

# THE MSCI MULTI-ASSET CLASS FACTOR MODEL (MAC)

THE MSCI MAC MODEL PROVIDES HIGH TO LOW GRANULARITY IN LOOKING AT SYSTEMATIC STRATEGY FACTORS THROUGH AN INTEGRATED AND CONSISTENT FRAMEWORK

Factor based application in multi-factor portfolios provides a deeper lens into the key drivers of risk and return. As portfolios transition from traditional asset class allocation to a factor based allocation process, MSCI's MAC Model can help investors change their allocation process to focus on key exposures across all asset classes in their portfolio.

## KEY FEATURES

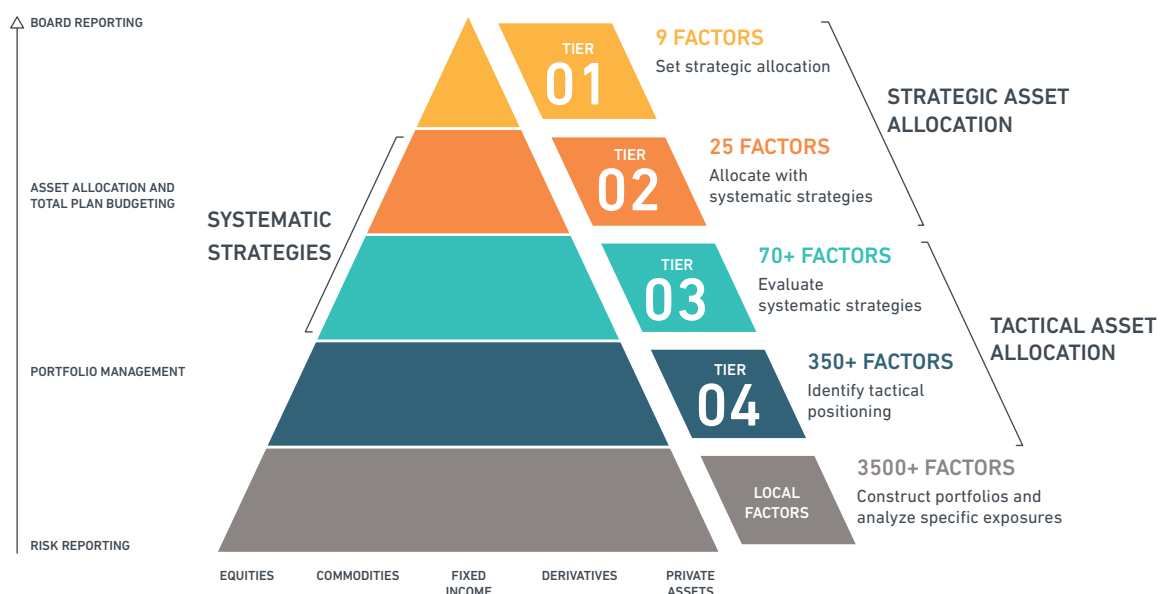
- Supports factor-based asset allocation
- Expands global models, and style and systematic strategies beyond equities
- Establishes standards across asset classes by:
  - Expanding on the integration and private models in BIM
  - Supporting higher-level themes through research and model validation

## BENEFITS

- Covers multi-asset classes - provides consistency between all asset classes
- Introduces MAC systematic strategies
- Simplifies communication of key exposures, at the appropriate level of granularity
  - Detailed exposures for portfolio managers
  - Core exposures for asset class managers
  - Global exposures for asset allocators

The MSCI Multi-Asset Class factor Model provides further insight and control into multi or single asset class investing. The tiered structure of the MAC model allows for multiple levels of granularity, providing consistency throughout the investment process.

## THE MSCI MULTI-ASSET CLASS FACTOR MODEL



The tiered structure of the MAC model allows that multiple levels of granularity, providing consistency throughout the investment process. The integration between tiers helps bridge the gap from construction to communication between the board, CIO, and portfolio managers using a common language.

TIER	USE CASE
<b>TIER 1</b>	<b>SET STRATEGIC ALLOCATION</b> 9 top level factors to communicate and report the key drivers of frisk and return. Designed for the board/ top level reporting.
<b>TIER 2</b>	<b>ALLOCATE WITH SYSTEMATIC STRATEGIES</b> Strategic asset allocation across the 25 Factor Premias. Integrates transition from board view to CIO/CRO to PM
<b>TIER 3</b>	<b>EVALUATE SYSTEMATIC STRATEGIES</b> Review the investment objectives set by managers across multi asset class portfolios to build portfolios that have active tilts towards targeted investment objectives. Manage concentration and aggregate exposures
<b>TIER 4</b>	<b>IDENTIFY TACTICAL POSITIONING</b> Provides a deeper view of exposure of industries, countries, rates, real estate, etc. and gives the ability to drill down into granular drivers of risk while maintaining consistency in SAA and reporting at top level
<b>TIER 5</b>	<b>CONSTRUCT PORTFOLIOS AND ANALYZE SPECIFIC EXPOSURES</b> Strength of integration and consistency provides unparalleled depth in to asset allocation across equity models, fixed income factor models etc.

Tier 1 provides 9 factor groups to help investors set strategic asset allocation and determine total risk. These factor groups also help communicate investment strategies at the board level.



## 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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