



MARCH QUARTER 2017 HIGHLIGHTS – WEALTH AND ADVICE CHANNELS

MSCI Australia

April 2017

NEW PRESENTATIONS/ WEBINARS

EDUCATION WEBINAR

WEBINAR ON FACTORS/ SMART BETA - NOV 2016 (<https://www.msci.com/events>)

- What is factor investing? Why is it valuable in portfolios?
- Explaining single vs. Multi factor
- Understanding factors across Australian and international shares
- How to use in client portfolios?

GOING GLOBAL – BENCHMARK CONSIDERATIONS FOR ADVISERS WHEN INVESTING INTERNATIONALLY

- The modern global investment framework - why allocating to international equities makes sense
- An institutional approach to investing internationally
- Outlining the benefits of small caps in global equities
- Hedged versus unhedged investment – what to consider

LATEST PUBLICATION

EXCHANGE TRADED PRODUCTS BASED ON MSCI INDEXES – Q1 2017

- **PUBLICATION** - A comprehensive list of all ETFs, ETNs, futures and options based on MSCI indexes and their Primary Exchange.

RESEARCH PAPERS, BLOGS & PUBLICATIONS

LATEST PAPER

- **BLOG** - [Separating fact from fiction in passive](#) – *msci.com*
- **BLOG** - [Insights into the emerging markets rally](#) – *msci.com*
- **ARTICLE** - [Power to the People: the profound impact of factor investing on long term portfolio management](#) - *The Journal of Portfolio Management*
- **BLOG** - [What is Factor Investing?](#) – *msci.com*
- **BLOG** - [Can alpha be captured by risk premia?](#) – *msci.com*

**NEW AUSTRALIA
WEB PAGE**

AUSTRALIA INDEX LANDING PAGE IS LIVE!

We have created a landing page on our web site specifically for Australian advisers and Wealth managers. (<https://www.msci.com/msci-indexes-for-australian-investors>)

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OUR COMPETITIVE ADVANTAGE GLOBALLY AND LOCALLY.

- Globally - With over 790 ETFs and in excess of US\$420 billion of assets tracking MSCI indexes globally as of December 31st, 2015, MSCI is the #1 provider to the equity ETF industry.¹
- Australia – Currently in Australia there are 23 ETFs listed on the ASX tracking MSCI indexes².

CURRENT AUSTRALIAN LISTED ETFs BASED ON MSCI INDEXES

MSCI Index – Australian shares	Fund name	Symbol
MARKET CAP WEIGHTED		
MSCI Australia Shares Large Cap Index	Vanguard MSCI Aust Large Companies Index ETF	VLC
MSCI Australia Shares Small Cap Index	Vanguard MSCI Aust Small Companies Index ETF	VSO
MSCI Australia (ex Tobacco, Cont. Weapons) Index	UBS IQ MSCI Australia Ethical	UBA
FACTOR BASED		
MSCI Australia Select High Dividend Index	SPDR MSCI AustSelect High Dividend Yiled ETF	SYI
MSCI Australia IM Minimum Volatility Index	iShares Edge MSCI Aust Minimum Volatility ETF	MVOL
MSCI Australia IM Diversified Multiple Factor Index	iShares Edge MSCI Australia Multifactor ETF	AUMF

MSCI Index – International shares	Fund name	Symbol
MARKET CAP WEIGHTED		
MSCI BRIC Index	iShares MSCI BRIC ETF	IBK
MSCI EAFE Index	iShares MSCI EAFE ETF	IVE
MSCI Emerging Markets Index	iShares MSCI Emerging Markets ETF	IEM
MSCI Hong Kong	iShares MSCI Hong Kong ETF	IHK
MSCI Japan Index	iShares MSCI Japan ETF	UP
MSCI Singapore Index	iShares MSCI Singapore ETF	ISG
MSCI South Korea Capped Index	iShares MSCI South Korea Capped Index ETF	IKO
MSCI Taiwan Index	iShares MSCI Taiwan ETF	ITW
MSCI World IMI Index	iShares MSCI World All Cap ETF	IWLD
MSCI World IMI Index – Hedged	iShares MSCI World All Cap ETF - hedged	IHWL
MSCI Europe (ex Tobacco, Cont. Weapons) Index	UBS IQ MSCI Europe Ethical ETF	UBE
MSCI Japan (ex Tobacco, Cont. Weapons) Index	UBS IQ MSCI Japan Ethical ETF	UBJ
MSCI Asia APEX 50 (ex Tobacco, Cont. Weapons) Index	UBS IQ MSCI Asia APEX 50 Ethical ETF	UBP
MSCI USA (ex Tobacco, Cont. Weapons) Index	UBS IQ MSCI USA Ethical ETF	UBU
MSCI World ex Aust. ex Tobacco, Cont. Weapons Index	UBS IQ MSCI World ex Australia Ethical ETF	UBW
MSCI World ex Australia hedged (in AUD) Index	Vanguard MSCI Index Int’al Shares (Hedged) ETF	VGAD
MSCI World ex Australia (in AUD) Index	Vanguard MSCI Index International Shares ETF	VGS

¹. Source: Bloomberg and MSCI data, as of December 31st, 2015. As defined by number of licensed ETFs tracking MSCI indexes.

