

# MSCI Chile Quality Tilt Index (USD)

The MSCI Chile Quality Tilt Index is based on MSCI Chile Index, its parent index, which includes large and mid-cap stocks of the Chilean markets. It aims to reflect the performance of a Quality strategy with relatively high investment capacity. The indexes are created by tilting the market capitalization weights of all the constituents in the parent index based on the Quality scores and then re-weighting them.

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



## ANNUAL PERFORMANCE (%)

| Year | MSCI Chile Quality Tilt | MSCI Chile |
|------|-------------------------|------------|
| 2020 | -2.86                   | -5.59      |
| 2019 | -16.65                  | -16.94     |
| 2018 | -20.55                  | -19.65     |
| 2017 | 42.27                   | 42.23      |
| 2016 | 17.00                   | 15.55      |
| 2015 | -15.53                  | -17.67     |
| 2014 | -11.42                  | -13.01     |
| 2013 | -22.71                  | -21.98     |
| 2012 | 11.01                   | 7.77       |
| 2011 | -19.73                  | -20.39     |
| 2010 | 43.24                   | 44.16      |
| 2009 | 84.97                   | 85.56      |
| 2008 | -37.02                  | -35.79     |
| 2007 | 26.03                   | 23.05      |

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

|                         | 1 Mo  | 3 Mo  | 1 Yr  | YTD  | ANNUALIZED |       |       |      | Since Dec 29, 2000 |
|-------------------------|-------|-------|-------|------|------------|-------|-------|------|--------------------|
|                         |       |       |       |      | 3 Yr       | 5 Yr  | 10 Yr |      |                    |
| MSCI Chile Quality Tilt | -3.21 | -5.64 | 32.20 | 1.11 | -11.33     | -0.00 | -5.63 | 6.23 |                    |
| MSCI Chile              | -3.62 | -5.34 | 33.45 | 2.19 | -12.03     | -0.44 | -6.54 | 5.54 |                    |

## FUNDAMENTALS (MAY 31, 2021)

| Div Yld (%) | P/E   | P/E Fwd | P/BV |
|-------------|-------|---------|------|
| 2.64        | 18.56 | 14.43   | 1.49 |
| 2.23        | 21.31 | 14.74   | 1.47 |

## INDEX RISK AND RETURN CHARACTERISTICS (DEC 29, 2000 – MAY 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 Chile Quality Tilt | 0.98 | 1.86               | 15.58                     | 29.11                               | 25.99 | 23.45 | -0.32                       | 0.08 | -0.16 | 0.31               | 69.03            | 2011-01-03–2020-03-18 |
| MSCI Chile              | 1.00 | 0.00               | 6.78                      | 29.67                               | 26.63 | 23.98 | -0.33                       | 0.07 | -0.19 | 0.28               | 72.03            | 2011-01-03–2020-03-18 |

<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 Chile Quality Tilt Index was launched on Aug 27, 2015. 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

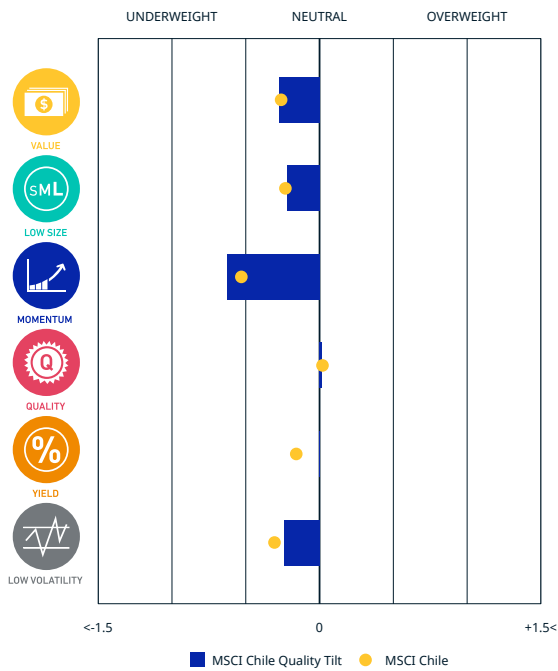
|                               | MSCI Chile Quality Tilt | MSCI Chile |
|-------------------------------|-------------------------|------------|
| <b>Number of Constituents</b> | 13                      | 13         |
|                               | Weight (%)              |            |
| <b>Largest</b>                | 16.02                   | 15.94      |
| <b>Smallest</b>               | 2.49                    | 2.56       |
| <b>Average</b>                | 7.69                    | 7.69       |
| <b>Median</b>                 | 7.82                    | 7.77       |

### TOP 10 CONSTITUENTS

|                           | Index Wt. (%) | Parent Index Wt. (%) | Sector       |
|---------------------------|---------------|----------------------|--------------|
| SOQUIMICH PREF B          | 16.02         | 15.94                | Materials    |
| BANCO DE CHILE            | 13.27         | 12.29                | Financials   |
| ENEL AMERICAS             | 11.78         | 7.77                 | Utilities    |
| BCO SANTANDER CHILE (NEW) | 8.96          | 9.54                 | Financials   |
| FALABELLA SACI            | 8.48          | 8.92                 | Cons Discr   |
| EMPRESAS COPEC            | 8.25          | 10.32                | Energy       |
| ENEL CHILE                | 7.82          | 4.45                 | Utilities    |
| CENCOSUD                  | 6.28          | 7.78                 | Cons Staples |
| BANCO DE CREDITO E INVER  | 4.95          | 6.52                 | Financials   |
| CERVEZAS                  | 4.92          | 3.48                 | Cons Staples |
| <b>Total</b>              | <b>90.73</b>  | <b>87.00</b>         |              |

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

#### MSCI FACTOR BOX



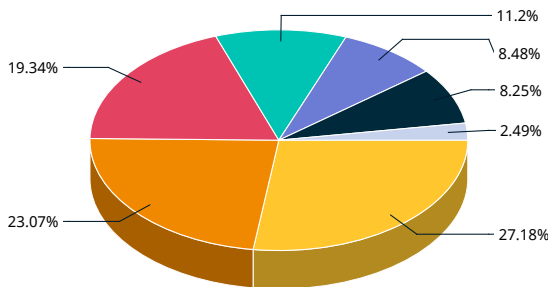
#### MSCI FaCS

- 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 27.18%
- Utilities 23.07%
- Materials 19.34%
- Consumer Staples 11.2%
- Consumer Discretionary 8.48%
- Energy 8.25%
- Real Estate 2.49%

## INDEX METHODOLOGY

The [MSCI Quality Tilt Indexes](#) aim to reflect the performance of a Quality strategy with high investment capacity. The MSCI Quality Tilt Indexes are created by including all the constituents in the Parent Index and tilting the market capitalization weights of securities, based on Quality Score. By comparison, the MSCI Quality Indexes are constructed by selecting a set number of securities from the underlying parent index with an aim to emphasize the Quality factor. The MSCI Quality Tilt Index includes all the existing constituents of underlying Parent Index for which Quality Scores are available. A quality score for each security is calculated by combining Z scores of three winsorized fundamental variables—Return on Equity, Debt to Equity and Earnings Variability. MSCI then averages the Z scores of each of the three fundamental variables to calculate a composite quality Z score for each security. All the constituents in the Parent Index are weighted by the product of their market capitalization weight in the Parent index and their quality score. The Quality Tilt Indexes are rebalanced semi-annually, as of the close of the last business day of November and May.

## 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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