

IN PERSON & VIRTUAL BOARD MEETING



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Board orally and in writing. To provide Public Comment, please visit the above link and complete the request form.

Attention: If you have any questions, you may email PublicComment@lacera.gov.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

A REGULAR MEETING OF THE CORPORATE GOVERNANCE

COMMITTEE AND THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

8:00 A.M., WEDNESDAY, JULY 8, 2026

This meeting is being conducted by the Corporate Governance Committee and Board of Investments both in person and by teleconference under California Government Code Section 54953(f).

Any person may view the meeting in person at LACERA's offices or online at <https://LACERA.gov/leadership/board-meetings>

The Committee may take action on any item on the agenda, and agenda items may be taken out of order.

Teleconference Locations for Trustees and the Public under California Government Code Section 54953(b)

Terranea Resort - 100 Terranea Way, Rancho Palos Verdes, CA 90275

COMMITTEE TRUSTEES:

Shawn R. Kehoe, Chair
Elizabeth Ginsberg, Vice Chair
Aleen Langton
Alma Martinez
Patrick Jones, Alternate

I. CALL TO ORDER

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB707

A. Just Cause (Section 54953.8.3)

B. Statement of Persons Present at SB707 Teleconference Locations

July 8, 2026

Page 2

III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Corporate Governance Committee Meeting of October 8, 2025.

IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.gov/leadership/board-meetings> and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Board meeting.

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment request will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment or documentation on the above link as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.gov.)

V. REPORT

- A. **Educational Guest Speaker: Research Revisited: Governance, Sustainability, & Performance**
Julia Morello, Executive Director, MSCI Research & Development
(Presentation) (Memo dated June 26, 2026)

VI. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

VII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

VIII. GOOD OF THE ORDER

(For information purposes only)

IX. ADJOURNMENT

****The Board of Investments has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Investments (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Investments. Members of the Board of Investments who are not members of the Committee may attend and participate in a meeting of a Committee but may not vote, make a motion, or second on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.***

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Investments that are distributed to members of the Board of Investments less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Investments Members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday.

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.gov, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF A REGULAR MEETING OF THE CORPORATE GOVERNANCE
COMMITTEE AND THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

8:00 A.M., WEDNESDAY, OCTOBER 8, 2025

This meeting was conducted by the Corporate Governance Committee and Board of Investments both in person and by teleconference under California Government Code Section 54953(f).

PRESENT:

Jason Green, Chair

Aleen Langton

Patrick Jones, Alternate

ABSENT:

Elizabeth Ginsberg, Vice Chair

Alma Martinez

OTHER BOARD OF INVESTMENTS TRUSTEES:

Lisa Proft

STAFF, ADVISORS, PARTICIPANTS:

Jonathan Gabel, Chief Investment Officer

Jude Perez, Deputy Chief Investment Officer

Scott Zdrazil, Principal Investment Officer

Piers Hugh Smith, Investment Officer

October 8, 2025

Page 2

I. CALL TO ORDER

The meeting was called to order by Chair Green at 8:00 a.m. in the Board Room of Gateway Plaza.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

There was nothing to report. No trustees participated under Section 54953(f).

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Corporate Governance Committee Meeting of May 14, 2025.

A motion was made by Trustee Jones, seconded by Trustee Green, to approve the minutes of the Corporate Governance Committee regular meeting of May 14, 2025. The motion passed by the following roll call vote:

Yes: Green, Jones, Langton

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. REPORT

A. **Review of Fiscal Year 2025 Proxy Voting Results and Trends**

Scott Zdrazil, Principal Investment Officer

Piers Hugh Smith, Investment Officer

(Presentation) (Memo dated September 10, 2025)

Messrs. Zdrazil and Hugh Smith provided a presentation and answered questions from the Committee.

October 8, 2025

Page 3

V. REPORT (Continued)

B. **Review of Corporate Governance and Stewardship Initiatives**

Scott Zdrazil, Principal Investment Officer

Piers Hugh Smith, Investment Officer

(Presentation) (Memo dated September 10, 2025)

Messrs. Zdrazil and Hugh Smith provided a presentation and answered questions from the Committee.

VI. ITEMS FOR STAFF REVIEW

There was nothing to report.

VII. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

VIII. GOOD OF THE ORDER

(For information purposes only)

There was nothing to report

IX. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 8:54 a.m.

June 26, 2026

TO: Trustees – Corporate Governance Committee

FROM: Scott Zdrazil *Sc*
Principal Investment Officer

FOR: July 8, 2026, Corporate Governance Committee Meeting

SUBJECT: **Educational Guest Speaker: Research Revisited: Governance, Sustainability, & Performance by Julia Morello, Executive Director, MSCI Research & Development**

LACERA will host Julia Morello, Executive Director of MSCI Research & Development, as an educational speaker to discuss recent research exploring the relationship between corporate governance and financial performance.

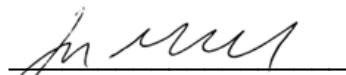
The presentation will include the opportunity for questions and discussion.

Please find two attachments:

- 1) Introductory slide, including background on LACERA's investment policies and approach to corporate governance and speaker biography; and
- 2) MSCI presentation.

Attachments

Noted and Reviewed:


Jonathan Grabel
Chief Investment Officer

Brief Background to MSCI Guest Speaker

Corporate Governance Committee

July 8, 2026

Discussion Outline

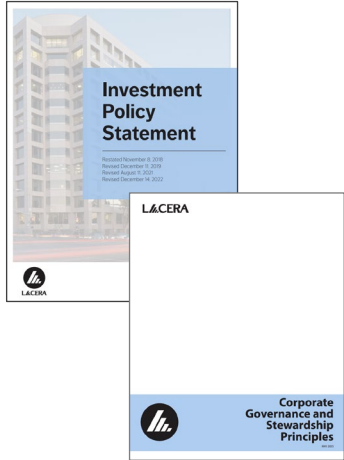


1. Brief overview of LACERA's approach to corporate governance and stewardship

2. Guest speaker:

Julia Morello
Executive Director
MSCI Research & Development

LACERA's Corporate Governance Approach



LACERA's corporate governance work guided by mission: *to produce, protect, and provide the promised benefits*

LACERA's [Investment Policy Statement \(IPS\)](#) and [Corporate Governance and Stewardship Principles](#) recognize:

- Sound governance at portfolio companies can safeguard investments and mitigate the risks of governance failures
- Good governance and prudent financial market policy can instill investor confidence and enable stable economic growth
- Sustainability and ESG factors may present investment risks and opportunities
The financial relevance of specific ESG factors vary depending on industry, geography, and investment time horizon

LACERA operationalizes the Board of Investment-approved policies through multiple approaches that aim for a credible, pragmatic, thoughtful approach driven by our mission and fiduciary duty



Proxy
Voting



Engagement
and Dialogue



Policy
Advocacy



Affiliations and
Collaboration



Investment Due Diligence
and Fund Analytics



Julia Morello

Executive Director, MSCI Research & Development



Julia Morello, part of a newly created Emerging Risk function at MSCI, leads fundamental and thematic research and development. She oversees a global team of top analysts focused on discovering and developing company-level data that helps investors gauge portfolio exposure to the structural forces reshaping markets, with climate, AI, and geopolitics as the near-term priorities. Working across MSCI, the team is quantifying these risks via a broader lens on financial materiality and investment utility.

Previously, as head of sector & thematic research, she led a team of sector, regulatory, and carbon experts, with a particular focus on ESG Ratings research.

Julia joined MSCI in 2009 following its acquisition of RiskMetrics Group, where she led healthcare analysis. She developed methodology, ratings frameworks, and company assessments for the Access to Medicine Index evaluating the top 20 research-based pharmaceutical firms on their commitment to global health access. Before that, she coordinated the World Medicines Situation Report at the World Health Organization.

She holds a Master of Public Health from Boston University and a Bachelors from Skidmore College, where she focused on organic synthesis with a focus on tandem intramolecular Diels-Alder chemistry.

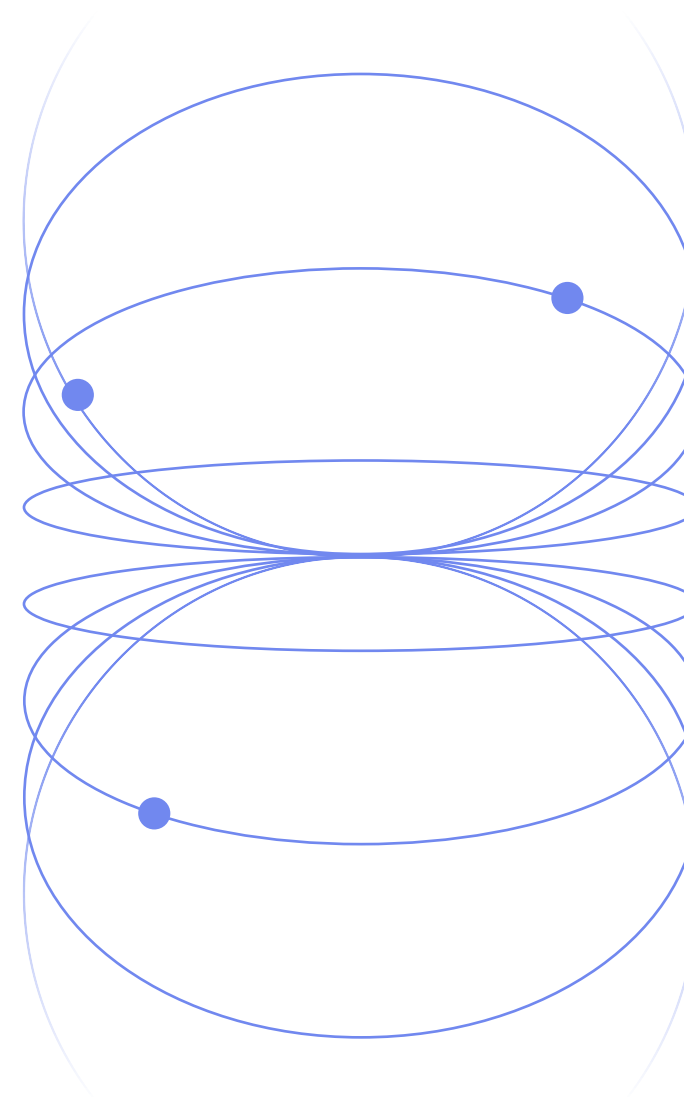
Julia is a media commentator on sustainability and climate investing. Her work and engagements have appeared in the New York Times, The Lancet Infectious Diseases, The Economist, Responsible Investor, and the Wall Street Journal.



