

# MSCI USA Low Carbon Target Index (USD)

The **MSCI USA Low Carbon Target Index** is based on the MSCI USA Index, its parent index, and includes large and mid-cap stocks of the U.S equity markets. The Index is a benchmark for investors who wish to manage potential risks associated with the transition to a low carbon economy. The index aims for a tracking error target of 0.5% (50 basis points) while minimizing the carbon exposure. By over weighting companies with low carbon emissions (relative to sales) and those with low potential carbon emissions (per dollar of market capitalization), the index reflects a lower carbon exposure than that of the broad market. It uses MSCI ESG Carbon Metrics data from MSCI ESG Research Inc.

For a complete description of the index methodology, please see [Index methodology - MSCI](#).

## CUMULATIVE INDEX PERFORMANCE – NET RETURNS (USD) (NOV 2010 – JUL 2024)



## ANNUAL PERFORMANCE (%)

Year	MSCI USA Low Carbon Target	MSCI USA
2023	26.48	26.49
2022	-20.61	-19.85
2021	25.83	26.45
2020	21.14	20.73
2019	31.70	30.88
2018	-5.03	-5.04
2017	21.27	21.19
2016	10.91	10.89
2015	1.37	0.69
2014	12.73	12.69
2013	31.86	31.79
2012	15.63	15.33
2011	1.32	1.36

## INDEX PERFORMANCE – NET RETURNS (%) (JUL 31, 2024)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Nov 30, 2010
					3 Yr	5 Yr	10 Yr	Since Nov 30, 2010	
<b>MSCI USA Low Carbon Target</b>	1.36	10.33	21.79	16.24	7.89	14.19	12.52	13.46	
<b>MSCI USA</b>	1.23	9.77	21.48	16.05	8.25	14.35	12.45	13.41	

## FUNDAMENTALS (JUL 31, 2024)

Div Yld (%)	P/E	P/E Fwd	P/BV
1.31	27.15	21.59	5.22
1.33	26.33	21.38	4.97

## INDEX RISK AND RETURN CHARACTERISTICS (NOV 30, 2010 – JUL 31, 2024)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since Nov 30, 2010	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
<b>MSCI USA Low Carbon Target</b>	1.00	0.38	12.59	18.07	18.42	15.52	0.34	0.70	0.74	0.86	34.06	2020-02-19–2020-03-23
<b>MSCI USA</b>	1.00	0.00	1.91	18.01	18.40	15.49	0.36	0.70	0.73	0.86	34.16	2020-02-19–2020-03-23

<sup>1</sup> Last 12 months

<sup>2</sup> Based on monthly net returns data

<sup>3</sup> Based on NY FED Overnight SOFR from Sep 1 2021 & on ICE LIBOR 1M prior that date

The MSCI USA Low Carbon Target Index was launched on Oct 12, 2017. 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.

**INDEX CHARACTERISTICS**

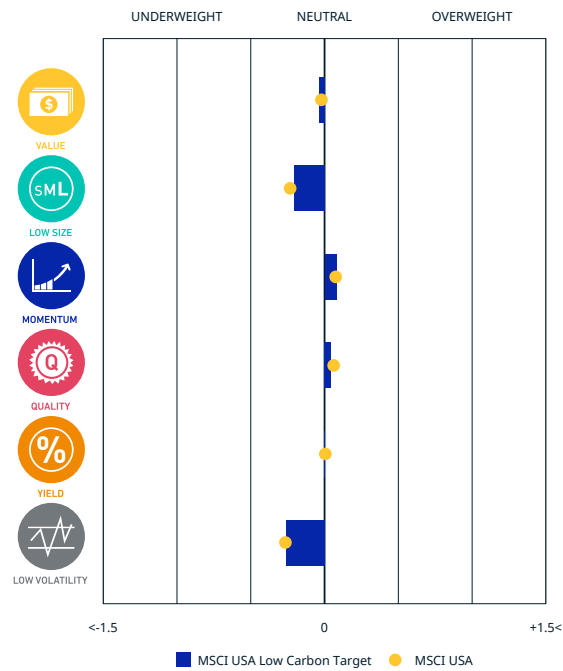
	MSCI USA Low Carbon Target	MSCI USA
<b>Number of Constituents</b>	428	601
<b>Weight (%)</b>		
<b>Largest</b>	6.80	6.75
<b>Smallest</b>	0.00	0.01
<b>Average</b>	0.23	0.17
<b>Median</b>	0.10	0.06

**TOP 10 CONSTITUENTS**

	Index Wt. (%)	Parent Index Wt. (%)	Sector
APPLE	6.80	6.75	Info Tech
MICROSOFT CORP	6.13	6.12	Info Tech
NVIDIA	6.11	6.06	Info Tech
AMAZON.COM	3.65	3.63	Cons Discr
META PLATFORMS A	2.18	2.15	Comm Svcs
ALPHABET A	2.14	2.09	Comm Svcs
ALPHABET C	1.79	1.83	Comm Svcs
BROADCOM	1.57	1.46	Info Tech
TESLA	1.43	1.38	Cons Discr
LILLY (ELI) & COMPANY	1.40	1.35	Health Care
<b>Total</b>	<b>33.19</b>	<b>32.81</b>	

**FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN**

**MSCI FACTOR BOX**



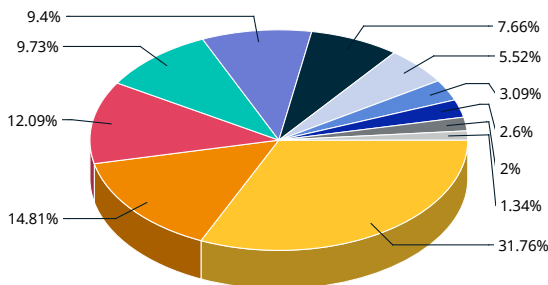
**MSCI FaCS**

- 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**



- Information Technology 31.76%
- Financials 14.81%
- Health Care 12.09%
- Consumer Discretionary 9.73%
- Communication Services 9.4%
- Industrials 7.66%
- Consumer Staples 5.52%
- Energy 3.09%
- Real Estate 2.6%
- Utilities 2%
- Materials 1.34%

**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**

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