate Paris Aligned Index

Benchmark Index

What was the historical climate performance?	69% lower carbon emissions than the reference index	MSCI ACWI Climate Paris-Aligned Carbon dioxide equivalent (CO2e)/\$ million invested	89 tons MSCI ACWI Index CO2e/\$M invested
Key climate feature	The Climate Paris Aligned Index's carbon intensity is at least 50% that of the benchmark.*	Designed to align with a 1.5 °C scenario using MSCI Climate Value-at Risk, which provides a forward-looking, return-based assessment of how climate change could affect company valuations.	-14.44% KINCLACY Index A holder of MSCI ACWI would likely see an erosion of portfolio value by about 14.44% if the world were to decarbonize in line with a 1.5° warming scenario.**
Index performance	Value of a \$1,000 investment over five years:	Five-year annualized return	
Performance reflects \$1,000 invested over a period of five years ending Sept. 30, 2021 based on return of the index over that period The Information may contain back-tested data. Back-tested	MSCI ACWI Climate Paris-Aligned: \$2,047	15.4% MSCI ACWI Climate Paris-Aligned	
performance is not actual performance, but is hypothetical. There are frequently material differences between back-tested performance results and actual results subsequently achieve by any investment strategy	MSCI ACWI Index: \$1,909	13.8% MSCI ACWI Index	

MSCI calculates the index's carbon intensity based on tons of carbon dioxide per USD million in company enterprise value, including cash (in USD million). ** As of May 2021 semi-annual index review.

Climate Change Indexes

Objective: Reduce carbon emission intensity by 30% compared to benchmark, annual decarbonization of 7%, increase weight in green opportunity companies.

Source: MSCI ESG Research LLC (September 2021)

What was the historical climate performance?	62% lower carbon emissions than reference index	Climate Change Index34 tonsMSCI ACWI Climate Change CO2e/\$M invested	Benchmark Index 89 tons MSCI ACWI Index CO2e/\$M invested
Key climate feature	The Climate Change index's carbon inten- is half that of the benchmark.		156 tons MSCI ACWI Index CO2e/\$M sales
Index performance	Value of a \$1,000 investment over five years:	Five-year annualized return	
Performance reflects \$1,000 invested over a period of five years ending Sept. 30, 2021 based on return of the index over that period The Information may contain	MSCI ACWI Climate Change: \$2,073	15.7% MSCI ACWI Climate Change	
back-tested data. Back-tested performance is not actual performance, but is hypothetical. There are frequently material differences between back-tested performance results and actual results subsequently achieved by any investment strategy	MSCI ACWI Index: \$1,909	13.8% MSCI ACWI Index	

Source: MSCI ESG Research LLC (September2021)

