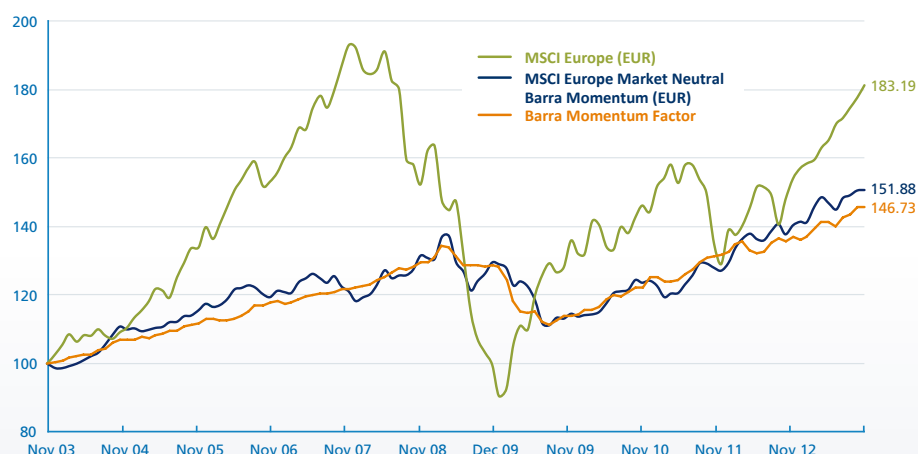


# MSCI Europe Market Neutral Barra Momentum Index (EUR)

The **MSCI Europe Market Neutral Barra Momentum Index** targets high exposure to the momentum factor across European developed markets, and low exposure to all other factors including country, industry and other style factors. The index includes long and short equities (with gross leverage of up to 200%) and is derived from the market cap weighted MSCI Europe Index, its parent index, which includes large and mid cap stocks across the developed market countries in Europe\*.

Cumulative Performance – Total Returns (Nov 2003 – Dec 2013)



Annual Performance (%)

Year	MSCI Europe (EUR)	MSCI Europe Market Neutral Barra Momentum (EUR)	Barra Momentum Factor
2004	12.65	11.19	7.58
2005	26.68	8.69	4.82
2006	20.18	6.39	6.64
2007	3.17	-0.38	6.47
2008	-43.29	0.48	0.28
2009	32.55	-9.50	-11.32
2010	11.75	7.29	10.15
2011	-7.51	11.42	8.43
2012	18.09	7.66	4.38

Index Performance—Net Returns (%) (Dec 31, 2013)

Index	1 Mo	3 Mo	1 Yr	Annualized		
				3 Yr	5 Yr	Since 11/28/03
MSCI Europe Market Neutral Barra Momentum (EUR)	0.10	1.62	7.19	8.75	2.96	4.49
Barra Momentum Factor	0.02	2.12	6.72	7.24	2.22	4.12
MSCI Europe (EUR)	2.09	5.66	29.39	10.76	2.11	6.58

Index Risk and Return Characteristics—Net Returns (Nov 28, 2003 – Dec 31, 2013)

Index	Beta	Tracking Error	Annualized Std Dev <sup>1</sup>			Sharpe Ratio <sup>1,2</sup>		
			3 yr	5 yr	Since 11/28/03	3 yr	5 yr	Since 11/28/03
MSCI Europe Market Neutral Barra Momentum (EUR)	-0.05	16.48%	5.40	7.43	6.29	1.50	0.25	0.40
Barra Momentum Factor	-0.07	15.97%	3.39	4.88	3.73	1.95	0.22	0.58
MSCI Europe (EUR)	1.00	—	12.07	17.42	14.53	0.84	0.06	0.32

<sup>1</sup> Based on monthly total return data

<sup>2</sup> Based on BBA EUR EURIBOR 1M

The MSCI Europe Market Neutral Barra Momentum Index was launched on June 20, 2013. Data prior to the initial calculation date is back-tested data (i.e., calculations of how the index might have performed over that time period had the index existed).

\* Developed Markets countries in Europe include: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the UK.

