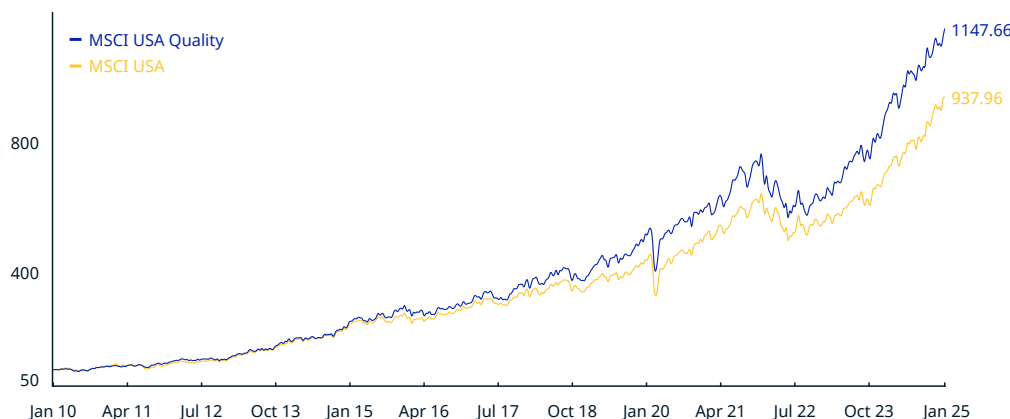


# MSCI USA Quality Index (CAD)

The **MSCI USA Quality Index** is based on the MSCI USA Index, its parent index, which includes large and mid-cap stocks in the US equity market. The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage. The MSCI Quality Indexes complement existing MSCI Factor Indexes and can provide an effective diversification role in a portfolio of factor strategies.

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

## CUMULATIVE INDEX PERFORMANCE – NET RETURNS (CAD) (JAN 2010 – JAN 2025)



## ANNUAL PERFORMANCE (%)

| Year | MSCI USA Quality | MSCI USA |
|------|------------------|----------|
| 2024 | 34.82            | 35.88    |
| 2023 | 32.06            | 23.10    |
| 2022 | -17.38           | -14.02   |
| 2021 | 26.06            | 25.38    |
| 2020 | 20.18            | 18.61    |
| 2019 | 31.44            | 24.26    |
| 2018 | 5.60             | 3.51     |
| 2017 | 17.08            | 13.23    |
| 2016 | 3.63             | 7.06     |
| 2015 | 27.69            | 20.75    |
| 2014 | 21.27            | 22.85    |
| 2013 | 41.67            | 40.63    |
| 2012 | 10.76            | 12.78    |
| 2011 | 10.39            | 3.87     |

## INDEX PERFORMANCE – NET RETURNS (%) (JAN 31, 2025)

|                  | 1 Mo | 3 Mo  | 1 Yr  | YTD  | ANNUALIZED |       |       |       | Since Jun 30, 1994 |
|------------------|------|-------|-------|------|------------|-------|-------|-------|--------------------|
|                  |      |       |       |      | 3 Yr       | 5 Yr  | 10 Yr |       |                    |
| MSCI USA Quality | 4.45 | 8.94  | 34.77 | 4.45 | 18.16      | 17.81 | 16.62 | 12.72 |                    |
| MSCI USA         | 3.74 | 10.76 | 37.02 | 3.74 | 16.25      | 16.78 | 14.66 | 10.60 |                    |

## FUNDAMENTALS (JAN 31, 2025)

| Div Yld (%) | P/E   | P/E Fwd | P/BV  |
|-------------|-------|---------|-------|
| 1.08        | 28.15 | 24.41   | 10.11 |
| 1.25        | 28.17 | 22.34   | 5.27  |

## INDEX RISK AND RETURN CHARACTERISTICS (JUN 01, 1994 – JAN 31, 2025)

|                  | Beta | Tracking Error (%) | Turnover (%) <sup>1</sup> | ANNUALIZED STD DEV (%) <sup>2</sup> |       |       | MAXIMUM DRAWDOWN |                       |
|------------------|------|--------------------|---------------------------|-------------------------------------|-------|-------|------------------|-----------------------|
|                  |      |                    |                           | 3 Yr                                | 5 Yr  | 10 Yr | (%)              | Period YYYY-MM-DD     |
| MSCI USA Quality | 0.97 | 3.91               | 29.91                     | 14.55                               | 14.81 | 13.42 | 48.11            | 2000-11-02–2009-03-05 |
| MSCI USA         | 1.00 | 0.00               | 2.06                      | 13.86                               | 14.43 | 12.76 | 56.50            | 2000-08-31–2009-03-05 |

