



# GLOBAL INDEXES

## EXPERIENCE THE MODERN INDEX STRATEGY

MSCI indexing offers a modern, seamless and fully integrated approach at measuring the full equity opportunity set, with no gaps or overlaps.

**MSCI**



# EXPERIENCE THE MODERN INDEX STRATEGY

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## MODERN

**Evolves to measure and capture equity markets as they exist today**

Our indexes are built using an innovative maintenance methodology that provides superior balance between the need for a stable index that is flexible enough to adjust quickly to a constantly changing opportunity set. We provide timely and consistent treatment of corporate events and synchronized rebalancings, globally.

## SEAMLESS

**Covers the full opportunity set and all its segments, including GICS® sectors**

All of MSCI's indexes are created using the Global Industry Classification Standard (GICS®), an industry classification system developed by MSCI and S&P Global, which provides a common framework to classify stocks. They offer exhaustive coverage of the investable opportunity set with non-overlapping size and style segmentation.

## INTEGRATED

**Consistent methodology for every market**

Where other providers use either a long- or short-term liquidity measure to assess the eligibility of stocks for their indexes, MSCI uses both, recognizing the differences in liquidity between developed and emerging markets and enhancing the investability and replicability of our indexes. MSCI puts strong emphasis on investability and replicability of its indexes through the use of size and liquidity screens.

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## MSCI FLAGSHIP INDEXES

### MSCI ACWI

The MSCI ACWI Index, MSCI's flagship global equity benchmark, is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 24 emerging markets. As of December 2018, it covered more than 2,700 constituents across 11 sectors and represented approximately 85% of the free float-adjusted market capitalization in each market.

### MSCI WORLD

The MSCI World Index is designed to represent the performance of large- and mid-cap stocks across 23 developed markets. With more than 1,600 constituents, it covered approximately 85% of the free float-adjusted market capitalization in each country as of December 2018.

### MSCI EAFE

The MSCI EAFE Index is designed to represent the performance of large and mid-cap securities across 21 developed markets in Europe, Australasia and the Far East, excluding the U.S. and Canada. With more than 900 constituents as of December 2018, the MSCI EAFE Index covered approximately 85% of the free float-adjusted market capitalization in each country.

### MSCI EMERGING MARKETS

The MSCI Emerging Markets Index is designed to represent the performance of large- and mid-cap securities in 24 countries. It had more than 1100 constituents as of December 2018 and covered approximately 85% of the free float-adjusted market capitalization in each country.

### MSCI USA

The MSCI USA Index is designed to measure the performance of the large- and mid-cap segments of the U.S. market. As of December 2018, it covered more than 600 constituents and approximately 85% of the free float-adjusted market capitalization in the U.S. It represents over 52% of the MSCI ACWI Index, MSCI's flagship gauge of global equity markets.

### MSCI EUROPE

The MSCI Europe Index is designed to represent the performance of large- and mid-cap equities across 15 developed markets. As of December 2018 it had more than 400 constituents and covered approximately 85% of the free float-adjusted market capitalization across European developed-market equity.

# MSCI GLOBAL EQUITY INDEXES

The MSCI Global Equity Indexes are used by institutional investors worldwide for investment analysis, performance measurement, asset allocation, hedging and the creation of a wide range of index derivatives,

funds, ETFs and structured products. From market cap weighted regional, country and sector indexes to indexes based on investment strategies such as factor investing, MSCI delivers The Modern Index Strategy enabling

the construction and monitoring of portfolios in a cohesive and complete manner, avoiding benchmark misfit and uncompensated risks.

MARKET CAP	MSCI FACTOR AND STRATEGY INDEXES	MSCI THEMATIC INDEXES	REAL ESTATE	MSCI ESG INDEXES	MSCI CUSTOM INDEXES
All Country (AC) (DM + EM)	Single Factor Indexes:	Economic Exposure	Sector Real Estate	ESG Leaders	Select Universe
Developed Markets (DM)	Quality	Emerging + Frontier Markets Workforce Index	Core Real Estate	SRI	Different Weighting
Emerging Markets (EM)	Value	Agriculture Food Chain	Liquid Real Estate	Global ex Controversial Weapons	Currencies & Tax Rates
Frontier Markets (FM)	Size	Commodity Producers	IPD Property Fund	Global Environment	
Domestic	Yield	Infrastructure	IPD Direct Property	Sustainable Impact	
Large Cap	Volatility	Faith based	Custom Real Estate	Low Carbon	
Mid Cap	Momentum	Cyclical Sectors		ESG Focus	
Standard (Large + Mid Cap)	Multi-Factor Series	Defensive Sectors		ESG Select	
Small Cap	Diversified Multiple-Factor	Islamic		Governance-Quality	
SMID CAP (Small + Mid Cap)	Strategic Indexes:	Islamic M-Series		Women's Leadership	
IMI (Large + Mid + Small Cap)	Capped:			ESG Universal	
Micro Cap (DM only)	10/40			Global ex Coal	
All Cap (DM only)	25/50			Global ex Fossil fuels	
Value & Growth	Standard Capped			Global ex Tobacco Involvement	
Sectors (GICS)	Hedged & Currency:			Bloomberg Barclays MSCI ESG Fixed Income*	
	Hedged				
	FX Hedge				
	Currency				
	Adaptive Hedge				
	Short & Leveraged (Daily)				

94% OF US PENSION FUND ASSETS INVESTED IN GLOBAL EQUITIES ARE BENCHMARKED TO MSCI INDEXES<sup>1</sup>

MORE THAN 85% OF ALL INTERNATIONAL EQUITY FUND ASSETS ARE BENCHMARKED TO MSCI INDEXES

\* The Bloomberg Barclays MSCI ESG Fixed Income Indexes includes more than 500 indexes, including the Bloomberg Barclays MSCI Green Bonds Index.

