



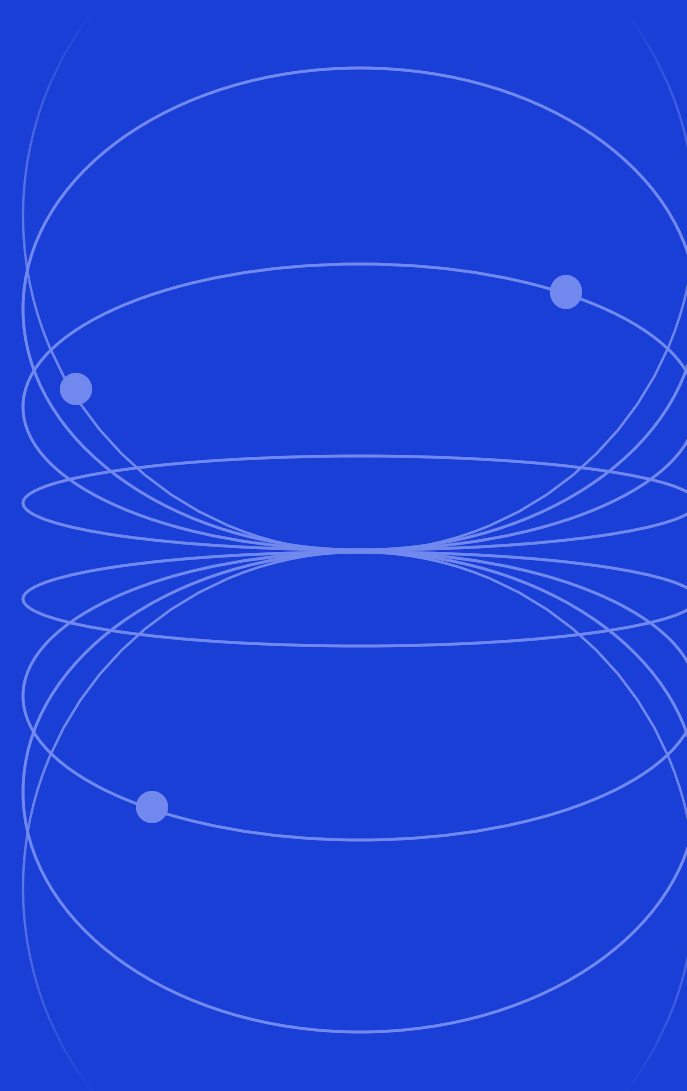
Brussels: MSCI Portfolio Perspectives – Exploring Today's Investment Landscape

June 2nd, 2026



Opening Remarks

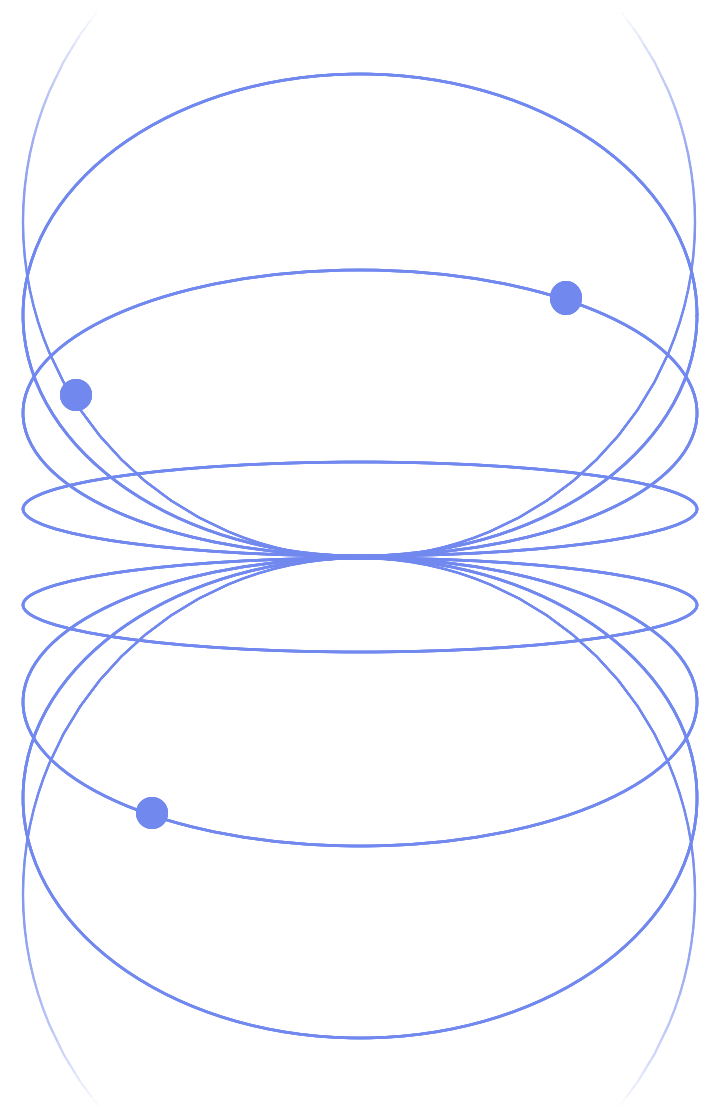
Amélie de Bonfils, Executive Director, Belgium country head, MSCI





