

# MSCI BRAZIL ESG LEADERS INDEX (BRL)

The MSCI Brazil ESG Leaders Index is a capitalization weighted index that provides exposure to companies with high Environmental, Social and Governance (ESG) performance relative to their sector peers. MSCI Brazil ESG Leaders Index consists of large and mid cap companies in Brazilian markets. The Index is designed for investors seeking a broad, diversified sustainability benchmark with relatively low tracking error to the underlying equity market. The index is a member of the MSCI ESG Leaders Index series. Constituent selection is based on data from MSCI ESG Research.

## CUMULATIVE INDEX PERFORMANCE - GROSS RETURNS (BRL) (SEP 2007 – JAN 2019)



## ANNUAL PERFORMANCE (%)

Year	MSCI Brazil ESG Leaders	MSCI Brazil
2018	16.64	16.67
2017	27.39	26.87
2016	28.88	37.18
2015	-10.24	-12.46
2014	12.09	-2.81
2013	3.49	-2.97
2012	19.86	10.14
2011	-6.42	-11.89
2010	7.78	1.72
2009	64.34	70.89
2008	-34.87	-42.43

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

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Sep 28, 2007
					3 Yr	5 Yr	10 Yr		
MSCI Brazil ESG Leaders	12.70	20.46	16.25	12.70	31.76	18.46	16.54	9.89	
MSCI Brazil	10.69	11.31	15.76	10.69	33.64	15.81	11.62	6.18	

## FUNDAMENTALS (JAN 31, 2019)

Div Yld (%)	P/E	P/E Fwd	P/BV
4.00	18.17	14.05	2.57
3.28	18.66	12.75	2.11

## INDEX RISK AND RETURN CHARACTERISTICS (SEP 28, 2007 – JAN 31, 2019)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	(%)	Period YYYY-MM-DD
MSCI Brazil ESG Leaders	0.95	8.20	12.69	22.04	21.23	19.92	55.94	2008-05-30—2008-10-27
MSCI Brazil	1.00	0.00	2.87	21.41	21.45	19.53	61.16	2008-05-20—2008-10-27

<sup>1</sup> Last 12 months

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

The MSCI ESG Indexes use ratings and other data supplied by MSCI ESG Research Inc, a subsidiary of MSCI Inc.

The MSCI Brazil ESG Leaders Index was launched on Jul 12, 2013. 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

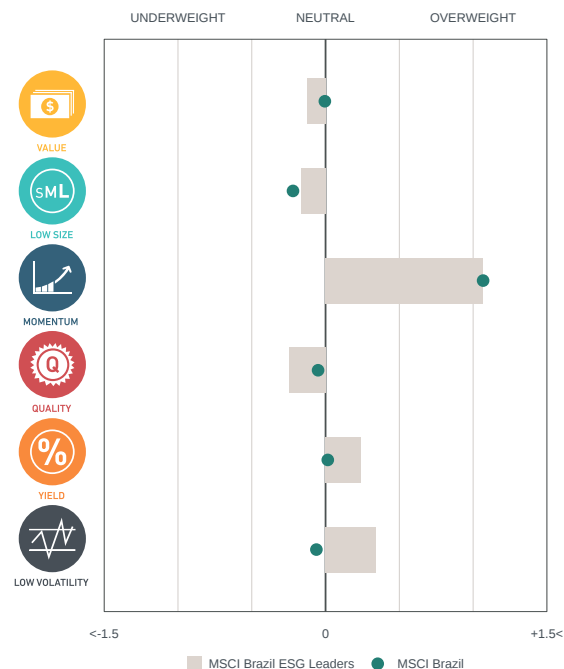
	MSCI Brazil ESG Leaders	MSCI Brazil
Number of Constituents	22	52
	Weight (%)	
Largest	26.43	12.28
Smallest	0.68	0.32
Average	4.55	1.92
Median	2.11	0.96

### TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
ITAU UNIBANCO PN	26.43	12.28	Financials
BANCO BRADESCO PN	21.39	9.94	Financials
B3	9.11	4.24	Financials
ITAUSA PN	8.39	3.90	Financials
LOJAS RENNER ON	4.59	2.14	Cons Discr
TELEF BRASIL PN	3.07	1.42	Comm Srvcs
ULTRAPAR PART ON	2.91	1.35	Energy
LOCALIZA RENT A CAR ON	2.34	1.09	Industrials
KROTON EDUCACIONAL ON	2.25	1.04	Cons Discr
WEG ON	2.22	1.03	Industrials
<b>Total</b>	<b>82.71</b>	<b>38.43</b>	

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

#### MSCI FACTOR BOX



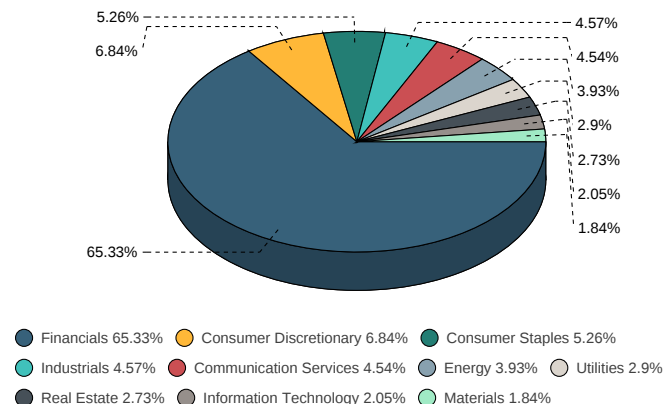
#### MSCI FaCS

- 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



## INDEX METHODOLOGY

The MSCI ESG Leaders Indexes are constructed by applying a Best-in-Class selection process to companies in the regional indexes that make up MSCI ACWI, a global equity index consisting of developed and emerging market countries.

The ESG Leaders Indexes target sector and region weights consistent with those of the underlying indexes to limit the systematic risk introduced by the ESG selection process. The methodology aims to include securities of companies with the highest ESG ratings representing 50% of the market capitalization in each sector and region of the parent Index. Companies that are not existing constituents of the ESG Leaders Indexes must have an MSCI ESG Rating of 'BB' or above and the MSCI ESG Controversies Score of 3 or above to be eligible. In addition, companies showing involvement in alcohol, gambling, tobacco, nuclear power and weapons are excluded from the Indexes. The selection universe for The ESG Leaders Indexes is the constituents of the MSCI Global Investable Market Indexes.

The Index is float-adjusted market capitalization weighted. The Annual Review of the MSCI ESG Leaders Indexes takes place in May, and they are rebalanced in August, November and February.

## 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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