



Submitted via electronic filing: www.regulations.gov

July 30, 2020

Employee Benefits Security Administration
Department of Labor
Room N-5655, 200 Construction Avenue NW
Washington, DC 20210
Attention: Financial Factors in Selecting Plan Investments Proposed Regulation

Re: Financial Factors in Selecting Plan Investments (RIN 1210-AB95)

Dear Sir or Madam,

This letter responds to the Department of Labor's ("DOL") proposed rule entitled "Financial Factors in Selecting Plan Investments" (RIN 1210-AB95). Our comment relates to the increasing evidence and research supporting the suitability of ESG integration in the investment process as a financial or pecuniary factor.

MSCI respectfully directs the DOL to a substantial and growing body of detailed empirical research into the ESG investment marketplace that has identified meaningful links between a company's ESG characteristics and financial performance. This research demonstrates that ESG considerations consistently have affected the valuation and performance of companies over sustained durations, including with respect to their cost of capital and profitability. Given the significant and increasing impact that ESG factors are expected to exert on the pricing of assets and the allocation of capital in the coming decades, ESG considerations will continue to be integrated throughout the investment process to achieve long-term, risk adjusted returns.

In January 2020, MSCI published *The MSCI Principles of Sustainable Investing* (the "Principles"), in which we note that there are three general approaches to ESG investing (values, impact and ESG integration) which have different objectives. **ESG integration means assessing the long-term financial risks and opportunities related to ESG issues for the specific purpose of enhancing long-term risk-adjusted returns.** Such integration requires that ESG risk and opportunity assessment are a core component of the portfolio construction process. When ESG considerations are so aimed at enhancing long-term risk-adjusted returns, evidence from both research studies and real-world performance shows that the investor may be able to achieve above-benchmark, risk-adjusted returns. This can be achieved while also incorporating impact or values criteria. As we also observe in the Principles, companies have varying exposures to a broad range of ESG issues, many of which can be significant and financially material. The proliferation of ESG data that is now available provides significant insights that have not previously been possible, which is affecting investor behavior and impacting the pricing of financial assets.

There is ample published research from numerous industry researchers who have found with precision that portfolios composed of companies with higher MSCI ESG Ratings (which are designed to measure companies' long-term resilience to ESG issues with financial relevance) historically have shown lower risk and/or higher risk-adjusted returns over time in a variety of quantitative tests.¹ Additionally, our own research of over 1,600 securities has shown that, over the period between December 2006 and December 2019², companies with the highest MSCI ESG Ratings showed greater gross profitability, paid more dividends and were multiple times less likely to experience significant drawdown than companies with the lowest ESG Ratings.³ Furthermore, new analytics tools have allowed investors to isolate with precision the contribution of ESG Ratings as a distinct factor to portfolio risk and return, over and above the set of other financial factors broadly used by investors.⁴

The performance of ESG indexes provides further evidence for consideration. For example, the MSCI World ESG Leaders Index, which is designed to target approximately the top rated 50% of companies in each sector⁵, was up 5.21% on an annualized basis over the period from its inception on September 28, 2007 through June 30, 2020, versus 5.08% for the MSCI World Index. As another example, the MSCI KLD 400 Social Index is the oldest index that incorporates both an ESG integration approach that aims to reduce financial risk and a values-based approach. Over the 30 years since its inception in 1990, the MSCI KLD 400 Social index of 400 US securities has sustained an average annual return of 10.43% compared to 10.07% for the MSCI USA Index.⁶

Appendix 1 contains additional comparisons of the performance of a range of ESG indexes against their parent market capitalization indexes over short term (during the COVID pandemic – from January 2020 to June 2020), medium term (3 years), and longer term (10 years) periods. Appendix 2 contains factsheets for each of these indexes, which provide additional index characteristics in comparison to the parent index including tracking error, Sharpe ratio and factor exposures. The selected MSCI ESG indexes were chosen because they have the longest “live history” (i.e., actual index performance, not back-tested or simulated historical performance). Although there have been periods of outperformance and underperformance across these ESG indexes, the overall track record has demonstrated comparable or better returns since inception.

¹ Lodh, A. 2020. “[ESG and the Cost of Capital](#).” MSCI Blog.; Giese, G., Lee, L.-E., Melas, D., Nagy, Z., and Nishikawa, L. 2019. “Foundations of ESG Investing: How ESG Affects Equity Valuation, Risk and Performance.” *Journal of Portfolio Management* 45 (5): 69–83; Giese, G., Lee, L.-E., Melas, D., Nagy, Z., and Nishikawa, L. 2019. “Performance and Risk Analysis of Index-Based ESG Portfolios.” *The Journal of Index Investing* Spring 9 (4): 46–57; Serafeim, G., 2018. “[Public Sentiment and the Price of Corporate Sustainability](#)” Harvard Business School Working Paper; AQR 2017, ‘[Assessing Risk Through Environmental Social and Governance Exposures](#)’; Nordea 2017, ‘[Cracking the ESG Code](#)’; JP Morgan 2016, ‘[A Quantitative Perspective of how ESG can Enhance your Portfolio](#)’; Barclays 2016, ‘[The positive impact of ESG investing on bond performance](#)’; Credit Suisse 2015, ‘[Finding Alpha in ESG](#)’; MSCI 2015, ‘[Can ESG Add Alpha](#)’; Harvard Business School 2015, ‘[Corporate Sustainability: First Evidence on Materiality](#)’ *Journal of Sustainable Finance and Investment* 2015; Friede, Gunnar, Timo Busch, and Alexander Bassen. 2015. “ESG and Financial Performance: Aggregated Evidence from More Than 2000 Empirical Studies.” *Journal of Sustainable Finance and Investment*, vol. 5, no. 4:210–233 ‘[The Opportunity Cost of Negative Screening in Socially Responsible Investing](#)’ Deutsche Bank 2013, ‘[The Socially Responsible Quant](#)’.

² The MSCI ESG Ratings historical data starts in December 2006.

³ Giese, G. and Lee, L.-E., 2020. “Deconstructing ESG Ratings Performance,” MSCI. Giese, G., Lee, L.-E., Melas, D., Nagy, Z., and Nishikawa, L. 2019. “Foundations of ESG Investing: How ESG Affects Equity Valuation, Risk and Performance.” *Journal of Portfolio Management* 45 (5): 69–83.

⁴ Nagy, Z., and Giese, G., 2020. “[MSCI ESG Indexes during the coronavirus crisis](#)” MSCI Blog.

⁵ [MSCI ESG Leaders Indexes Methodology](#)

⁶ <https://www.msci.com/esg/30-years-of-esg>

In conclusion, while investors can express a range of objectives in their approach to ESG investing, the objective of ESG integration in an investment strategy specifically targets enhancing long-term risk-adjusted returns. We respectfully point the DOL to the foregoing substantial and growing body of empirical evidence that ESG integration is a financial or pecuniary factor in portfolio construction that asset managers can use to consistently reduce risk and enhance returns over periods of time.

Sincerely,

/s/ Remy Briand
Managing Director, Global ESG Products
MSCI Inc.

Appendix 1

MSCI ESG Indexes v Associated MSCI Market Cap Indexes

| Company Universe | Index type | Index name | Gross % Returns (USD) As of June 30 th , 2020 | | | |
|--|-------------|-----------------------------------|---|------------------------------------|-----------------------------------|--|
| | | | Short-term (Jan to Jun 2020) | Medium-term (3 years) - annualized | Long-term (10 years) - annualized | Since Inception date of related ESG Leaders Index - annualized |
| USA Large, Midcap, and Smallcap ⁷ | ESG | MSCI KLD 400 Social | -0.75 | 11.88 | 10.85 | 10.02 ¹² |
| | Market -cap | MSCI USA IMI | -3.34 | 10.15 | 13.80 | 9.77 ¹² |
| USA Large and Midcap ⁸ | ESG | MSCI USA ESG Leaders | -1.81 | 11.64 | 13.33 | 6.26 ¹³ |
| | Market -cap | MSCI USA | -2.16 | 11.03 | 14.09 | 6.63 ¹³ |
| Developed Markets Large and Midcap ⁹ | ESG | MSCI World ESG Leaders | -4.39 | 8.08 | 10.54 | 5.21 ¹⁴ |
| | Market -cap | MSCI World | -5.48 | 7.29 | 10.57 | 5.08 ¹⁴ |
| Developed Markets excluding US and Canada Large and Midcap ¹⁰ | ESG | MSCI EAFE ESG Leaders | -8.53 | 2.64 | 7.12 | 2.02 ¹⁴ |
| | Market -cap | MSCI EAFE | -11.07 | 1.30 | 6.22 | 1.31 ¹⁴ |
| Emerging Markets Large and Midcap ¹¹ | ESG | MSCI Emerging Markets ESG Leaders | -7.15 | 4.16 | 6.97 ¹⁵ | 5.48 ¹⁶ |
| | Market -cap | MSCI Emerging Markets | -9.67 | 2.27 | 3.63 | 2.85 ¹⁶ |