<sup>1</sup> As of December 2016, according to Intersec.

# MSCI MARKET CAP WEIGHTED INDEXES

Designed to represent equity markets around the world, MSCI Market Cap Weighted Indexes are used by thousands of asset managers, pension funds, hedge funds and banks as benchmarks for over USD 14.8 trillion of assets<sup>2</sup>.

The MSCI Market Cap Weighted Indexes provide exhaustive equity market coverage for more than 80 countries in the Developed, Emerging and Frontier Markets, applying a consistent index construction and maintenance methodology.

This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations.

MSCI ACWI & FRONTIER MARKETS INDEX										
MSCI ACWI INDEX						MSCI EMERGING & FRONTIER MARKETS INDEX				
MSCI WORLD INDEX			MSCI EMERGING MARKETS INDEX			MSCI FRONTIER MARKETS INDEX				
DEVELOPED MARKETS			EMERGING MARKETS			FRONTIER MARKETS				
Americas	Europe & Middle East	Pacific	Americas	Europe, Middle East & Africa	Asia	Americas	Europe & CIS	Africa	Middle East	Asia
Canada United States	Austria Belgium Denmark Finland France Germany Ireland Israel Italy Netherlands Norway Portugal Spain Sweden Switzerland United Kingdom	Australia Hong Kong Japan New Zealand Singapore	Brazil Chile Colombia Mexico Peru	Czech Republic Egypt Greece Hungary Poland Qatar Russia South Africa Turkey United Arab Emirates	China India Indonesia Korea Malaysia Pakistan Philippines Taiwan Thailand	Argentina	Croatia Estonia Lithuania Kazakhstan Romania Serbia Slovenia	Kenya Mauritius Morocco Nigeria Tunisia WAEMU <sup>2</sup>	Bahrain Jordan Kuwait Lebanon Oman	Bangladesh Sri Lanka Vietnam
MSCI STANDALONE MARKET INDEXES <sup>1</sup>										
				Saudi Arabia		Jamaica Panama <sup>3</sup> Trinidad & Tobago	Bosnia Herzegovina Bulgaria Ukraine	Botswana Ghana Zimbabwe	Palestine	

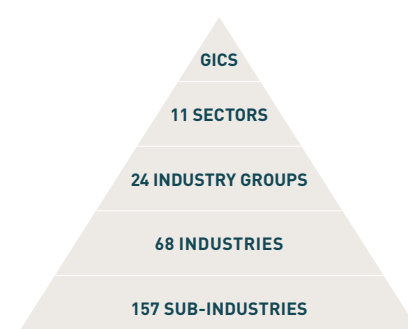
<sup>1</sup> The MSCI Standalone Market Indexes are not included in the MSCI Emerging Markets Index or MSCI Frontier Markets Index. However, these indexes use either the Emerging Markets or the Frontier Markets methodological criteria concerning size and liquidity.

<sup>2</sup> The West African Economic and Monetary Union (WAEMU) consists of the following countries: Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger, Senegal and Togo. Currently the MSCI WAEMU Indexes include securities classified in Senegal, Ivory Coast and Burkina Faso.

<sup>3</sup> MSCI Panama Index has been launched as a Standalone Market Index with effect from June 1, 2017.

## GLOBAL INDUSTRY CLASSIFICATION STANDARD (GICS®)

- In 1999, MSCI and S&P Global developed the Global Industry Classification Standard (GICS), seeking to offer an efficient investment tool to capture the breadth, depth and evolution of industry sectors.
- GICS is a four-tiered, hierarchical industry classification system.
- It consists of 11 sectors, 24 industry groups, 68 industries and 157 sub-industries.



<sup>2</sup> As of June, 2018, as reported on September 30, 2018 by eVestment, Morningstar and Bloomberg.

# MSCI FACTOR INDEXES

The MSCI Factor Indexes are systematic rules-based indexes that represent the return of factors that have historically earned a persistent premium over long periods of time — such as Value, Low Size, Low Volatility, High Yield, Quality and Momentum. MSCI launched the industry's first Minimum Volatility index in 2008, and now provides a broad range of factor indexes such as

the MSCI Quality Indexes and the MSCI Momentum Indexes.

- Both factor indexes and market cap weighted indexes play important roles in asset allocation.
- Market cap indexes can be used to help implement a macro consistent, buy-and-hold

investment strategy aiming to capture the long-term equity risk premium. MSCI methodology takes into account turnover, liquidity and investment capacity.

