

# **MSCI Core Europe Core Sectors Select 20 Index**

Parameter Sheet for Customization/Calculation Methodology

**April 2025**

## 1 Introduction

The MSCI Core Europe Core Sectors Select 20 Index (the “Index”) aims to reflect the performance of securities classified in France, Netherlands, Belgium, Germany, and Luxembourg, according to the MSCI Country of Classification Methodology, while being part of the GICS codes outlined under section 2 as classified by the Global Industry Classification Standard (GICS®)<sup>1</sup>, in the MSCI Global Investable Market Indexes.

The Index selects the top 5 constituents from each GICS Code based on free float-adjusted market capitalization. These regional components are then combined in a predetermined weight proportion, while ensuring that no single security exceeds a 10% cap within the Index. The parent index is constructed based on the MSCI Global Investable Market Indexes methodology<sup>2</sup>.

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<sup>1</sup> GICS®, the global industry classification standard jointly developed by MSCI and S&P Global. For more information visit <https://www.msci.com/our-solutions/indexes/gics>

<sup>2</sup> The Indexes are governed by a set of methodology and policy documents (“Methodology Set”), including the present index methodology document. The Methodology Set for the Indexes can be accessed from MSCI’s webpage <https://www.msci.com/index-methodology> in the section ‘Search Methodology by Index Name or Index Code’. Please refer to the MSCI Global Investable Market Indexes methodology at [www.msci.com/index-methodology](https://www.msci.com/index-methodology).

## 2 Constructing the MSCI Core Europe Core Sectors Select 20 Index

### 2.1 DETERMINING THE CONSTITUENTS OF THE MSCI CORE EUROPE CORE SECTORS SELECT 20 INDEX

The eligible universe for the Index includes all the constituents of the MSCI Global Investable Market Indexes classified in France, Netherlands, Belgium, Germany, and Luxembourg, according to the MSCI Country of Classification Methodology, that classified under the below GICS codes according to the Global Industry Classification Standard (GICS®).

| GICS Code  | GICS                                      |
|--|---|
| 4010   | Banks                                     |
| 45   | Information Technology                    |
| 25   | Consumer Discretionary                    |
| Industrials<br>(Only Select<br>GICS within<br>Industrials) | Aerospace & Defense (201010)              |
|  | Commercial & Professional Services (2020) |
|  | Transportation (2030)                     |

At initial construction and at each quarterly index review, the top 5 constituents in each of the four components based on GICS, ranked according to their free float adjusted market capitalization, are included in the index.

### 2.2 DETERMINING THE WEIGHTS OF THE MSCI CORE EUROPE CORE SECTORS SELECT 20 INDEX

At each index review, the MSCI Core Europe Core Sectors Select 20 Index is constructed as a composite of the following component indexes in a pre-determined weight proportion as specified in the table below:

| Component  | Component Weight (%) |
|--|----------------------|
| MSCI Europe Select Countries Banks Top 5 Capped Index                  | 25                   |
| MSCI Europe Select Countries Information Technology Top 5 Capped Index | 25                   |
| MSCI Europe Select Countries Consumer Discretionary Top 5 Capped Index | 25                   |
| MSCI Europe Select Countries Select Industrials Top 5 Capped Index     | 25                   |

At each quarterly index review securities in the index will be capped at a maximum weight of 10%. The excess weight of the capped securities are redistributed to securities belonging to the same component in proportion to their free float-adjusted market capitalization.

## **3 Maintaining the Index**

### **3.1 Quarterly Index Reviews**

The MSCI Core Europe Core Sectors Select 20 Index is rebalanced on a quarterly basis, coinciding with the February, May, August, and November Index Reviews. The pro forma index is typically announced and determined 9 business days before the effective date of an index review.

### **3.2 Ongoing Event Related Changes**

In general, the Index follows the event maintenance of the MSCI Global Investable Market Indexes with the exception of the treatment described below.

The general treatment of additions and deletions due to corporate events aims at reducing turnover in the Index. When the number of securities in the Index falls below or rises above the pre-defined 5 in each component due to corporate events, no additions or deletions will be made to restore the number of constituents to 5 in each component until the next Quarterly Index Review.

The following section briefly describes the treatment of common corporate events within the Index. No new securities will be added to the Index between Index Reviews. Parent Index deletions will be reflected simultaneously.

**EVENT TYPE**

**EVENT DETAILS**

**New additions to the Parent Index**

A new security added to the Parent Index (such as IPO and other early inclusions) will not be added to the index.

**Spin-Offs**

All securities created as a result of the spin-off of an existing Index constituent will not be added to the Indexes at the time of event implementation. Reevaluation for addition in the Indexes will occur at the subsequent Index Review.

**Merger/Acquisition**

If an existing Index constituent is acquired by a non-Index constituent, the existing constituent will be deleted from the Index and the acquiring non-constituent will not be added to the Index.

**Changes in Security Characteristics**

A security will be removed from the index if there are changes in its characteristics (country, sector, size segment, etc.) Reevaluation for inclusion in the index will occur at the subsequent index Review.

Further detail and illustration regarding specific treatment of corporate events relevant to this Index can be found in the MSCI Corporate Events Methodology book.

The MSCI Corporate Events methodology book is available at:  
<https://www.msci.com/index-methodology>.

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\* = toll free

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