

MSCI World ESG Focus Index (USD)

The MSCI World ESG Focus Index is based on MSCI World Index, its parent index, which includes large and mid-cap stocks across 23 Developed Market (DM) countries* across the world. The Index is designed to maximize exposure to positive environmental, social and governance (ESG) factors while exhibiting risk and return characteristics similar to those of the MSCI World Index. The index is constructed by selecting constituents from MSCI World Index through an optimization process that aims to maximize exposure to ESG factors for a target tracking error budget under certain constraints. The index is sector-diversified and targets companies with high ESG ratings in each sector. Tobacco and Controversial Weapons companies are not eligible for inclusion.

CUMULATIVE INDEX PERFORMANCE – NET RETURNS (USD) (NOV 2006 – DEC 2020)



ANNUAL PERFORMANCE (%)

Year	MSCI World ESG Focus	MSCI World
2020	17.22	15.90
2019	28.72	27.67
2018	-8.51	-8.71
2017	23.16	22.40
2016	7.51	7.51
2015	-1.33	-0.87
2014	5.31	4.94
2013	27.13	26.68
2012	15.42	15.83
2011	-6.28	-5.54
2010	11.07	11.76
2009	30.47	29.99
2008	-40.56	-40.71
2007	10.26	9.04

INDEX PERFORMANCE – NET RETURNS (%) (DEC 31, 2020)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Nov 30, 2006	FUNDAMENTALS (DEC 31, 2020)			
					3 Yr	5 Yr	10 Yr	Div Yld (%)		P/E	P/E Fwd	P/BV	
MSCI World ESG Focus	4.21	14.13	17.22	17.22	11.35	12.82	10.08	6.80	1.83	28.01	21.08	2.95	
MSCI World	4.24	13.96	15.90	15.90	10.54	12.19	9.87	6.58	1.78	28.38	20.97	2.92	

INDEX RISK AND RETURN CHARACTERISTICS (NOV 30, 2006 – DEC 31, 2020)

	Beta	Tracking Error (%)	Turnover (%) ¹	ANNUALIZED STD DEV (%) ²			SHARPE RATIO ^{2,3}			Since Nov 30, 2006	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
MSCI World ESG Focus	1.01	0.72	40.94	18.62	15.27	14.08	0.58	0.78	0.70	0.41	33.64	2020-02-12–2020-03-23
MSCI World	1.00	0.00	3.20	18.53	15.14	13.97	0.54	0.75	0.69	0.40	34.03	2020-02-12–2020-03-23

¹ Last 12 months

² Based on monthly net returns data

³ Based on ICE LIBOR 1M

* DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the USA.

The MSCI World ESG Focus Index was launched on Mar 31, 2017. Data prior to the launch date is back-tested data (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.

INDEX CHARACTERISTICS

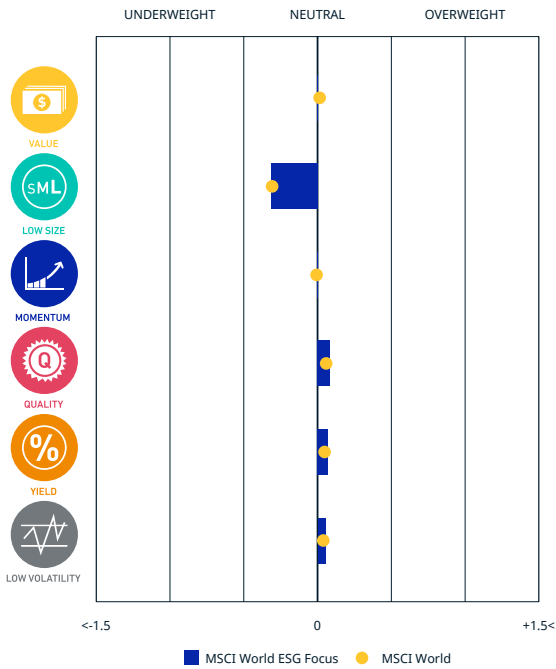
	MSCI World ESG Focus	MSCI World
Number of Constituents	544	1,585
Weight (%)		
Largest	4.43	4.42
Smallest	0.08	0.00
Average	0.18	0.06
Median	0.11	0.03

TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
APPLE	4.43	4.42	Info Tech
MICROSOFT CORP	3.28	3.11	Info Tech
AMAZON.COM	2.71	2.70	Cons Discr
FACEBOOK A	1.27	1.28	Comm Svcs
ALPHABET C	1.22	1.02	Comm Svcs
TESLA	1.06	1.02	Cons Discr
ALPHABET A	0.88	1.03	Comm Svcs
JOHNSON & JOHNSON	0.80	0.81	Health Care
VISA A	0.72	0.72	Info Tech
PROCTER & GAMBLE CO	0.72	0.67	Cons Staples
Total	17.08	16.79	

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX



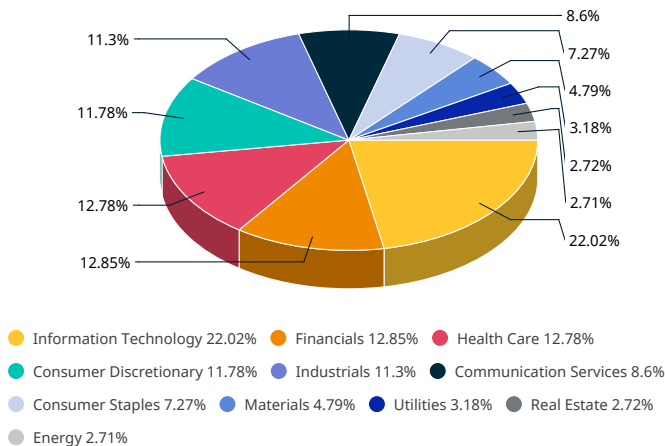
MSCI FaCS

- 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

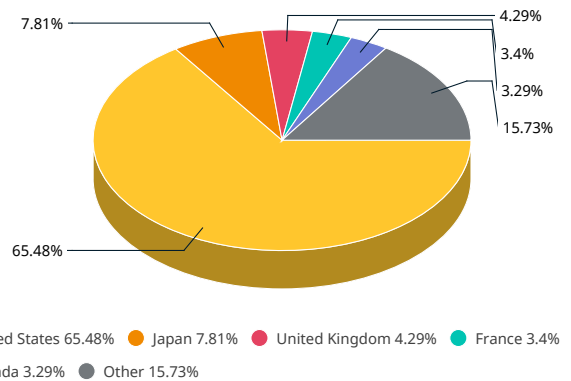
MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

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

SECTOR WEIGHTS



COUNTRY WEIGHTS



INDEX METHODOLOGY

MSCI ESG Focus Index is constructed by selecting constituents from its underlying parent index through an optimization process that aims to maximize exposure to ESG factors for a target tracking error budget under certain constraints. Tobacco and Controversial Weapons companies are excluded from the index. Securities of companies involved in very severe business controversies are not eligible for inclusion. Other exclusions include where companies do not have the controversy score or IVA rating or ESG score. Constituents are selected to maximize exposure to higher ESG IVA scores, subject to maintaining risk and return characteristics similar to the parent index. ESG IVA scores are normalized and factored into the optimization process. Further, the optimized portfolio is determined and the index is constructed using the most recent release of the Barra Open Optimizer in combination with the relevant Barra Equity Model. The Index is rebalanced on a quarterly basis coinciding with the regular Index Reviews of the MSCI Global Investable Market Indexes. Changes are effective at the beginning of March, June, September and December.

FACTOR BOX AND FaCS METHODOLOGY

MSCI FaCS is a standard method ([MSCI FaCS Methodology](#)) 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 45 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 www.msci.com.

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