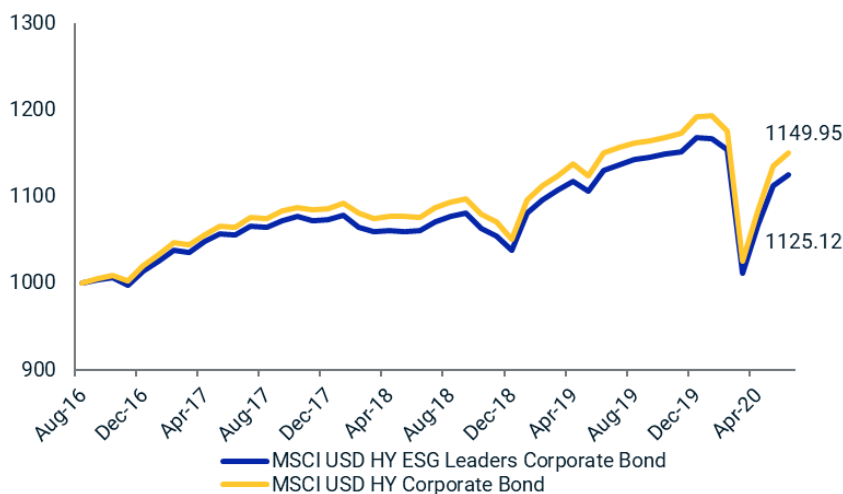


# MSCI USD HY ESG Leaders Corporate Bond Index

The MSCI Fixed Income ESG Leaders Indexes are market value-weighted indexes designed to represent the performance of fixed income securities from issuers that have high Environmental, Social and Governance (“ESG”) ratings relative to their sector peers, to ensure the inclusion of the best-in-class companies from an ESG perspective.

## Cumulative index performance

USD RETURNS AUG 2016 – JUN 2020



## Annual performance (%)

Year	MSCI USD HY ESG Leaders Corp Bond	MSCI USD HY Corporate Bond
2019	12.46	13.41
2018	-3.30	-3.26
2017	5.93	6.52

## Index performance

USD RETURNS (%) JUNE 30, 2020

Index	1 Month	3 Months	1 Year	Year to Date	ANNUALIZED RETURN	
					3 Years	Since Aug 31, 2016
MSCI USD HY ESG Leaders Corporate Bond	1.09	11.25	-0.50	-3.64	2.13	3.69
MSCI USD HY Corporate Bond	1.33	12.12	-0.05	-3.54	2.60	3.63

## Index risk and return characteristics

JUNE 30, 2020

Index	Tracking Error (%)	Turnover* (%)	ANNUALIZED STD. DEVIATION (%)	
			3 Years	Since Aug 31, 2016
MSCI USD HY ESG Leaders Corporate Bond	0.75	6.13	9.13	8.16
MSCI USD HY Corporate Bond	0.00	3.11	9.54	8.52

\*Last 12 months

The MSCI USD HY ESG Leaders Corporate Bond Index was launched on Jun 29, 2020. Data prior to the launch date is back-tested data (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.