- Factor indexes can be used to help tilt a portfolio towards factors that have historically outperformed market cap benchmarks.

## MSCI FACTOR INDEXES

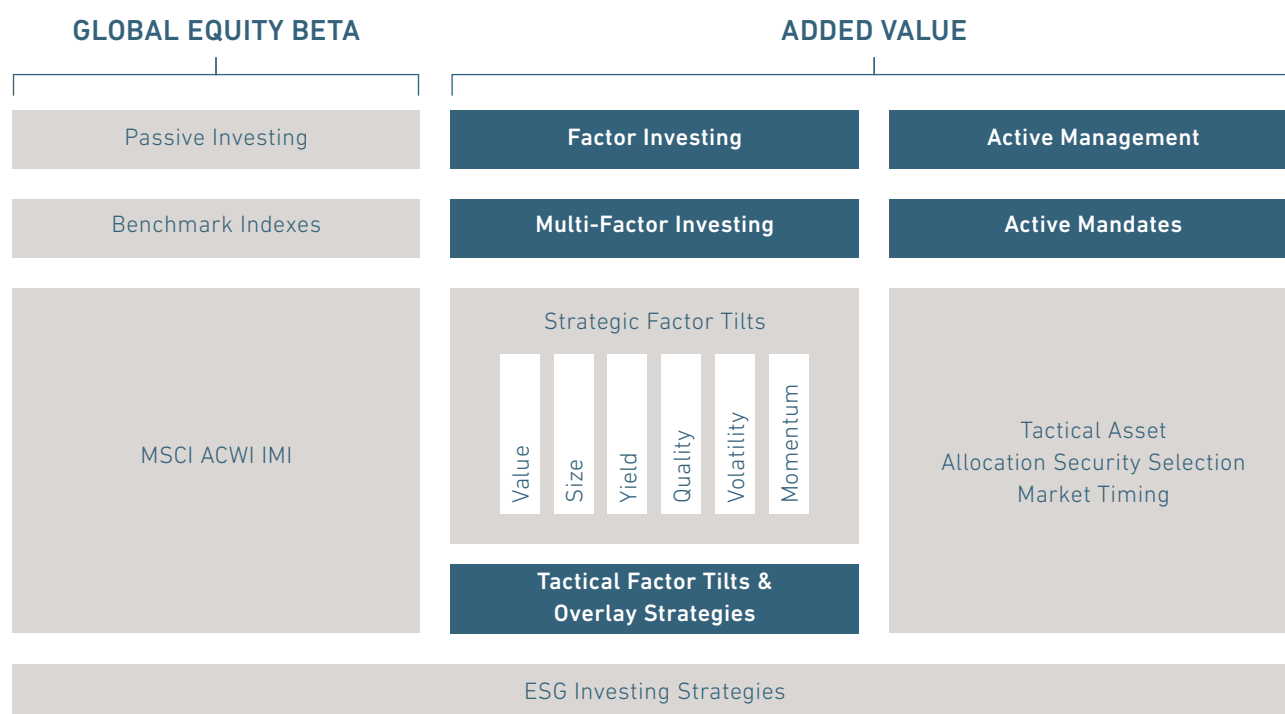
SYSTEMATIC FACTORS	MSCI INDEXES
 <b>QUALITY</b>	<p>MSCI Quality Indexes represent the performance of high quality stocks by weighting based on debt-to-equity, return-on-equity and earnings variability. They are designed to reflect the performance of a quality growth investment strategy</p> <p><b>High Exposure:</b> MSCI Quality Index, MSCI Sector Neutral Quality Index  <b>High Capacity:</b> MSCI Quality Tilt Indexes</p>
 <b>VALUE</b>	<p>MSCI Value Weighted Indexes represent the performance of the value factor by weighting according to four fundamental variables (Sales, Earnings, Cash Flow, Book Value)</p> <p><b>High Exposure:</b> MSCI Enhanced Value Index  <b>High Capacity:</b> MSCI Value Weighted Index</p>
 <b>SIZE</b>	<p>MSCI Equal Weighted Indexes represent the performance of the low size effect by equally weighting all stocks in a given parent index</p> <p><b>High Exposure:</b> MSCI Equal Weighted Index</p>
 <b>YIELD</b>	<p>MSCI High Dividend Yield Indexes include high dividend stocks with screens for quality and potential yield traps</p> <p><b>High Exposure:</b> MSCI High Dividend Yield</p>
 <b>VOLATILITY</b>	<p>MSCI Minimum Volatility Indexes include low volatility and lowly correlated stocks to reduce the risk characteristics of the index</p> <p><b>High Exposure:</b> MSCI Minimum Volatility Index, MSCI Risk Weighted Index  <b>High Capacity:</b> MSCI Volatility Tilt Index</p>
 <b>MOMENTUM</b>	<p>MSCI Momentum Indexes reflect the performance of high momentum stocks by weighting based on 6 and 12 month momentum scaled by volatility</p> <p><b>High Exposure:</b> MSCI Momentum Index  <b>High Capacity:</b> MSCI Momentum Tilt Index</p>

# MSCI MULTI-FACTOR INDEXES

MSCI Multi-Factor Indexes combine MSCI Factor Indexes into a single blended index and are designed to allow institutional investors a basis for implementing multi-factor strategies transparently and cost-effectively.

