

# S&P Dow Jones Indices

A Division of **S&P Global**

## PRESS RELEASE

### S&P DJI Creates New Sustainable Version of S&P 500 for iShares

Expanding Relationship to Develop Sustainable Investing Options for US Equities

iShares Projects Sustainable ETFs & Index Funds to Surpass \$1.2 Trillion by 2030

**New York, April 22, 2020** – iShares, the largest ETF issuer in the world, and S&P Dow Jones Indices (S&P DJI), the world's leading index provider, today announced a licensing agreement to deliver innovative sustainable investing options based on S&P flagship US equity indexes. iShares will be the exclusive licensor of the indices for use with its exchanged-traded funds (ETFs) in the United States, subject to obtaining customary approvals.

This agreement brings together two leading global brands in indexing and asset management to advance Environmental, Social and Governance (ESG) investment opportunities.

These ESG indices are designed to screen out companies that are in ongoing noncompliance with the United Nations Global Compact, fossil fuel extractors and other controversial companies while still seeking to maintain risk and return profiles similar to the flagship S&P equity benchmarks.

**Alex Matturri, CEO of S&P Dow Jones Indices, says:** "We're proud of this relationship with iShares as we expand our index offerings and bring ESG factors into core investment strategies. Through our indices, investors will be able to access investments that help build a sustainable future and meet the expectations of an evolving market."

In January, BlackRock committed to working with index providers to create ESG versions of flagship indices to increase the accessibility and availability of sustainable investing solutions. During 2020, iShares has expanded its line-up to 105 sustainable ETFs and index mutual funds globally, with 16 new offerings this year and the goal of having 150 funds globally available to clients.

**Salim Ramji, Global Head of iShares and Index Investments, says:** "Earlier this year, we committed to offering investors greater choice around how they want to invest their money, including access to sustainable versions of traditional benchmarks. This latest effort follows through on our promise and helps investors build sustainability into the core of their portfolios."

Last year marked an inflection point for adoption of sustainable index funds globally with flows into these funds tripling in 2019 to \$55 billion, a record, bringing assets in index tracking sustainable mutual funds and ETFs to \$220 billion<sup>1</sup>. Over the next decade, iShares is forecasting assets invested in ETFs and index mutual funds to grow by \$1 trillion to \$1.2 trillion.

iShares latest paper, "[Reshaping sustainable investing](#)," highlights four key drivers to propel sustainable index investing growth ahead:

- **Recognition that sustainability influences risk and returns:** There is mounting evidence that ESG criteria are consequential for returns, which is enabling the evolution of sustainable investing from values-based to value driven.
- **Better data leads to better indexes:** Companies are increasingly disclosing more information about their ESG practices and that information is increasingly standardized. The greater disclosure means more comprehensive coverage from ESG rating firms, data aggregators and specialized data providers that in turn feeds into enhanced sustainable indices.
- **Access to ESG at a fraction of the cost:** iShares believes indexing will do for sustainable investing what it did for investing in stocks and bonds. Until recently, sustainable investment strategies were almost exclusively available through higher-fee active strategies or customized mandates. Globally, the average actively managed sustainable mutual fund is five times higher than the average iShares sustainable ETF<sup>2</sup>.
- **Sustainable choices for every portfolio:** Indexing has created greater choice for investors to build their entire portfolio based on sustainable funds. Funds based on sustainable indices allow investors to screen out sectors and industries, improve the ESG ratings of their portfolio or seek specific types of investment outcomes.

**Carolyn Weinberg, Global Head of iShares Product, says:** “We have seen a surge in client demand for iShares Sustainable ETFs as clients turn to ESG not only for values, but for performance, risk management, and portfolio construction. iShares is democratizing access to ESG – bringing it into the mainstream from a niche business available only to a few. The 2020 flows demonstrate this acceleration as iShares Sustainable ETFs accumulated almost \$14bn in assets year to date, more than any other firm.”

## ABOUT BLACKROCK

BlackRock’s purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, our clients turn to us for the solutions they need when planning for their most important goals. As of March 31, 2020, the firm managed approximately \$6.47 trillion in assets on behalf of investors worldwide. For additional information on BlackRock, please visit [www.blackrock.com](http://www.blackrock.com) | Twitter: [@blackrock](https://twitter.com/blackrock) | Blog: [www.blackrockblog.com](http://www.blackrockblog.com) | LinkedIn: [www.linkedin.com/company/blackrock](http://www.linkedin.com/company/blackrock).

## ABOUT ISHARES

iShares unlocks opportunity across markets to meet the evolving needs of investors. With more than twenty years of experience, a global line-up of 900+ exchange traded funds (ETFs) and \$1.85 trillion in assets under management as of March 31, 2020, iShares continues to drive progress for the financial industry. iShares funds are powered by the expert portfolio and risk management of BlackRock, trusted to manage more money than any other investment firm<sup>3</sup>.

1. BlackRock analysis of Morningstar data, as of March 2020
2. BlackRock, Bloomberg (ETFs); Morningstar (mutual funds) as of 31 March 2020.
3. Based on \$6.47 trillion in AUM as of 03/31/20.

## **ABOUT S&P DOW JONES INDICES**

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit [www.spdji.com](http://www.spdji.com).

**Carefully consider the Funds' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses or, if available, the summary prospectuses which may be obtained by visiting [www.iShares.com](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com). Read the prospectus carefully before investing.**

**Investing involves risk, including possible loss of principal.**

**There's no guarantee that forward-looking estimates will come to pass.**

A fund's environmental, social and governance (“ESG”) investment strategy limits the types and number of investment opportunities available to the fund and, as a result, the fund may underperform other funds that do not have an ESG focus. A fund's ESG investment strategy may result in the fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG standards.

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