². Source: ASX and MSCI data, as of 31st March 2017.

FACTOR BASED			
MSCI World ex Australia Quality Index	Market Vectors MSCI World ex Aust Quality ETF	QUAL	
MSCI World Quality Mix Index	SPDR MSCI World Quality Mix ETF	QMIX	
MSCI World Minimum Volatility Index (AUD)	iShares Edge MSCI World Minimum Volatility ETF	WVOL	
MSCI World Diversified Multiple Factor (AUD) Index	iShares Edge MSCI World Multifactor ETF	WDMF	

Available on the ASX as at 31st March 2017. Source: ASX

SNAPSHOT OF THE AUSTRALIAN ETP MARKET³

	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12
Assets under mgt (A\$m)	25,628	21,335	15,012	10,025	6,496
Year-on-year change (A\$m)	4,293	6,323	4,987	3,529	1,368
Year-on-year change (%)	20%	42%	50%	54%	NA
Number of funds	151	138	104	94	90
Number of asset classes	9	7	7	7	7
AUM change for quarter (A\$m)	1,624	-	-	-	-

3. We have used the terminology as outlined by ASIC, including the term Exchange Traded Product (ETP) to include ETFs and active managed funds. Source: ASX as at 31st March 2017. For more information visit www.asx.com.au

Dollar numbers are in AUD.

INDEX PERFORMANCE SNAPSHOT

Performance snapshot of MSCI indexes (ETF related)	3 months	1 year	3 years	5 years	10 years	15 years
Australian shares						
MARKET CAP WEIGHTED						
MSCI Australia 200 Index	5.26%	11.74%	6.36%	11.50%	4.10%	7.24%
MSCI Australia (ex Tobacco, Cont Weapons) Index	6.41%	11.94%	-	-	-	-
MSCI Australian Shares Large Cap Index	6.68%	10.11%	4.13%	11.23%	4.70%	6.81%
MSCI Australian Shares Small Cap Index	=0.36%	16.18%	6.37%	6.62%	0.02%	7.01%
FACTOR WEIGHTED						
MSCI Australia Select High Dividend Yield Index	8.12%	12.60%	4.96%	11.98%	4.38%	6.94%
MSCI Australia IMI Minimum Volatility (AUD)	1.58%	10.20%	9.09%	13.13%	5.26%	8.10%
MSCI Australia IMI Diversified Multiple Factor (AUD)	2.57%	14.26%	7.34%	11.40%	4.05%	9.01%
MSCI Australia IMI Momentum	-0.20%	7.60%	8.73%	14.60%	5.78%	9.81%
International shares						
MARKET CAP WEIGHTED						
MSCI BRIC Index	1.68%	12.65%	5.21%	8.08%	1.79%	8.53%
MSCI EAFE Index	4.93%	1.48%	5.58%	14.21%	1.61%	2.88%
MSCI Emerging Markets Index	1.28%	11.72%	4.56%	8.57%	2.71%	7.00%
MSCI Hong Kong	-3.80%	2.75%	9.71%	16.61%	6.59%	6.20%
MSCI Japan Index	5.51%	2.86%	9.98%	15.96%	1.39%	2.29%
MSCI Singapore Index	1.84%	1.90%	2.04%	10.15%	3.92%	6.00%
MSCI South Korea Capped Index	-1.07%	8.23%	3.53%	9.83%	3.32%	7.34%
MSCI Taiwan Index	3.38%	19.10%	12.24%	15.57%	4.74%	2.90%
MSCI Europe (ex Tobacco, Cont Weapons) Index	5.54%	0.09%	-	-	-	-
MSCI Japan (ex Tobacco, Cont Weapons) Index	5.81%	3.04%	-	-	-	-
MSCI Asia APEX 50 (ex Tobacco, Cont Weapons) Index	-0.53%	10.34%	-	-	-	-
MSCI USA (ex Tobacco, Cont Weapons) Index	9.17%	11.34%	-	-	-	-
MSCI World ex Aust, ex Tobacco, Cont Weapons Index	7.71%	7.88%	11.37%	18.52%	-	-
MSCI World ex Australia hedged (AUD) Index	5.20%	10.34%	8.85%	15.15%	6.27%	7.39%
MSCI World ex Australia (AUD) Index	7.68%	7.92%	11.53%	18.58%	4.71%	3.33%
MSCI World IMI index – unhedged	7.77%	8.71%	11.50%	18.62%	4.99%	3.95%
MSCI World IMI index - hedged	11.41%	11.59%	16.79%	23.59%	7.33%	-
FACTOR WEIGHTED						
MSCI World ex Australia Quality Index	4.81%	5.50%	13.61%	19.84%	8.12%	4.50%
MSCI World Quality Mix Index	6.33%	8.43%	13.28%	18.57%	6.20%	4.55%
MSCI World Momentum Index	4.53%	4.68%	12.59%	19.33%	6.26%	5.82%
MSCI World Minimum Volatility (AUD) Index	2.45%	11.10%	13.17%	15.19%	5.25%	5.13%
MSCI World Diversified Multiple Factor (AUD) Index	7.94%	4.70%	11.90%	19.51%	6.19%	7.08%

Performance numbers are net in AUD as at 31st March 2017. Assumes net dividends are reinvested.

For more details visit www.msci.com.

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* = toll free

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