These indexes are available in a standard combination provided by MSCI, such as the MSCI Factor Mix A-Series and the Diversified Multiple-Factor Indexes, or as a custom mix created by the client. Client-designed multi-factor indexes enable clients to choose their own mix of MSCI

Factor Indexes and dynamically manage it over time, with insight from IndexMetrics, MSCI's new analytical framework. Both approaches can be based on underlying flagship indexes such as the MSCI EAFE, MSCI ACWI, MSCI World and MSCI Emerging Markets Indexes.



**APPROXIMATELY USD 268 BILLION  
BENCHMARKED TO MSCI FACTOR INDEXES<sup>1</sup>**

**GLOBALLY, 65% OF LOW VOLATILITY EQUITY ETF  
ASSETS ARE LINKED TO MSCI INDEXES<sup>2</sup>**

<sup>1</sup> Data as of June, 2018 and reported as of September, 2018 by eVestment, Morningstar, Bloomberg and MSCI.

<sup>2</sup> As of March, 2018; defined as each share class of an exchange traded fund, as identified by a separate Bloomberg ticker. Only primary listings, and not cross-listings, are counted.

# MSCI THEMATIC INDEXES

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Thematic investing seeks to identify specific social, economic, industrial, environmental or demographic trends and their long-term secular, cyclical and structural influences on the world's economies and markets.

**MSCI Thematic Indexes** are designed to capture the performance of various broad investment themes. Five thematic indexes are currently available: Economic Exposure, the MSCI Agriculture & Food Chain, Commodity Producers, Infrastructure and Faith-Based.

**MSCI Economic Exposure Indexes** aim to represent the performance of companies with significant exposure to specific regions or countries, regardless of their domicile. The indexes establish an alternative approach to categorizing the global equity universe by deriving a company's economic exposure using the geographic distribution of its revenues. Economic exposure also

reflects the sensitivity of companies to specific countries and regions, which may be an important factor that impacts security level risk and return.

**MSCI Emerging + Frontier Markets Workforce Index** includes large and mid-cap securities and is designed to represent the performance of countries with favorable demographics, education and employment patterns. The countries which satisfy the relevant criteria based on four parameters namely, youth population, net secondary school enrolment, agricultural employment and rural population are eligible for inclusion in the index.

**MSCI Agriculture & Food Chain Indexes** aim to capture fundamental shifts that may occur in the global supply/demand balance of the agriculture industry.

**MSCI Commodity Producers Indexes** are equity-based indexes that seek to reflect the performance of three underlying commodity markets: energy, metals and agricultural products. As commodities have historically benefited from rising inflation, equity indexes can serve as the basis for products that consumers can use as an inflation hedge and offer diversification benefits.

**MSCI Infrastructure Indexes** seek to reflect the investment opportunity set represented by companies that are infrastructure owners or operators — companies that tend to demonstrate highly inelastic demand patterns, stable, predictable returns and inflation-linked pricing power.

**MSCI 'Faith-Based' Indexes** aim to represent a relevant opportunity set for values-based investors. The indexes include companies that are compatible with religious values. The indexes exclude companies that are inconsistent with specific values-based criteria.

# MSCI DOMESTIC AND EMERGING MARKETS INDEXES

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## MSCI DOMESTIC INDEXES

MSCI provides domestic equity indexes for a number of equity markets to reflect the full breadth of investment opportunities within those markets. Examples include:

**MSCI US Equity Indexes** aim to reflect a full breadth of investment opportunities within the US equity markets by market capitalization size, by value and growth investment styles and by sectors and industries.

**MSCI China Indexes** are designed for use by both international and domestic clients in the China market, including Qualified Domestic Institutional Investors (QDII) and Qualified Foreign Institutional Investors (QFII) licensees.

**MSCI Australia Indexes**, created using MSCI's industry-leading index methodology, are a suite of MSCI Indexes that may be used for portfolio management and benchmarking purposes and as the basis for various tradable investment products such as exchange traded funds (ETFs). MSCI offers several real-time, market capitalization-weighted indexes designed for Australian institutional investors.

**MSCI Hong Kong MPF Indexes** are designed to reflect the Hong Kong Mandatory Provident Fund Schemes Authority's (MPFA) investment restrictions on Mandatory Provident

Funds (MPF). They provide a broad and diverse range of benchmark options for index tracking and actively managed funds.

## MSCI EMERGING MARKETS INDEXES

In 1988, MSCI launched the emerging markets index and since then, a progressive opening up of more countries to foreign investors has been accompanied by major structural transformations in many parts of the world. Strong economic growth combined with the development of financial markets has led to the expansion of investment opportunities in emerging markets and has reshaped the equity universe. Today, emerging markets have become an important and integrated part of a global equity portfolio allocation.