⁷ [Performance of MSCI KLD 400 Social and MSCI USA IMI Indexes](#)

⁸ [Performance of MSCI USA ESG Leaders and MSCI USA Indexes](#)

⁹ [Performance of MSCI World ESG Leaders and MSCI World Indexes](#)

¹⁰ [Performance of MSCI EAFE ESG Leaders and MSCI EAFE Indexes](#)

¹¹ [Performance of MSCI Emerging Markets ESG Leaders and MSCI Emerging Markets Indexes](#)

¹² Since May 31, 1994, first date of available history for both MSCI KLD 400 Social and MSCI USA IMI Indexes; MSCI KLD 400 Social Index's inception date was May 1, 1990, while MSCI USA IMI history includes back-tested data (e.g. calculations of how the index might have performed over that time period had the index existed) prior to its inception date of June 5, 2007

¹³ Since December 29, 2000

¹⁴ Since September 28, 2007

¹⁵ Prior to June 6, 2013 (Inception date of MSCI Emerging Markets ESG Leaders Index), includes back-tested data (e.g. calculations of how the index might have performed over that time period had the index existed)

¹⁶ Since June 5, 2013

Appendix 2

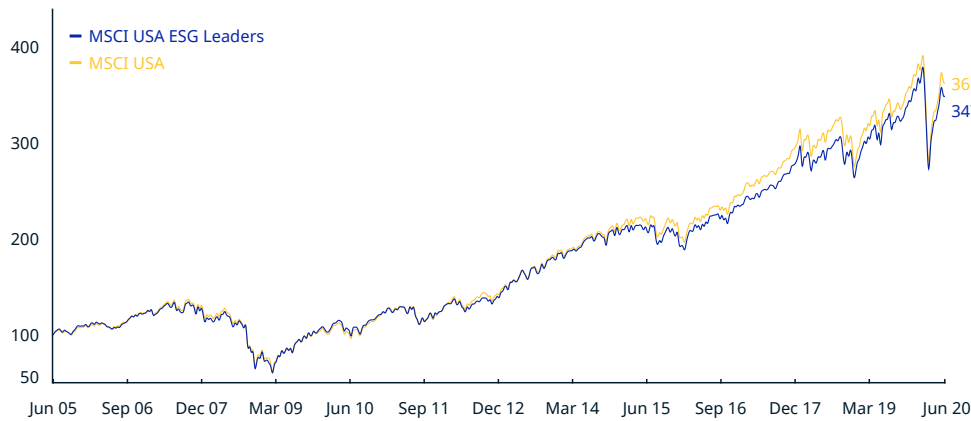
1. MSCI USA ESG Leaders Fact Sheet
<https://www.msci.com/documents/10199/8cfbc6c0-b4c1-4ddf-a8f2-3c0ec1f38dd5>
2. MSCI World ESG Leaders Fact Sheet
<https://www.msci.com/documents/10199/db88cb95-3bf3-424c-b776-bfdcca67d460>
3. MSCI EAFE ESG Leaders Fact Sheet
<https://www.msci.com/documents/10199/c8a8efd5-0bfb-44ae-9d5c-89e29fa8b9c6>
4. MSCI EM ESG Leaders Fact Sheet
<https://www.msci.com/documents/10199/c341baf6-e515-4015-af5e-c1d864cae53e>
5. MSCI KLD 400 Social Index¹⁷
<https://www.msci.com/documents/10199/904492e6-527e-4d64-9904-c710bf1533c6>

¹⁷ Please note that due to technical limitations, factsheets' performance graphs can only display up to 15 years of index level history even if the available index history may be longer such as that of the MSCI KLD 400 Social Index.

MSCI USA ESG Leaders Index (USD)

The MSCI USA ESG Leaders Index is a capitalization weighted index that provides exposure to companies with high Environmental, Social and Governance (ESG) performance relative to their sector peers. MSCI USA ESG Leaders Index consists of large and mid cap companies in the US market. The Index is designed for investors seeking a broad, diversified sustainability benchmark with relatively low tracking error to the underlying equity market. The index is a member of the MSCI ESG Leaders Index series. Constituent selection is based on data from MSCI ESG Research.

CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (JUN 2005 – JUN 2020)



ANNUAL PERFORMANCE (%)

| Year | MSCI USA ESG Leaders | MSCI USA |
|------|----------------------|----------|
| 2019 | 31.66 | 31.64 |
| 2018 | -3.11 | -4.50 |
| 2017 | 20.56 | 21.90 |
| 2016 | 11.74 | 11.61 |
| 2015 | -1.33 | 1.32 |
| 2014 | 12.84 | 13.36 |
| 2013 | 33.54 | 32.61 |
| 2012 | 13.39 | 16.13 |
| 2011 | 1.19 | 1.99 |
| 2010 | 14.33 | 15.45 |
| 2009 | 35.50 | 27.14 |
| 2008 | -38.43 | -37.14 |
| 2007 | 4.36 | 6.03 |
| 2006 | 13.14 | 15.32 |

INDEX PERFORMANCE – GROSS RETURNS (%) (JUN 30, 2020)

| | 1 Mo | 3 Mo | 1 Yr | YTD | ANNUALIZED | | | | Since Dec 29, 2000 |
|----------------------|------|-------|------|-------|------------|-------|-------|------|--------------------|
| | | | | | 3 Yr | 5 Yr | 10 Yr | | |
| MSCI USA ESG Leaders | 1.67 | 20.37 | 9.44 | -1.81 | 11.64 | 10.84 | 13.33 | 6.26 | |
| MSCI USA | 2.28 | 21.76 | 8.42 | -2.16 | 11.03 | 10.76 | 14.09 | 6.63 | |

FUNDAMENTALS (JUN 30, 2020)

| Div Yld (%) | P/E | P/E Fwd | P/BV |
|-------------|-------|---------|------|
| 1.87 | 22.92 | 21.83 | 4.36 |
| 1.80 | 24.33 | 22.28 | 3.69 |

INDEX RISK AND RETURN CHARACTERISTICS (DEC 29, 2000 – JUN 30, 2020)

| | Beta | Tracking Error (%) | Turnover (%) ¹ | ANNUALIZED STD DEV (%) ² | | | SHARPE RATIO ^{2,3} | | | Since Dec 29, 2000 | MAXIMUM DRAWDOWN | |
|----------------------|------|--------------------|---------------------------|-------------------------------------|-------|-------|-----------------------------|------|-------|--------------------|------------------|-----------------------|
| | | | | 3 Yr | 5 Yr | 10 Yr | 3 Yr | 5 Yr | 10 Yr | | (%) | Period YYYY-MM-DD |
| MSCI USA ESG Leaders | na | na | 6.70 | 16.48 | 14.44 | 13.20 | 0.64 | 0.70 | 0.96 | na | 34.33 | 2020-02-19–2020-03-23 |
| MSCI USA | 1.00 | 0.00 | 3.12 | 17.18 | 14.94 | 13.56 | 0.59 | 0.67 | 0.99 | 0.39 | 34.12 | 2020-02-19–2020-03-23 |

¹ Last 12 months

² Based on monthly gross returns data

³ Based on ICE LIBOR 1M

The MSCI ESG Indexes use ratings and other data supplied by MSCI ESG Research Inc, a subsidiary of MSCI Inc.

The MSCI USA ESG Leaders Index was launched on Jan 01, 2001. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance -- whether actual or back-tested -- is no indication or guarantee of future performance.

INDEX CHARACTERISTICS

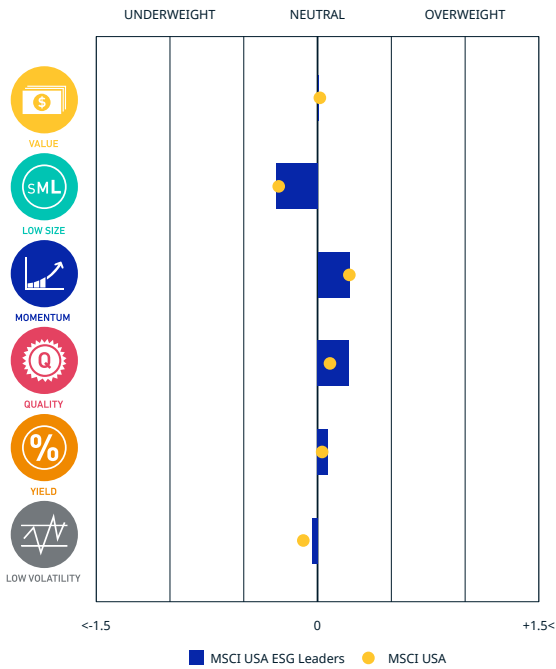
| | MSCI USA ESG Leaders | MSCI USA |
|-------------------------------|----------------------|----------|
| Number of Constituents | 289 | 616 |
| | Weight (%) | |
| Largest | 10.65 | 5.82 |
| Smallest | 0.02 | 0.01 |
| Average | 0.35 | 0.16 |
| Median | 0.14 | 0.06 |

