

# MSCI ACWI EX USA ESG LEADERS INDEX (USD)

The MSCI ACWI ex USA 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 ACWI ex USA ESG Leaders Index consists of large and mid cap companies across 22 Developed Markets (DM) and 26 Emerging Markets (EM) countries\*. 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 - NET RETURNS (USD) (SEP 2007 – MAY 2019)



## ANNUAL PERFORMANCE (%)

Year	MSCI ACWI ex USA ESG Leaders	MSCI ACWI ex USA
2018	-13.97	-14.20
2017	26.78	27.19
2016	4.35	4.50
2015	-2.67	-5.66
2014	-1.96	-3.87
2013	17.93	15.29
2012	17.50	16.83
2011	-11.28	-13.71
2010	11.99	11.15
2009	40.26	41.45
2008	-43.79	-45.53

## INDEX PERFORMANCE — NET RETURNS (%) (MAY 31, 2019)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Sep 28, 2007
					3 Yr	5 Yr	10 Yr		
MSCI ACWI ex USA ESG Leaders	-5.13	-1.95	-5.05	7.20	6.29	2.27	7.11	2.04	
MSCI ACWI ex USA	-5.37	-2.29	-6.26	7.15	6.72	1.31	5.80	0.79	

## FUNDAMENTALS (MAY 31, 2019)

Div Yld (%)	P/E	P/E Fwd	P/BV
3.19	15.41	13.76	1.80
3.31	14.14	12.54	1.56

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

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since Sep 28, 2007	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
MSCI ACWI ex USA ESG Leaders	0.97	1.47	9.28	11.03	11.95	14.40	0.47	0.17	0.51	0.15	59.84	2007-10-31—2009-03-09
MSCI ACWI ex USA	1.00	0.00	3.18	11.05	12.29	14.79	0.51	0.09	0.42	0.09	60.83	2007-10-31—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 ESG Indexes use ratings and other data supplied by MSCI ESG Research Inc, a subsidiary of MSCI Inc.

\* DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK. EM countries include: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

The MSCI ACWI ex USA 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

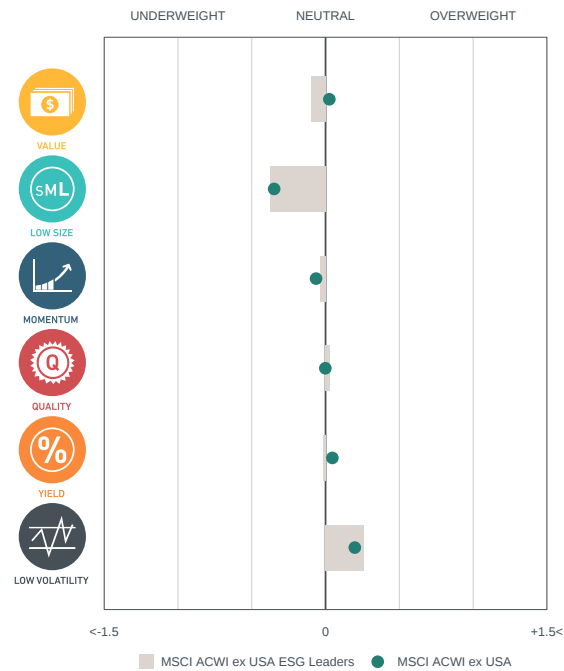
	MSCI ACWI ex USA ESG Leaders	MSCI ACWI ex USA
Number of Constituents	902	2,211
	Weight (%)	
Largest	2.36	1.53
Smallest	0.00	0.00
Average	0.11	0.05
Median	0.05	0.02

## TOP 10 CONSTITUENTS

	Country	Index Wt. (%)	Parent Index Wt. (%)	Sector
TENCENT HOLDINGS LI (CN)	CN	2.36	1.20	Comm Srvcs
ALIBABA GROUP HLDG ADR	CN	2.11	1.07	Cons Discr
ROCHE HOLDING GENUSS	CH	1.83	0.93	Health Care
TAIWAN SEMICONDUCTOR MFG	TW	1.82	0.93	Info Tech
TOTAL	FR	1.23	0.62	Energy
SAP	DE	1.20	0.61	Info Tech
TORONTO-DOMINION BANK	CA	0.99	0.51	Financials
NASPERS N	ZA	0.98	0.50	Cons Discr
COMMONWEALTH BANK OF AUS	AU	0.96	0.49	Financials
GLAXOSMITHKLINE	GB	0.95	0.48	Health Care
<b>Total</b>		<b>14.43</b>	<b>7.33</b>	

## FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

### MSCI FACTOR BOX



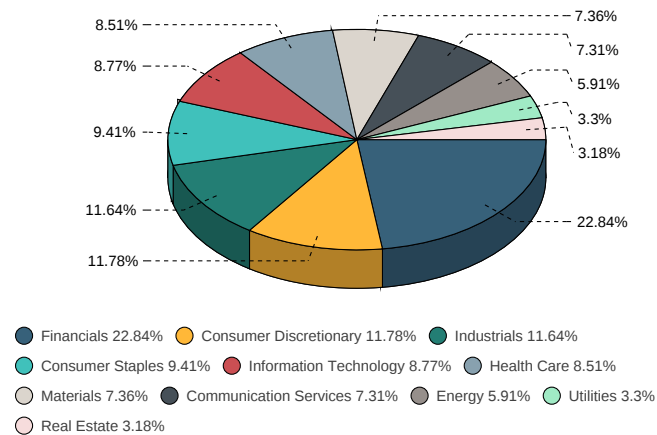
### MSCI FaCS

- 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

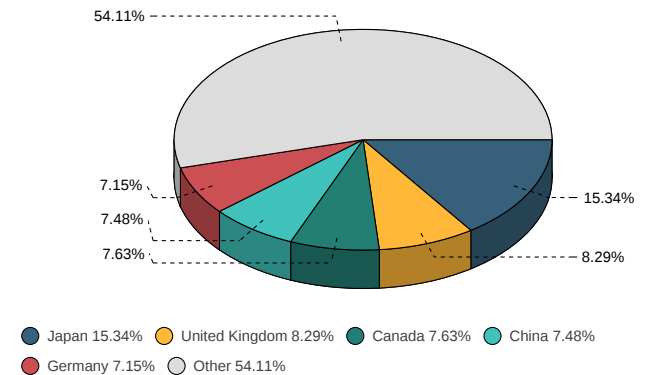
MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

## SECTOR WEIGHTS



## COUNTRY 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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