Examples include:

### MSCI Emerging Markets Index

is designed to represent the performance of large and mid cap stocks across Emerging Markets (EM) countries. From just 10 countries in 1988 representing less than 1% of world Market Capitalization to 24 emerging markets, today the MSCI Emerging Markets Index is now available for a number of regions and market segments/sizes. Several ETFs based on the MSCI Emerging Markets Index have been launched and are listed on major stock exchanges around the world.

**MSCI EM Beyond BRIC Index** is a subset of the MSCI Emerging Markets Index and is designed to provide a broad measure of the performance of emerging market equities outside of the BRIC markets – Brazil, Russia, India and China. To provide greater country diversification, the larger countries (e.g. Taiwan and Korea) are capped quarterly at 15% to give greater prominence to smaller Emerging Markets countries including Thailand, Malaysia and Indonesia.

### MSCI Frontier Markets Indexes

include large, mid and small cap, and aim to provide broad representation of the equity opportunity set while taking investability requirements into consideration within each market. The MSCI Frontier Markets Indexes can be segmented by size, sector and geography, allowing for consistent global views and cross regional comparisons. MSCI classifies 33 countries as Frontier Markets, 22 of which are included in the MSCI Frontier Markets Index.

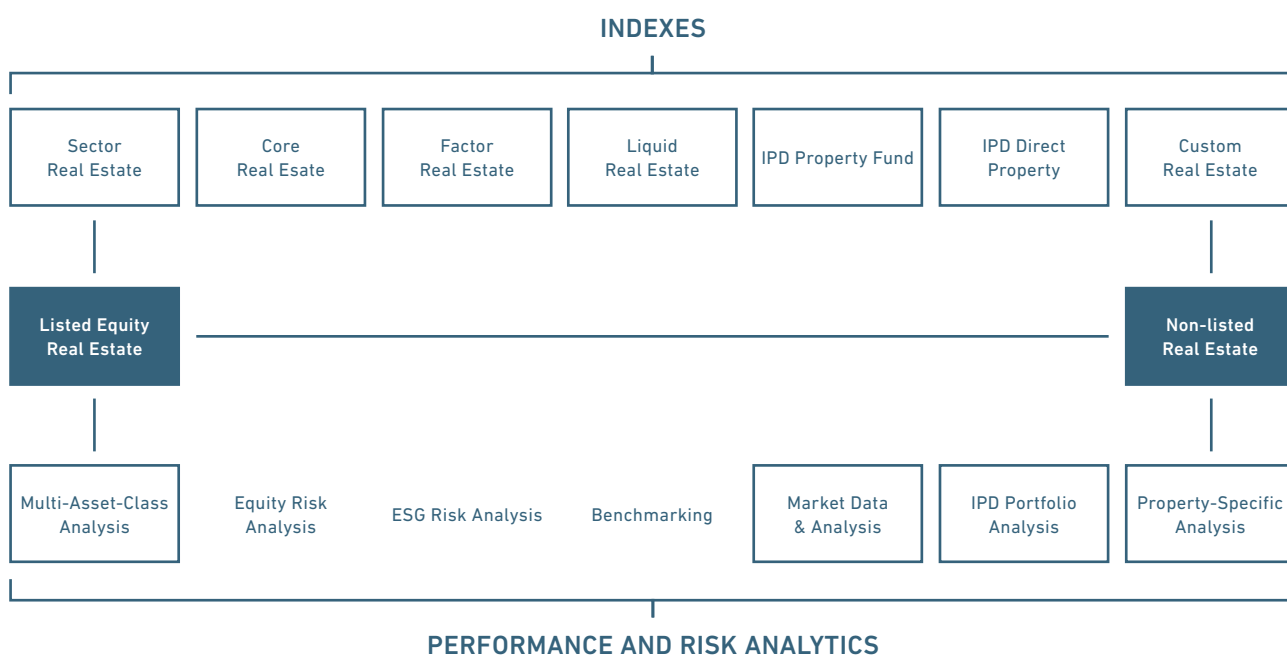
OVER  
USD 1.8 TRILLION  
BENCHMARKED TO  
THE MSCI EMERGING  
MARKETS INDEX<sup>1</sup>



# MSCI REAL ESTATE INDEXES AND ANALYTICS

MSCI is a leading provider of real estate performance and risk analysis, providing critical business intelligence to real estate owners, managers, brokers and occupiers worldwide.

The range of MSCI services straddle public and private real estate, and can be distinguished into a set of Indexes, as well as Performance and Risk Analytics.



## CORE REAL ESTATE

**MSCI US REIT Index** is a free float-adjusted market capitalization weighted index that is comprised of Equity REIT securities. The MSCI US REIT Index is based on the MSCI USA Investable Market Index (IMI) ("the parent index"), which is comprised of all the securities included in the MSCI USA Large Cap, MSCI USA Mid Cap and MSCI USA Small Cap Indexes.

**MSCI World Real Estate Index** is a free float-adjusted market capitalization index that consists of large and mid-cap equity REITs across 23 Developed Markets (DM) countries, which generate a majority of their revenue and income from real estate rental and leasing operations. With around 100 constituents, it represents about 85% of the REIT universe in each country and all securities are classified in the REIT sector according to the Global Industry Classification Standard (GICS®).

