# MSCI USA Quality Index (USD)

The **MSCI USA Quality Index** is based on the MSCI USA Index, its parent index, which includes large and mid cap stocks in the US equity market. The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage. The MSCI Quality Indexes complement existing MSCI Factor Indexes and can provide an effective diversification role in a portfolio of factor strategies.

For a complete description of the index methodology, please see Index methodology - MSCI.

CUMULATIVE INDEX PERFORMANCE — PRICE RETURNS (USD) (APR 2009 – APR 2024)

- MSCI USA Quality
- MSCI USA

725.44
577.46
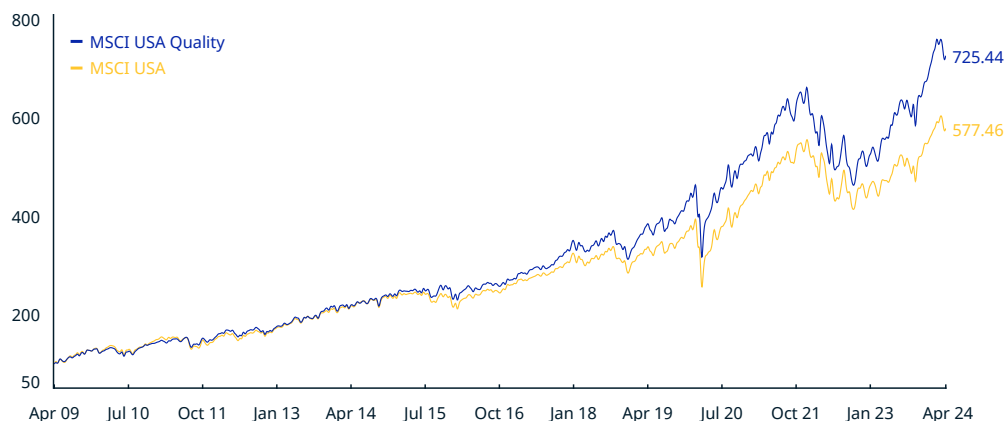
ANNUAL PERFORMANCE (%)

Year	MSCI USA Quality	MSCI USA
2023	34.29	25.05
2022	-23.71	-20.76
2021	26.07	25.24
2020	20.91	19.22
2019	36.85	29.07
2018	-4.25	-6.33
2017	23.65	19.50
2016	5.82	9.21
2015	5.10	-0.77
2014	9.88	11.10
2013	30.98	29.85
2012	11.63	13.52
2011	6.16	-0.11
2010	10.22	13.18

INDEX PERFORMANCE — PRICE RETURNS (%) (APR 30, 2024)

	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Nov 28, 1975
					ANNUALIZED			
MSCI USA Quality	-4.42	4.39	28.72	7.59	8.71	13.61	12.72	10.21
MSCI USA	-4.20	3.87	21.44	5.40	5.71	11.32	10.30	8.47

FUNDAMENTALS (APR 30, 2024)

	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI USA Quality	1.24	28.46	22.95	9.34
MSCI USA	1.42	25.06	20.31	4.60

INDEX RISK AND RETURN CHARACTERISTICS (NOV 28, 1975 – APR 30, 2024)

	Beta	Tracking Error (%)	Turnover (%) [1]	ANNUALIZED STD DEV (%) [2]			SHARPE RATIO [2,3]				MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr	Since Nov 28, 1975	(%)	Period YYYY-MM-DD
MSCI USA Quality	0.97	3.68	22.18	18.83	18.60	15.35	0.39	0.67	0.76	na	46.64	2000-03-23—2009-03-09
MSCI USA	1.00	0.00	2.00	17.83	18.78	15.45	0.25	0.56	0.62	na	56.78	2000-03-23—2009-03-09

[1] Last 12 months [2] Based on monthly price returns data [3] Based on NY FED Overnight SOFR from Sep 1 2021 & on ICE LIBOR 1M prior that date

The MSCI USA Quality Index was launched on Dec 18, 2012. Data prior to the launch date is back-tested test (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 Quality	MSCI USA
Number of Constituents	126	612
Weight (%)		
Largest	7.61	6.23
Smallest	0.05	0.01
Average	0.79	0.16
Median	0.30	0.06

TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
NVIDIA	7.61	4.84	Info Tech
LILLY (ELI) & COMPANY	5.81	1.43	Health Care
META PLATFORMS A	5.62	2.16	Comm Srvcs
BROADCOM	4.63	1.31	Info Tech
MICROSOFT CORP	4.58	6.23	Info Tech
APPLE	3.95	5.67	Info Tech
VISA A	3.89	0.96	Financials
MASTERCARD A	3.45	0.86	Financials
UNITEDHEALTH GROUP	3.24	1.01	Health Care
ALPHABET A	2.81	2.18	Comm Srvcs
Total	45.60	26.66	

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX

■ MSCI USA Quality   ● MSCI USA
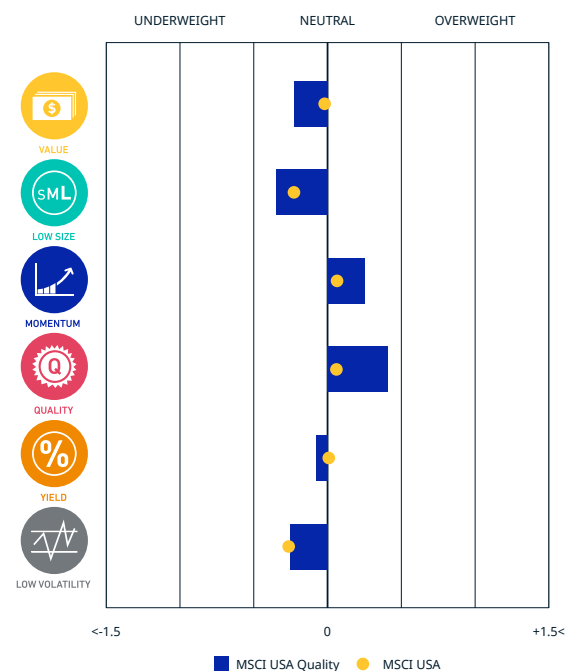
MSCI FaCS

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

● Information Technology 37.6% ● Health Care 19.48% ● Industrials 11.26%
● Communication Services 11.05% ● Financials 9.61% ● Consumer Staples 6.76%
● Consumer Discretionary 3.6% ● Real Estate 0.32% ● Materials 0.22% ● Energy 0.1%
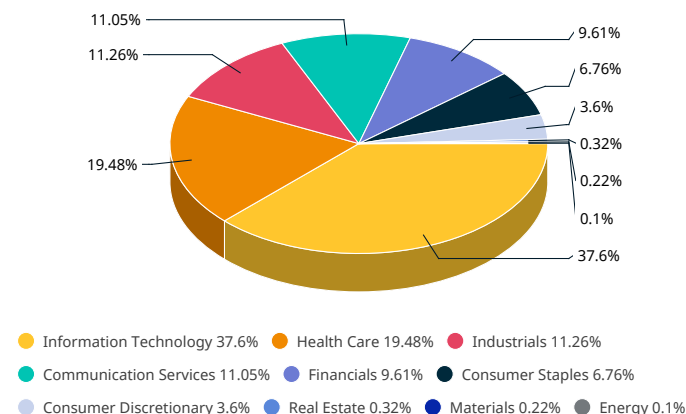
MSCI FACTOR BOX AND FaCS FRAMEWORK (Please refer to complete description of the MSCI FaCS methodology here)

MSCI FaCS is a standard method 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