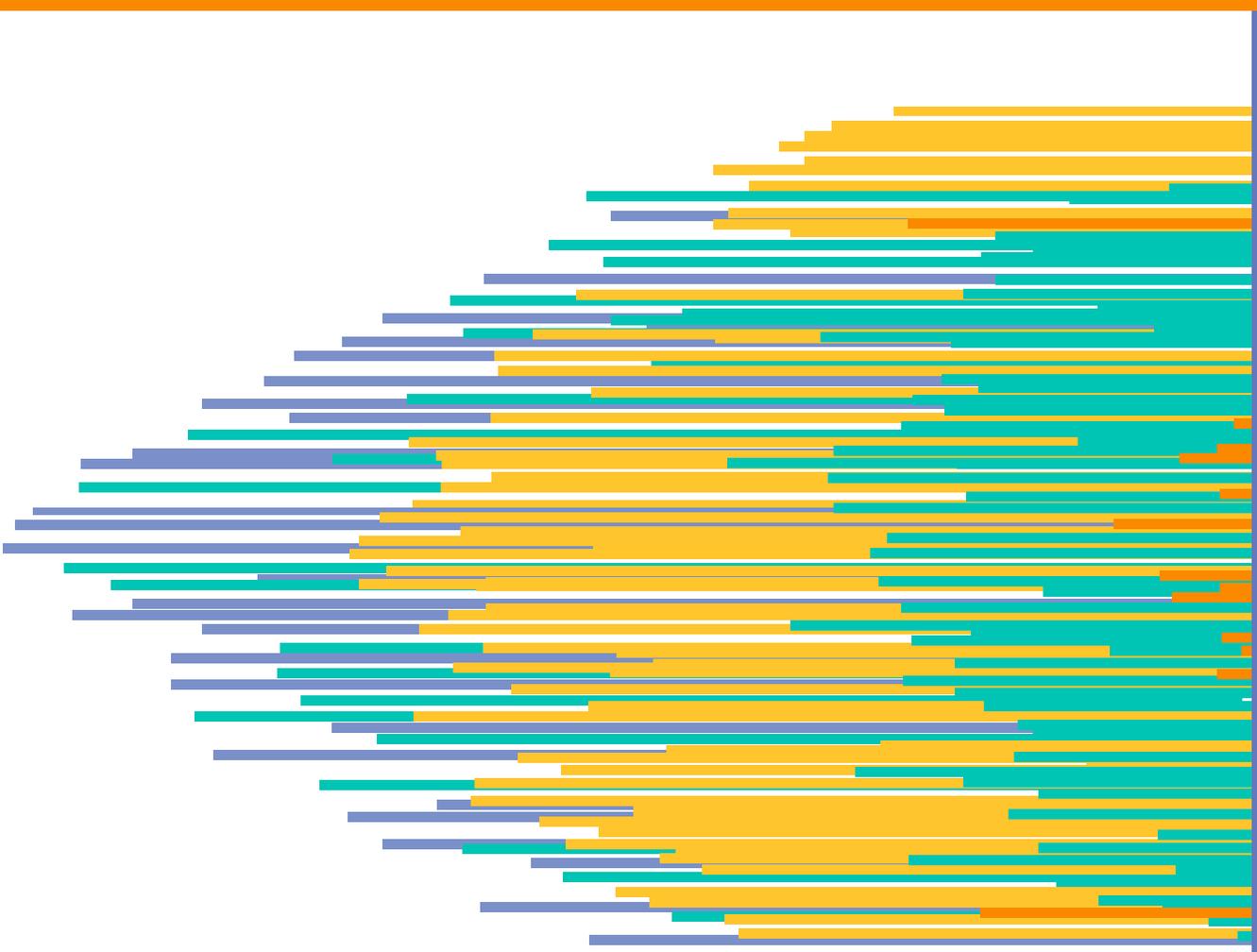




MSCI PIMFA Private Investor Index Series



About the **MSCI PIMFA** private investor index series _____

The Personal Investment Management and Financial Advice Association, a UK-based trade association representing wealth and investment firms collectively managing over £1.2 trillion of assets for investors, has selected MSCI to act as the sole authorised provider of its Private Investor Index Series.

This series consists of five composite indices designed to represent the weightings and show returns of selected multi-asset-class strategies, determined by the PIMFA Private Investor Indices Committee:



The indices include weightings of equities, bonds, real estate, "cash" and "alternative" investments in proportions that reflect the longer-term objectives for each strategy.

The weightings are determined by the PIMFA Private Indices Committee, which is responsible for regularly surveying PIMFA members and reflecting in each index the industry's collective view for each strategy objective. The index weightings are updated when the Committee determines that strategy changes across the industry warrant a review.

The result is a suite of indices that can be used as benchmarks to compare the performance of portfolios that have investment objectives similar to the strategy represented in the respective index.