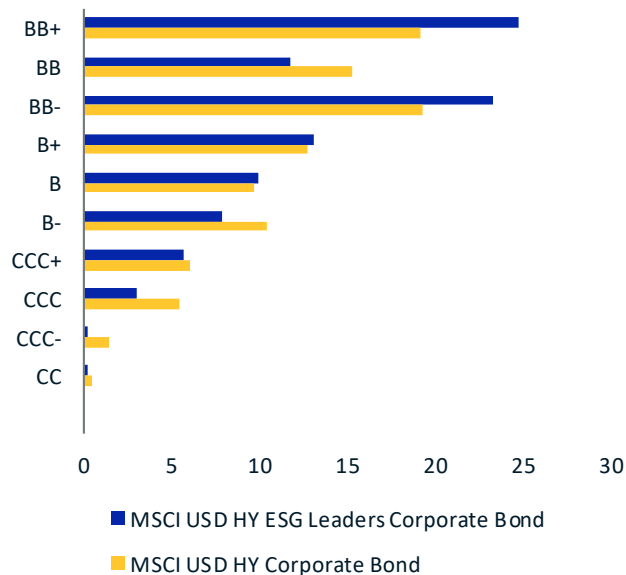
## Index Profile



Maturity	# of securities	# of issuers	Market Weight (%)	Coupon*	Price*	Yield to Worst	Effective Duration	Effective Convexity	OAS** (bps)	Weighted Credit Rating
0-3 Years	199	150	17.42	5.57	98.86	6.38	1.77	-1.22	626	B+
3-5 Years	282	215	29.43	5.94	99.77	6.39	2.98	-0.99	583	B+
5-7 Years	251	205	24.72	5.80	99.64	6.04	4.11	-1.13	540	B+
7-10 Years	175	141	17.49	5.17	99.48	5.41	5.85	-0.51	460	BB-
10+ Years	98	41	10.95	5.97	104.88	5.61	11.16	1.58	434	BB
<b>Aggregate</b>	<b>1005</b>	<b>433</b>	<b>100.00</b>	<b>5.71</b>	<b>100.08</b>	<b>6.04</b>	<b>4.44</b>	<b>-0.69</b>	<b>507</b>	<b>BB-</b>

\* Par Weighted  
\*\* Effective Duration Weighted

## Credit Rating Break Down



## ESG Metrics

	MSCI USD HY ESG Leaders Corporate Bond	MSCI USD HY Corporate Bond
ESG Rating	5.2	3.9
Very Severe Controversies (%)	0.0	1.0
Environmental Rating	4.5	4.1
Carbon Intensity	135	168
Green Revenues (%)	3.2	2.6
Green Bonds (%)	0.1	0.1
Social Rating	4.8	4.3
Controversial Weapons (%)	0.0	0.0
Tobacco (%)	0.0	0.1
Governance Rating	5.2	4.7

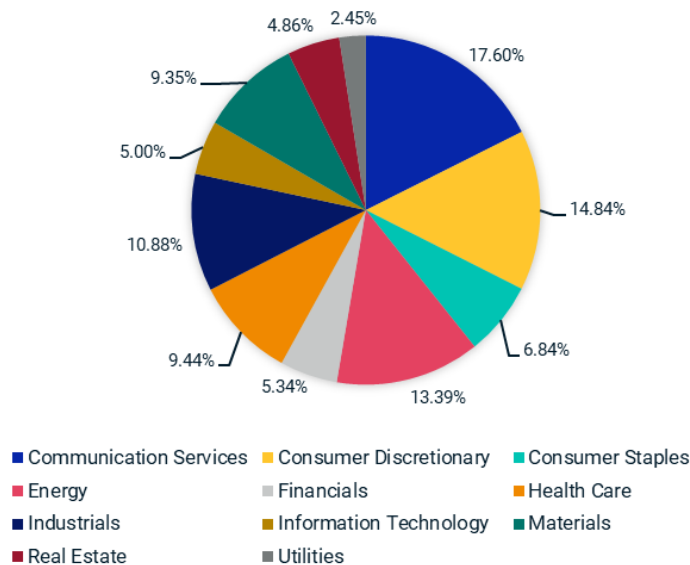
## Top 5 Securities

Security Name	Currency	Index Weight (%)	Parent Index Weight (%)	Sector	Security Credit Rating
TMUS 7.875% 2023	USD	0.74	0.36	Communication Services	B+
S 6.875% 2028	USD	0.46	0.22	Communication Services	B+
THC 8.125% 2022	USD	0.45	0.22	Health Care	CCC+
KHC 4.375% 2046	USD	0.45	0.22	Consumer Staples	BB+
S 8.75% 2032	USD	0.44	0.22	Communication Services	B+

## Top 5 Issuers

Issuer Name	Index Weight (%)	Parent Index Weight (%)	Sector
KRAFT HEINZ FOODS CO	3.91	1.90	Consumer Staples
BECTON DICKINSON AND CO	2.11	1.03	Health Care
SPRINT CORP	2.08	1.01	Communication Services
HCA INC	2.03	0.99	Health Care
T-MOBILE USA INC	1.76	0.85	Communication Services

## Sector Weights



## Index Methodology

The MSCI Fixed Income ESG Leaders Indexes are constructed by applying a best-in-Class selection process to companies. The selection universe for The Fixed Income ESG Leaders Indexes is the constituents of the MSCI Corporate Bond Indexes (the 'Parent Index').

Companies with weak ESG profile or those involved in alcohol, gambling, tobacco, nuclear power and controversial weapons are excluded from the selection universe.

Post exclusions, the methodology ranks and selects issuers with the strongest ESG profile. The selection process targets to achieve 50% of the market value in each sector of the Parent Index. The Index is market value weighted.

The Indexes are rebalanced on a monthly basis to coincide with the monthly index review of the Parent Index. The pro forma Indexes are in general announced three business days before the effective date of rebalancing.

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