TOP 10 CONSTITUENTS

| | Index Wt. (%) | Parent Index Wt. (%) | Sector |
|---------------------|---------------|----------------------|--------------|
| MICROSOFT CORP | 10.65 | 5.37 | Info Tech |
| ALPHABET C | 3.14 | 1.58 | Comm Svcs |
| ALPHABET A | 3.08 | 1.55 | Comm Svcs |
| JOHNSON & JOHNSON | 2.68 | 1.35 | Health Care |
| VISA A | 2.39 | 1.20 | Info Tech |
| PROCTER & GAMBLE CO | 2.14 | 1.08 | Cons Staples |
| HOME DEPOT | 1.98 | 1.00 | Cons Discr |
| MASTERCARD A | 1.92 | 0.97 | Info Tech |
| INTEL CORP | 1.85 | 0.93 | Info Tech |
| NVIDIA | 1.68 | 0.85 | Info Tech |
| Total | 31.50 | 15.88 | |

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX



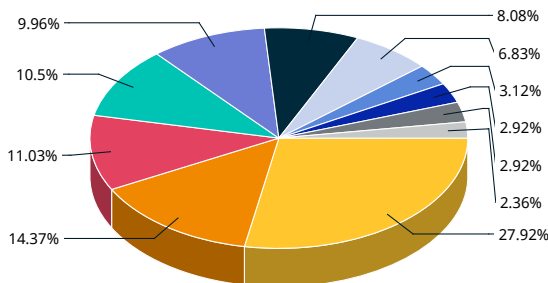
MSCI FaCS

- VALUE**
Relatively Inexpensive Stocks
- LOW SIZE**
Smaller Companies
- MOMENTUM**
Rising Stocks
- QUALITY**
Sound Balance Sheet Stocks
- YIELD**
Cash Flow Paid Out
- LOW VOLATILITY**
Lower Risk Stocks

MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

SECTOR WEIGHTS



- Information Technology 27.92%
- Health Care 14.37%
- Consumer Discretionary 11.03%
- Communication Services 10.5%
- Financials 9.96%
- Industrials 8.08%
- Consumer Staples 6.83%
- Real Estate 3.12%
- Utilities 2.92%
- Materials 2.92%
- Energy 2.36%

INDEX METHODOLOGY

The MSCI ESG Leaders Indexes are constructed by applying a Best-in-Class selection process to companies in the regional indexes that make up MSCI ACWI, a global equity index consisting of developed and emerging market countries.

The ESG Leaders Indexes target sector and region weights consistent with those of the underlying indexes to limit the systematic risk introduced by the ESG selection process. The methodology aims to include securities of companies with the highest ESG ratings representing 50% of the market capitalization in each sector and region of the parent Index. Companies that are not existing constituents of the ESG Leaders Indexes must have an MSCI ESG Rating of 'BB' or above and the MSCI ESG Controversies Score of 3 or above to be eligible. In addition, companies showing involvement in alcohol, gambling, tobacco, nuclear power and weapons are excluded from the Indexes. The selection universe for The ESG Leaders Indexes is the constituents of the MSCI Global Investable Market Indexes.

The Index is float-adjusted market capitalization weighted. The Annual Review of the MSCI ESG Leaders Indexes takes place in May, and they are rebalanced in August, November and February.

FACTOR BOX AND FaCS METHODOLOGY

MSCI FaCS is a standard method ([MSCI FaCS Methodology](#)) for evaluating and reporting the Factor characteristics of equity portfolios. MSCI FaCS consists of Factor Groups (e.g. Value, Size, Momentum, Quality, Yield, and Volatility) that have been extensively documented in academic literature and validated by MSCI Research as key drivers of risk and return in equity portfolios. These Factor Groups are constructed by aggregating 16 factors (e.g. Book-to-Price, Earnings/Dividend Yields, LT Reversal, Leverage, Earnings Variability/Quality, Beta) from the latest Barra global equity factor risk model, GEMLT, designed to make fund comparisons transparent and intuitive for use. The MSCI Factor Box, which is powered by MSCI FaCS, provides a visualization designed to easily compare absolute exposures of funds/indexes and their benchmarks along 6 Factor Groups that have historically demonstrated excess market returns over the long run.

ABOUT MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 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. To learn more, please visit www.msci.com.

The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from MSCI. The Information may not be used to verify or correct other data, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information or MSCI index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information or any MSCI index is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF MSCI INC. OR ANY OF ITS SUBSIDIARIES OR ITS OR THEIR DIRECT OR INDIRECT SUPPLIERS OR ANY THIRD PARTY INVOLVED IN THE MAKING OR COMPILING OF THE INFORMATION (EACH, AN "MSCI PARTY") MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH MSCI PARTY HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.

© 2020 MSCI Inc. All rights reserved.

MSCI World ESG Leaders Index (USD)

The MSCI World ESG Leaders Index is a capitalization weighted index that provides exposure to companies with high Environmental, Social and Governance (ESG) performance relative to their sector peers. MSCI World ESG Leaders Index is constructed by aggregating the following regional Index MSCI Pacific ESG Leaders Index, MSCI Europe & Middle East ESG Leaders Index, MSCI Canada ESG Leaders Index and MSCI USA ESG Leaders Index. The parent index is MSCI World Index, which consists of large and mid-cap companies in 23 Developed Markets Countries*. The Index is designed for investors seeking a broad, diversified sustainability benchmark with relatively low tracking error to the underlying equity market. The index is a member of the MSCI ESG Leaders Index series. Constituent selection is based on data from MSCI ESG Research.

CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (SEP 2007 – JUN 2020)



ANNUAL PERFORMANCE (%)

| Year | MSCI World ESG Leaders | MSCI World |
|------|------------------------|------------|
| 2019 | 28.91 | 28.40 |
| 2018 | -7.22 | -8.20 |
| 2017 | 21.69 | 23.07 |
| 2016 | 7.93 | 8.15 |
| 2015 | -0.55 | -0.32 |
| 2014 | 5.42 | 5.50 |
| 2013 | 28.22 | 27.37 |
| 2012 | 15.18 | 16.54 |
| 2011 | -4.90 | -5.02 |
| 2010 | 11.22 | 12.34 |
| 2009 | 33.20 | 30.79 |
| 2008 | -40.22 | -40.33 |

INDEX PERFORMANCE – GROSS RETURNS (%) (JUN 30, 2020)

| | 1 Mo | 3 Mo | 1 Yr | YTD | ANNUALIZED | | | | Since Sep 28, 2007 |
|-------------------------------|------|-------|------|-------|------------|------|-------|--------------------|--------------------|
| | | | | | 3 Yr | 5 Yr | 10 Yr | Since Sep 28, 2007 | |
| MSCI World ESG Leaders | 2.37 | 18.87 | 5.34 | -4.39 | 8.08 | 7.88 | 10.54 | 5.21 | |
| MSCI World | 2.69 | 19.54 | 3.40 | -5.48 | 7.29 | 7.50 | 10.57 | 5.08 | |

FUNDAMENTALS (JUN 30, 2020)

| Div Yld (%) | P/E | P/E Fwd | P/BV |
|-------------|-------|---------|------|
| 2.21 | 20.27 | 20.25 | 2.87 |
| 2.17 | 20.61 | 20.18 | 2.49 |

INDEX RISK AND RETURN CHARACTERISTICS (SEP 28, 2007 – JUN 30, 2020)

| | Beta | Tracking Error (%) | Turnover (%) ¹ | ANNUALIZED STD DEV (%) ² | | | SHARPE RATIO ^{2,3} | | | Since Sep 28, 2007 | MAXIMUM DRAWDOWN | |
|-------------------------------|------|--------------------|---------------------------|-------------------------------------|-------|-------|-----------------------------|------|-------|--------------------|------------------|-----------------------|
| | | | | 3 Yr | 5 Yr | 10 Yr | 3 Yr | 5 Yr | 10 Yr | | (%) | Period YYYY-MM-DD |
| MSCI World ESG Leaders | 0.99 | 1.14 | 7.36 | 15.68 | 14.02 | 13.53 | 0.46 | 0.52 | 0.76 | 0.33 | 33.84 | 2020-02-19–2020-03-23 |
| MSCI World | 1.00 | 0.00 | 3.06 | 16.25 | 14.44 | 13.85 | 0.40 | 0.48 | 0.74 | 0.33 | 33.99 | 2020-02-12–2020-03-23 |

¹ Last 12 months ² Based on monthly gross returns data ³ Based on ICE LIBOR 1M

The MSCI ESG Indexes use ratings and other data supplied by MSCI ESG Research Inc, a subsidiary of MSCI Inc.

* Developed Markets countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US.

The MSCI World ESG Leaders Index was launched on Oct 01, 2007. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance – whether actual or back-tested – is no indication or guarantee of future performance.