**Sector Real Estate Indexes** are based on the MSCI Global Investable Market Indexes (GICS®) classifications and reflects the global real estate opportunity set. In 2016, MSCI created a Real Estate sector within the GICS. This move reflects the importance of real estate as a distinct asset class within the broader equity market.

# MSCI REAL ESTATE INDEXES

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## LISTED EQUITY REAL ESTATE

Offers investors the risk return proposition of investing in physical property through an index comprised of REITs and inflation linked bonds. It leverages an index that includes real property values with liquid securities such as REIT.

## NON-LISTED REAL ESTATE

Offers a vast pool of real estate performance data across the globe, providing a suite of indexes and performance and risk analytics that enable investors and managers to gain a clear view of risk and return in the industry.

## IPD Property Fund Indexes

The IPD Global Property Fund Index represents the first index of real estate that track performance at both the asset and fund level. All funds within the index are measured by the Portfolio Analysis Services.

The Index is designed as a benchmark for global investors and for monitoring individual fund performance.

As a broad and investible global real estate benchmark, the Index can play a critical role in an integrated global investment process, reporting both the direct real estate and indirect returns.

## IPD Direct Property Indexes

The IPD Global Annual Property Index measures the combined performance of real estate markets in 25 countries.

Providing transparency of investment returns to property markets across the globe enables market level analysis on national markets with regional and sector level segments, as well as city level analysis. The Index reports the market rebalanced returns of the 25 most mature markets measured by MSCI and our partners, together worth an estimated \$1.5 trillion as at end 2015.

## REAL ESTATE ANALYTICS

### Multi-Asset-Class Analysis

The Barra integrated Model has been extended to cover Private Real Estate through the PRE2 Model. This model captures the true risk characteristics of real estate across global markets and enables their analysis within a multi-asset-class context.

### Market Data & Analysis

Provides authoritative data sets on market performance and risk at high levels of granularity across 32 national markets and 6 property types.

## Portfolio Analysis

Provides detailed diagnostics on portfolio performance and risk. Based on analysis of individual portfolios against relevant benchmarks, the service has a range of uses including management insight, regulatory and investor reporting, portfolio management and risk oversight.

## Factor Real Estate

Applying the MSCI Factor Methodology to Real Estate, the index is a subset of the Core Real Estate Indexes capturing key Real Estate performance factors and aims to reflect the performance characteristics of investment styles and strategies in the listed real estate space.

- High Dividend Yield which selects high dividend stocks with screens for quality and potential yield traps.
- Small Size which captures low size effect by equally weighting all stocks in a given parent index.
- Volatility which selects low volatility and lowly correlated stocks to create a low risk portfolio.