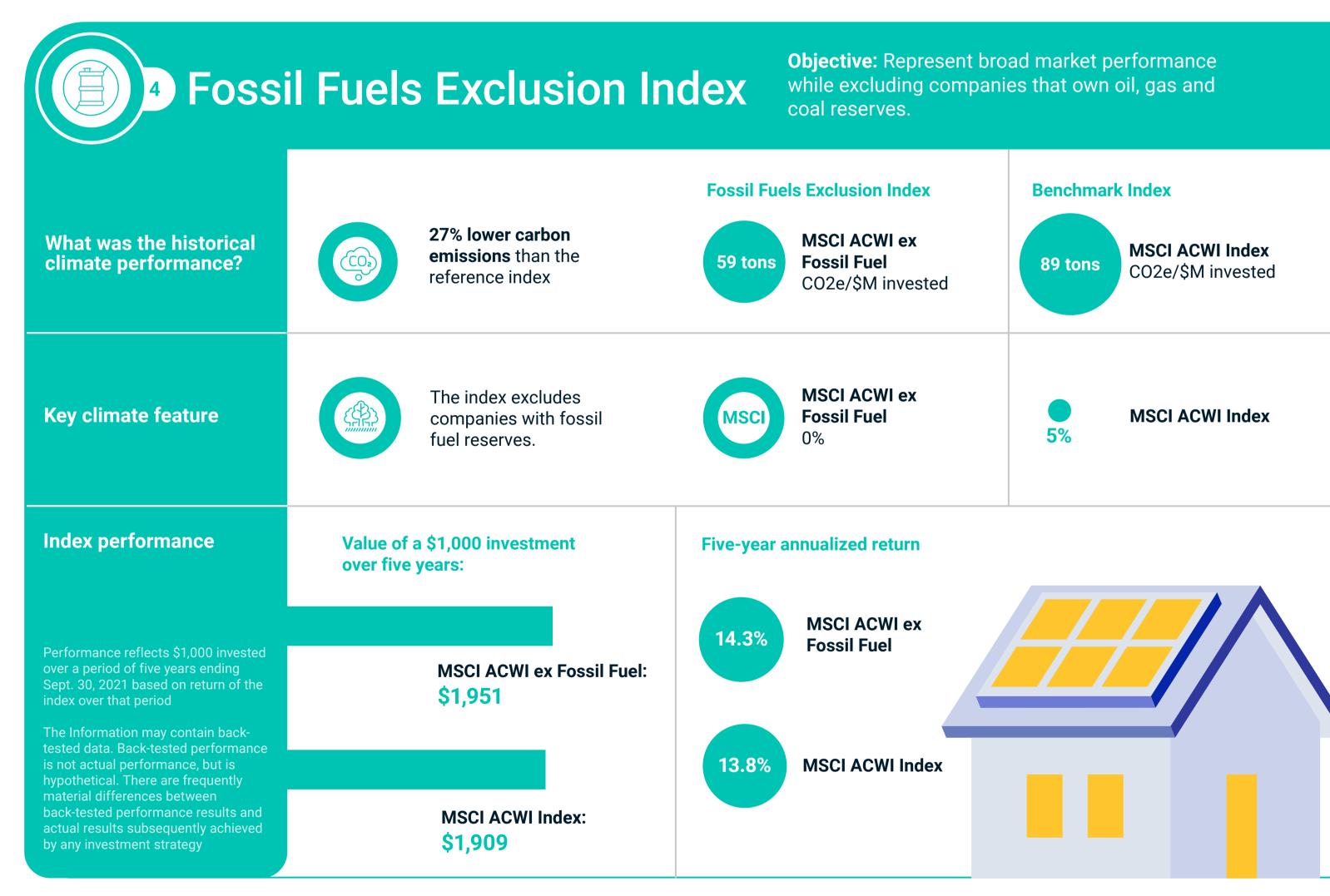


Low Carbon Target Indexes

Objective: Minimize carbon footprint by 50% based on their exposure to carbon emissions and fossil fuel reserves.

		Low Carbon Target Index	Benchmark Index
What was the historical climate performance?	61% lower carbon emissions than the reference index	20 tonsMSCI ACWI Low Carbon Target CO2e/\$M invested	89 tons MSCI ACWI Index CO2e/\$M invested
Key climate feature	Minimize carbon intens subject to a tracking er of 30 basis points com with its benchmark.	ror target 66 MSCI ACWI Low	
Index performance	Value of a \$1,000 investment over five years:	Five-year annualized return	Carbon footprint Carbon footprint covers
Performance reflects \$1,000 invested over a period of five years ending Sept. 30, 2021 based on return of the index over that period	MSCI ACWI Low Carbon Target: \$1,909	13.8% MSCI ACWI Low Carbon Target	two key metrics:
The Information may contain back-tested data. Back-tested performance is not actual			Low carbon Low potential emissions carbon emissions
performance, but is hypothetical. There are frequently material differences between back-tested performance results and actual results subsequently achieved by any investment strategy	MSCI ACWI Index: \$1,909	13.8% MSCI ACWI Index	(relative to sales) (per dollar of market capitalization)