INDEX CHARACTERISTICS

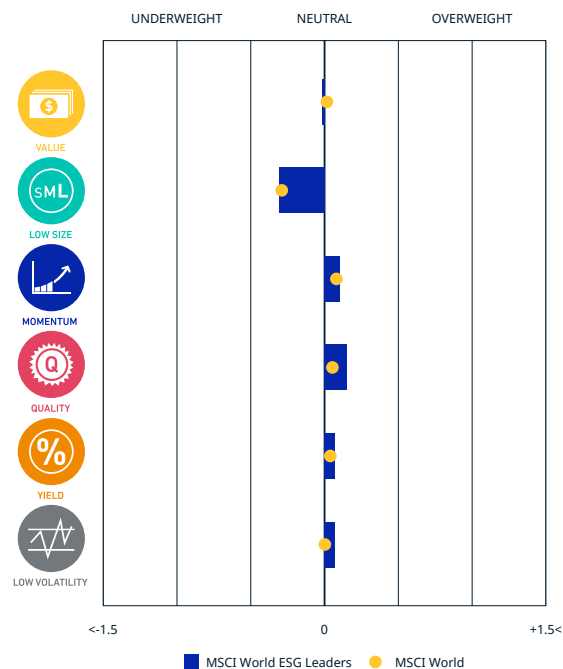
| | MSCI World ESG Leaders | MSCI World |
|-------------------------------|------------------------|------------|
| Number of Constituents | 763 | 1,603 |
| | Weight (%) | |
| Largest | 6.89 | 3.82 |
| Smallest | 0.01 | 0.00 |
| Average | 0.13 | 0.06 |
| Median | 0.05 | 0.02 |

TOP 10 CONSTITUENTS

| | Country | Index Wt. (%) | Parent Index Wt. (%) | Sector |
|----------------------|---------|---------------|----------------------|--------------|
| MICROSOFT CORP | US | 6.89 | 3.52 | Info Tech |
| ALPHABET C | US | 2.03 | 1.04 | Comm Svcs |
| ALPHABET A | US | 1.99 | 1.02 | Comm Svcs |
| JOHNSON & JOHNSON | US | 1.74 | 0.89 | Health Care |
| VISA A | US | 1.54 | 0.79 | Info Tech |
| PROCTER & GAMBLE CO | US | 1.38 | 0.71 | Cons Staples |
| HOME DEPOT | US | 1.28 | 0.65 | Cons Discr |
| MASTERCARD A | US | 1.24 | 0.63 | Info Tech |
| INTEL CORP | US | 1.20 | 0.61 | Info Tech |
| ROCHE HOLDING GENUSS | CH | 1.14 | 0.58 | Health Care |
| Total | | 20.45 | 10.43 | |

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX



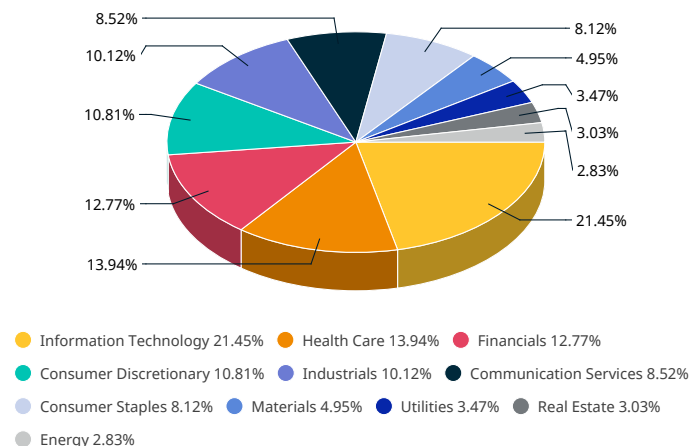
MSCI FaCS

- VALUE**
Relatively Inexpensive Stocks
- LOW SIZE**
Smaller Companies
- MOMENTUM**
Rising Stocks
- QUALITY**
Sound Balance Sheet Stocks
- YIELD**
Cash Flow Paid Out
- LOW VOLATILITY**
Lower Risk Stocks

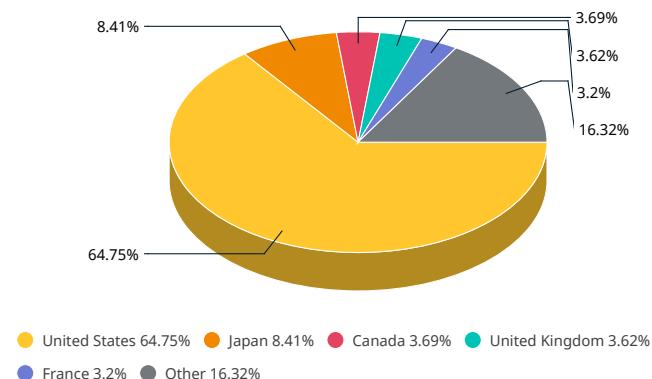
MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

SECTOR WEIGHTS



COUNTRY WEIGHTS



INDEX METHODOLOGY

The MSCI ESG Leaders Indexes are constructed by applying a Best-in-Class selection process to companies in the regional indexes that make up MSCI ACWI, a global equity index consisting of developed and emerging market countries.

The ESG Leaders Indexes target sector and region weights consistent with those of the underlying indexes to limit the systematic risk introduced by the ESG selection process. The methodology aims to include securities of companies with the highest ESG ratings representing 50% of the market capitalization in each sector and region of the parent Index. Companies that are not existing constituents of the ESG Leaders Indexes must have an MSCI ESG Rating of 'BB' or above and the MSCI ESG Controversies Score of 3 or above to be eligible. In addition, companies showing involvement in alcohol, gambling, tobacco, nuclear power and weapons are excluded from the Indexes. The selection universe for The ESG Leaders Indexes is the constituents of the MSCI Global Investable Market Indexes.

The Index is float-adjusted market capitalization weighted. The Annual Review of the MSCI ESG Leaders Indexes takes place in May, and they are rebalanced in August, November and February.

FACTOR BOX AND FaCS METHODOLOGY

MSCI FaCS is a standard method ([MSCI FaCS Methodology](#)) for evaluating and reporting the Factor characteristics of equity portfolios. MSCI FaCS consists of Factor Groups (e.g. Value, Size, Momentum, Quality, Yield, and Volatility) that have been extensively documented in academic literature and validated by MSCI Research as key drivers of risk and return in equity portfolios. These Factor Groups are constructed by aggregating 16 factors (e.g. Book-to-Price, Earnings/Dividend Yields, LT Reversal, Leverage, Earnings Variability/Quality, Beta) from the latest Barra global equity factor risk model, GEMLT, designed to make fund comparisons transparent and intuitive for use. The MSCI Factor Box, which is powered by MSCI FaCS, provides a visualization designed to easily compare absolute exposures of funds/indexes and their benchmarks along 6 Factor Groups that have historically demonstrated excess market returns over the long run.

ABOUT MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 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. To learn more, please visit www.msci.com.

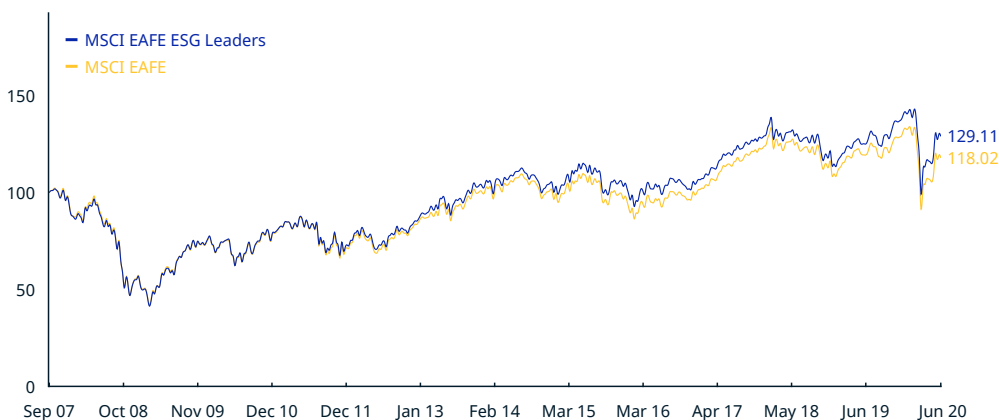
The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from MSCI. The Information may not be used to verify or correct other data, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information or MSCI index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information or any MSCI index is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF MSCI INC. OR ANY OF ITS SUBSIDIARIES OR ITS OR THEIR DIRECT OR INDIRECT SUPPLIERS OR ANY THIRD PARTY INVOLVED IN THE MAKING OR COMPILING OF THE INFORMATION (EACH, AN "MSCI PARTY") MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH MSCI PARTY HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.

© 2020 MSCI Inc. All rights reserved.