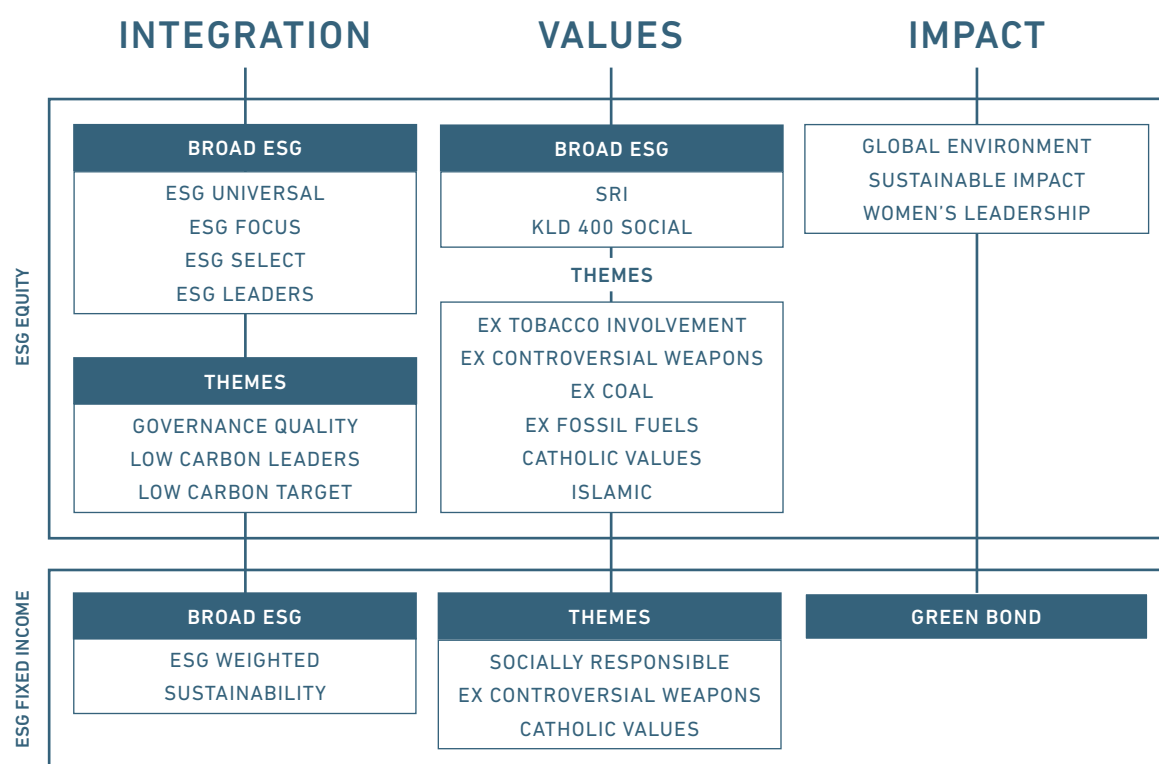
# MSCI ESG INDEXES

The world is changing. With it, the world of investing is changing. Asset owners and managers are increasingly becoming aware of the potential impact of environmental, social, and governance (ESG) factors. From natural resource scarcity to changing governance standards, from global workforce management to an evolving regulatory landscape, ESG factors may impact the long-term risk and return profile for institutional investors.

According to a 2015 Natixis survey of 660 institutional investors globally, 95% reported incorporating ESG criteria in their investment decision-making process and 50% believed that ESG could be a potential source of alpha<sup>1</sup>.

With the fast paced growth in the number of signatories to the UN-backed Principles for Responsible Investment (PRI) worldwide, the integration of ESG

has moved from a niche strategy to the mainstream. Signatories agree to six principles which include integration of ESG factors in the investment decision-making process as well as regular reporting on engagement efforts. Global assets under management by nearly 1,500 signatories from over 50 countries totals more than USD 60 trillion, up from USD 4 trillion in 2006.<sup>2</sup>



**BROAD ESG** – Methodology is based on ESG Ratings reflecting a combination of environmental, social and governance issues

**THEMES** – Methodology is based on data for specific ESG issue(s)

## MSCI ESG RESEARCH WORKS WITH 46 OF THE TOP 50 GLOBAL ASSET MANAGERS<sup>3</sup>

<sup>1</sup> Global Survey of Institutional Investors 2015, Natixis Global Asset Management.

<sup>2</sup> PRI as of December 2016 [www.unpri.org/about-pri/about-pri](http://www.unpri.org/about-pri/about-pri).

<sup>3</sup> Based on latest P&I AUM data and MSCI clients as of March 2018.

# MSCI ESG INDEXES

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MSCI ESG Indexes are designed to represent the performance of the most prevalent environmental, social and governance (ESG) investment strategies, utilizing our award-winning ESG data and ratings on thousands of companies worldwide. Institutional investors interested in sustainable investing can use these industry-leading indexes to benchmark ESG investment performance, issue index-based ESG investment products, and manage and report on ESG mandate compliance.

**MSCI ESG Leaders Indexes** These benchmarks target the highest ESG rated companies making up 50% of the adjusted market capitalization in each sector of the underlying index. The indexes are designed for investors seeking exposure to companies with strong sustainability profiles with relatively low tracking error to the underlying equity market and are reconstituted annually. The ESG Leaders Indexes includes the MSCI ACWI ESG Leaders Index, MSCI World ESG Leaders Index, MSCI EM ESG Leaders Index, etc.

**MSCI SRI Indexes** These benchmarks consist of companies with the highest ESG ratings making up 25% of the adjusted market capitalization in each sector of a parent MSCI index, after excluding companies involved in alcohol, tobacco, gambling, civilian firearms, military weapons, nuclear power, adult entertainment and genetically modified organisms (GMOs). In addition to MSCI ACWI SRI Index, MSCI World SRI Index and MSCI EM SRI Index, region and country sub-indexes

are available. It also includes the MSCI KLD 400 Social Index, which was launched in May 1990 and is one of the first SRI indexes.

## **MSCI ESG Universal Indexes**

These Indexes are designed to address the needs of asset owners (who also classify themselves as universal owners), who may look to enhance their exposure to ESG while maintaining a broad and diversified universe to invest in. By re-weighting free-float market cap weights based upon certain ESG metrics tilting away from free-float market cap weights, the indexes enhance exposure to those companies that demonstrate both a higher MSCI ESG Rating and a positive ESG trend, while maintaining a broad and diversified investment universe.

## **MSCI Global ex Controversial**

**Weapons Indexes** These benchmarks are designed for investors who wish to avoid investments in cluster bombs, land mines, chemical and biological weapons, and depleted uranium weapons. The selection universe for the MSCI Global ex Controversial Weapons Indexes is defined by the constituents of MSCI AWCI. In addition to MSCI ACWI ex Controversial Weapons Index, MSCI World ex Controversial Weapons Index, and MSCI EM ex Controversial Weapons Index, region and country sub-indexes are available.

## **MSCI Global Environmental Indexes**

The MSCI ESG Environmental Indexes provides Low Carbon, Fossil Fuels Exclusion and Thematic indexes for

investors. Increasingly, institutional investors may need to consider how climate change may present risks and opportunities and how to manage carbon exposure in their portfolios. These indexes are designed to support various low carbon investment strategies and include the MSCI Low Carbon Indexes, MSCI Global Fossil Fuels Exclusion Indexes, and the MSCI Thematic Indexes.

