# **MSCI United Kingdom EU PAB Overlay Index (GBP)**

The MSCI United Kingdom EU PAB Overlay Index is based on the MSCI United Kingdom Index, its parent index, and includes large and mid-cap securities across the UK markets. The index is designed to meet the minimum standards of the EU Paris Aligned Benchmark (PAB). The index aims to: reduce the weighted average greenhouse gas intensity by 50%, reduce the weighted average greenhouse gas (GHG) intensity by 7% on an annualized basis, achieve a modest tracking error compared to the Parent Index and low turnover. The index excludes companies involved in Controversial Weapons businesses, Very Severe ESG Controversies, Severe Environmental Controversies, Tobacco Manufacturing, Thermal Coal, Oil & Gas and Fossil Fuel-based power generation.

For a complete description of the index methodology, please see Index methodology - MSCI.

# CUMULATIVE INDEX PERFORMANCE — NET RETURNS (GBP) (NOV 2013 – JUN 2023)

# - MSCI United Kingdom EU PAB Overlay - MSCI United Kingdom 162. 161. Nov 13 Sep 14 Jul 15 Apr 16 Feb 17 Nov 17 Sep 18 Jun 19 Apr 20 Jan 21 Nov 21 Sep 22 Jun 23

### **ANNUAL PERFORMANCE (%)**

Year	MSCI United Kingdom EU PAB Overlay	MSCI United Kingdom				
2022	-3.57	7.15				
2021	17.69	19.59				
2020	-6.26	-13.23				
2019	20.36	16.37				
2018	-7.97	-8.82				
2017	11.40	11.71				
2016	11.36	19.16				
2015	1.30	-2.21				
2014	2.68	0.50				

**FUNDAMENTALS (JUN 30, 2023)** 

### INDEX PERFORMANCE - NET RETURNS (%) (JUN 30, 2023)

					ANNUALIZED								
	1 Mo	3 Мо	1 Yr	YTD	3 Yr	5 Yr	10 Yr <sub>N</sub>	Since ov 26, 2013	Div Yld (%)	P/E	P/E Fwd	P/BV	
MSCI United Kingdom EU PAB Overlay	-0.24	-0.93	7.68	5.14	9.23	3.97	na	5.17	3.38	13.72	12.50	1.77	_
MSCI United Kingdom	1.25	-0.61	8.12	2.60	11.51	3.61	na	5.11	3.89	11.13	10.17	1.66	

### INDEX RISK AND RETURN CHARACTERISTICS (NOV 26, 2013 - JUN 30, 2023)

				ANNUALIZED STD DEV (%) 2			SHARPE RATIO 2,3			MAXIMUM DRAWDOWN		
	Beta	Tracking Error (%)	Turnover (%) 1	3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr	Since Nov 26, 2013	(%)	Period YYYY-MM-DD
MSCI United Kingdom EU PAB Overlay	0.94	3.93	15.84	12.87	13.99	na	0.66	0.28	na	0.42	30.96	2019-12-27—2020-03-23
MSCI United Kingdom	1.00	0.00	3.17	12.80	13.96	na	0.83	0.26	na	0.41	34.20	2020-01-17-2020-03-23
	<sup>1</sup> Last 12 months <sup>2</sup> Based on monthly net returns data <sup>3</sup> Based on Bank of England Overnight SONIA from Sep 1 2021 & on ICE LIBOR 1M prior that						1 2021 & on ICE LIBOR 1M prior that date					

The MSCI United Kingdom EU PAB Overlay Index was launched on Jun 24, 2021. Data prior to the launch date is back-tested test (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance – whether actual or back-tested – is no indication or guarantee of future performance.



JUN 30, 2023 Index Factsheet

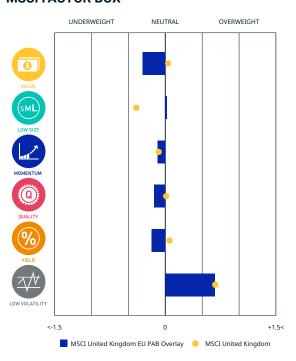
### **INDEX CHARACTERISTICS**

	MSCI United Kingdom EU PAB Overlay	MSCI United Kingdom					
Number of	69	82					
Constituents							
	Weight (%)						
Largest	10.99	9.69					
Smallest	0.07	0.15					
Average	1.45	1.22					
Median	1.06	0.48					

### **TOP 10 CONSTITUENTS**

	Index Wt. (%)	Parent Index Wt. (%)	Sector
ASTRAZENECA	10.99	9.69	Health Care
HSBC HOLDINGS (GB)	7.15	6.89	Financials
DIAGEO	6.23	4.22	Cons Staples
GSK	4.58	3.15	Health Care
RECKITT BENCKISER GROUP	3.92	2.35	Cons Staples
BAE SYSTEMS	2.94	1.57	Industrials
RELX (GB)	2.81	2.77	Industrials
SSE	2.65	1.11	Utilities
ASHTEAD GROUP	2.40	1.32	Industrials
SEVERN TRENT	2.14	0.36	Utilities
Total	45.82	33.43	

# FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN MSCI FACTOR BOX



### **MSCI FaCS**



VALUE
Relatively Inexpensive Stocks



LOW SIZE Smaller Companies



**MOMENTUM Rising Stocks** 



QUALITY
Sound Balance Sheet Stocks



YIELD
Cash Flow Paid Out



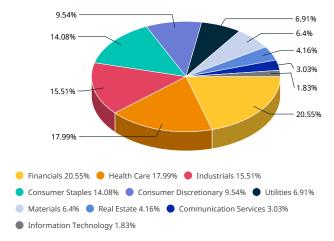
LOW VOLATILITY
Lower Risk Stocks

MSCI FaCS provides absolute factor exposures relative to a

broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

### **SECTOR WEIGHTS**





JUN 30, 2023 Index Factsheet

## MSCI FACTOR BOX AND FaCS FRAMEWORK (Please refer to complete description of the MSCI FaCS methodology here)

MSCI FaCS is a standard method for evaluating and reporting the Factor characteristics of equity portfolios. MSCI FaCS consists of Factor Groups (e.g. Value, Size, Momentum, Quality, Yield, and Volatility) that have been extensively documented in academic literature and validated by MSCI Research as key drivers of risk and return in equity portfolios. These Factor Groups are constructed by aggregating 16 factors (e.g. Book-to-Price, Earnings/Dividend Yields, LT Reversal, Leverage, Earnings Variability/Quality, Beta) from the latest Barra global equity factor risk model, GEMLT, designed to make fund comparisons transparent and intuitive for use. The MSCI Factor Box, which is powered by MSCI FaCS, provides a visualization designed to easily compare absolute exposures of funds/indexes and their benchmarks along 6 Factor Groups that have historically demonstrated excess market returns over the long run.

### **ABOUT MSCI**

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process. To learn more, please visit <a href="https://www.msci.com">www.msci.com</a>.

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