MSCI EAFE ESG Leaders Index (USD)

The MSCI EAFE ESG Leaders Index is a capitalization weighted index that provides exposure to companies with high Environmental, Social and Governance (ESG) performance relative to their sector peers. MSCI EAFE ESG Leaders Index consists of large and mid cap companies across Developed Markets countries* around the world, excluding the US and Canada. The Index is designed for investors seeking a broad, diversified sustainability benchmark with relatively low tracking error to the underlying equity market. The index is a member of the MSCI Global Sustainability Index series. Constituent selection is based on data from MSCI ESG Research.

CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (SEP 2007 – JUN 2020)



ANNUAL PERFORMANCE (%)

| Year | MSCI EAFE ESG Leaders | MSCI EAFE |
|------|-----------------------|-----------|
| 2019 | 24.58 | 22.66 |
| 2018 | -12.91 | -13.36 |
| 2017 | 24.02 | 25.62 |
| 2016 | 0.07 | 1.51 |
| 2015 | 2.74 | -0.39 |
| 2014 | -3.97 | -4.48 |
| 2013 | 24.75 | 23.29 |
| 2012 | 17.63 | 17.90 |
| 2011 | -10.25 | -11.73 |
| 2010 | 8.09 | 8.21 |
| 2009 | 34.57 | 32.46 |
| 2008 | -43.23 | -43.06 |

INDEX PERFORMANCE – GROSS RETURNS (%) (JUN 30, 2020)

| | 1 Mo | 3 Mo | 1 Yr | YTD | ANNUALIZED | | | | Since Sep 28, 2007 |
|------------------------------|------|-------|-------|--------|------------|------|-------|------|--------------------|
| | | | | | 3 Yr | 5 Yr | 10 Yr | | |
| MSCI EAFE ESG Leaders | 3.62 | 15.61 | -0.71 | -8.53 | 2.64 | 3.37 | 7.12 | 2.02 | |
| MSCI EAFE | 3.44 | 15.08 | -4.73 | -11.07 | 1.30 | 2.54 | 6.22 | 1.31 | |

FUNDAMENTALS (JUN 30, 2020)

| Div Yld (%) | P/E | P/E Fwd | P/BV |
|-------------|-------|---------|------|
| 2.76 | 16.60 | 17.89 | 1.78 |
| 2.80 | 15.82 | 17.07 | 1.53 |

INDEX RISK AND RETURN CHARACTERISTICS (SEP 28, 2007 – JUN 30, 2020)

| | Beta | Tracking Error (%) | Turnover (%) ¹ | ANNUALIZED STD DEV (%) ² | | | SHARPE RATIO ^{2,3} | | | Since Sep 28, 2007 | MAXIMUM DRAWDOWN | |
|------------------------------|------|--------------------|---------------------------|-------------------------------------|-------|-------|-----------------------------|------|-------|--------------------|------------------|-----------------------|
| | | | | 3 Yr | 5 Yr | 10 Yr | 3 Yr | 5 Yr | 10 Yr | | (%) | Period YYYY-MM-DD |
| MSCI EAFE ESG Leaders | 0.99 | 1.43 | 9.02 | 14.71 | 14.02 | 14.68 | 0.13 | 0.21 | 0.49 | 0.15 | 60.93 | 2007-10-31–2009-03-09 |
| MSCI EAFE | 1.00 | 0.00 | 2.77 | 15.15 | 14.42 | 15.05 | 0.04 | 0.16 | 0.43 | 0.11 | 60.15 | 2007-10-31–2009-03-09 |

¹ Last 12 months

² Based on monthly gross returns data

³ Based on ICE LIBOR 1M

The MSCI ESG Indexes use ratings and other data supplied by MSCI ESG Research Inc, a subsidiary of MSCI Inc.

* Developed Markets countries in the MSCI EAFE Index include: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.

The MSCI EAFE ESG Leaders Index was launched on Oct 01, 2007. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance – whether actual or back-tested – is no indication or guarantee of future performance.

INDEX CHARACTERISTICS

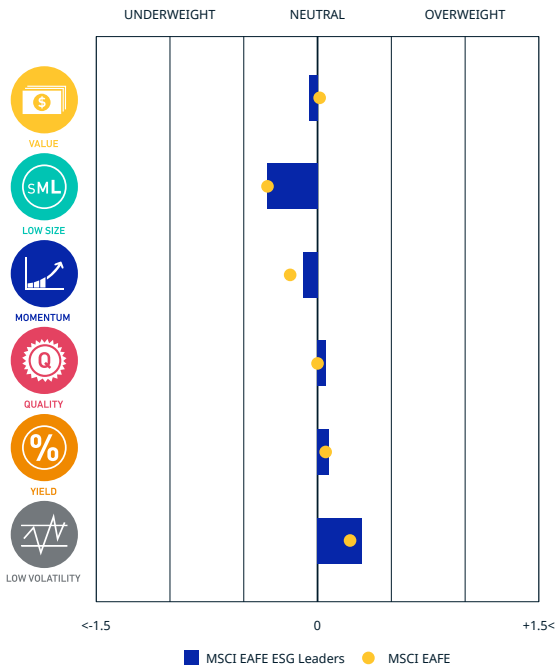
| | MSCI EAFE ESG Leaders | MSCI EAFE |
|-------------------------------|-----------------------|-----------|
| Number of Constituents | 432 | 902 |
| | Weight (%) | |
| Largest | 3.62 | 2.51 |
| Smallest | 0.02 | 0.01 |
| Average | 0.23 | 0.11 |
| Median | 0.12 | 0.05 |

TOP 10 CONSTITUENTS

| | Country | Index Wt. (%) | Parent Index Wt. (%) | Sector |
|--------------------------|---------|---------------|----------------------|-------------|
| ROCHE HOLDING GENUSS | CH | 3.62 | 1.86 | Health Care |
| ASML HLDG | NL | 2.32 | 1.19 | Info Tech |
| SAP | DE | 2.17 | 1.11 | Info Tech |
| NOVO NORDISK B | DK | 1.70 | 0.87 | Health Care |
| GLAXOSMITHKLINE | GB | 1.51 | 0.77 | Health Care |
| TOTAL | FR | 1.40 | 0.72 | Energy |
| SIEMENS | DE | 1.34 | 0.69 | Industrials |
| SONY CORP | JP | 1.29 | 0.66 | Cons Discr |
| ALLIANZ | DE | 1.27 | 0.65 | Financials |
| COMMONWEALTH BANK OF AUS | AU | 1.26 | 0.65 | Financials |
| Total | | 17.87 | 9.18 | |

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX



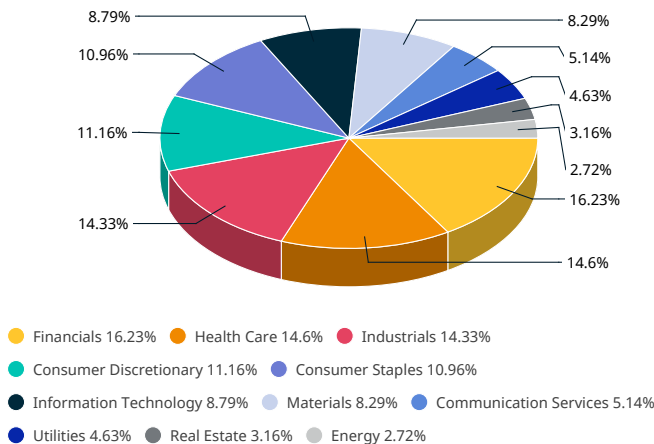
MSCI FaCS

- VALUE**
Relatively Inexpensive Stocks
- LOW SIZE**
Smaller Companies
- MOMENTUM**
Rising Stocks
- QUALITY**
Sound Balance Sheet Stocks
- YIELD**
Cash Flow Paid Out
- LOW VOLATILITY**
Lower Risk Stocks

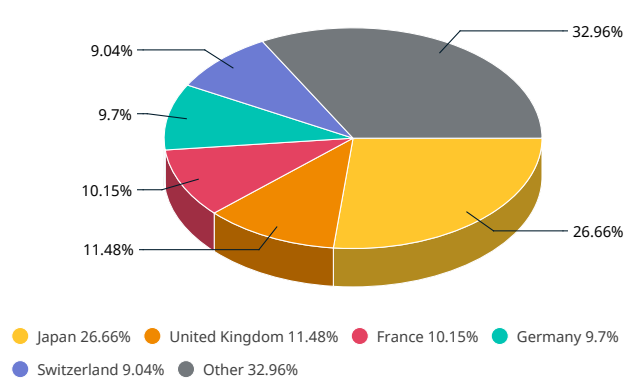
MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

SECTOR WEIGHTS



COUNTRY WEIGHTS



INDEX METHODOLOGY

The MSCI ESG Leaders Indexes are constructed by applying a Best-in-Class selection process to companies in the regional indexes that make up MSCI ACWI, a global equity index consisting of developed and emerging market countries.

