

## MSCI NOW RATING MUTUAL FUNDS ON ESG

### MSCI follows in Morningstar's footsteps to rate funds on ESG

We reported two weeks ago that Morningstar's [new initiative](#) will rate portfolios on sustainability in order to "allow investors to understand how well the companies held in a portfolio are addressing their ESG risks and opportunities" using exclusively [Sustainalytics](#) data. See [Insights 131](#).

This week rival MSCI announced that its ESG Research team will now cover approximately 21,000 mutual funds and exchange traded funds (ETFs). MSCI ESG Fund Metrics "will measure the ESG characteristics of portfolio holdings and rank or screen funds based on factors including sustainable impact, values alignment and ESG risks, including carbon footprint."

Read an excerpt from the MSCI Fund Transparency paper [HERE](#).

### @SICMGMT TWEET OF THE WEEK

 Thrilled to host Jean Rogers, CEO of @SASB for a discussion on disclosure, materiality & how to get away from the term "non-financial" data.

### ACRONYM OF THE WEEK



**OHI** (Ocean Health Index) is an assessment tool customized by the stakeholder to meet local management needs.

## DO EXPORTS AND STRICT ENVIRONMENTAL RULES GO IN TANDEM?

The Paris-based Organization for Economic Co-operation and Development (OECD) reported this week that countries with [tough environmental policies](#), such as air pollution rules, do not create a significant disadvantage when trading globally compared with countries that have less strict regulations.

"Environmental policies are simply not the major driver of international trade patterns," Catherine L. Mann, chief economist for the OECD said in a statement with the report.

Read the report [HERE](#)

### THIS WEEK IN NUMBERS

**500**

million US dollars has been paid by the US into the UN Green Climate Fund, the first part of the promised \$3 billion.

**60**

research institutes and companies are searching for a Zika virus cures says the WHO.

**59**

"hotspots" (forest fires) were detected on the Indonesian island of Sumatra last week (subscription required)

**34**

stock exchanges had women 'ring the bell for gender equality' on International Women's Day (8 March).

**27**

coal firms were removed from Norway's sovereign wealth fund in 2015.

**23**

cities are part of the sustainable cities project backed by the World Bank and Global Environment Facility.

**20**

percent of antibiotics will be eliminated by the major meat processor Cargill Inc.

# INSIGHTS

## For the Mainstream Investor



Sustainable Insight  
CAPITAL MANAGEMENT

@sicgmt

Week ending March 11, 2016

Edition 133

## DUTCH CENTRAL BANK AND CLIMATE RISK

The Dutch central bank will be the latest regulator to examine climate risk in financial institutions. The central bank is conducting a survey of the financial institutions it oversees “to find evidence of a carbon bubble – that is overexposure to fossil fuel firms whose fortunes are in doubt following the Paris

climate accord (COP21).” Dutch pension schemes have also begun reducing exposure to the fossil fuel sector, starting with health care scheme PFZW which has said that it will divest from coal by 2020.

[READ MORE](#) (subscription required)

## JAPANESE NUCLEAR RESTART STUTTERS

Amidst public fears about the safety of two nuclear plants that just restarted in Takahama town, a Japanese court issued an injunction to halt operations at No. 3 and No. 4 nuclear reactors.

The nuclear program only recently restarted after the Fukushima meltdowns in 2011. The ruling does have the potential to be overturned.

[READ MORE](#)

### WHAT WE'RE WATCHING

We all know that cigarette packages come covered in health warnings. Should coal marketing similarly come with a health warning? Following the NSW Mineral Council's new campaign, one columnist sure thinks so.

[READ MORE](#)

### DID YOU SEE...?

JPMorgan Chase & Co. became the latest big bank to pull back from coal.

[READ MORE](#)

### BELIEVE IT OR NOT

A surge in iron ore prices has been fueled by... a flower show in China. Hint: steel mills are being asked to shut down to clear the skies ahead of an international horticultural exhibition.

[READ MORE](#)

The above research materials are for informational purposes only. They are not an offer or solicitation for any security or investment product managed by SICM and should not be construed as investment advice. Investment strategies implemented by SICM on behalf of its clients may or may not trade or hold positions in the securities referred to above. Further, investment accounts managed by SICM may or may not employ strategies based on or related to the above research.