

# MSCI USA VALUE INDEX (USD)

The MSCI USA Value Index captures large and mid cap US securities exhibiting overall value style characteristics. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

## CUMULATIVE INDEX PERFORMANCE - GROSS RETURNS (USD) (APR 2004 – APR 2019)



## ANNUAL PERFORMANCE (%)

Year	MSCI USA Value	MSCI USA
2018	-7.18	-4.50
2017	15.37	21.90
2016	16.87	11.61
2015	-1.94	1.32
2014	12.29	13.36
2013	32.32	32.61
2012	14.99	16.13
2011	1.49	1.99
2010	14.37	15.45
2009	18.05	27.14
2008	-35.38	-37.14
2007	0.49	6.03
2006	21.97	15.32
2005	5.99	5.72

## INDEX PERFORMANCE — GROSS RETURNS (%) (APR 30, 2019)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED			
					3 Yr	5 Yr	10 Yr	Since Dec 31, 1974
MSCI USA Value	3.22	7.34	10.39	15.06	11.71	8.74	13.69	11.96
MSCI USA	4.01	9.48	13.41	18.48	14.91	11.53	15.31	11.88

## FUNDAMENTALS (APR 30, 2019)

Div Yld (%)	P/E	P/E Fwd	P/BV
2.97	16.69	13.91	2.37
1.92	20.96	17.32	3.48

## INDEX RISK AND RETURN CHARACTERISTICS (APR 30, 2019)

	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since Dec 31, 1974	MAXIMUM DRAWDOWN (%)	Period YYYY-MM-DD
		3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr			
MSCI USA Value	16.19	10.24	10.71	12.22	1.00	0.75	1.07	na	59.09	2007-10-09—2009-03-05
MSCI USA	2.24	10.90	11.34	12.51	1.21	0.94	1.16	na	54.91	2007-10-09—2009-03-09

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

The MSCI USA Value Index was launched on Dec 08, 1997. Data prior to the launch date is back-tested data (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

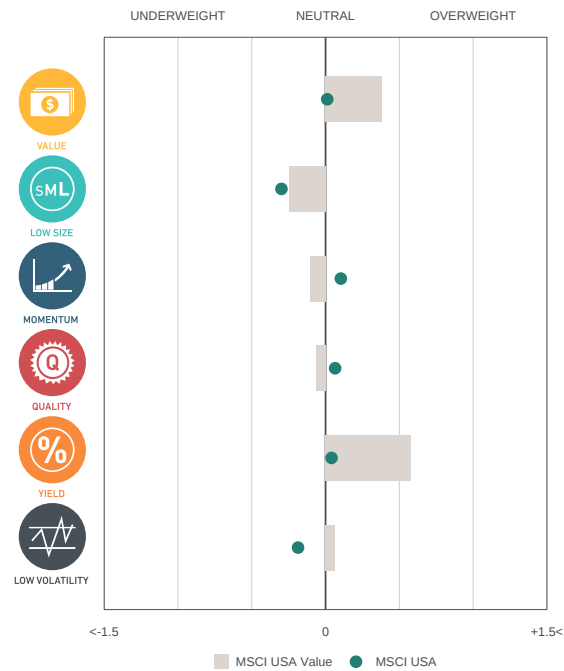
MSCI USA Value	
Number of Constituents	368
Mkt Cap ( USD Millions)	
Index	12,595,312.10
Largest	385,913.91
Smallest	1,667.15
Average	34,226.39
Median	14,354.21

## TOP 10 CONSTITUENTS

	Float Adj Mkt Cap ( USD Billions)	Index Wt. (%)	Sector
JPMORGAN CHASE & CO	385.91	3.06	Financials
JOHNSON & JOHNSON	378.70	3.01	Health Care
EXXON MOBIL CORP	339.89	2.70	Energy
BANK OF AMERICA CORP	285.11	2.26	Financials
PROCTER & GAMBLE CO	265.29	2.11	Cons Staples
CISCO SYSTEMS	251.55	2.00	Info Tech
VERIZON COMMUNICATIONS	236.31	1.88	Comm Svcs
PFIZER	234.75	1.86	Health Care
INTEL CORP	232.95	1.85	Info Tech
CHEVRON CORP	229.41	1.82	Energy
<b>Total</b>	<b>2,839.85</b>	<b>22.55</b>	

## FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

### MSCI FACTOR BOX



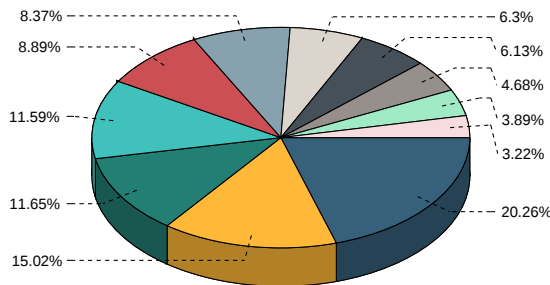
### MSCI FaCS

- 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



- Financials 20.26%
- Health Care 15.02%
- Consumer Staples 11.65%
- Information Technology 11.59%
- Energy 8.89%
- Industrials 8.37%
- Utilities 6.3%
- Communication Services 6.13%
- Consumer Discretionary 4.68%
- Real Estate 3.89%
- Materials 3.22%

## INDEX METHODOLOGY

The MSCI Global Value and Growth Indexes are based on the [MSCI Global Investable Market Value and Growth Indexes Methodology](#)—a comprehensive and state-of-the-art approach to index construction that reflects investor’s views on style definition and segmentation and provides a precise representation of the opportunity set for global style managers. The MSCI style methodology adopts a two-dimensional framework for value/growth segmentation: each security is given an overall style characteristic derived from its value and growth scores and is then placed into either a value or a growth index (or is partially allocated to both). Style characteristics are defined using eight historical and forward looking variables (three for value and five for growth). Each value and growth index is reviewed semi-annually—in May and November—with the objective of reflecting change in the style characteristics of the underlying equity markets in a timely manner, while limiting undue 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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