The ESG Leaders Indexes target sector and region weights consistent with those of the underlying indexes to limit the systematic risk introduced by the ESG selection process. The methodology aims to include securities of companies with the highest ESG ratings representing 50% of the market capitalization in each sector and region of the parent Index. Companies that are not existing constituents of the ESG Leaders Indexes must have an MSCI ESG Rating of 'BB' or above and the MSCI ESG Controversies Score of 3 or above to be eligible. In addition, companies showing involvement in alcohol, gambling, tobacco, nuclear power and weapons are excluded from the Indexes. The selection universe for The ESG Leaders Indexes is the constituents of the MSCI Global Investable Market Indexes.

The Index is float-adjusted market capitalization weighted. The Annual Review of the MSCI ESG Leaders Indexes takes place in May, and they are rebalanced in August, November and February.

FACTOR BOX AND FaCS METHODOLOGY

MSCI FaCS is a standard method ([MSCI FaCS Methodology](#)) for evaluating and reporting the Factor characteristics of equity portfolios. MSCI FaCS consists of Factor Groups (e.g. Value, Size, Momentum, Quality, Yield, and Volatility) that have been extensively documented in academic literature and validated by MSCI Research as key drivers of risk and return in equity portfolios. These Factor Groups are constructed by aggregating 16 factors (e.g. Book-to-Price, Earnings/Dividend Yields, LT Reversal, Leverage, Earnings Variability/Quality, Beta) from the latest Barra global equity factor risk model, GEMLT, designed to make fund comparisons transparent and intuitive for use. The MSCI Factor Box, which is powered by MSCI FaCS, provides a visualization designed to easily compare absolute exposures of funds/indexes and their benchmarks along 6 Factor Groups that have historically demonstrated excess market returns over the long run.

ABOUT MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 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. To learn more, please visit www.msci.com.

The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from MSCI. The Information may not be used to verify or correct other data, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information or MSCI index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information or any MSCI index is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF MSCI INC. OR ANY OF ITS SUBSIDIARIES OR ITS OR THEIR DIRECT OR INDIRECT SUPPLIERS OR ANY THIRD PARTY INVOLVED IN THE MAKING OR COMPILING OF THE INFORMATION (EACH, AN "MSCI PARTY") MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH MSCI PARTY HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.

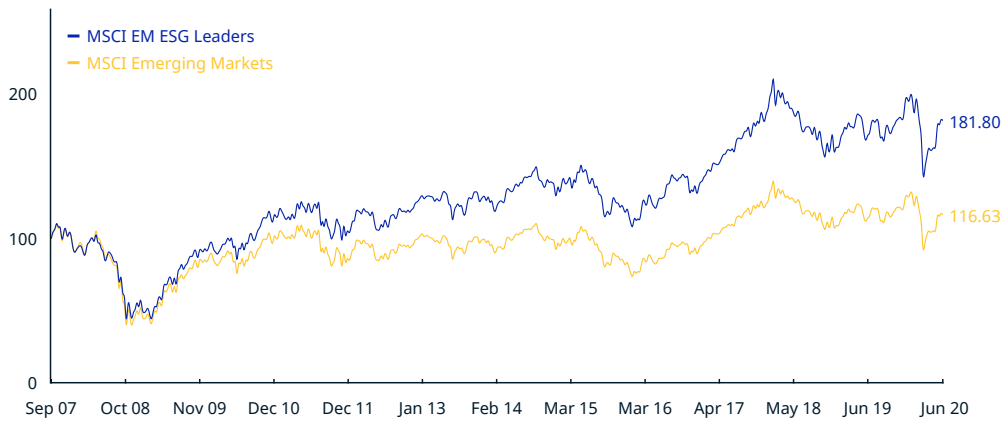
© 2020 MSCI Inc. All rights reserved.

MSCI Emerging Markets ESG Leaders Index (USD)

The MSCI Emerging Markets (EM) ESG Leaders Index, is a capitalization weighted index that provides exposure to companies with high Environmental, Social and Governance (ESG) performance relative to their sector peers. MSCI EM ESG Leaders Index consists of large and mid cap companies across 26 Emerging Markets (EM) countries*. The Index is designed for investors seeking a broad, diversified sustainability benchmark with relatively low tracking error to the underlying equity market. The index is a member of the MSCI ESG Leaders Index series. Constituent selection is based on data from MSCI ESG Research.

CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (SEP 2007 – JUN 2020)

ANNUAL PERFORMANCE (%)



| Year | MSCI EM ESG Leaders | MSCI Emerging Markets |
|------|---------------------|-----------------------|
| 2019 | 20.18 | 18.88 |
| 2018 | -14.64 | -14.24 |
| 2017 | 40.90 | 37.75 |
| 2016 | 13.83 | 11.60 |
| 2015 | -11.99 | -14.60 |
| 2014 | 5.20 | -1.82 |
| 2013 | 1.63 | -2.27 |
| 2012 | 21.64 | 18.63 |
| 2011 | -12.78 | -18.17 |
| 2010 | 25.88 | 19.20 |
| 2009 | 76.07 | 79.02 |
| 2008 | -48.32 | -53.18 |

INDEX PERFORMANCE – GROSS RETURNS (%) (JUN 30, 2020)

| | 1 Mo | 3 Mo | 1 Yr | YTD | ANNUALIZED | | | |
|-----------------------|------|-------|-------|-------|------------|------|-------|--------------------|
| | | | | | 3 Yr | 5 Yr | 10 Yr | Since Sep 28, 2007 |
| MSCI EM ESG Leaders | 8.50 | 19.98 | 0.95 | -7.15 | 4.16 | 5.40 | 6.97 | 4.79 |
| MSCI Emerging Markets | 7.40 | 18.18 | -3.05 | -9.67 | 2.27 | 3.24 | 3.63 | 1.21 |

INDEX RISK AND RETURN CHARACTERISTICS (SEP 28, 2007 – JUN 30, 2020)

| | Beta | Tracking Error (%) ¹ | Turnover (%) ¹ | ANNUALIZED STD DEV (%) ² | | | SHARPE RATIO ^{2,3} | | | Since Sep 28, 2007 | MAXIMUM DRAWDOWN (%) | Period YYYY-MM-DD |
|-----------------------|------|---------------------------------|---------------------------|-------------------------------------|-------|-------|-----------------------------|------|-------|--------------------|----------------------|-----------------------|
| | | | | 3 Yr | 5 Yr | 10 Yr | 3 Yr | 5 Yr | 10 Yr | | | |
| MSCI EM ESG Leaders | 0.95 | 3.43 | 15.56 | 18.72 | 17.65 | 17.18 | 0.21 | 0.31 | 0.44 | 0.28 | 35.08 | 2018-01-26–2020-03-23 |
| MSCI Emerging Markets | 1.00 | 0.00 | 10.60 | 18.53 | 17.86 | 17.88 | 0.12 | 0.19 | 0.25 | 0.12 | 65.14 | 2007-10-29–2008-10-27 |

¹ Last 12 months

² Based on monthly gross returns data

³ Based on ICE LIBOR 1M

The MSCI ESG Indexes use ratings and other data supplied by MSCI ESG Research Inc, a subsidiary of MSCI Inc.

* EM countries include: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

The MSCI Emerging Markets ESG Leaders Index was launched on Jun 06, 2013. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance – whether actual or back-tested – is no indication or guarantee of future performance.

INDEX CHARACTERISTICS

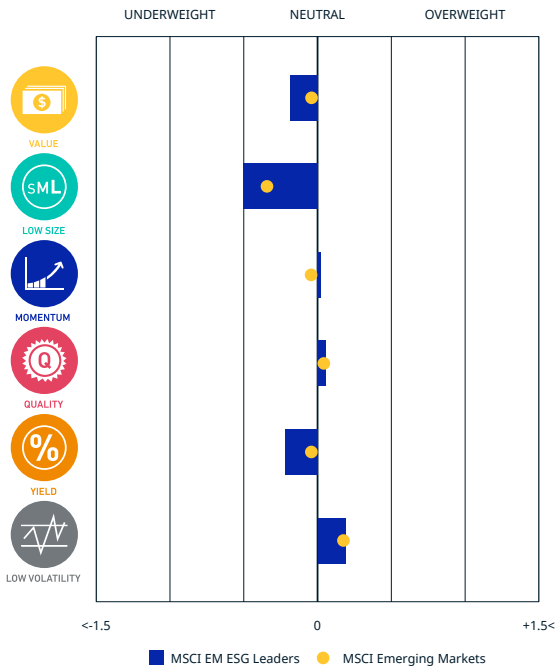
| | MSCI EM ESG Leaders | MSCI Emerging Markets |
|-------------------------------|---------------------|-----------------------|
| Number of Constituents | 479 | 1,385 |
| | Weight (%) | |
| Largest | 12.89 | 7.00 |
| Smallest | 0.00 | 0.00 |
| Average | 0.21 | 0.07 |
| Median | 0.07 | 0.03 |