Research Revisited: Governance, Sustainability, & Performance

PRESENTATION TO LOS ANGELES COUNTY EMPLOYEES
RETIREMENT ASSOCIATION (LACERA)

Julia Morello



Presenter Bio →

Julia Morello

Executive Director, MSCI Research & Development



Julia Morello, part of a newly created Emerging Risk function at MSCI, leads fundamental and thematic research and development. She oversees a global team of top analysts focused on discovering and developing company-level data that helps investors gauge portfolio exposure to the structural forces reshaping markets with climate, AI, and geopolitics as the near-term priorities. Working across MSCI, the team is quantifying these risks via a broader lens on financial materiality and investment utility.

Previously, as head of sector & thematic research, she led a team of sector, regulatory, and carbon experts, with a particular focus on ESG Ratings research.

Julia joined MSCI in 2009 following its acquisition of RiskMetrics Group, where she led healthcare analysis. She developed methodology, ratings frameworks, and company assessments for the Access to Medicine Index evaluating the top 20 research-based pharmaceutical firms on their commitment to global health access. Before that, she coordinated the World Medicines Situation Report at the World Health Organization.

She holds a Master of Public Health from Boston University and a Bachelors from Skidmore College, where she focused on organic synthesis and tandem intramolecular Diels-Alder chemistry.

Julia is a media commentator on sustainability and climate investing. Her work and engagements have appeared in the New York Times, The Lancet Infectious Diseases, The Economist, Responsible Investor, and the Wall Street Journal.

Research Revisited: Governance, Sustainability, & Performance

-
- **Governance & Performance Insights**

 - **Beyond Governance: Sustainability & Performance**

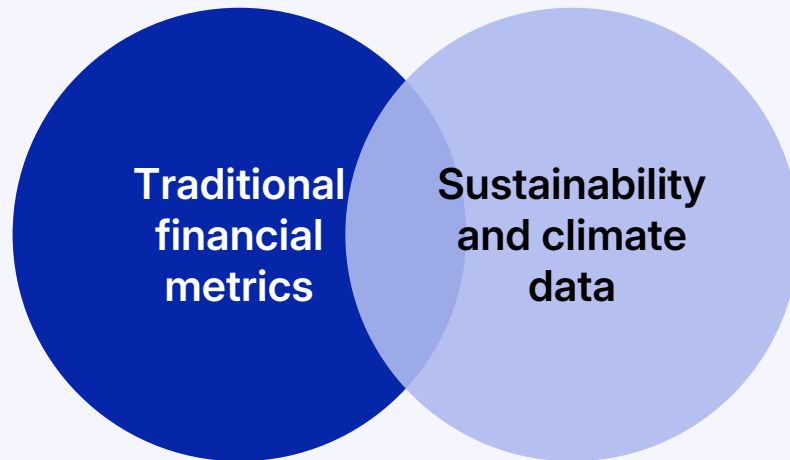
 - **Appendix**

Leveraging sustainability data to improve financial outcomes

→ Sustainability and climate data can form part of a mainstream investment or underwriting strategy, independent of any non-financial goals or regulatory alignment

Financial objectives

Incorporate sustainability and climate data with the aim of maximizing returns and reducing risk



Risk and opportunity through an alternative lens





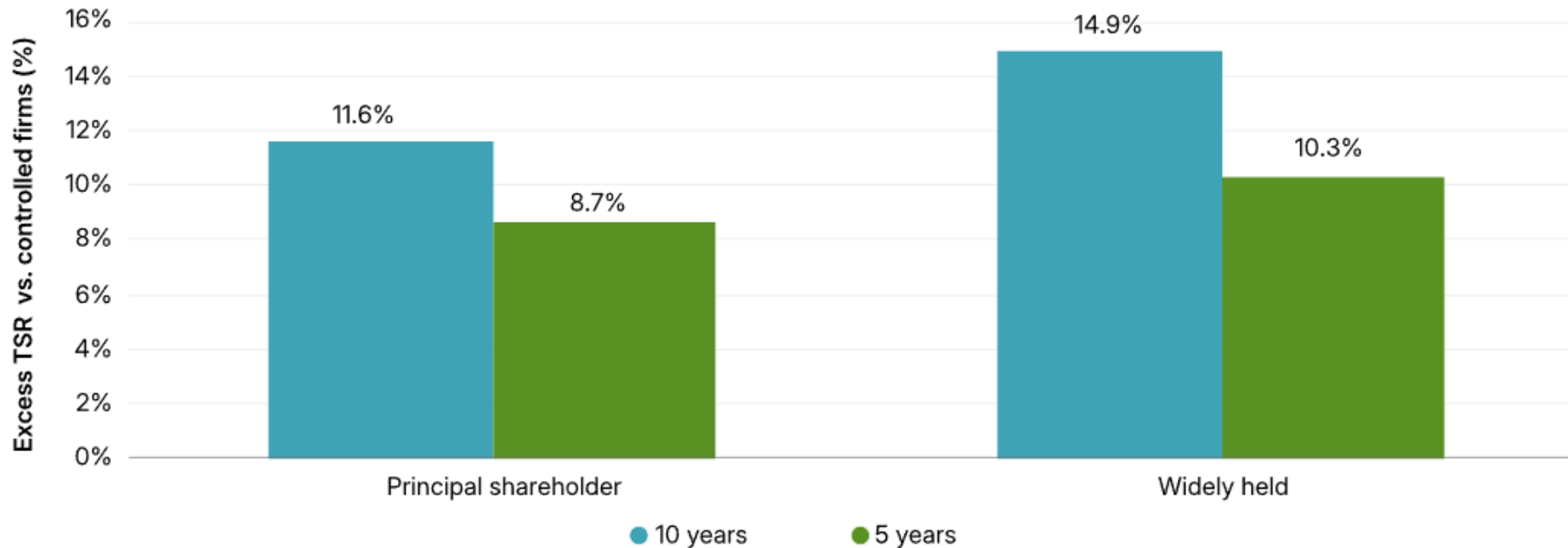
**Governance continues to be
critical...**

[Click to access blog](#)



The number of controlled firms has risen over the last decade, yet these firms underperformed widely held peers and those with a principal shareholder on 5 & 10 yr basis

Who owns wins? Principal and widely held firms deliver higher total shareholder return



→ These differences in financial performance suggest that investors may benefit from evaluating corporate ownership as part of their investment analysis.

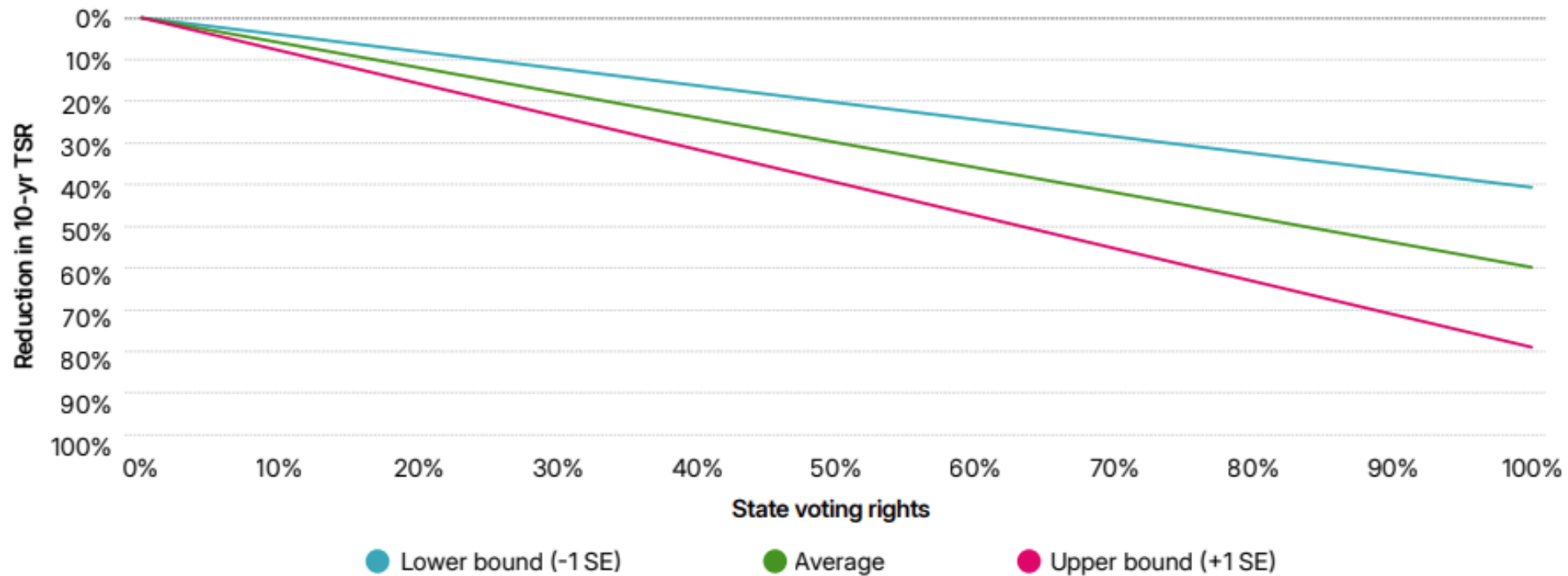
Data as of July 14, 2025. Data labels have been rounded to nearest whole number. Source: MSCI ESG Research

