

Morgan Stanley



2018 Annual Conference

October 15, 2018

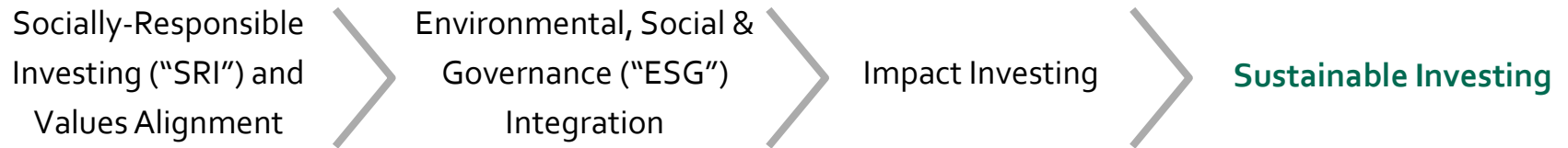
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The Growth of Sustainable Investing

The Evolution of Sustainable Investing



Socially-Responsible and Sustainable Investing have evolved predominantly in the equities and overseas markets over the past several decades

Mainstream Interest in Sustainable Investing

\$8.7 Tn

SOCIALLY-RESPONSIBLE
INVESTING ASSETS IN THE US⁽¹⁾

75%

OF INDIVIDUAL RETAIL INVESTORS
ARE INTERESTED IN SUSTAINABLE
INVESTING⁽²⁾

\$10+ Bn

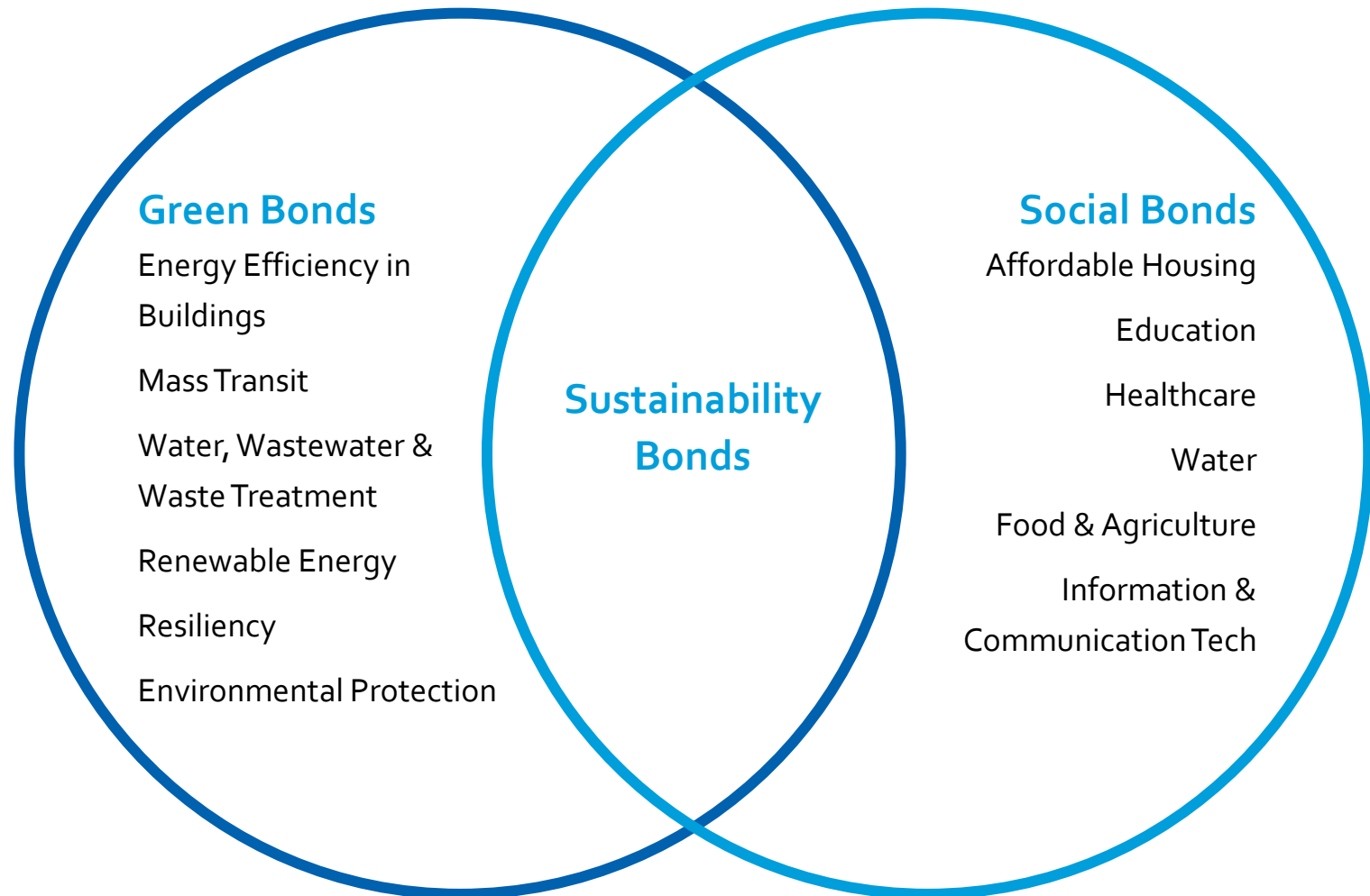
MORGAN STANLEY WEALTH
MANAGEMENT ASSETS IN
SUSTAINABLE INVESTING
PRODUCTS

Notes

1. US SIF Foundation

2. Morgan Stanley Wealth Management “Investing with Impact”

Rising Interest in Social Impacts




Growing Number of Professional Retail ESG Strategies



Sustainability Bonds – VHFA Case Study

\$37,825,000



**Vermont Property Transfer Tax
Revenue Bonds
Series 2018
(Federally Taxable)**

(Sustainability Bonds)

Rating: Aa2 (Moody's)

Pricing Date: January 8, 2018

Social Attributes

Gap financing for affordable housing (low to moderate income, elderly, disabled, homeless)

+

Green

Smart Growth / Green Building Standards

=

Sustainability Bonds

ICMA Disclosure Guidelines

- Use of Proceeds
- Proceeds Management
- Project Selection
- Reporting

Enhanced Marketing

- Press releases picked up by NPR and others
- \$232 million institutional orders from 35 investors

▪ **\$57 million from 6 ESG institutional investors**

Green / Social / Sustainability Bonds for Affordable Housing

Sustainability



**New York City Housing
Development Corporation**
Sustainable Neighborhood Bonds
2015 – Present



**Vermont Housing Finance
Agency**
Sustainability Bonds
January 2018



State of Oregon
Sustainability Bonds
June 2018

Green



New York State Housing Finance Agency
Climate Bond Certified / Green Bonds
2016 – Present

Social



City of Los Angeles
Social Bonds
July 2018

Sustainability Bonds for CDFIs



\$100,000,000
Local Initiatives Support Corporation
Taxable Bonds

Series 2017A
(Sustainability Bonds)

Rating: AA (S&P)

Pricing Date: April 21, 2017



\$50,000,000
Enterprise Community Loan Fund, Inc.
Taxable Bonds

Series 2018A
(Sustainability Bonds)

Rating: AA- (S&P)

Pricing Date: September 25, 2018

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APPENDIX

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