

# MSCI Europe Momentum Index (USD)

The MSCI Europe Momentum Index is based on MSCI Europe, its parent index, which includes large and mid cap stocks across 15 Developed Markets (DM) countries\*. It is designed to reflect the performance of an equity momentum strategy by emphasizing stocks with high price momentum, while maintaining reasonably high trading liquidity, investment capacity and moderate index turnover.

## CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (DEC 2005 – DEC 2020)



## ANNUAL PERFORMANCE (%)

Year	MSCI Europe Momentum	MSCI Europe
2020	21.68	5.93
2019	28.35	24.59
2018	-13.46	-14.32
2017	26.86	26.24
2016	0.55	0.22
2015	3.26	-2.34
2014	-3.30	-5.68
2013	29.79	25.96
2012	20.94	19.93
2011	-3.07	-10.50
2010	17.03	4.49
2009	25.29	36.81
2008	-47.62	-46.08
2007	29.60	14.39

## INDEX PERFORMANCE – GROSS RETURNS (%) (DEC 31, 2020)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Jun 30, 1994
					3 Yr	5 Yr	10 Yr		
MSCI Europe Momentum	6.24	11.56	21.68	21.68	10.56	11.51	10.11	11.36	
MSCI Europe	4.72	15.66	5.93	5.93	4.18	7.42	5.94	7.56	

## FUNDAMENTALS (DEC 31, 2020)

Div Yld (%)	P/E	P/E Fwd	P/BV
1.24	32.17	29.78	4.14
2.44	22.31	17.10	1.90

## INDEX RISK AND RETURN CHARACTERISTICS (JUN 01, 1994 – DEC 31, 2020)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since Jun 01, 1994	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
MSCI Europe Momentum	0.87	7.77	118.08	16.40	14.16	14.48	0.59	0.75	0.69	0.57	60.49	2007-11-08–2009-03-09
MSCI Europe	1.00	0.00	3.29	19.61	16.63	16.67	0.22	0.44	0.39	0.35	62.72	2007-10-31–2009-03-09

<sup>1</sup> Last 12 months

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

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

\* DM countries include: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the UK.

The MSCI Europe Momentum Index was launched on Dec 11, 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

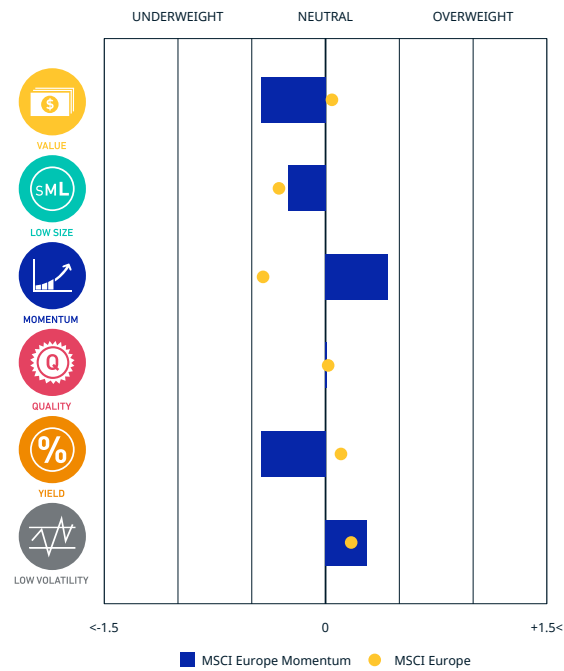
	MSCI Europe Momentum	MSCI Europe
<b>Number of Constituents</b>	125	434
	<b>Weight (%)</b>	
<b>Largest</b>	5.28	3.44
<b>Smallest</b>	0.06	0.02
<b>Average</b>	0.80	0.23
<b>Median</b>	0.50	0.12

### TOP 10 CONSTITUENTS

	Country	Index Wt. (%)	Parent Index Wt. (%)	Sector
ASML HLDG	NL	5.28	2.10	Info Tech
LVMH MOET HENNESSY	FR	4.26	1.76	Cons Discr
SIEMENS	DE	3.51	1.11	Industrials
VESTAS WIND SYSTEMS	DK	3.25	0.47	Industrials
ADYEN NV	NL	2.95	0.43	Info Tech
SCHNEIDER ELECTRIC	FR	2.72	0.79	Industrials
ORSTED	DK	2.54	0.39	Utilities
IBERDROLA	ES	2.53	0.87	Utilities
LONZA GROUP	CH	2.31	0.49	Health Care
DEUTSCHE POST	DE	2.09	0.50	Industrials
<b>Total</b>		<b>31.42</b>	<b>8.91</b>	

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

#### MSCI FACTOR BOX



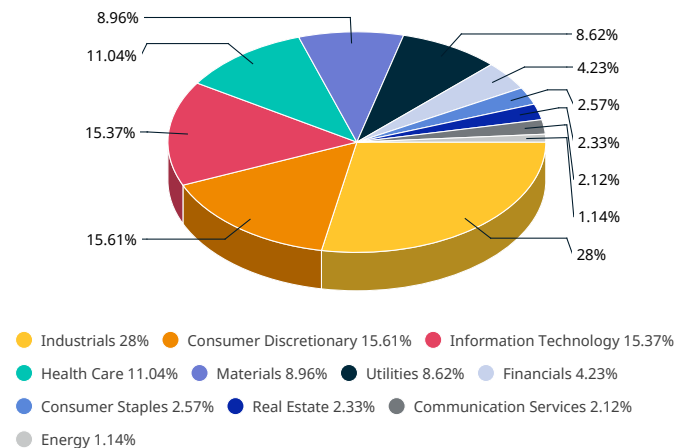
#### MSCI FaCS

- 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

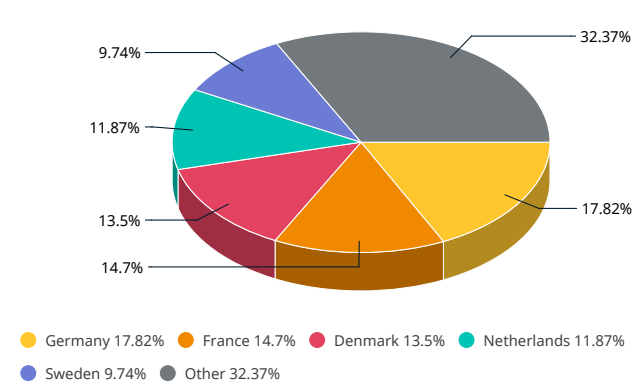
MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

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

### SECTOR WEIGHTS



### COUNTRY WEIGHTS



## INDEX METHODOLOGY

A momentum value is determined for each stock in the MSCI parent index by combining the stock's recent 12-month and 6-month local price performance. This momentum value is then risk-adjusted to determine the stock's momentum score. A fixed number of securities with the highest momentum scores are included in each MSCI Momentum Index, generally covering about 30% of the parent index market cap. Constituents are weighted by the product of their momentum score and their market cap. Constituent weights for broad [MSCI Momentum Indexes](#) are capped at 5%. The indexes are rebalanced semiannually; in addition, ad hoc rebalancing may occur, triggered by spikes in market volatility.

## 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

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process. To learn more, please visit [www.msci.com](http://www.msci.com).

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