[Click to access MSCI Sustainability & Climate Trends to Watch](#)



State ownership is on the rise, and it may not be good news for equity investors, but a different story for bondholders

State control may come at a cost: Estimated impact on 10-year TSR



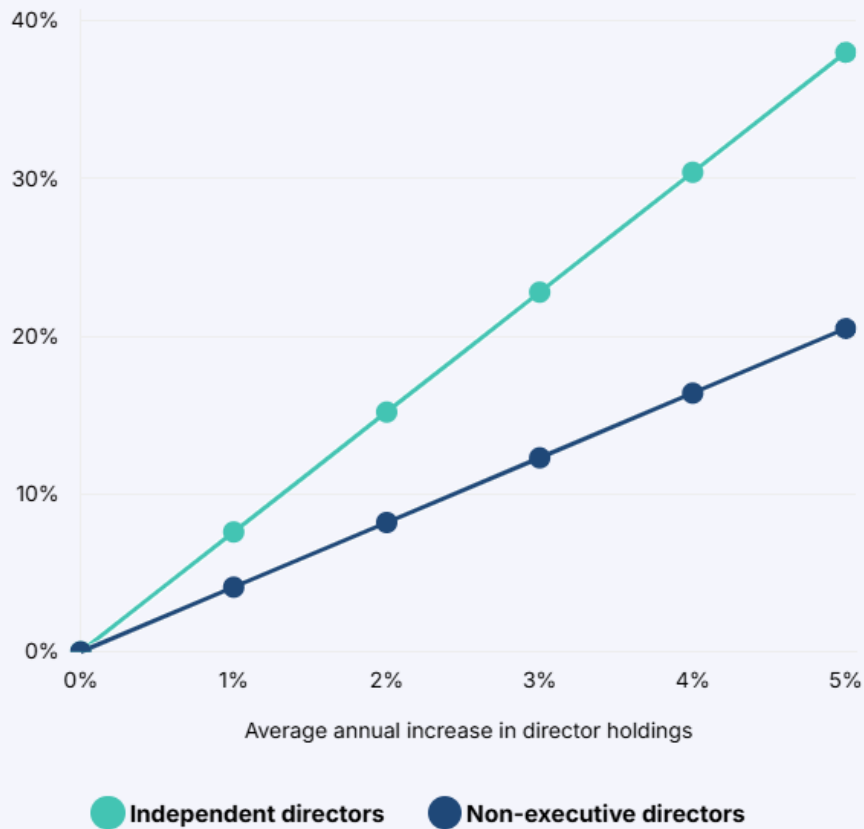
→ State ownership brought resilience, but at a cost to returns:

- Equity investors may face lower efficiency and slower value creation
- Credit investors enjoy an embedded safety net

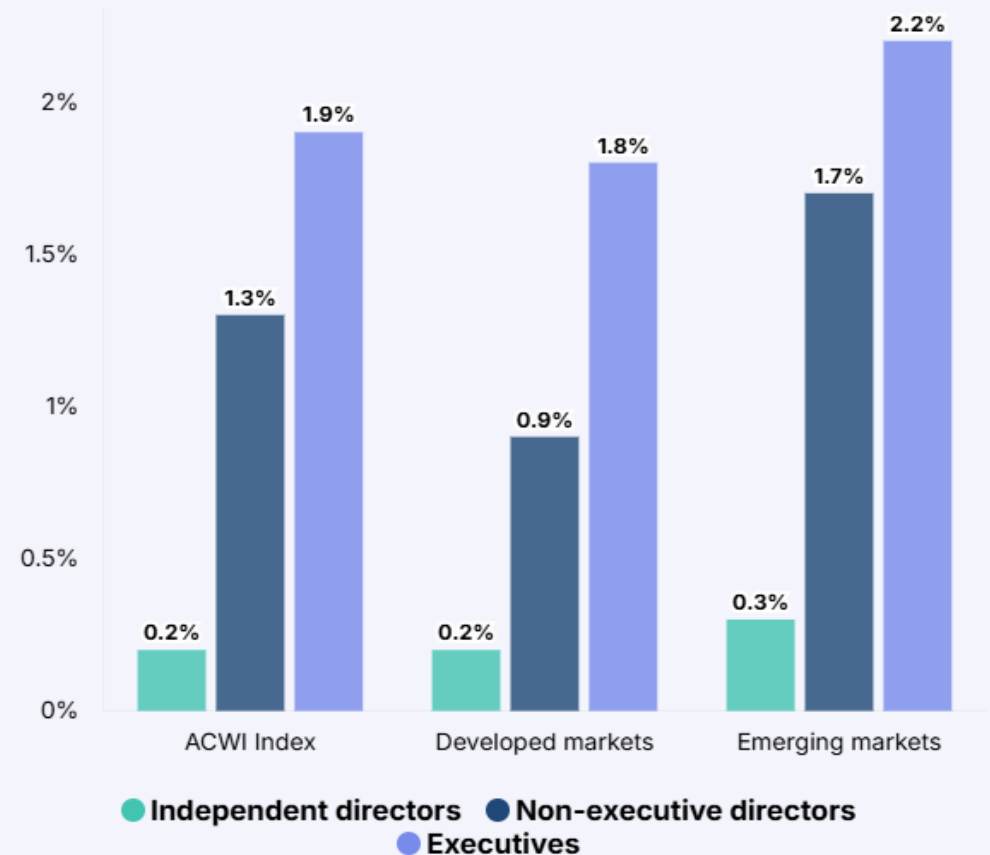
Data as of Sept. 24, 2025. Lower and upper bounds are defined by +/- one standard error (SE) (0.19%). 10-year TSR analysis included 1,906 companies that were continuous constituents of the MSCI ACWI Index between 2015 and 2025, 269 of which were identified as SOEs with 10%+ disclosed state voting rights. Multivariate regression included a continuous variable for state voting rights. Control variables included the natural log of market capitalization, market development and sector dummies. The model was statistically significant: $R^2 = 0.34$; p -value < 0.0001 ; F -statistic = 73.17. SOE % variable was negative and statistically significant: $\beta = -0.598$; $p = 0.0017$. Regression line extrapolated below 10% state voting rights for illustrative purposes. Correlation does not imply causation. Source: MSCI Sustainability & Climate.

Companies whose directors, particularly independent directors, hold meaningful and growing equity stakes tend to perform better over time

Average company outperformance with increasing director equity holdings (5-year total shareholder return)



Proportion of shares held by directors and executives

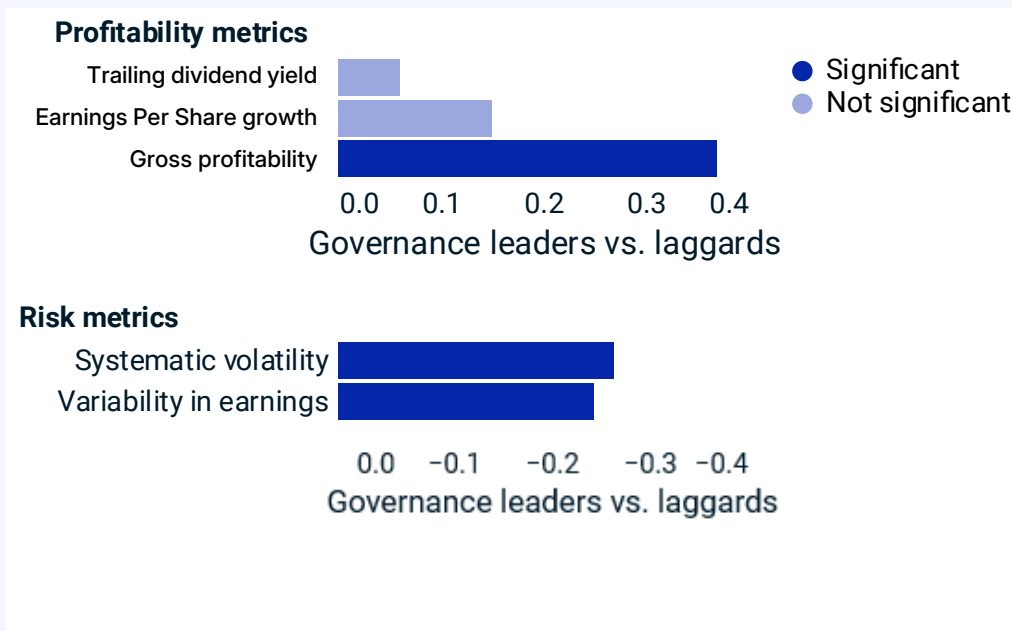


[Click to access blog](#)

