



INTRODUCING THE MSCI WMA PRIVATE INVESTOR INDEX SERIES

The Wealth Management Association (WMA), a UK-based trade association representing wealth and investment firms managing £760 billion, has selected MSCI to act as the sole authorised provider of its Private Investor Index Series, starting on 1 March, 2017. This series consists of five composite indices designed to represent the weightings and show returns of selected multi-asset-class strategies, determined by the WMA Private Investor Indices Committee:

MSCI WMA
Private Investor
Balanced
Index

MSCI WMA
Private Investor
Conservative
Index

MSCI WMA
Private Investor
Global Growth
Index

MSCI WMA
Private Investor
Growth
Index

MSCI WMA
Private Investor
Income
Index

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 WMA Private Indices Committee, which is responsible for regularly surveying WMA 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

1

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

2

All sub-indexes underlying the MSCI WMA composite indices are replicable, providing daily market pricing, and better risk/return visibility

3

Data module contains 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

4

Member firms of the WMA are eligible for a discount of up to 50% for this data module

THE MSCI WMA PRIVATE INVESTOR INDICES DATA MODULE

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

- Daily index-level returns for each of the five MSCI WMA 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 WMA Private Investor Indices Committee's asset allocations for each MSCI WMA Index
- Permission to show the performance of the five MSCI WMA Indices in both public (e.g., product factsheets, research articles) and private (e.g. client portfolio statements) documents
- Access to the data via MSCI's FTP site or a host 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 WMA Private Investor Indices Committee to reflect their returns.

EQUITIES

- **UK Equities: MSCI UK IMI (Investible Market Index)**
Represents the performance of the large, mid and small-cap segments of the UK market. The index covers approximately 99% of the free float-adjusted market capitalisation in the UK.
- **Developed-Market Equities: MSCI World Index (in GBP)**
Represents the performance of large and mid-cap stocks across 23 developed markets. The index covers approximately 85% of the free float-adjusted market capitalisation in each market.
- **Global Equities: MSCI All Country World Index (ACWI) ex UK IMI (in GBP)**
Represents the performance of large, mid and small-cap stocks across 22 developed markets (excluding the UK) and 23 emerging markets. The index covers approximately 99% of the global equity opportunity set outside the UK.
- **Emerging-Market Equities: MSCI Emerging Market Index (in GBP)**
Represents the performance of large and mid-cap stocks across 23 emerging markets. The index covers approximately 85% of the free float-adjusted market capitalisation in each country.

FIXED INCOME

Indexed to

iBoxx[®]
by markit[®]

- **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 50% cash + 50% MSCI World Diversified Multiple Factor 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 is represented by 1-week GBP Libor. The blended custom index aims to deliver the risk/return profile of a combination of securities commonly deemed alternative assets.
- **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.
- **Cash: MSCI WMA Cash equivalent (GBP Libor -1%)**
Cash will be represented by the return of 1-week GBP Libor less 1%, with an imposed floor so that the return will never be lower than 0%.



ABOUT THE WEALTH MANAGEMENT ASSOCIATION

The Wealth Management Association (WMA) is a UK-based trade association with 200 member firms with a remit to represent the interests of the private client investment community and their clients.

The WMA membership consists of full members, such as wealth management and stockbroking firms, that deal directly for the private investor, and associate members who provide professional services to our member firms. Today WMA member firms collectively reach over 4 million investors, manage in excess of £760 billion of wealth, and operate in over 580 branches across the UK, Ireland, the Channel Islands and the Isle of Man.

www.thewma.co.uk

ABOUT MSCI

For more than 40 years, MSCI's research-based indexes and analytics have helped the world's leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset-class coverage and innovative research.

Our line of products and services includes indexes, analytical models, data, real-estate benchmarks and ESG research.

MSCI serves 97 of the 100 largest money managers, according to the most recent Pensions & Investments ranking.

For more information, visit us at www.msci.com.

CONTACT US

To contact a MSCI representative to discuss your index data requirements please e-mail us at: WMA@msci.com or call us on: +44 207 618 2000.

Additional information about the MSCI WMA Private Investor Index Series data module is available on our website at: www.msci.com/wma.

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