

# MSCI USA Small Cap Value Weighted Index (USD)

The MSCI USA Small Cap Value Weighted Index is based on a traditional market cap weighted parent index, the MSCI USA Small Cap Index, which includes US small cap stocks. The MSCI USA Small Cap Value Weighted Index reweights each security of the parent index to emphasize stocks with lower valuations. Index weights are determined using fundamental accounting data –sales, book value, earnings and cash earnings–rather than market prices.

## CUMULATIVE INDEX PERFORMANCE – NET RETURNS (USD) (MAR 2006 – MAR 2021)



## ANNUAL PERFORMANCE (%)

Year	MSCI USA Small Cap Value Weighted	MSCI USA Small Cap
2020	8.95	18.32
2019	24.23	26.74
2018	-14.33	-10.40
2017	9.35	16.75
2016	26.56	19.15
2015	-9.26	-4.11
2014	5.25	7.07
2013	40.88	37.63
2012	17.84	17.52
2011	-5.18	-3.43
2010	28.72	27.48
2009	62.07	39.07
2008	-34.89	-36.18
2007	-3.99	-3.29

## INDEX PERFORMANCE – NET RETURNS (%) (MAR 31, 2021)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Dec 29, 2000
					3 Yr	5 Yr	10 Yr		
MSCI USA Small Cap Value Weighted	6.60	23.95	123.22	23.95	13.89	13.91	10.75	11.85	
MSCI USA Small Cap	2.06	12.75	94.35	12.75	15.08	15.91	12.02	10.29	

## FUNDAMENTALS (MAR 31, 2021)

	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI USA Small Cap Value Weighted	1.45	-125.38	18.53	1.71
MSCI USA Small Cap	1.11	139.90	26.87	2.76

## INDEX RISK AND RETURN CHARACTERISTICS (DEC 29, 2000 – MAR 31, 2021)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since Dec 29, 2000	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
MSCI USA Small Cap Value Weighted	1.08	5.72	35.18	30.44	24.65	20.90	0.53	0.60	0.56	0.55	63.83	2007-06-04–2009-03-09
MSCI USA Small Cap	1.00	0.00	14.55	25.29	20.37	18.19	0.63	0.77	0.68	0.52	59.82	2007-06-04–2009-03-09

<sup>1</sup> Last 12 months

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

<sup>3</sup> Based on ICE LIBOR 1M

The MSCI USA Small Cap Value Weighted Index was launched on Dec 04, 2014. 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

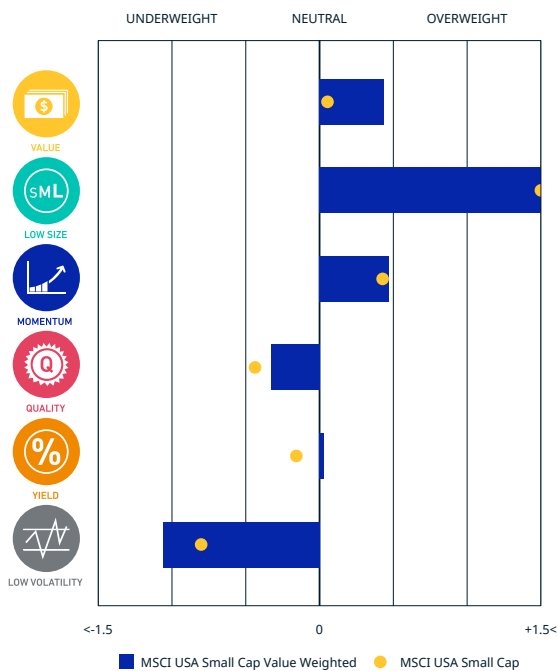
	MSCI USA Small Cap Value Weighted	MSCI USA Small Cap
<b>Number of Constituents</b>	1,737	1,739
	<b>Weight (%)</b>	
<b>Largest</b>	1.15	0.35
<b>Smallest</b>	0.00	0.00
<b>Average</b>	0.06	0.06
<b>Median</b>	0.03	0.04

### TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
GAMESTOP CORP A	1.15	0.24	Cons Discr
KOHL'S CORP	0.80	0.20	Cons Discr
MACY'S	0.71	0.11	Cons Discr
DXC TECHNOLOGY	0.65	0.17	Info Tech
MARATHON OIL CORP	0.65	0.18	Energy
OVINTIV(US)	0.56	0.13	Energy
DIAMONDBACK ENERGY	0.56	0.27	Energy
COMERICA	0.53	0.21	Financials
US STEEL CORP	0.53	0.15	Materials
HOLLYFRONTIER	0.50	0.12	Energy
<b>Total</b>	<b>6.63</b>	<b>1.77</b>	

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

#### MSCI FACTOR BOX



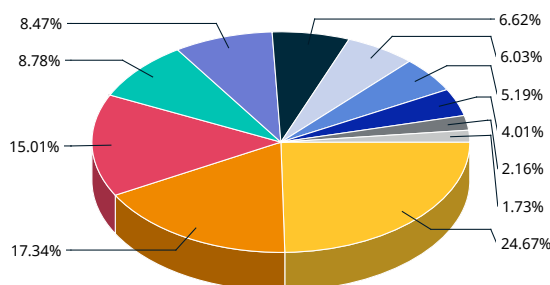
#### MSCI FaCS

- 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 24.67%
- Consumer Discretionary 17.34%
- Industrials 15.01%
- Energy 8.78%
- Information Technology 8.47%
- Real Estate 6.62%
- Materials 6.03%
- Health Care 5.19%
- Consumer Staples 4.01%
- Communication Services 2.16%
- Utilities 1.73%

## INDEX METHODOLOGY

Each MSCI Value Weighted Index is constructed from a market cap weighted MSCI parent index. The MSCI Value Weighted Index methodology effectively tilts the parent index towards stocks with lower valuations by reweighting each constituent of the parent index according to four fundamental accounting variables: sales, book value, earnings and cash earnings. The Value Weighted Index first calculates a weight (or a 3-yr average weight) for each accounting variable for each constituent independently. These weights are then averaged to determine a final constituent-level value weight. The index is rebalanced semiannually in May and November.

## 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

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