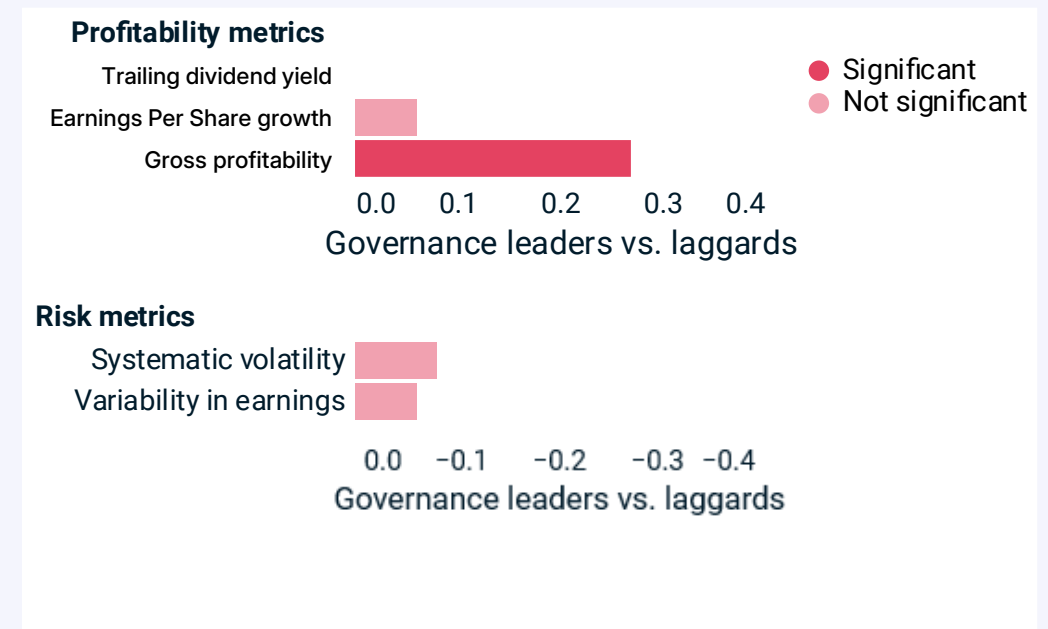


Governance leaders had higher profitability and lower risk than laggards over the long term (2015-2023)

MSCI World Index (developed markets)



MSCI Emerging Markets Index



This chart shows the difference between average z-scores for leader and laggard quintiles across several risk and profitability metrics. Z-scores were calculated relative to all other companies in the hypothetical portfolio. Color indicates whether the z-score was considered statistically significant, meaning that its associated t-statistic was at least 2.0 (or at minimum -2.0 for negative z-scores). See our blog post "[Corporate Governance: Market Matters](#)" for further information. Past performance—whether actual, backtested or simulated—is no indication or guarantee of future performance. Source: MSCI ESG Research



**But Governance isn't the only
thing that matters...**

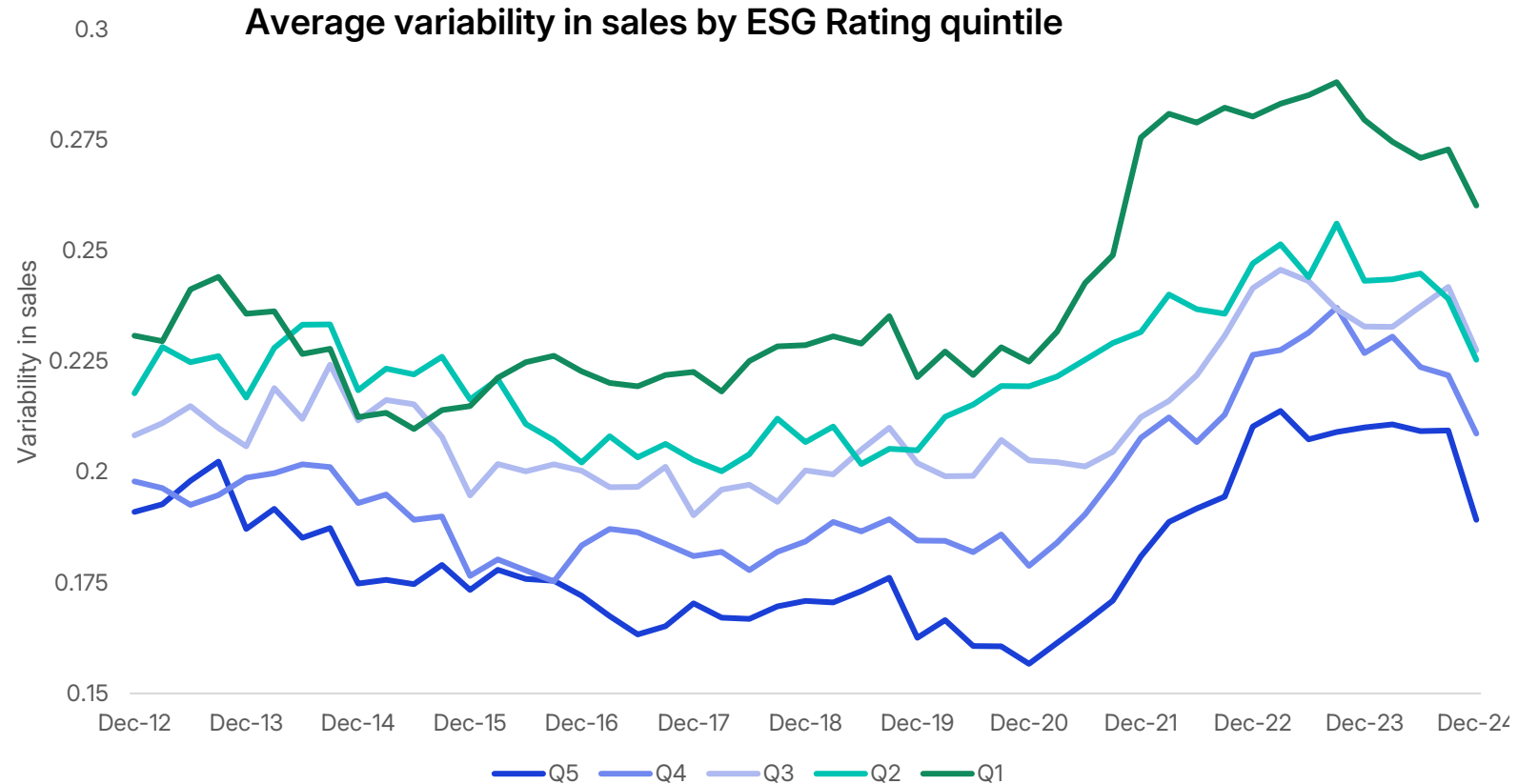
[Click to access paper](#)

Higher ESG Ratings indicated more stable business...

→ Companies with higher ESG Ratings have shown significantly lower variability in sales and cash flows, which can be associated with consistently more stable operational performance over time.

→ Higher ESG Ratings and each of the E, S, and G pillars, were linked to reduced variability or steadier business performance over time.

→ The results provide evidence that stronger ESG Ratings can help companies avoid operational disruptions, maintain license to operate and reduce operational volatility in general.