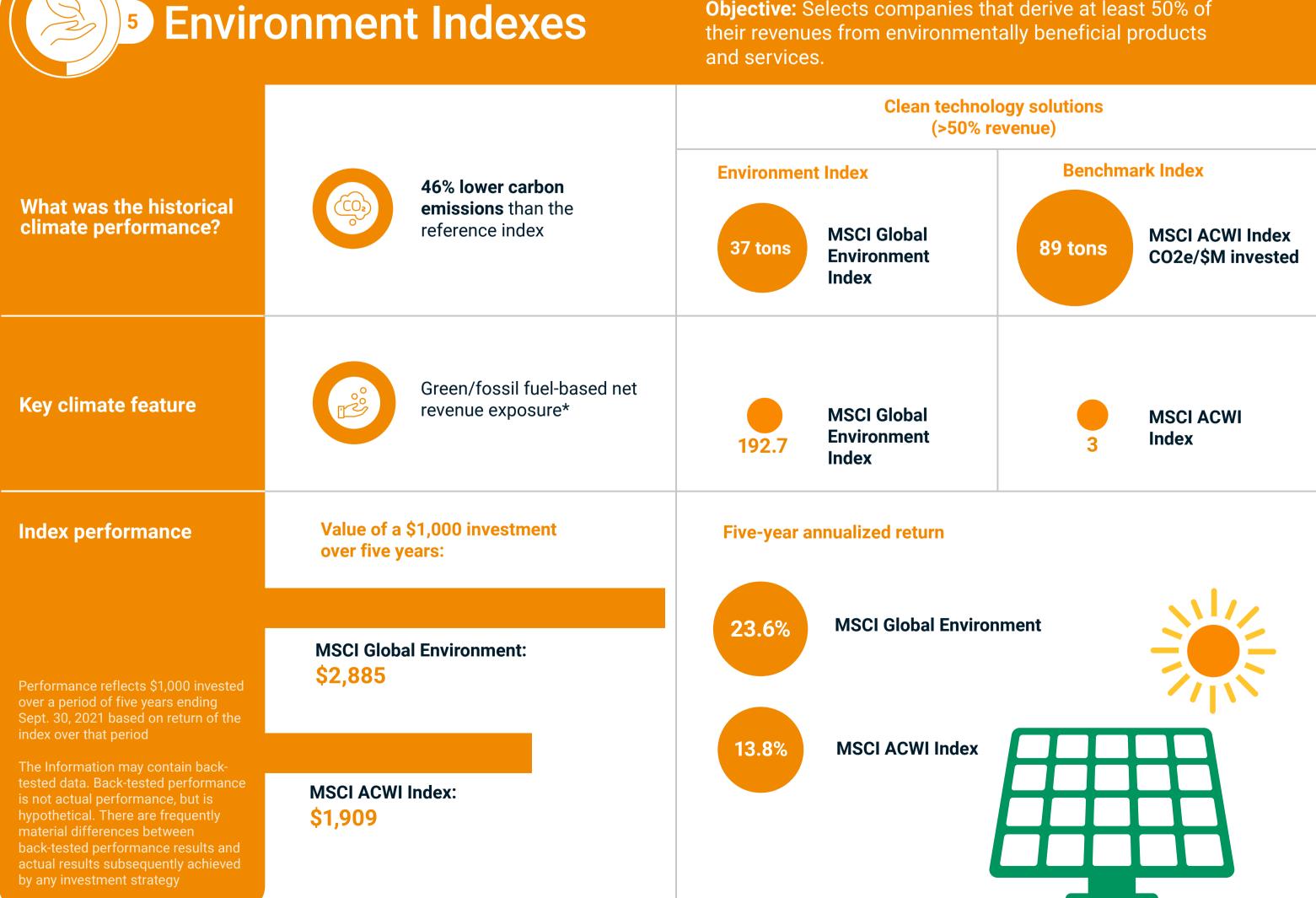
Source: MSCI ESG Research LLC (September2021)



Source: MSCI ESG Research LLC (September2021)

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Objective: Selects companies that derive at least 50% of



*The ratio of the weighted average clean-technologies solutions revenue (%) or "green revenue" to the weighted average fossil-fuel revenue (%), defined as the weighted average % revenue derived from any of the fossil fuel-related activities,

Source: MSCI ESG Research LLC (September2021)

including thermal coal mining, oil and gas extraction, thermal coal-based power generation, and oil and gas-based power generation.

Tools for addressing climate change

Investors use indexes from MSCI to help them make better informed decisions as they construct portfolios that integrate climate concerns.

Climate indexes can help investors:



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