<sup>1</sup> Last 12 months

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

The MSCI USA Quality Index was launched on Dec 18, 2012. 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**

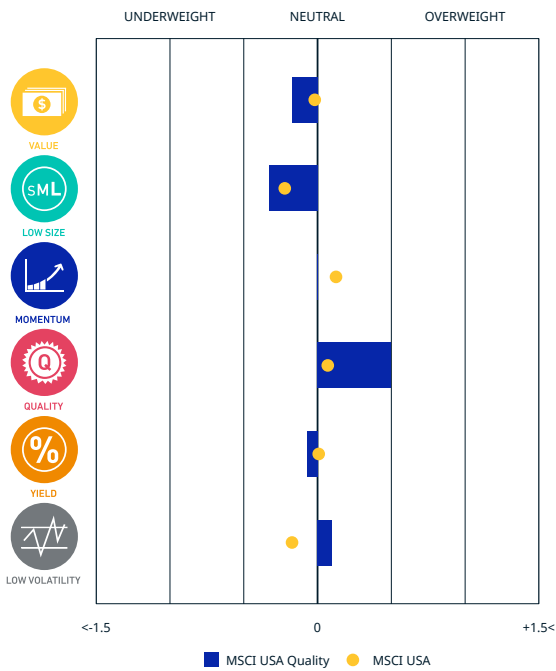
|                               | MSCI USA Quality | MSCI USA |
|-------------------------------|------------------|----------|
| <b>Number of Constituents</b> | 125              | 590      |
|                               | Weight (%)       |          |
| <b>Largest</b>                | 5.89             | 6.75     |
| <b>Smallest</b>               | 0.04             | 0.00     |
| <b>Average</b>                | 0.80             | 0.17     |
| <b>Median</b>                 | 0.28             | 0.06     |

**TOP 10 CONSTITUENTS**

|                       | Index Wt. (%) | Parent Index Wt. (%) | Sector       |
|-----------------------|---------------|----------------------|--------------|
| META PLATFORMS A      | 5.89          | 2.83                 | Comm Svcs    |
| APPLE                 | 5.20          | 6.75                 | Info Tech    |
| LILLY (ELI) & COMPANY | 4.95          | 1.23                 | Health Care  |
| MICROSOFT CORP        | 4.84          | 5.51                 | Info Tech    |
| VISA A                | 4.42          | 1.07                 | Financials   |
| NVIDIA                | 4.07          | 5.54                 | Info Tech    |
| MASTERCARD A          | 3.97          | 0.86                 | Financials   |
| UNITEDHEALTH GROUP    | 3.36          | 0.94                 | Health Care  |
| COSTCO WHOLESALE CORP | 3.06          | 0.82                 | Cons Staples |
| ALPHABET A            | 3.03          | 2.25                 | Comm Svcs    |
| <b>Total</b>          | <b>42.80</b>  | <b>27.81</b>         |              |

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

**MSCI FACTOR BOX**



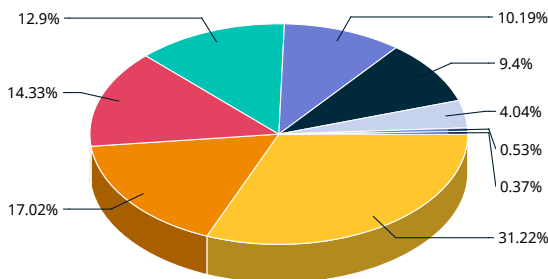
**MSCI FaCS**

- 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 31.22%
- Health Care 17.02%
- Communication Services 14.33%
- Financials 12.9%
- Industrials 10.19%
- Consumer Staples 9.4%
- Consumer Discretionary 4.04%
- Materials 0.53%
- Energy 0.37%

**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 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](http://www.msci.com).

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