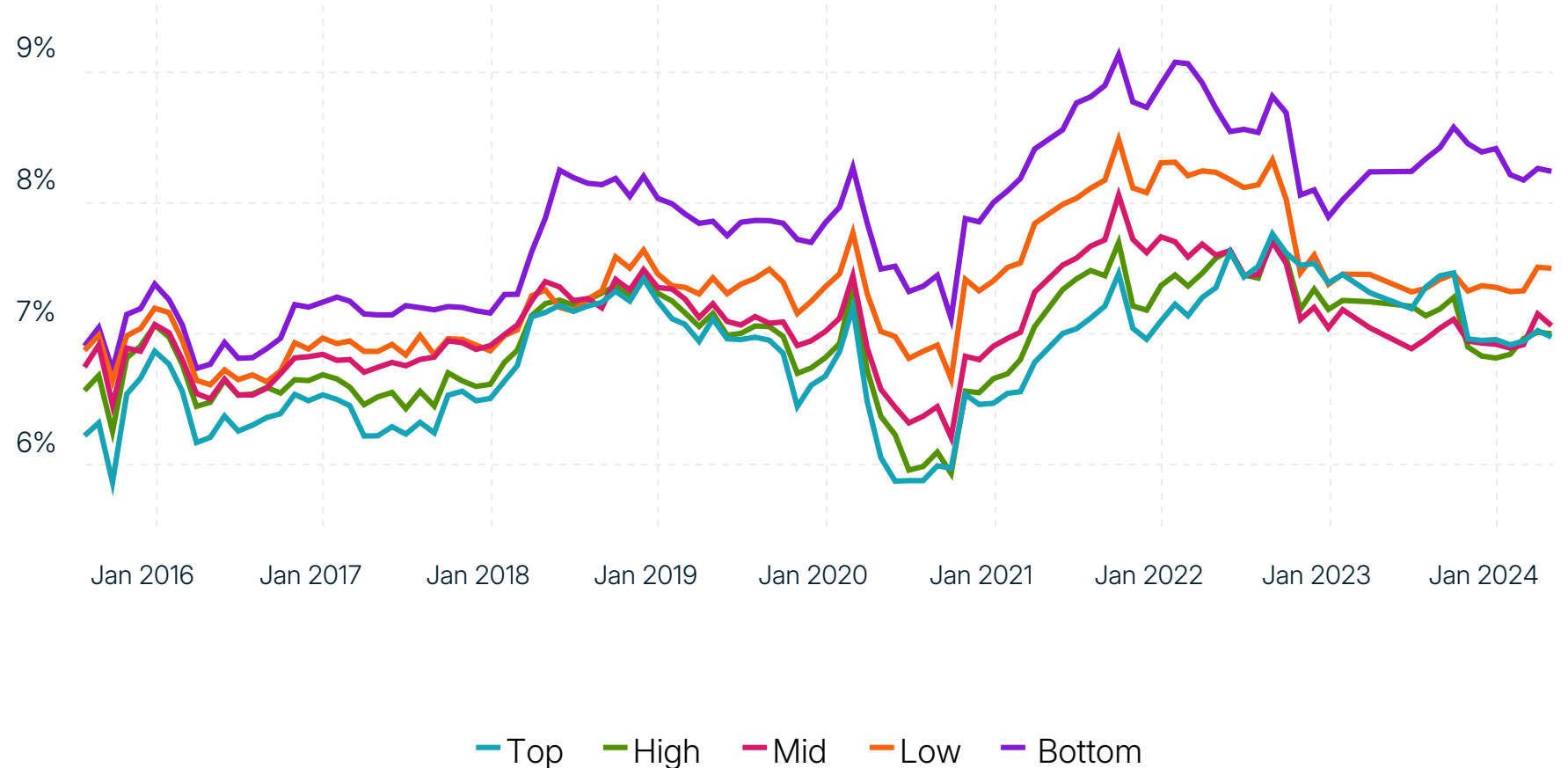
Source: Ishihara, Y., "Insights on ESG Ratings and Business Performance", MSCI Sustainability & Climate Research and Development, June 2025
Data period from December 2012 - December 2024. The sample (n=13,560) was divided into quintiles every quarter based on ESG score. We compared each quintile's average variability in sales over time. Outliers were winsorized at the 1st and 99th percentile each quarter.

[Click to access paper](#)

...and lower costs of capital.

→ Companies with the highest MSCI ESG Ratings had the lowest financing costs (6.8%, on average, over the study period), while the lowest-rated companies on average had to pay the most to access capital (7.9%).

→ Studied **4,319 issuers** grouped by their **MSCI ESG Ratings** over **8 years and 10 months** between August 2015 and May 2024.



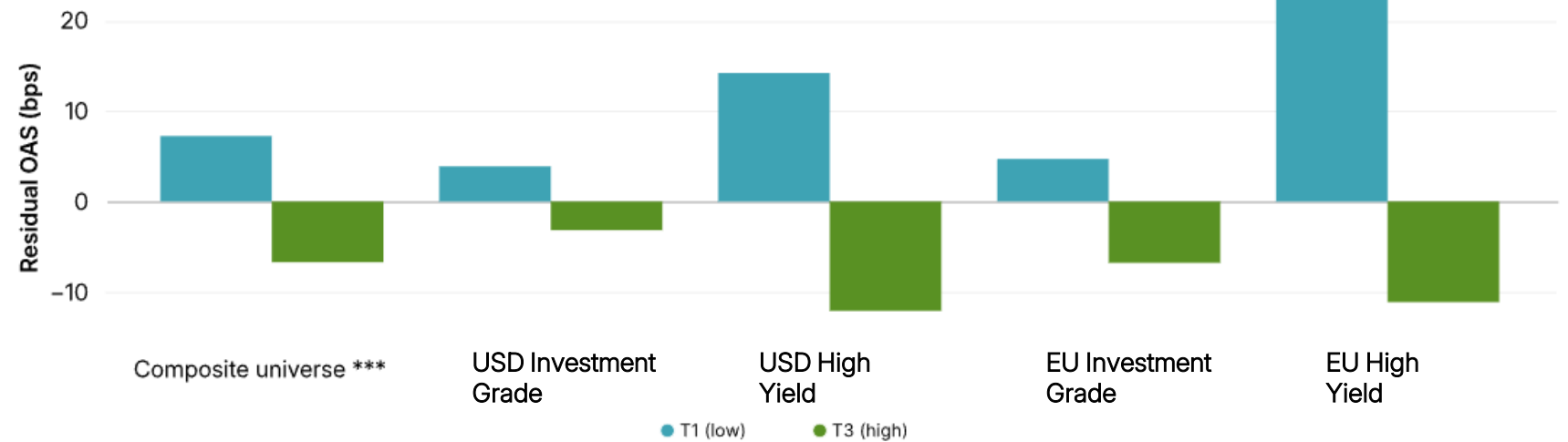
Data period from August 2015 through May 2024. We divided the study sample (n = 4,319 unique issuers) into quintiles each month based on IAS score, which underlies the MSCI ESG Rating, and compared each quintile's cost of capital monthly (106 observations). The difference between the top and bottom ESG quintiles over the study period was significant at a 99% confidence level using the Mann-Whitney U test. Source: MSCI ESG Research

[Click to access paper](#)

The connection between ESG and Performance over the past decade continues to hold in credit markets...

- [Companies with higher ESG Ratings consistently paid less to borrow in bond markets, across investment grade and high yield, in both USD and EUR markets](#)
- The advantage was most pronounced in higher-risk market segments, suggesting sustainability factors carry even greater weight when credit conditions are stressed.

Average residual Option Adjusted Spread by ESG—Rating Tercile



The chart shows the average residual option-adjusted spread (OAS) for the lowest- and highest-ESG-rating terciles relative to their respective analysis universe, from January 2015 to December 2024 (monthly data). The residual OAS is calculated from cross-sectional regression of the bond's OAS on bond-level credit quality, duration and liquidity. *** indicates significance at the 99% level. Source: MSCI ESG Research

[Click to access paper](#)

...and across Equity Markets

Results:

- [Outperformance of higher-rated companies and companies with higher-rated individual pillar scores](#)

Methodology

- Top versus bottom ESG score performance
- Neutralized for size, region and sectors

Performance of highest versus lowest rating quintiles in MSCI ACWI Index (equal weighted)

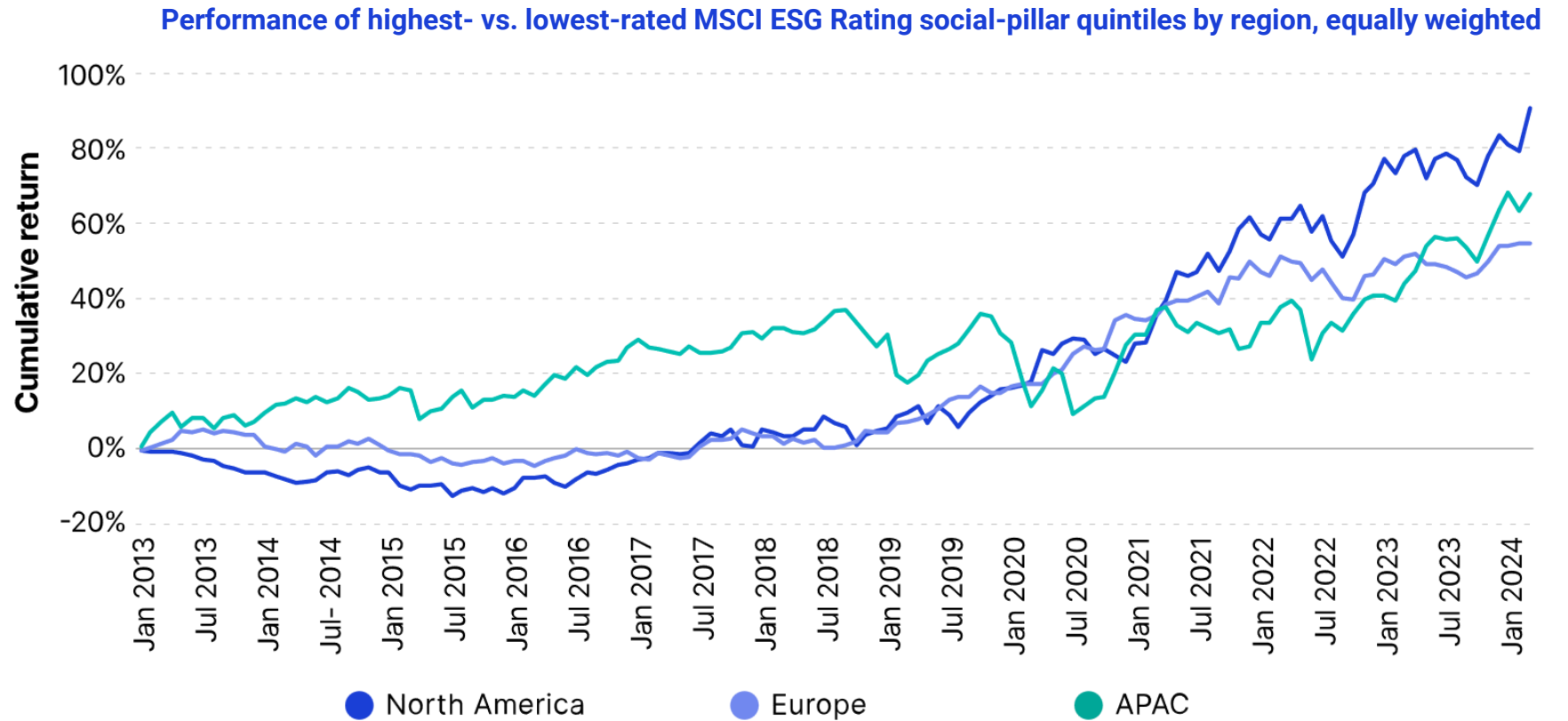


[Click to access blog](#)

What have we seen outside of Governance in the past decade?

