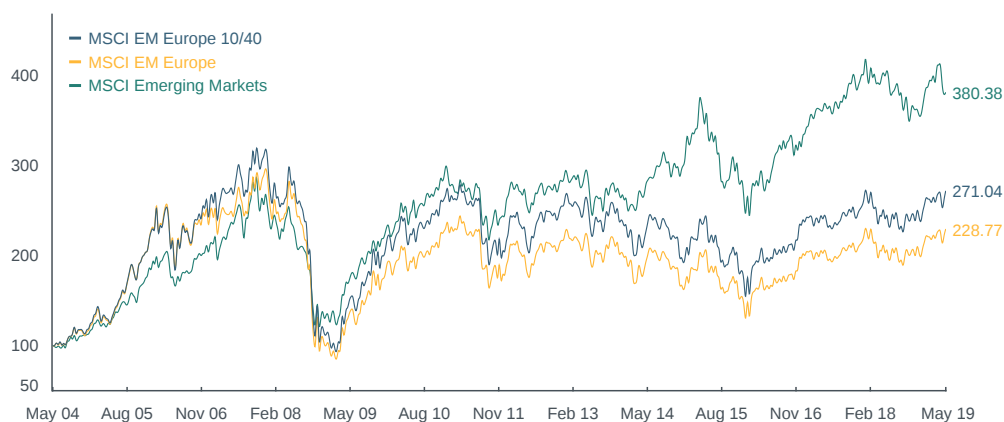


# MSCI EM EUROPE 10/40 INDEX (EUR)

The MSCI Emerging Markets (EM) Europe 10/40 Index is designed to measure the performance of the large and mid cap representation across 6 Emerging Markets (EM) countries\* in Europe. The MSCI 10/40 equity indexes are designed and maintained on a daily basis to take into consideration the 10% and 40% concentration constraints on funds subject to the UCITS III Directive. With 72 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

## CUMULATIVE INDEX PERFORMANCE - GROSS RETURNS (EUR) (MAY 2004 – MAY 2019)



## ANNUAL PERFORMANCE (%)

Year	MSCI EM Europe 10/40	MSCI EM Europe	MSCI Emerging Markets
2018	-5.86	-6.74	-9.91
2017	6.42	6.59	21.00
2016	30.28	30.08	14.94
2015	-4.37	-4.40	-4.87
2014	-19.24	-19.78	11.81
2013	-7.89	-8.01	-6.49
2012	26.27	23.20	16.81
2011	-21.60	-20.78	-15.44
2010	26.62	25.22	27.48
2009	85.02	80.39	73.44
2008	-64.99	-66.32	-50.76
2007	21.35	17.57	26.11
2006	27.07	22.17	18.57
2005	71.36	74.20	55.04

## INDEX PERFORMANCE — GROSS RETURNS (%) (MAY 31, 2019)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED			
					3 Yr	5 Yr	10 Yr	Since Dec 31, 1998
MSCI EM Europe 10/40	1.93	4.32	12.61	13.73	11.15	2.86	5.82	8.61
MSCI EM Europe	1.98	4.78	12.75	14.78	11.17	2.76	5.06	7.60
MSCI Emerging Markets	-6.70	-2.35	-3.99	6.87	10.25	6.38	7.93	9.15

## FUNDAMENTALS (MAY 31, 2019)

Div Yld (%)	P/E	P/E Fwd	P/BV
4.74	6.79	6.86	1.00
4.82	6.57	6.63	0.97
2.84	13.02	11.61	1.56

## INDEX RISK AND RETURN CHARACTERISTICS (MAY 31, 2019)

	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since Dec 31, 1998 (%)	MAXIMUM DRAWDOWN (%)	Period YYYY-MM-DD
		3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr			
MSCI EM Europe 10/40	14.07	13.37	16.36	18.35	0.89	0.27	0.39	71.71	2007-12-12—2009-02-23	
MSCI EM Europe	5.05	13.69	16.60	18.48	0.87	0.26	0.35	72.40	2007-12-12—2009-02-23	
MSCI Emerging Markets	7.11	11.28	13.50	13.91	0.96	0.55	0.61	59.67	2007-10-29—2008-10-27	

<sup>1</sup> Last 12 months      <sup>2</sup> Based on monthly gross returns data      <sup>3</sup> Based on ICE LIBOR 1M

\* EM Europe countries include: the Czech Republic, Greece, Hungary, Poland, Russia and Turkey.

