

MSCI FaCS® on Funds

MSCI FaCS on Funds extends MSCI FaCS, a Factor Classification Standard and framework for evaluating, implementing and reporting style factor exposures to Equity ETFs and mutual fund

With the growth in access of factor investing solutions, comes the need for standards to bring clarity to the confusion. Exchange Traded Funds (ETFs) and Mutual Funds can be important instruments in any investment portfolio. Despite their wide usage, however, it is still a challenge to evaluate and compare funds from a standard framework that provides investors insight into the drivers of risk and return.

MSCI FaCS on Funds allows investors to use a common language for evaluating and comparing Exchange Traded Funds and Mutual Funds through MSCI FaCS's 8 Factor Groups.

Key features

- Holdings based approach that aggregates at the stock level to provide fund level factor exposures
- Coverage of more than 1,600 ETFs globally
- MSCI Factor Box provides the visualization to easily compare Factor exposures between funds and benchmarks
- Coverage of 7,000+ Mutual Funds that cover 27,000+ share classes

Benefits

- **Analyze** equity funds from a standard factor framework
- **Compare** multiple funds through 8 Factor Groups available in MSCI FaCS
- **Report** Factor exposures as a way to evaluate manager insight or skill
- **Screen** and narrow the fund universe based on style Factor characteristics

What is MSCI FaCS?

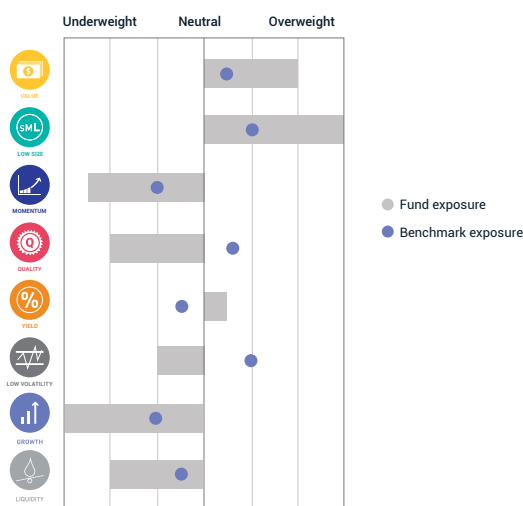
- MSCI FaCS is a standard method for evaluating and reporting the Factor characteristics of equity portfolios
- MSCI FaCS consists of 8 Factor Groups that have been extensively documented in academic literature and identified by MSCI Research as key drivers of risk and return
- The 8 Factor Groups are constructed by aggregating the 16 Factors and 41 Descriptors from the MSCI Barra Global Equity Factor Model (GEMLT model), designed to make fund comparisons transparent and intuitive for use
- MSCI FaCS is the Factor classification standard that powers Factor Box

How does the Factor Box work?

MSCI FaCS on Funds follows a thorough data management process to incorporate holdings level data from multiple sources, market data and factor exposures. Users of FaCS on Funds can incorporate this data into their own reporting and communication, including MSCI Factor Box.

MSCI Factor Box allows investors to compare Factor exposures in three different visuals:

- Bars shows the fund exposure across Factors
- Circle shows the Factor exposure of chosen benchmark
- Distance between circle and bar shows difference between fund exposure and benchmark exposure = Active Factor exposure



*MSCI Factor Box neutral line (Exposure = 0) is based on the Global Equity Universe determined by MSCI IMI

Based on MSCI’s Global Equity Factor Structure, MSCI FaCS includes 8 Factor Groups, and 16 Factors

 VOLATILITY	 YIELD	 QUALITY	 MOMENTUM	 VALUE	 SIZE	 GROWTH	 LIQUIDITY
Beta Residual Volatility	Dividend Yield	Leverage Investment Quality Earnings Variability Earnings Quality Profitability	Momentum	Book-to-Price Earnings Yield Reversal	Mid Cap Size	Growth	Liquidity

About MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 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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