Social Risks (Human Capital, Labor Management, Product Liability) quietly on the rise...

→ Over the past 11 years, we have seen that companies' ability (or not) to manage social risks has been a leading indicator for how they performed financially compared to their peers.



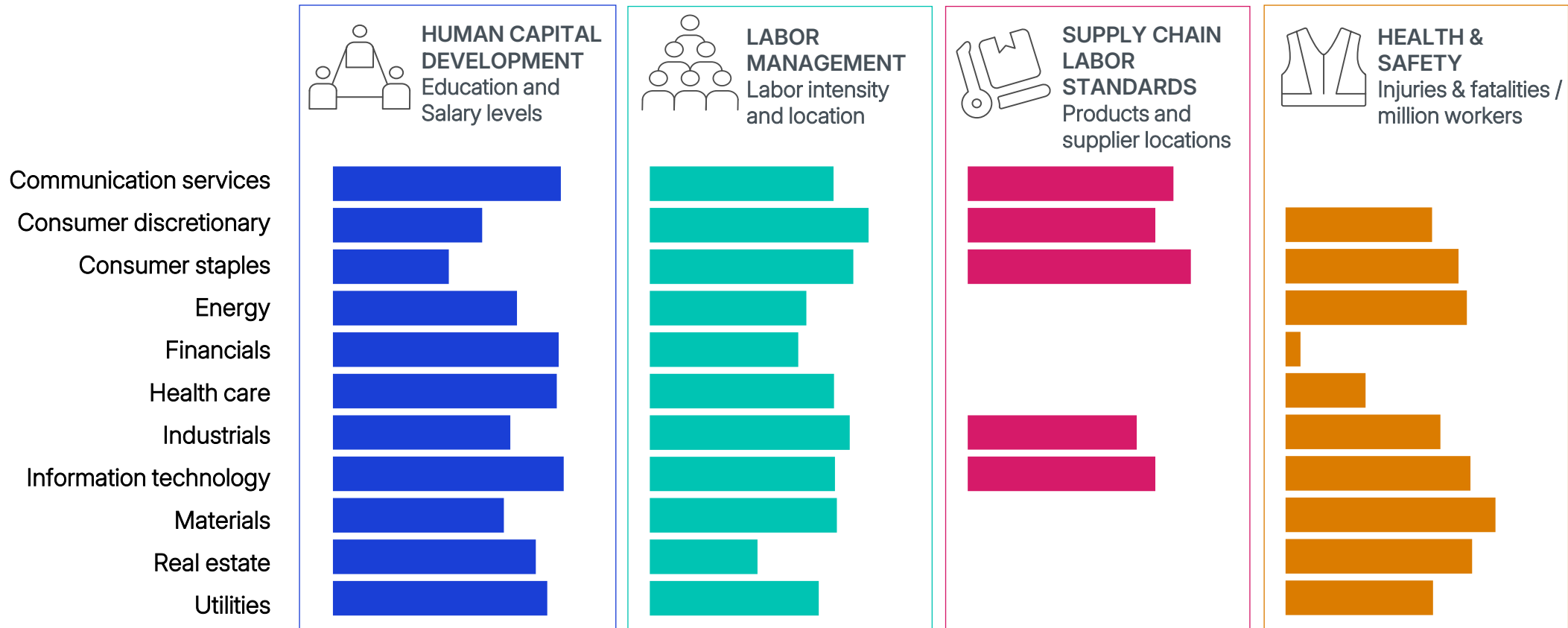
Source: MSCI ESG Research, March 2025.

Data from Dec. 31, 2012, to March 29, 2024. Quintiles are created every month based on a social score. We first regressed scores on market capitalization to eliminate any size bias. We then obtained the regression residuals and standardized them by region (North America, Europe and Asia-Pacific sub-indexes of the MSCI ACWI Index) and sector. Finally, we formed quintiles within each region and sector, based on these standardized z-scores. The chart shows the cumulative difference between the top and bottom quintiles' performance. Not an indication of causality. Past performance — whether actual, backtested or simulated — is no indication or guarantee of future performance.

[Click to access blog](#)

Exposure to different human-capital risks differs across sectors

The risks faced by knowledge-based companies with highly-skilled workers are not the same as those with large, low-paid labor forces or where the job can be hazardous. For some, risks lie in the supply chain.



Source: MSCI ESG Research, March 2025.
Chart shows average key issue exposure score for constituents of the MSCI ACWI Index in each GICS sector.

[Click to access blog](#)

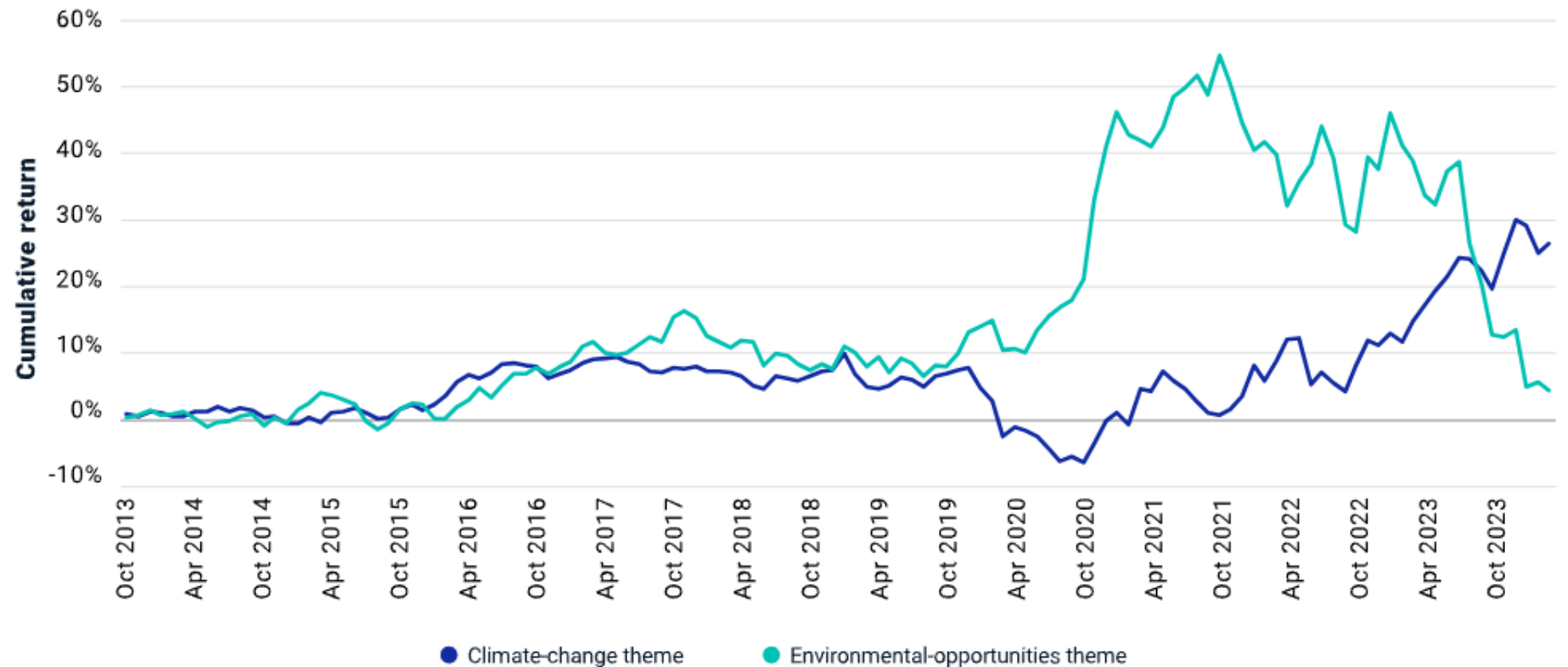
...and the approach to climate is also not 1 size fits all.

Long-term equity market performance of environmental themes

→ Companies with the strongest management of climate-related risks delivered between 2% and 9% annualized market outperformance over the past 11 years across most sectors

→ Environmental-opportunities leaders also outperformed over the study period, though headwinds since 2021 (rising rates, supply-chain pressures) have tempered recent results

Cumulative returns for highest- vs. lowest-rated quintiles, equally weighted



Data from Sept. 30, 2013, to March 29, 2024. Our approach was similar to that used in [MSCI ESG Ratings in Global Equity Markets: A Long-Term Performance Review](#). Quintiles are created every month based on environmental-pillar scores and for each of the four environmental-theme scores. The graph shows the cumulative difference between the top- and bottom-quintiles' performance. In addition to climate-change and environmental-opportunities themes, the environmental pillar also incorporates the natural capital and pollution and waste themes. Source: MSCI ESG Research.

