

MSCI Thematic Exposure Standard

▶ A new way to systematically evaluate, monitor and invest in long-term, structural themes

Thematic investing is an investment approach that capitalizes on the megatrends touching every aspect of our lives. From disruptive and autonomous technology, to energy efficiency, robotics and the digital economy; these trends represent longer-term structural change driven by powerful, and often disruptive forces.

Until now, there has been no comprehensive and systematic way to analyze fund and portfolio exposures to these trends.

The newly launched MSCI Thematic Exposure Standard helps investors identify, measure, and leverage the emerging, long-term secular trends shaping our future. It enables investors to better understand their portfolio's economic linkage to long term structural trends, and to create products, strategies, and portfolios that unlock new opportunities.

Key features

- Measures a portfolio or fund's economic relationship to megatrends
- Calculates theme-linked relevance scores for ~40,000 global securities
- Provides a standard framework to easily analyze, compare and report on exposure to one or more themes
- Investors can screen for companies with the desired exposure to one or more megatrend
- Understand exposure across our thematic framework: Environment & Resources, Transformative technologies, Health & Healthcare, and Society & Lifestyle

Key benefits

- Gain an information advantage
- Differentiate your strategy and build portfolios focused on different megatrends
- Demonstrate manager skill vs. an industry standard index (rather than potentially biased peer-group selection)
- Historic, high-quality data available through your chosen platform – i.e. BPM, IndexMetrics, API and flat files

Unlocking new opportunities

- Measures a portfolio or fund's economic relationship to megatrends
- As a **portfolio construction tool**, the MSCI Thematic Exposure Standard helps investors screen securities with high or low exposure to a theme, create differentiated strategies, and integrate thematic scores across their portfolios.
- As a **research tool** investors can develop a strategy over a period of time and to assess theme tilts; compare returns and volatility of the strategy by theme exposure; conduct factor attribution for models that attribute risk and returns to these themes; and assess thematic exposure to a benchmark or against any MSCI Index.
- As a **reporting and monitoring tool** for benchmarking performance and holdings against an appropriate index; for performance and attribution reporting and monitoring; and as a way to complement factor, industry, and country analysis
- As a **sales enablement tool**, it can be used to demonstrate manager skill vs. an industry standard index, rather than biased peer-group selection; to differentiate product; and to support fund selection based on theme objectives.

Our approach

Building on our research, thematic index construction methodology and Natural Language Processing (NLP) techniques, the MSCI Thematic Exposure Standard aggregates self-reported (direct) and other business description data (indirect) from multiple validated sources.

We use an extensive keyword dictionary as an input to identify representative constituents and assign a “relevance score” to the securities contained in the ACWI IMI Index. This relevance score is a metric expressed as a percentage to gauge a company’s economic relationship to a given theme.

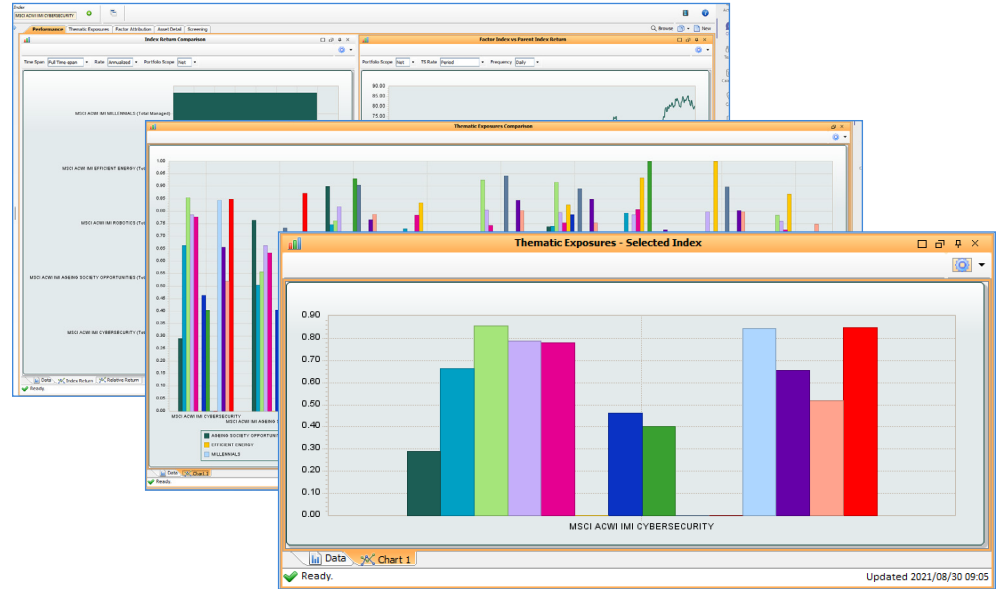
CAPCOM CO. LTD.			APPENDIX			Discount Factor
Segments	SIC	Sales (mm)	CAPCOM CO. LTD. mainly engages in digital contents business, amusement facility business and others. The Company operates in three segments. The Digital Contents segment develops and sells household games and online games, and contents for cell phones. The Amusement Facility segment operates stores that set up a game machine. The Amusement Equipment segment develops, manufactures and sells game machine which were sold for store operators. The Company also involves the character-related license business and the real estate leasing business.			0.84
Digital Content	7372	697.1				
Amusement Facilities Business	7993	96.2				
Amusement Machine Business	3999	73.4				
Other	9999	22.0				
Eliminations and Corporate	9999	0				

CAPCOM CO. LTD.						
Segments	SIC	Sales (mm)	Selected Segment	Selected SIC Code	Disc. Factor	Attributable Revenue
Digital Content	7372	697.1	Yes		1.00	697.1
Amusement Facilities Business	7993	96.2		Yes	0.84	80.36
Amusement Machine Business	3999	73.4			0.00	
Other	9999	22.0			0.00	
Eliminations and Corporate	9999	0			0.00	

Relevance Score = 0.87

Enhanced accessibility

The MSCI Thematic Exposure Standard data is accessible across MSCI Index and analytics platforms such as BarraOne, Barra PortfolioManager, MSCI Factor Analytics API, IndexMetrics, Index API, and Flat files.



For more information about this product tool, visit – <https://www.msci.com/thematic-exposure-standard>

► To find out more, please contact your MSCI representative.

About MSCI

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.

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