December 31, 2013

# MSCI Europe Market Neutral Barra Momentum Index (EUR)

## Index Characteristics

	MSCI Europe MN Barra Momentum (EUR) Long	MSCI Europe MN Barra Momentum (EUR) Short
Number of Constituents	140	144
Mkt Cap (EUR Millions)		
Index	1,962.31	1,903.57
Average	14.02	13.22
Median	12.59	11.41
Largest	51.68	44.35
Smallest	0.11	1.02

## Top 10 Constituents: MSCI Europe MN Barra Momentum (EUR) Long

	Country	Mkt Cap (EUR Millions)	Security Weight (%)
Royal Dutch Shell B	UK	51,681.2	2.63%
Ferrovial	Spain	50,698.4	2.58%
SSE	UK	42,794.7	2.18%
Aberdeen Asset Mgmt	UK	40,220.6	2.05%
Diageo	UK	40,120.2	2.04%
Coloplast B	Denmark	35,107.1	1.79%
Sanofi	France	33,635.4	1.71%
Eni	Italy	31,977.0	1.63%
Seadrill Ltd	Norway	30,672.6	1.56%
Syngenta	Switzerland	28,910.6	1.47%
Total		385,817.9	19.66%

## Top 10 Constituents: MSCI Europe MN Barra Momentum (EUR) Short

	Country	Mkt Cap (EUR Millions)	Security Weight (%)
BG Group	UK	44,353.3	2.33%
Banco Popular Espanol	Spain	40,299.2	2.12%
Saipem Ord	Italy	38,243.8	2.01%
Telefonica	Spain	35,205.0	1.85%
Shire	UK	30,497.2	1.60%
Air Liquide	France	29,651.9	1.56%
Danone	France	29,607.4	1.56%
Vinci	France	29,411.2	1.55%
GlaxoSmithKline	UK	28,549.5	1.50%
BAT	UK	27,646.3	1.45%
Total		333,464.9	17.52%

## Index Sector Weights (%)

	MSCI Europe Market Neutral Barra Momentum (EUR) Long	MSCI Europe Market Neutral Barra Momentum (EUR) Short
Financials	20.85	16.93
Con Staples	10.02	11.21
Health Care	7.01	8.95
Info Tech	4.83	1.78
Telecom Svcs	4.18	7.03
Cons Discr	14.99	7.97
Utilities	5.93	6.13
Industrials	16.77	19.44
Energy	7.84	9.76
Materials	7.58	10.80

## Index Country Weights (%)

	MSCI Europe Market Neutral Barra Momentum (EUR) Long	MSCI Europe Market Neutral Barra Momentum (EUR) Short
UK	32.72	29.67
France	12.47	15.04
Germany	10.60	12.00
Switzerland	9.23	9.19
Spain	8.60	6.59
Italy	4.65	7.75
Other	21.73	19.77

## Index Methodology

The MSCI Market Neutral Barra Factor Indexes aim to track the performance of a specific “target” factor (the benchmark) such as momentum or volatility with high exposure to this target factor and low exposure to all non-target factors. They are comprised of long and short stocks, with gross leverage up to 200% (100% long and 100% short). They are constructed by optimizing an MSCI parent index in conjunction with the relevant Barra Equity Model with specific optimization constraints to:

- 1) control the levels of exposure to all non-target factors; and
- 2) achieve a balance between the objectives of index replicability and investability with moderate index turnover.

The indexes aim to achieve 1 or -1 standard deviation of exposure to the target factor. Non-target style factors are limited to  $\pm 0.01$  standard deviation of exposure, industry factor and country factor exposures are limited to  $\pm 3\%$ . The indexes are comprised of a maximum of 300 constituents, with a maximum constituent weight of  $\pm 3\%$ . The indexes are rebalanced monthly with a one-way turnover of 10% (5% for long constituents and 5% for short constituents) and a shorting cost threshold of 100bps.

[msci.com](http://msci.com) | [clientservice@msci.com](mailto:clientservice@msci.com)

## About MSCI

MSCI Inc. is a leading provider of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI products and services include indexes, portfolio risk and performance analytics, and governance tools.

The company's flagship product offerings are: the MSCI indexes with approximately USD 7.5 trillion estimated to be benchmarked to them on a worldwide basis<sup>1</sup>; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; IPD real estate information, indexes and analytics; MSCI ESG (environmental, social and governance) Research screening, analysis and ratings; ISS corporate governance research, data and outsourced proxy voting and reporting services; and FEA valuation models and risk management software for the energy and commodities markets. MSCI is headquartered in New York, with research and commercial offices around the world.

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<sup>1</sup> As of March 31, 2013, as reported on July 31, 2013 by eVestment, Lipper and Bloomberg.