[Click to access blog](#)

So, What Matters the Most?

KEY TAKEAWAYS:

1. The materiality of the governance factor is not universal.
2. People really are a company's greatest asset.
3. In emissions-heavy sectors, pay attention to... emissions.

● Denotes workforce-related issues ● Denotes emissions

Sector	Avoiding drawdowns				Long-term performance			
	Top 3 key issues - avoiding drawdowns	Decrease in drawdown frequency (%)	Specific contribution p.a. (%)	Average quintile size	Top 3 key issues - stock specific contribution	Decrease in drawdown frequency (%)	Specific contribution p.a. (%)	Average quintile size
Communication Services	Human Capital Development	42.1	4.01	75	Labor Management	25.3	5.42	42
	Accounting	17.4	0.19	83	Human Capital Development	42.1	4.01	75
	Labor Management	25.3	5.42	42	Privacy & Data Security	21.0	2.94	53
Consumer Discretionary	Chemical Safety	25.9	3.86	51	Human Capital Development	9.3	7.21	132
	Labor Management	15.0	1.19	154	Accounting	-1.1	3.31	215
	Privacy & Data Security	19.8	0.82	84	Chemical Safety	25.9	3.86	51
Consumer Staples	Business Ethics	44.3	2.14	109	Raw Material Sourcing	13.1	3.22	64
	Pay	26.3	-0.49	115	Biodiversity & Land Use	-5.1	4.35	8
	Health & Safety	27.0	-2.35	38	Business Ethics	44.3	2.14	109
Energy	Opportunities in Clean Tech	23.1	1.42	10	Ownership & Control	-25.1	5.4	66
	Business Ethics	10.1	-0.65	62	Health & Safety	4.3	2.46	67
	Health & Safety	4.3	2.46	67	Accounting	-3.7	2.37	66
Financials	Accounting	23.6	1.43	233	Privacy & Data Security	-5.9	2.49	149
	Human Capital Development	18.5	0.12	216	Accounting	23.6	1.43	233
	Consumer Financial Protection	17.6	0.92	107	Consumer Financial Protection	17.6	0.92	107
Health Care	Business Ethics	26.6	1.58	173	Access to Health Care	-2.4	6.1	81
	Human Capital Development	20.7	-0.48	126	Toxic Emissions & Waste	8.2	3.37	79
	Board	10.3	-2.56	184	Pay	8.6	2.21	184
Industrials	Business Ethics	41.6	2.5	268	Toxic Emissions & Waste	16.9	2.26	108
	Accounting	15.2	1.84	290	Business Ethics	41.6	2.5	268
	Labor Management	16.2	1.27	179	Accounting	15.2	1.84	290
Information Technology	Board	17.5	1.18	203	Accounting	0.4	5.31	203
	Business Ethics	15.0	0.3	182	Pay	3.5	4.38	203
	Ownership & Control	12.8	-2.55	203	Controversial Sourcing	9.8	2.73	72
Materials	Toxic Emissions & Waste	33.6	3.68	112	Toxic Emissions & Waste	33.6	3.68	112
	Carbon Emissions	34.2	2.04	128	Raw Material Sourcing	-18.5	4.62	13
	Health & Safety	20.3	0.51	72	Carbon Emissions	34.2	2.04	128
Real Estate	Business Ethics	26.0	0.11	121	Health & Safety	26.1	4.63	39
	Ownership & Control	19.9	-1.26	130	Board	3.2	2.15	130
	Health & Safety	26.1	4.63	39	Human Capital Development	-8.6	1.01	117
Utilities	Board	30.0	2.62	59	Carbon Emissions	-1.2	4.02	53
	Toxic Emissions & Waste	17.7	-0.21	38	Board	30.0	2.62	59
	Human Capital Development	2.2	1.31	48	Biodiversity & Land Use	15.4	2.14	23

Source: MSCI ESG Research. Data as of September 2024. Analysis covers constituents of the MSCI ACWI Investable Market Index (IMI). Analysis of environmental and social key issues from September 2012, analysis of governance key issues from July 2019. The difference in start dates reflects availability of data. Key issues are ranked by their reliability as an indicator, based on the statistical significance of the result.

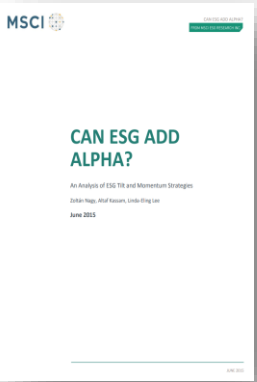


Appendix

Key Risk & Performance Papers - Sustainability

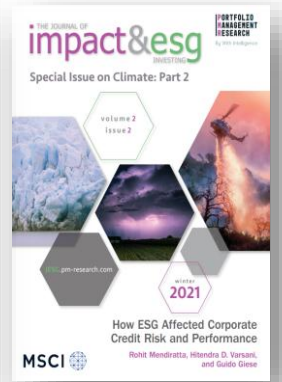
PUBLICATION DATE

2015 2021 2024 2024 2025 2025 2025 2025



Performance of Tilt & Momentum Strategies
 MSCI World 2007-2014

[Access Full Paper](#)



Credit Risk & Performance Transmission Channels:

- Cash-Flow
- Idiosyncratic Risk
- Valuation
- ESG Ratings v. Credit Ratings

MSCI USD IG, USD HY, EUR IG, EUR HY; 2014-2020

[Access Full Paper](#)



Evaluating the Transmission Channel of ESG Performance into Equity Returns
 An 11- and 17-Year Assessment of MSCI ESG Ratings Across Global and Developed Markets

[Access Full Paper](#)



MSCI ESG Ratings & Company Financing Costs
 MSCI ACWI & MSCI Corporate Bond Indexes 2015-2024

[Access Full Paper](#)



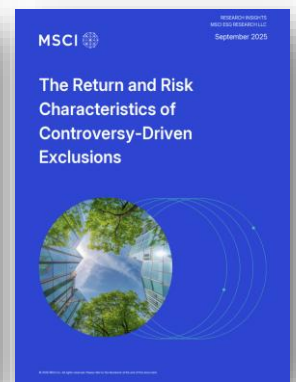
Insights on MSCI ESG Ratings and Business Performance
 Exploring the links between sustainability and corporate fundamentals.

[Access Full Paper](#)



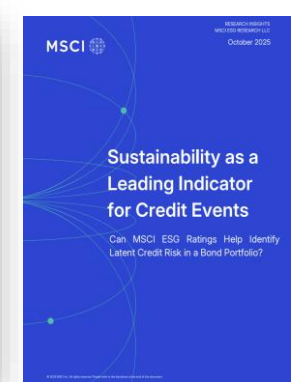
Sustainability Risk as a Persistent Driver of Credit Performance
 A Decade-Long Analysis of Financial Materiality Across Fixed-Income Markets Using the MSCI Multi-Asset Class Factor Model.

[Access Full Paper](#)



The Return and Risk Characteristics of Controversy-Driven Exclusions
 MSCI ACWI IMI data (2015-2024), we compared hypothetical portfolios that applied targeted exclusions.

[Access Full Paper](#)



Sustainability as a Leading Indicator for Credit Events
 Analyzing 10.5 years of data across more than 21,000 bonds, issuers with lower MSCI ESG Ratings were significantly more likely to experience events such as downgrades or spread widening

[Access Full Paper](#)

Contact

The process for submitting a formal index complaint can be found on the index page of MSCI's website at: <https://www.msci.com/index-regulation>.

Americas

United States
+1 888 588 4567 (toll free)

Canada
+1 416 628 1007

Brazil
+55 11 4040 7830

Mexico
+52 81 1253 4020

Asia Pacific

China
+86 21 61326611

Hong Kong
+ 852 2844 9333

India
+ 91 22 6784 9160

Malaysia
1800818185 (toll free)

South Korea
+82 70 4769 4231

Singapore
+65 67011177

Australia
+612 9033 9333

Taiwan
008 0112 7513 (toll free)

Thailand
0018 0015 6207 7181 (toll free)

Japan
+81 3 4579 0333

Europe, Middle East & Africa

South Africa
+ 27 21 673 0103

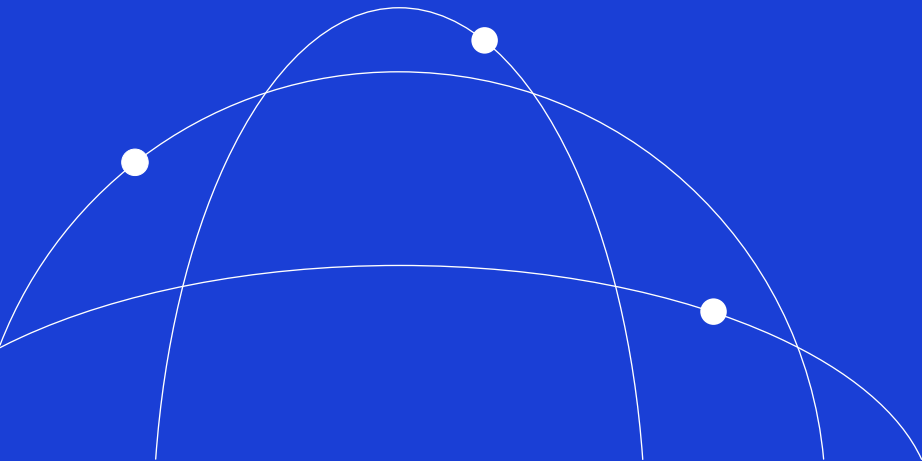
Germany
+ 49 69 133 859 00

Switzerland
+ 41 22 817 9777

United Kingdom
+ 44 20 7618 2222

Italy
+ 39 02 5849 0415

France
+ 33 17 6769 810



About Us

About MSCI Sustainability and Climate Products and Services

MSCI Sustainability and Climate products and services are provided by MSCI Solutions LLC and certain related entities, and are designed to provide in-depth research, ratings and analysis of environmental, social and governance related business practices to companies worldwide. ESG ratings, data and analysis from MSCI Sustainability and Climate are also used in the construction of MSCI Indexes.

