

INSURANCE ASIA NEWS

Institutional Asset Management Awards
2024



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Best ETF Index Provider

MSCI

As of March 31, 2024, there are close to 1,400 equity ETFs listed globally tracking MSCI Indexes with over USD1.5 billion in AUM¹.

In a highly competitive industry, MSCI continuously innovates for investors by leveraging research, partnerships and technology to deliver on key thematic such as decarbonisation.

Climate and ESG indexes continue to grow

ESG and climate risk mitigation have become a much larger part of MSCI's index offerings overall. In 2023, its Climate Action Indexes continued to exert market influence with five ETF launches based on the suite representing over US\$6 billion in AUM as of November.

The influence of MSCI's climate and ESG indexes grew significantly in 2023. Among the biggest ESG-focused ETFs, BlackRock's iShares MSCI USA ESG Screened UCITS ETF, also based on an MSCI index, tied for second place with Vanguard ESG US Stock ETF with identical gains of 30.8% for the year. As of September 2023, the Cathay Taiwan Select ESG Sustainability High Yield ETF emerged as the top-performing large ETF globally, outperforming both Taiwan's stock index and the S&P 500. This ETF tracks MSCI's Taiwan Select ESG Sustainability High Yield Top 30 Index, focusing on Taiwanese technology firms.

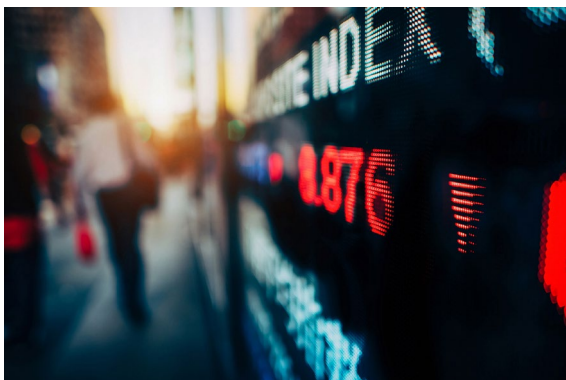
In Singapore, BlackRock introduced a new Asia-focused ETF in 2023 tracking MSCI's Climate Action Indexes on the Singapore Exchange (SGX). This ETF attracted over \$426 million at inception, a record for a Singapore-listed equity ETF. Key backers included Prudential, Singlife, and Singapore's state fund Temasek.

MSCI also increased its focus on helping asset owners improve their ESG and climate-related investing because the size and scale of the investor class plays a highly influential and market making role in climate finance. The trend of asset owners adopting MSCI's Climate Action Indexes built momentum through 2023, most visibly with the successful launch of the Singapore-listed iShares MSCI Asia ex Japan Climate Action ETF.

Ilmarinen, one of Finland's two largest pension insurance companies switched its benchmark for its listed equity portfolio of €17 billion to the MSCI Climate Action indexes in 2022. Following that move, in April 2023 the fund invested a further €1.86 billion into Xtrackers MSCI USA Climate Action Equity ETF on the ETF's first day of trading, making it the largest ETF launch of all time in the US.

Regional enhancements

As macroeconomic and geopolitical disruptions reshaped global equity markets in 2023, investor interest in broader emerging markets swelled. India is a major part of that narrative and an additional \$60 billion is now indexed to Indian equities through boosted weightings in MSCI Emerging Markets and MSCI ACWI indexes.



¹ As of March 31, 2024 based on the data from Refinitiv and MSCI