Key features

- » Augmented selection of bond asset classes to include Corporate and Inflation-Linked Bonds, making the composites more reflective of the asset allocations typically utilised in private client portfolios
- » All sub-indexes underlying the MSCI PIMFA composite indices are replicable, providing daily market pricing, and better risk/return visibility
- » Data module contains a minimum of 10 years of rolling history for three indices and from inception (2011) for two indices so they can be utilised immediately for past, as well as for future, analysis and reporting
- » Member firms of the PIMFA are eligible for a discount of up to 50% for this data module



Licensing the MSCI PIMFA

Private Investor Indices

Data Module Content

Users can access the returns of the indices by purchasing the MSCI PIMFA Private Investor Indices data module. The module will include the following:

- » Daily index-level returns for each of the five MSCI PIMFA Private Investor Indices, including 10-years of rolling history for three indices and from inception (2011) for two indices
- » The option to view index performance in both Total Return (Net) and Price variants
- » Index-level return data for nine of the component sub-indices that will be used to represent the asset classes receiving the PIMFA Private Investor Indices Committee's asset allocations for each MSCI PIMFA Index
- » Permission to show the performance of the five MSCI PIMFA Indices in both public (e.g., product factsheets, research articles) and private (e.g. client portfolio statements) documents
- » Access to the data via direct download from MSCI or a selection of financial-data vendors



About the asset classes **and related component sub-indices**

The following is a list of asset classes and the indices selected by the PIMFA Private Investor Indices Committee to reflect their returns.

Equities

» **UK Equities:**

MSCI UK IMI (Investible Market Index)

Tracks the performance of the large, mid and small-cap segments of the UK market. The index covers approximately 99% of the free floatadjusted market capitalisation in the UK.

» **Developed-Market Equities:**

MSCI World Index (in GBP)

Tracks the performance of large and mid-cap stocks across 23 developed markets. The index covers approximately 85% of the free floatadjusted market capitalisation in each market.

» **Global Equities:**

MSCI All Country World Index (ACWI) ex UK (in GBP)

Tracks the performance of large and mid-cap stocks across 22 developed markets (excluding the UK) and 26 emerging markets. The index covers approximately 85% of the global equity opportunity set outside the UK.

» **Emerging-Market Equities:**

MSCI Emerging Market Index (in GBP)

Tracks the performance of large and mid-cap stocks across 26 emerging markets. The index covers approximately 85% of the free floatadjusted market capitalisation in each country.

Fixed income

» **Government Bonds:**

Markit iBoxx £ Gilts Index

Reflects the performance of the UK government bond market for fixed coupon bonds. Eligible bonds have a time to maturity of one year or more and an amount outstanding of at least £2 billion.

» **Corporate Bonds:**

Markit iBoxx £ Corporates Index

Reflects the performance of sterling denominated corporate debt from domestic and international issuers. Eligible bonds will have an investment grade rating and a fixed coupon. The time to maturity of the bonds is one year or more and the required amount outstanding is £250 million.

» **Inflation-Linked Bonds:**

Markit iBoxx UK Gilt Inflation Linked Index

Reflects the performance of UK government bonds where the coupon payments are linked to inflation. The index includes bonds with a time to maturity of at least one year and the minimum amount outstanding is £1 billion.

Other

» **Real Estate:**

MSCI UK IMI Liquid Real Estate Index

Aims to achieve a risk/return profile similar to direct real estate indices by using liquid instruments. The MSCI UK IMI Liquid Real Estate Index, based on the MSCI UK IMI Index, combines the MSCI UK IMI Core Real Estate Volatility Tilt and Markit iBoxx inflation-linked indices. This combination aims to reduce the effects of leverage and achieve a risk/return profile closer to the unlevered return of commercial property.

» **Alternatives:**

Custom index of 100% Long MSCI World Diversified Multiple Factor Index +70% Short MSCI World Index

The MSCI World Diversified Multiple-Factor Index is based on its parent MSCI World Index, which includes large and mid-cap stocks across 23 developed markets. The DMF index aims to maximize its exposure to four factors – value, momentum, quality and small size – while maintaining a risk profile similar to that of the parent index. The cash component from shorting 70% of MSCI World Index is represented by the Bank of England Base Rate. The blended custom index aims to deliver the risk/return profile of a combination of securities commonly deemed alternative assets.

» **Cash:**

Custom index of Bank of England Base Rate – 0.75%, with a floor of 0%

Cash will be represented by the return of the Bank of England Base Rate less 0.75%, with an imposed floor so that the return will never be lower than 0%.



About the Personal Investment Management and Financial Advice Association (PIMFA)

The Personal Investment Management and Financial Advice Association (PIMFA) is the trade association for firms that provide investment management and financial advice to everyone from individuals and families to charities, pension funds, trusts and companies. PIMFA represents over 1000 firms who look after £1,214Bn AUM*. Created in June 2017, PIMFA is the outcome of the merger between the Association of Professional Financial Advisers (APFA) and the Wealth Management Association (WMA) with a history as a trade association since 1991.

Our mission is to create the best possible environment so that our member firms can focus on delivering the best service to their clients and providing responsible stewardship for their long-term savings and investments. PIMFA leads the debate on policy and regulatory recommendations to ensure that the UK remains a global centre of excellence in the personal investment management and financial advice arena.

*As at June 2019.

To learn more, please visit www.pimfa.co.uk

About MSCI Inc.

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 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/pimfa-private-investor-indexes

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