About MSCI Inc.

MSCI (NYSE: MSCI Inc.) strengthens global markets by connecting participants across the financial ecosystem with a common language. Our research-based data, analytics and indexes, supported by advanced technology, set standards for global investors and help our clients understand risks and opportunities so they can make better decisions and unlock innovation. We serve asset managers and owners, private-market sponsors and investors, hedge funds, wealth managers, banks, insurers and corporates.

To learn more, please visit www.msci.com

The process for submitting a formal index complaint can be found on the index regulation page of MSCI's website at: <https://www.msci.com/index-regulation>.

Notice and Disclaimer

The data, data feeds, databases, reports, text, graphs, charts, images, videos, recordings, models, metrics, analytics, indexes, ratings, scores, cases, estimates, assessments, software, websites, products, services and other information and materials contained herein or delivered in connection with this notice (collectively, the "Information") are copyrighted, trade secrets (when not publicly available), trademarks and proprietary property of MSCI Inc. or its subsidiaries (collectively, "MSCI"), MSCI's licensors, direct or indirect suppliers and authorized sources, and/or any third party contributing to the Information (collectively, with MSCI, the "Information Providers"). All rights in the Information are reserved by MSCI and its Information Providers and user(s) shall not, nor assist others to, challenge or assert any rights in the Information.

Unless you contact MSCI and receive its prior written permission, you must NOT use the Information, directly or indirectly, in whole or in part (i) for commercial purposes, (ii) in a manner that competes with MSCI or impacts its ability to commercialize the Information or its services, (iii) to provide a service to a third party, (iv) to permit a third party to directly or indirectly access, use or resell the Information, (v) to redistribute or resell the Information in any form, (vi) to include the Information in any materials for public dissemination such as fund factsheets, market presentations, prospectuses, and investor information documents (e.g. KIIDs or KIDs), (vii) to create or as a component of any financial products, whether listed or traded over the counter or on a private placement basis or otherwise, (viii) to create any indexes, ratings or other data products, including in derivative works combined with other indexes or data or as a policy, product or performance benchmarks for active, passive or other financial products, (ix) to populate a database, or (x) to train, use as an input to, or otherwise in connection with any artificial intelligence, machine learning, large language models or similar technologies except as licensed and expressly authorized under MSCI's AI Contracting Supplement at <https://www.msci.com/legal/supplemental-terms-for-client-use-of-artificial-intelligence>.

The intellectual property rights of MSCI and its Information Providers may not be misappropriated or used in a competitive manner through the use of third-party data or financial products linked to the Information, including by using an MSCI index-linked future or option in a competing third-party index to provide an exposure to the underlying MSCI index or by using an MSCI index-linked ETF to create a financial product that provides an exposure to the underlying MSCI index without obtaining a license from MSCI.

The user or recipient of the Information assumes the entire risk of any use it may make, permit or cause to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, SUITABILITY, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION. Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall MSCI or any other Information Provider have any liability arising out of or relating to any of the Information, including 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 be applicable law be excluded or limited.

The Information, including index construction, ratings, historical data, or analysis, is not a prediction or guarantee of future performance, and must not be relied upon as such. Past performance is not indicative of future results. The Information may contain back tested data. Back-tested performance based on back-tested data 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. The Information may include "Signals," defined as quantitative attributes or the product of methods or formulas that describe or are derived from calculations using historical data. Signals are inherently backward-looking because of their use of historical data, and they are inherently inaccurate, not intended to predict the future and must not be relied upon as such. The relevance, correlations and accuracy of Signals frequently change materially over time.

The Information may include data relating to indicative prices, evaluated pricing or other information based on estimates or evaluations (collectively, "Evaluations") that are not current and do not reflect real-time traded prices. No evaluation method, including those used by the Information Providers, may consistently generate evaluations or estimates that correspond to actual "traded" prices of any relevant securities or other assets. Evaluations are subject to change at any time without notice and without any duty to update or inform you, may not reflect prices at which actual transactions or collateral calls may occur or have occurred. The market price of securities, financial instruments, and other assets can be determined only if and when executed in the market. There may be no, or may not have been any, secondary trading market for the relevant securities, financial instruments or other assets. Private capital, equity, credit and other assets and their prices may be assessed infrequently, may not be priced on a secondary market, and shall not be relied upon as an explicit or implicit valuation of a particular instrument. Any reliance on fair value estimates and non-market inputs introduces potential biases and subjectivity. Internal Rate of Return metrics are not fully representative without full disclosure of fund cash flows, assumptions, and time horizons.

The Information does not constitute, and must not be relied upon as, investment advice, credit ratings, or proxy advisory or voting services. None of the Information Providers, their products or services, are fiduciaries or make any recommendation, endorsement, or approval of any investment decision or asset allocation. Likewise, the Information does not represent an offer to sell, a solicitation to buy, or an endorsement of any security, financial product, instrument, investment vehicle, or trading strategy, whether or not linked to or in any way based on any MSCI index, rating, subcomponent, or other Information (collectively, "Linked Investments"). The Information should not be relied on and is not a substitute for the skill, judgment and experience of any user when making investment and other business decisions. MSCI is not responsible for any user's compliance with applicable laws and regulations. All Information is impersonal, not tailored to the needs of any person, entity or group of persons, not objectively verifiable in every respect, and may not be based on information that is important to any user.

It is not possible to invest in an index. Exposure to an asset class or trading strategy or other category represented by an index is only available through third party investable instruments (if any) based on that index. MSCI makes no assurance that any Linked Investments will accurately track index performance or provide positive investment returns. Index returns do not represent results of actual trading of investible assets/securities. MSCI maintains and calculates indexes but does not manage assets. The calculation of indexes and index returns may deviate from the stated methodology. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase securities underlying the index or Linked Investments. The imposition of these fees and charges would cause the performance of a Linked Investment to be different than the MSCI index performance.

Information provided by MSCI Solutions LLC and certain related entities ("MSCI Solutions"), including materials utilized in MSCI sustainability and climate products, have not been submitted to, nor received approval from any regulatory body. MSCI sustainability and climate offerings, research and data are produced by, and ratings are solely the opinion of MSCI Solutions. Other MSCI products and services may utilize information from MSCI Solutions, Barra LLC or other affiliates. More information can be found in the relevant methodologies on www.msci.com. MSCI Indexes are administered by MSCI Limited (UK) and MSCI Deutschland GmbH. No regulated use of any MSCI private real assets indexes in any jurisdiction is permitted without MSCI's express written authorization. The process for applying for MSCI's express written authorization can be found at: <https://www.msci.com/index-regulation>.

MSCI receives compensation in connection with licensing its indexes and other Information to third parties. MSCI Inc.'s revenue includes fees based on assets in Linked Investments. Information can be found in MSCI Inc.'s company filings on the Investor Relations section of msci.com. Issuers mentioned in MSCI Solutions materials or their affiliates may purchase research or other products or services from one or more MSCI affiliates, manage financial products such as mutual funds or ETFs rated by MSCI Solutions or its affiliates or are based on MSCI Indexes. Constituents of MSCI equity indexes are listed companies, which are included in or excluded from the indexes according to the application of the relevant index methodologies. Constituents in MSCI Inc. equity indexes may include MSCI Inc., clients of MSCI or suppliers to MSCI. MSCI Solutions has taken steps to mitigate potential conflicts of interest and safeguard the integrity and independence of its research and ratings.

MIFID2/MIFIR notice: MSCI Solutions does not distribute or act as an intermediary for financial instruments or structured deposits, nor does it deal on its own account, provide execution services for others or manage client accounts. No MSCI product or service supports, promotes or is intended to support or promote any such activity. MSCI Solutions is an independent provider of sustainability and climate data. All use of indicative prices for carbon credits must comply with any rules specified by MSCI. All transactions in carbon credits must be traded "over-the-counter" (i.e. not on a regulated market, trading venue or platform that performs a similar function to a trading venue) and result in physical delivery of the carbon credits.

You may not remove, alter, or obscure any attribution to MSCI or notices or disclaimers that apply to the Information. MSCI, Barra, RiskMetrics, and other MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and S&P Dow Jones Indices. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and S&P Dow Jones Indices. Terms such as including, includes, for example, such as and similar terms used herein are without limitation.

MSCI and its Information Providers may use automated technologies and artificial intelligence to help generate content and output incorporated in the Information.

Privacy notice: For information about how MSCI collects and uses personal data, please refer to our Privacy Notice at: <https://www.msci.com/privacy-pledge>. For copyright infringement claims contact us at dmca@msci.com. This notice is governed by the laws of the State of New York without regard to conflict of laws principles