

MSCI World ESG Leaders Leveraged 1.25x Select Index Methodology

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Contents

1	Introduction	3
2	Constructing the MSCI ESG Leaders Leveraged 1.25x Select Index.....	4
2.1	Applying the Leveraged Index Methodology	4
2.2	Maintaining the MSCI ESG Leaders Leveraged 1.25x Select Index	4
2.2.1	Index Review	4
2.2.2	Ongoing Event-Related Changes.....	4
	Appendix : Short-term Rates.....	5



1 Introduction

The MSCI World ESG Leaders Leveraged 1.25x Select Index (the Index) aims to provide a 125% leveraged exposure to MSCI World ESG Leaders Index. The Index achieves this by allocating 125% long weight to MSCI World ESG Leaders Index and 25% short weight to USD Overnight SOFR Rate (the Component Indexes).

2 Constructing the MSCI World ESG Leaders Leveraged 1.25x Select Index

The Index is reviewed monthly by applying the MSCI Short and Leveraged Daily Indexes Methodology¹ on the MSCI World ESG Leaders Index².

2.1 Applying the Leveraged Index Methodology

At each monthly Index Review, the following weights are allocated to the USD Overnight SOFR Rate³ and the MSCI World ESG Leaders Index to create the Index:

Component	Component Index Name	Variant	Weight
1	MSCI World ESG Leaders Index	NTR	125%
2	USD Overnight SOFR Rate		-25%

Between rebalancing, the weights of the component indexes will evolve based on the relative selected daily return⁴ performance of the Component Indexes.

2.2 Maintaining the MSCI World ESG Leaders Leveraged 1.25x Select Index

2.2.1 Index Reviews

The Index is reviewed monthly as described in Section 2.1 and effective at the open of the first business day of the month.

The Index only rebalances on the day that is a trading day for all the following exchanges: New York Stock Exchange, London Stock Exchange, Xetra Exchange or Tokyo Stock Exchange. If a rebalancing date is a trading holiday for at least one of these exchanges, then the Index will rebalance on the next valid exchange trading day for all exchanges.

2.2.2 Ongoing Event-Related Changes

Please see section 3.3 in the [MSCI ESG Leaders Indexes Methodology](#) for a detailed description of the treatment of common corporate events applied to the MSCI World ESG Leaders Index.

¹ Please refer to [MSCI Short and Leveraged Daily Indexes Methodology](#) for more details

² Please refer to [MSCI ESG Leaders Indexes Methodology](#) for more details

³ Refer to Appendix for more information on short-term rate

⁴ Total Return is applied to the MSCI World ESG Leaders Index

Appendix: Short-term Rate

The reporting currency is US dollars. Coinciding with the August 2021 Index Review, the MSCI World ESG Leaders Leveraged 1.25x Select Index transitioned away from LIBOR to the SOFR Overnight Rate.

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