

THE MSCI DIVIDEND MASTERS INDEXES

DESIGNED TO REPRESENT THE PERFORMANCE OF COMPANIES THAT HAVE INCREASED DIVIDENDS CONSECUTIVELY OVER A NUMBER OF YEARS

- The MSCI Dividend Masters Indexes are designed to represent the performance of the opportunity set of companies that have increased dividends consecutively for a defined number of years
- Features such as targeting a minimum number of securities and capping GICS® sector weights and country weights aim to diversify constituents and reduce concentration
- Part of the Equity Income family of Factor Indexes

WHY DO INVESTORS USE DIVIDEND MASTERS INDEXES?

- Income investors typically seek investments that provide sustainable dividend income with capital preservation and some long term capital appreciation.
- The MSCI Dividend Masters Indexes, by aiming to include companies that showed consistently growing dividends for a specific number of consecutive years, are a helpful reference and tool.

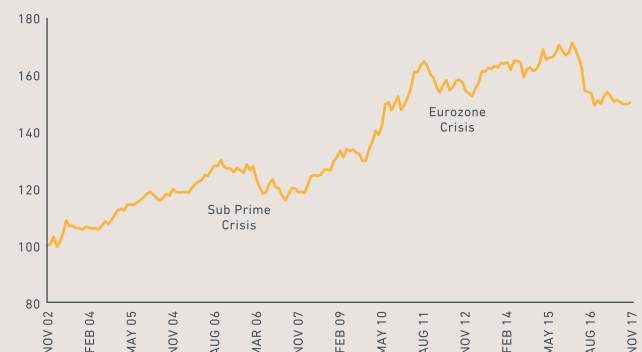
KEY BENEFITS OF THE MSCI DIVIDEND MASTERS INDEXES

- Represents the performance of companies that have consecutively increased dividends for a defined number or years.
- Reduces potential concentration by targeting a minimum number of securities, capping GICS® sector and country weights at defined thresholds, and equally-weighting constituents.

ILLUSTRATIVE USE CASE

- A leading ETF provider was seeking to replicate indexes of companies that had increased dividends consecutively in EAFE and EM, respectively.
- The MSCI EAFE Dividend Masters Index targets companies that have increased dividends consecutively for at least ten years and the MSCI EM Dividend Masters Index includes companies that have increased Dividends consecutively for at least seven years.

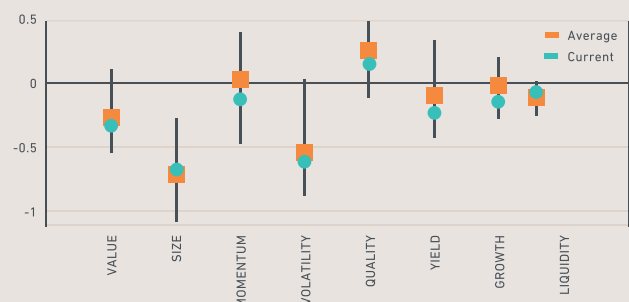
PERFORMANCE OF MSCI EAFE DIVIDEND MASTERS INDEX RELATIVE TO MSCI EAFE INDEX (NOV 2002-DEC 2017)



Historical Gross Total Return, USD	MSCI EAFE	MSCI EAFE Dividend Masters
Total Return* (%)	7.82	10.76
Total Risk* (%)	16.44	16.12
Risk Adjusted Return	0.48	0.67
Active Return* (%)	0.00	2.95
Tracking Error* (%)	0.00	5.28
Information Ratio	N/A	0.56

* Annualized from Nov 2002 to Dec 2017

BARRA® GEM2L ACTIVE FACTOR EXPOSURES OF MSCI EAFE DIVIDEND MASTERS INDEX (BENCHMARK MSCI EAFE)



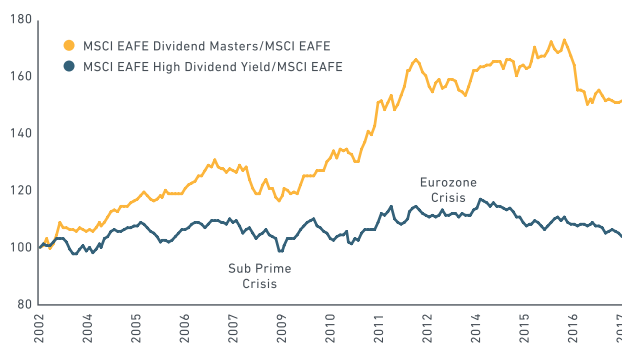
METHODOLOGY HIGHLIGHTS

PARAMETER	METHODOLOGY	COMMENTS
Universe	Clients may choose from a number of MSCI Indexes to serve as a parent index.	Designed to represent the investable and liquid opportunity set of securities
Security Selection	Identify securities that have increased dividends consecutively for a defined number of years ("Dividend Increase Period").	Identify companies with consistent track record of increasing dividends
Weighting	<ul style="list-style-type: none"> Target a minimum number of securities. Select all securities that have increased dividends consecutively for the Dividend Increase Period. If the number of securities that have increased dividends consecutively for Dividend Increase Period is less than the minimum number of securities, the Dividend Increase Period is then progressively reduced in steps of one year to select companies that have increased dividends consecutively over shorter Dividend Increase Periods. The additional securities are selected in the descending order of dividend yield until the minimum number of constituents is achieved. GICS® sector weights and country weights are capped at defined sector/country thresholds. If the resulting sector or country weights in the Index exceed the defined thresholds, additional securities from other sectors and/or countries are added to the Index until the sector/country weights comply with the capping thresholds, subject to all the Index constituents being equally weighted. 	<ul style="list-style-type: none"> Constituent diversification Designed to reduce sector and country concentration
	<ul style="list-style-type: none"> Securities are equal weighted GICS® Sector weight and Country weight capped at defined thresholds. 	Designed to reduce potential concentration
Rebalancing	Annual reconstitution with quarterly re-weighting.	Aims to reduce turnover

COMPARISON WITH MSCI HIGH DIVIDEND YIELD INDEXES

- The MSCI Dividend Masters Index includes companies that have consistently increased Dividends for a defined number of years while the MSCI High Dividend Yield Index includes companies with high dividend income and quality characteristics.
- The MSCI Dividend Masters Index constituents are equal weighted whereas the MSCI High Dividend Yield Index constituents are weighted based on their free float market capitalization. Accordingly, the MSCI High Dividend Yield Indexes have relatively better capacity and liquidity characteristics as compared to the MSCI Dividend Masters Indexes.

RELATIVE PERFORMANCE OF MSCI EAFE DIVIDEND MASTERS INDEX AND MSCI EAFE HIGH DIVIDEND YIELD INDEX (USD)



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