## **MSCI ACWI Sustainable Impact Index**

This index is comprised exclusively of companies whose core business addresses at least one of the world's social and environmental challenges, as defined by the United Nations Sustainable Development Goals. The Sustainable Impact categories include: nutritious food, treatment of major diseases, sanitary products, education, affordable housing, loans to small and medium size enterprises, alternative energy, energy efficiency, green building, sustainable water, and pollution prevention.

## **Bloomberg Barclays MSCI ESG Fixed**

**Income Indices** The Bloomberg Barclays MSCI ESG Fixed Income Indices comprise more than 500 standard and custom ESG fixed income indices representing the most widely used ESG strategies and investment objectives. This includes the Bloomberg Barclays MSCI Green Bond, Socially Responsible, Sustainability, and ESG Weighted Indices.

**Custom MSCI ESG Indexes** Calculated using ESG criteria specified by clients and applied across developed and/or emerging markets countries or regions.

# MSCI CUSTOM INDEXES

## UNIQUE MSCI INDEXES TO SUIT YOUR SPECIFIC NEEDS

With more than 40 years of leadership in index construction and maintenance, MSCI has accumulated exceptional expertise in designing and calculating equity indexes. MSCI applies this experience to calculating custom indexes to leverage the full

scope of MSCI's index capabilities and data to develop tailored indexes to reflect specific benchmarks or strategies to meet investment criteria. MSCI currently calculates 5,000 custom indexes for more than 700 clients globally.

## MSCI INDEXES CAN BE CUSTOMIZED ACROSS MANY DIMENSIONS

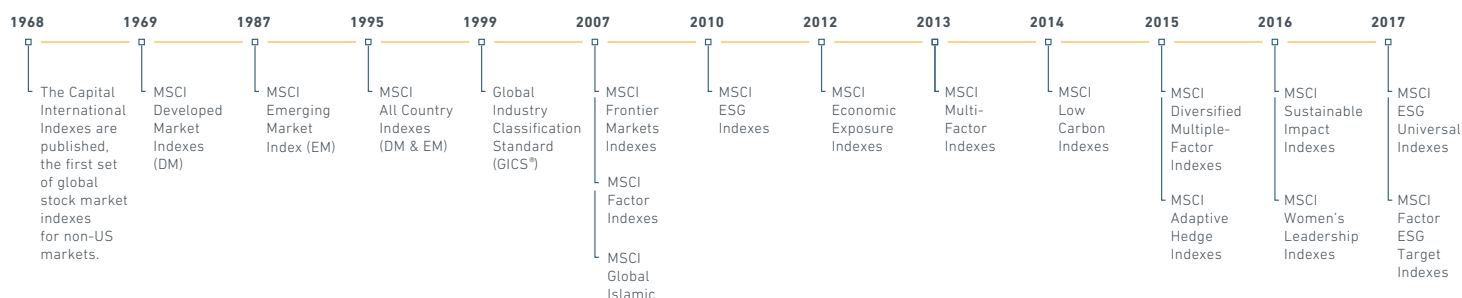


# MSCI OVERVIEW

MSCI has been at the forefront of index construction and maintenance for more than 40 years, launching its first global equity indexes in 1969. Globalization and the rapid integration of markets have led MSCI to explore alternative approaches to categorizing the global equity universe and product development.

MSCI has remained a market leader by expanding and enhancing its index offering to reflect the evolving and complex needs of the institutional investment community with ground breaking new products, innovative research, high quality data and dedicated client support.

**99 OF THE TOP 100  
GLOBAL INVESTMENT  
MANAGERS ARE  
MSCI CLIENTS<sup>1</sup>**



Today, MSCI offers more than 200,000 consistent and comparable indexes which are used by investors around the world to develop and benchmark their global equity portfolios. MSCI indexes are also licensed as the basis for financial products such as exchange traded funds and structured products.

More than 1030+ ETFs<sup>3</sup> from many of the world's leading ETF providers including iShares, Deutsche Bank, UBS, Lyxor, Amundi, SSgA, Source, HSBC, Commerzbank and Barclays are based on MSCI indexes.

Exchanges around the world have chosen MSCI equity indexes as the basis for numerous listed derivatives. These include: DGCX, EUREX, ICE Futures US, ICE Futures Europe, Johannesburg Stock Exchange and Singapore Exchange.

**>\$14.8 TRILLION  
IN ASSETS IS  
ESTIMATED TO  
BE BENCHMARKED  
TO MSCI INDEXES<sup>2</sup>**

**MORE EQUITY ETFs  
ARE BENCHMARKED  
TO MSCI THAN TO  
ANY OTHER INDEX  
PROVIDER<sup>3</sup>**

<sup>1</sup> Based on latest P&I AUM data and MSCI clients as of March, 2018.

<sup>2</sup> As of June 30, 2018, as reported on March 31, 2018 by eVestment, Morningstar and Bloomberg.

<sup>3</sup> As of September 2018, defined as each share class of an exchange traded fund, as identified by a separate Bloomberg ticker. Only primary listings, and not cross listings are counted.

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