TOP 10 CONSTITUENTS

| | Country | Index Wt. (%) | Parent Index Wt. (%) | Sector |
|--------------------------|---------|---------------|----------------------|------------|
| ALIBABA GROUP HLDG ADR | CN | 12.89 | 7.00 | Cons Discr |
| TENCENT HOLDINGS LI (CN) | CN | 11.73 | 6.37 | Comm Svcs |
| TAIWAN SEMICONDUCTOR MFG | TW | 8.31 | 4.51 | Info Tech |
| NASPERS N | ZA | 2.58 | 1.40 | Cons Discr |
| MEITUAN DIANPING B | CN | 2.51 | 1.36 | Cons Discr |
| CHINA CONSTRUCTION BK H | CN | 2.47 | 1.34 | Financials |
| RELIANCE INDUSTRIES | IN | 2.05 | 1.11 | Energy |
| HOUSING DEV FINANCE CORP | IN | 1.22 | 0.66 | Financials |
| INFOSYS | IN | 1.06 | 0.57 | Info Tech |
| GAZPROM (RUB) | RU | 1.02 | 0.55 | Energy |
| Total | | 45.83 | 24.89 | |

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX



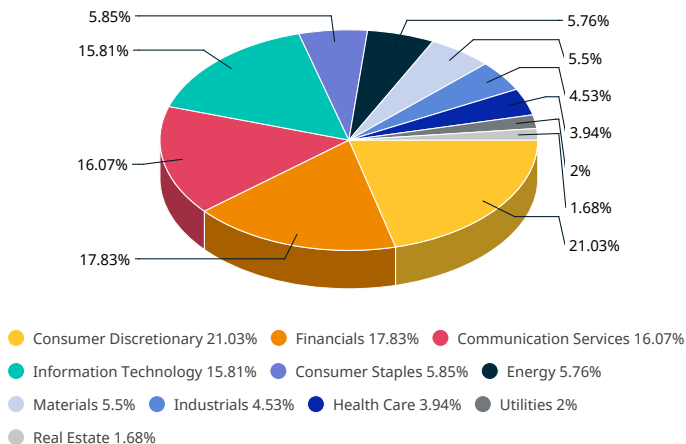
MSCI FaCS

- VALUE**
Relatively Inexpensive Stocks
- LOW SIZE**
Smaller Companies
- MOMENTUM**
Rising Stocks
- QUALITY**
Sound Balance Sheet Stocks
- YIELD**
Cash Flow Paid Out
- LOW VOLATILITY**
Lower Risk Stocks

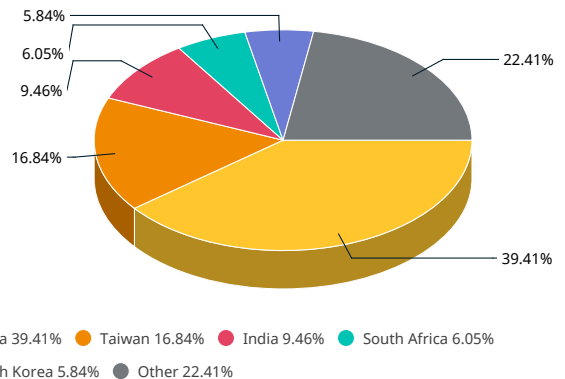
MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

SECTOR WEIGHTS



COUNTRY WEIGHTS



INDEX METHODOLOGY

The MSCI ESG Leaders Indexes are constructed by applying a Best-in-Class selection process to companies in the regional indexes that make up MSCI ACWI, a global equity index consisting of developed and emerging market countries.

The ESG Leaders Indexes target sector and region weights consistent with those of the underlying indexes to limit the systematic risk introduced by the ESG selection process. The methodology aims to include securities of companies with the highest ESG ratings representing 50% of the market capitalization in each sector and region of the parent Index. Companies that are not existing constituents of the ESG Leaders Indexes must have an MSCI ESG Rating of 'BB' or above and the MSCI ESG Controversies Score of 3 or above to be eligible. In addition, companies showing involvement in alcohol, gambling, tobacco, nuclear power and weapons are excluded from the Indexes. The selection universe for The ESG Leaders Indexes is the constituents of the MSCI Global Investable Market Indexes.

The Index is float-adjusted market capitalization weighted. The Annual Review of the MSCI ESG Leaders Indexes takes place in May, and they are rebalanced in August, November and February.

FACTOR BOX AND FaCS METHODOLOGY

MSCI FaCS is a standard method ([MSCI FaCS Methodology](#)) for evaluating and reporting the Factor characteristics of equity portfolios. MSCI FaCS consists of Factor Groups (e.g. Value, Size, Momentum, Quality, Yield, and Volatility) that have been extensively documented in academic literature and validated by MSCI Research as key drivers of risk and return in equity portfolios. These Factor Groups are constructed by aggregating 16 factors (e.g. Book-to-Price, Earnings/Dividend Yields, LT Reversal, Leverage, Earnings Variability/Quality, Beta) from the latest Barra global equity factor risk model, GEMLT, designed to make fund comparisons transparent and intuitive for use. The MSCI Factor Box, which is powered by MSCI FaCS, provides a visualization designed to easily compare absolute exposures of funds/indexes and their benchmarks along 6 Factor Groups that have historically demonstrated excess market returns over the long run.

ABOUT MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 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. To learn more, please visit www.msci.com.

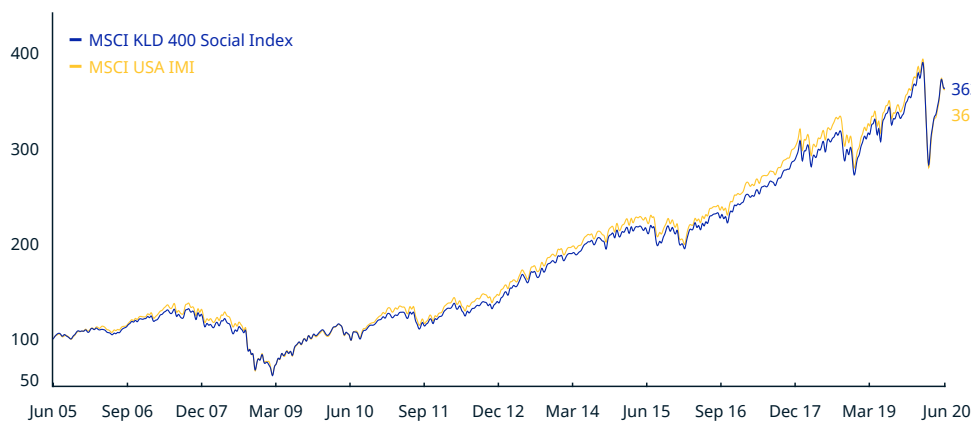
The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from MSCI. The Information may not be used to verify or correct other data, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information or MSCI index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information or any MSCI index is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF MSCI INC. OR ANY OF ITS SUBSIDIARIES OR ITS OR THEIR DIRECT OR INDIRECT SUPPLIERS OR ANY THIRD PARTY INVOLVED IN THE MAKING OR COMPILING OF THE INFORMATION (EACH, AN "MSCI PARTY") MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH MSCI PARTY HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.

© 2020 MSCI Inc. All rights reserved.

MSCI KLD 400 Social Index (USD)

The MSCI KLD 400 Social Index is a capitalization weighted index of 400 US securities that provides exposure to companies with outstanding Environmental, Social and Governance (ESG) ratings and excludes companies whose products have negative social or environmental impacts. The parent index is MSCI USA IMI, an equity index of large, mid and small cap companies. The Index is designed for investors seeking a diversified benchmark comprised of companies with strong sustainability profiles while avoiding companies incompatible with values screens. Launched in May 1990 as the Domini 400 Social Index, it is one of the first SRI indexes. Constituent selection is based on data from MSCI ESG Research.

CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (JUN 2005 – JUN 2020)



ANNUAL PERFORMANCE (%)

| Year | MSCI KLD 400 Social Index | MSCI USA IMI |
|------|---------------------------|--------------|
| 2019 | 31.63 | 31.14 |
| 2018 | -3.50 | -5.20 |
| 2017 | 21.61 | 21.28 |
| 2016 | 10.92 | 12.66 |
| 2015 | 0.94 | 0.64 |
| 2014 | 12.72 | 12.51 |
| 2013 | 36.20 | 33.39 |
| 2012 | 13.24 | 16.41 |
| 2011 | 1.60 | 1.23 |
| 2010 | 11.89 | 17.17 |
| 2009 | 31.73 | 28.72 |
| 2008 | -34.94 | -36.98 |
| 2007 | 3.72 | 5.78 |
| 2006 | 13.26 | 15.70 |

INDEX PERFORMANCE – GROSS RETURNS (%) (JUN 30, 2020)

| | 1 Mo | 3 Mo | 1 Yr | YTD | ANNUALIZED | | | | Since May 31, 1994 |
|---------------------------|------|-------|-------|-------|------------|-------|-------|--------------------|--------------------|
| | | | | | 3 Yr | 5 Yr | 10 Yr | Since May 31, 1994 | |
| MSCI KLD 400 Social Index | 2.18 | 21.58 | 10.07 | -0.75 | 11.88 | 11.34 | 13.85 | 10.02 | |
| MSCI USA IMI | 2.38 | 22.27 | 6.73 | -3.34 | 10.15 | 10.11 | 13.80 | 9.77 | |

FUNDAMENTALS (JUN 30, 2020)

| Div Yld (%) | P/E | P/E Fwd | P/BV |
|-------------|-------|---------|------|
| 1.71 | 24.08 | 22.38 | 4.57 |
| 1.77 | 25.16 | 23.09 | 3.39 |

INDEX RISK AND RETURN CHARACTERISTICS (MAY 31, 1994 – JUN 30, 2020)

| | Beta | Tracking Error (%) | Turnover (%) ¹ | ANNUALIZED STD DEV (%) ² | | | SHARPE RATIO ^{2,3} | | | Since May 31, 1994 | MAXIMUM DRAWDOWN | |
|---------------------------|------|--------------------|---------------------------|-------------------------------------|-------|-------|-----------------------------|------|-------|--------------------|------------------|-----------------------|
| | | | | 3 Yr | 5 Yr | 10 Yr | 3 Yr | 5 Yr | 10 Yr | | (%) | Period YYYY-MM-DD |
| MSCI KLD 400 Social Index | na | na | 6.06 | 16.89 | 14.89 | 13.37 | 0.64 | 0.71 | 0.99 | na | 33.87 | 2020-02-19–2020-03-23 |
| MSCI USA IMI | 1.00 | 0.00 | 2.61 | 17.73 | 15.38 | 13.99 | 0.53 | 0.62 | 0.94 | 0.51 | 35.00 | 2020-02-19–2020-03-23 |

¹ Last 12 months

² Based on monthly gross returns data

³ Based on ICE LIBOR 1M

On September 1, 2010 the FTSE KLD indexes transitioned to the MSCI ESG Indexes. The former KLD indexes had multiple third party index calculators over time. Consequently the MSCI ESG index histories have been aggregated and compiled to create a continuous time series from a variety of sources—sources which may have followed different index calculation methodologies in some instances. The MSCI ESG Indexes use ratings and other data supplied by MSCI ESG Research Inc, a subsidiary of MSCI Inc.

The MSCI KLD 400 Social Index was launched on May 01, 1990. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance – whether actual or back-tested – is no indication or guarantee of future performance.

INDEX CHARACTERISTICS

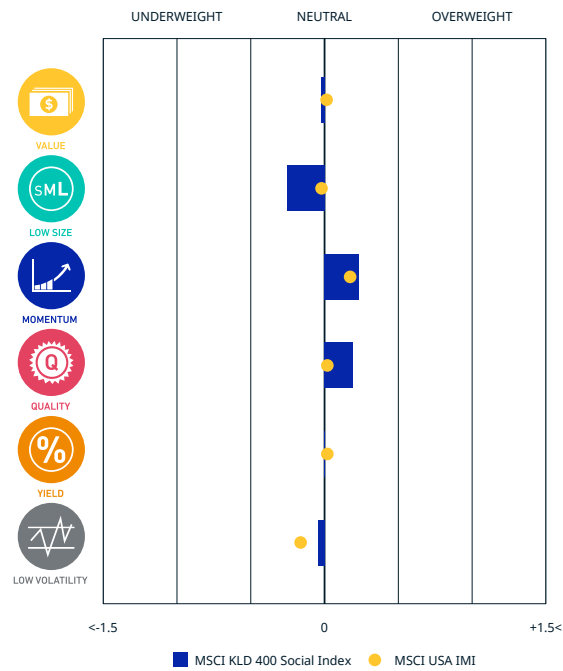
| | MSCI KLD 400 Social Index | MSCI USA IMI |
|-------------------------------|---------------------------|--------------|
| Number of Constituents | 402 | 2,344 |
| Weight (%) | | |
| Largest | 10.11 | 5.22 |
| Smallest | 0.00 | 0.00 |
| Average | 0.25 | 0.04 |
| Median | 0.08 | 0.01 |

TOP 10 CONSTITUENTS

| | Index Wt. (%) | Parent Index Wt. (%) | Sector |
|---------------------|---------------|----------------------|--------------|
| MICROSOFT CORP | 10.11 | 4.81 | Info Tech |
| FACEBOOK A | 3.76 | 1.79 | Comm Svcs |
| ALPHABET C | 2.98 | 1.42 | Comm Svcs |
| ALPHABET A | 2.92 | 1.39 | Comm Svcs |
| VISA A | 2.27 | 1.08 | Info Tech |
| PROCTER & GAMBLE CO | 2.03 | 0.97 | Cons Staples |
| HOME DEPOT | 1.88 | 0.89 | Cons Discr |
| MASTERCARD A | 1.82 | 0.87 | Info Tech |
| INTEL CORP | 1.76 | 0.84 | Info Tech |
| NVIDIA | 1.60 | 0.76 | Info Tech |
| Total | 31.13 | 14.82 | |

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX



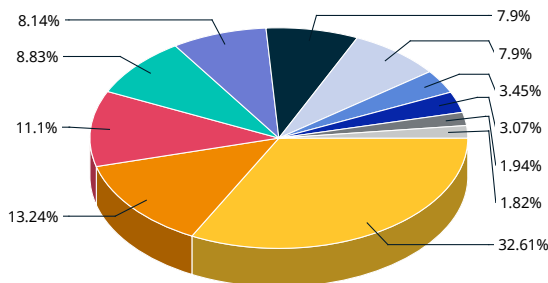
MSCI FaCS

- VALUE**
Relatively Inexpensive Stocks
- LOW SIZE**
Smaller Companies
- MOMENTUM**
Rising Stocks
- QUALITY**
Sound Balance Sheet Stocks
- YIELD**
Cash Flow Paid Out
- LOW VOLATILITY**
Lower Risk Stocks

MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

SECTOR WEIGHTS



- Information Technology 32.61%
- Communication Services 13.24%
- Health Care 11.1%
- Consumer Discretionary 8.83%
- Industrials 8.14%
- Financials 7.9%
- Consumer Staples 7.9%
- Real Estate 3.45%
- Materials 3.07%
- Utilities 1.94%
- Energy 1.82%

INDEX METHODOLOGY

The MSCI KLD 400 Social Index is maintained in two stages. First, securities of companies involved in Nuclear Power, Tobacco, Alcohol, Gambling, Military Weapons, Civilian Firearms, GMOs and Adult Entertainment are excluded. Then additions are made from the list of eligible companies based on considerations of ESG performance, sector alignment and size representation. The MSCI KLD 400 Social Index is designed to maintain similar sector weights as the MSCI USA Index and targets a minimum of 200 large and mid-cap constituents. Companies that are not existing constituents of The MSCI KLD 400 Social Index must have an MSCI ESG Rating above 'BB' and the MSCI ESG Controversies Score greater than 2 to be eligible. At each quarterly Index Review, constituents are deleted if they are deleted from the MSCI USA IMI Index, fail the exclusion screens, or if their ESG ratings or scores fall below minimum standards. Additions are made to restore the number of constituents to 400. All eligible securities of each issuer are included in the index, so the index may have more than 400 securities. The selection universe for the MSCI KLD 400 Social Index are large, mid and small cap companies in the MSCI USA IMI Index. The Index is float-adjusted market capitalization weighted. It is rebalanced at the regular Semi-Annual and Quarterly Index Reviews in May, August, November and February.

FACTOR BOX AND FaCS METHODOLOGY

MSCI FaCS is a standard method ([MSCI FaCS Methodology](#)) for evaluating and reporting the Factor characteristics of equity portfolios. MSCI FaCS consists of Factor Groups (e.g. Value, Size, Momentum, Quality, Yield, and Volatility) that have been extensively documented in academic literature and validated by MSCI Research as key drivers of risk and return in equity portfolios. These Factor Groups are constructed by aggregating 16 factors (e.g. Book-to-Price, Earnings/Dividend Yields, LT Reversal, Leverage, Earnings Variability/Quality, Beta) from the latest Barra global equity factor risk model, GEMLT, designed to make fund comparisons transparent and intuitive for use. The MSCI Factor Box, which is powered by MSCI FaCS, provides a visualization designed to easily compare absolute exposures of funds/indexes and their benchmarks along 6 Factor Groups that have historically demonstrated excess market returns over the long run.

ABOUT MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 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. To learn more, please visit www.msci.com.

The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from MSCI. The Information may not be used to verify or correct other data, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information or MSCI index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information or any MSCI index is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF MSCI INC. OR ANY OF ITS SUBSIDIARIES OR ITS OR THEIR DIRECT OR INDIRECT SUPPLIERS OR ANY THIRD PARTY INVOLVED IN THE MAKING OR COMPILING OF THE INFORMATION (EACH, AN "MSCI PARTY") MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH MSCI PARTY HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.

© 2020 MSCI Inc. All rights reserved.