## INDEX CHARACTERISTICS

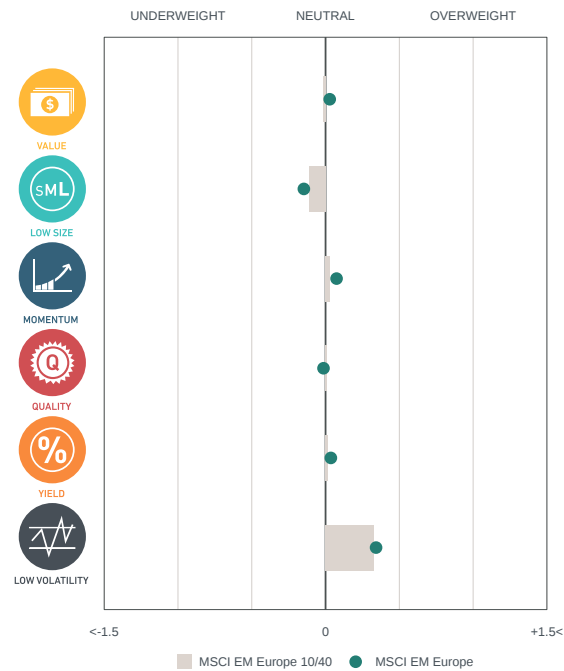
MSCI EM Europe 10/40	
Number of Constituents	72
Mkt Cap ( EUR Millions)	
Index	297,255.45
Largest	27,363.07
Smallest	592.78
Average	4,128.55
Median	2,369.59

## TOP 10 CONSTITUENTS

Country	Float Adj Mkt Cap ( EUR Billions)	Index Wt. (%)	Sector
RU	27.36	9.21	Energy
RU	26.02	8.75	Energy
RU	24.67	8.30	Financials
RU	18.40	6.19	Energy
RU	14.04	4.72	Energy
RU	13.12	4.41	Materials
HU	9.20	3.09	Financials
PL	8.82	2.97	Financials
PL	7.43	2.50	Energy
RU	7.27	2.45	Energy
<b>Total</b>	<b>156.33</b>	<b>52.59</b>	

## FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

### MSCI FACTOR BOX



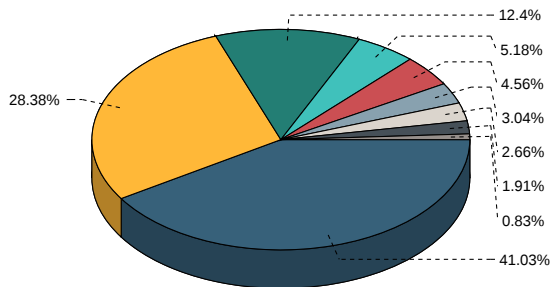
### MSCI FaCS

- 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.

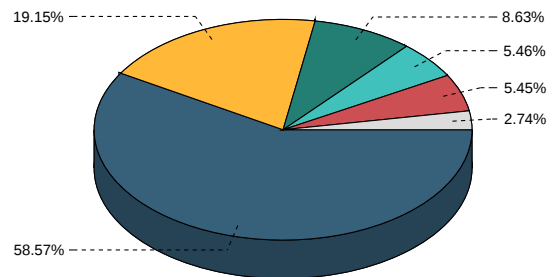
Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

## SECTOR WEIGHTS



- Energy 41.03%
- Financials 28.38%
- Materials 12.4%
- Communication Services 5.18%
- Consumer Staples 4.56%
- Consumer Discretionary 3.04%
- Utilities 2.66%
- Industrials 1.91%
- Health Care 0.83%

## COUNTRY WEIGHTS



- Russia 58.57%
- Poland 19.15%
- Turkey 8.63%
- Greece 5.46%
- Hungary 5.45%
- Other 2.74%

## INDEX METHODOLOGY

Funds incorporated in member states of the European Union are subject to the UCITS III (Undertakings for Collective Investment in Transferable Securities) directive. In this directive (among other restrictions) a fund cannot invest more than 5% of its assets in securities issued by a single issuer. This limit can be increased up to 10%, provided that wherever the 5% limit is surpassed, the fund's exposure to these "larger" assets does not exceed 40% of the funds' total assets.

The MSCI 10/40 Indexes are constructed and maintained as pertinent benchmarks for UCITS III compliant funds that must meet these diversification requirements. Each MSCI 10/40 Index applies the 10/40 weighting constraints to an unconstrained MSCI index, the parent index. Whenever a weighting constraint is breached, the MSCI 10/40 Index rebalances to maintain UCITS III compliance.

The [MSCI 10/40 Index Methodology](#) also aims to maintain index stability, minimize tracking error versus the parent index and minimize index turnover.

## 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

For more than 40 years, MSCI's research-based indexes and analytics have helped the world's leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research. Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research. MSCI serves 99 of the top 100 largest money managers, according to the most recent P&I ranking. For more information, visit us at [www.msci.com](http://www.msci.com).

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