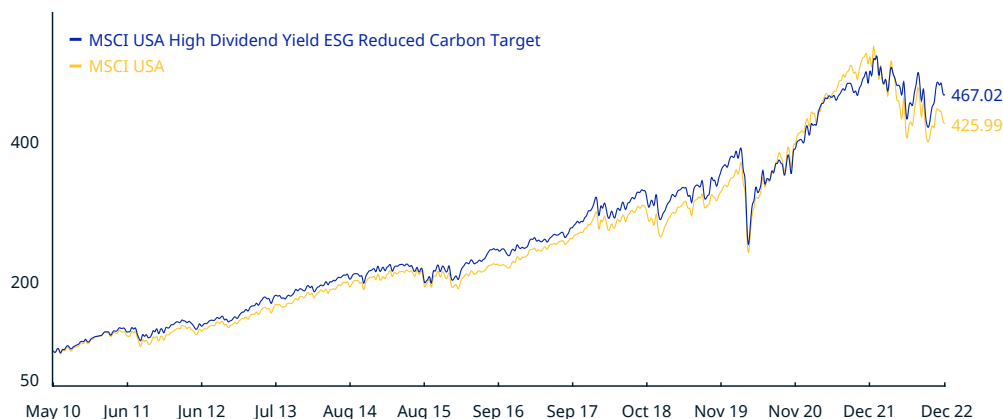


# MSCI USA High Dividend Yield ESG Reduced Carbon Target Index (USD)

The MSCI USA High Dividend Yield ESG Reduced Carbon Target Index is based on MSCI USA Index, its parent index, which includes large and mid-cap stocks of the U.S. equity markets. The index is designed to represent the performance of a strategy that seeks systematic integration of environmental, social and governance (ESG) norms and maximizes its exposure to the Yield factor.

## CUMULATIVE INDEX PERFORMANCE – NET RETURNS (USD) (MAY 2010 – DEC 2022)



## ANNUAL PERFORMANCE (%)

Year	MSCI USA High Dividend Yield ESG Reduced Carbon Target	MSCI USA
2022	-9.60	-19.85
2021	27.52	26.45
2020	7.01	20.73
2019	29.57	30.88
2018	-2.58	-5.04
2017	21.36	21.19
2016	13.25	10.89
2015	0.13	0.69
2014	12.46	12.69
2013	32.00	31.79
2012	11.00	15.33
2011	9.79	1.36

## INDEX PERFORMANCE – NET RETURNS (%) (DEC 30, 2022)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since May 26, 2010
					3 Yr	5 Yr	10 Yr		
MSCI USA High Dividend Yield ESG Reduced Carbon Target	-4.77	11.38	-9.60	-9.60	7.25	9.26	12.27	13.01	
MSCI USA	-5.92	6.98	-19.85	-19.85	6.96	8.75	11.82	12.18	

## FUNDAMENTALS (DEC 30, 2022)

Div Yld (%)	P/E	P/E Fwd	P/BV
2.98	15.33	14.52	3.91
1.70	19.39	17.05	3.86

## INDEX RISK AND RETURN CHARACTERISTICS (MAY 26, 2010 – DEC 30, 2022)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since May 26, 2010	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
MSCI USA High Dividend Yield ESG Reduced Carbon Target	0.91	4.18	40.18	20.22	18.19	14.56	0.41	0.51	0.81	0.88	34.83	2020-02-12–2020-03-23
MSCI USA	1.00	0.00	2.16	21.54	18.96	14.96	0.38	0.47	0.77	0.79	34.16	2020-02-19–2020-03-23

<sup>1</sup> Last 12 months

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

<sup>3</sup> Based on NY FED Overnight SOFR from Sep 1 2021 & on ICE LIBOR 1M prior that date

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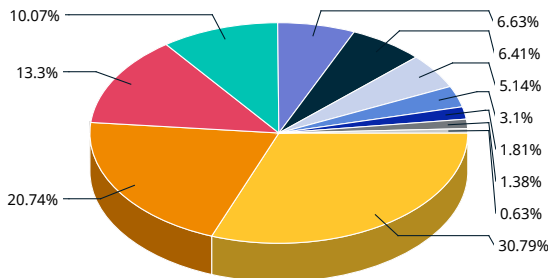
## INDEX CHARACTERISTICS

	MSCI USA High Dividend Yield ESG Reduced Carbon Target	MSCI USA
<b>Number of Constituents</b>	82	624
<b>Weight (%)</b>		
<b>Largest</b>	7.00	6.15
<b>Smallest</b>	0.08	0.01
<b>Average</b>	1.22	0.16
<b>Median</b>	0.80	0.07

## TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
MICROSOFT CORP	7.00	5.01	Info Tech
APPLE	4.33	6.15	Info Tech
JOHNSON & JOHNSON	3.41	1.37	Health Care
PFIZER	3.02	0.85	Health Care
HOME DEPOT	3.01	0.95	Cons Discr
MERCK & CO	3.00	0.83	Health Care
COCA COLA (THE)	2.90	0.77	Cons Staples
CISCO SYSTEMS	2.62	0.58	Info Tech
VERIZON COMMUNICATIONS	2.58	0.49	Comm Srvc
CIGNA CORP	2.42	0.30	Health Care
<b>Total</b>	<b>34.28</b>	<b>17.29</b>	

## SECTOR WEIGHTS



- Information Technology 30.79%
- Health Care 20.74%
- Industrials 13.3%
- Consumer Discretionary 10.07%
- Financials 6.63%
- Consumer Staples 6.41%
- Communication Services 5.14%
- Energy 3.1%
- Utilities 1.81%
- Real Estate 1.38%
- Materials 0.63%

The MSCI USA High Dividend Yield ESG Reduced Carbon Target Index was launched on Mar 16, 2022. 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 FRAMEWORK

The MSCI High Dividend Yield ESG Reduced Carbon Target Indexes are constructed by selecting constituents of a market capitalization weighted index (the 'Parent Index') and applying an optimization process that aims to maximize the exposure to the Yield factor, minimize tracking error, reduce the carbon-equivalent exposure to CO<sub>2</sub> and other GHG, as well as reduce its exposure to potential emissions risk of fossil fuel reserves by thirty percent (30%) and improve the weighted-average industry-adjusted ESG score of each index by 20% with respect to their respective underlying Parent Indexes using certain constraints described below.

The MSCI High Dividend Yield ESG Reduced Carbon Target Indexes are rebalanced on a semi-annual basis, usually as of the close of the last business day of May and November, coinciding with the May and November Semi-Annual Index Reviews (SAIRs) of the MSCI Global Investable Market Indexes.

This summary is provided for illustrative purposes only and does not include all material elements of the index or its methodology. For a complete description of the index methodology, please see [Index methodology - MSCI](#).

## ABOUT MSCI

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