When Geopolitics Meets Economics: Implications for Portfolio Risk

Thomas Verbraken, Executive Director, Risk Management Solutions Research, MSCI



2026 H1: Acute events met structurally lower diversification

GEOPOLITICAL SHOCKS

Iran war spiked oil, repriced rates and drove a cross-asset sell-off

- Geopolitical risk at the company level
- Rate expectations reset globally

AI RESHAPES MARKETS

SaaS disruption repriced equities, credit and private markets

- Factor regime break in equities
- Credit and private-credit stress

DIVERSIFICATION EROSION

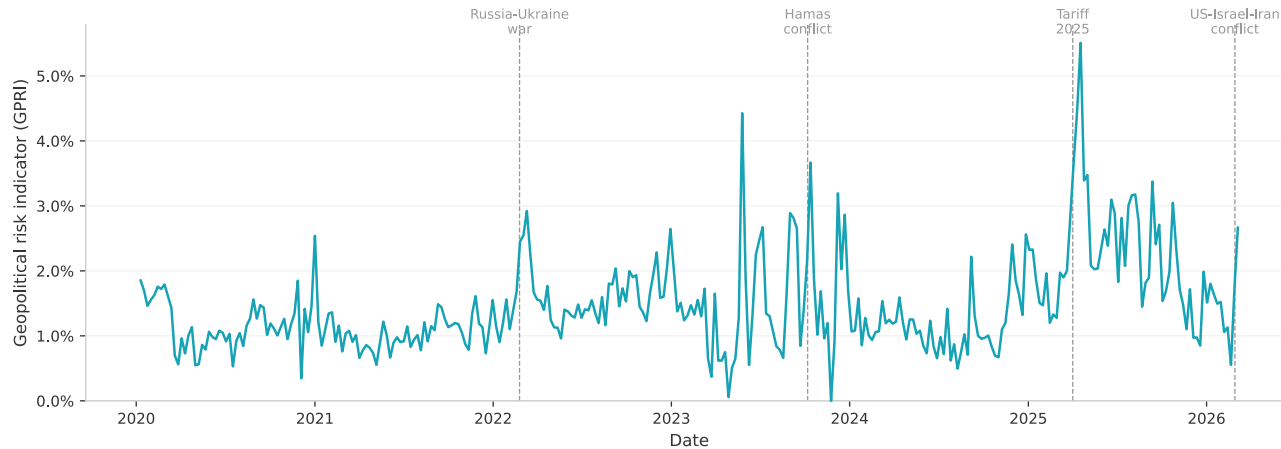
The structural assumptions behind multi-asset portfolios have shifted

- Bond-equity correlation flipped
- Rate risk rewired high yield bond risk

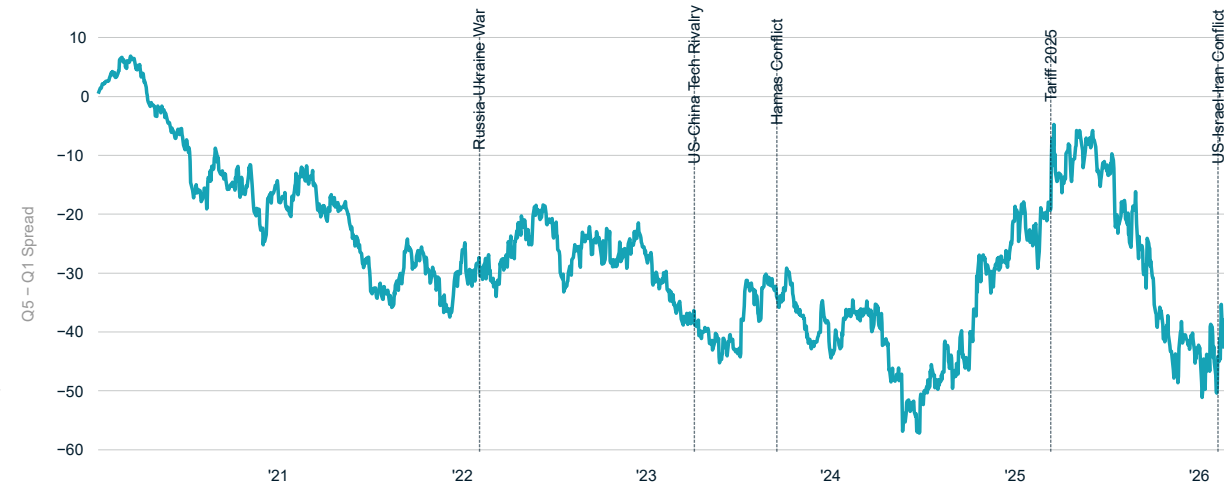
MSCI Geopolitical Risk Indicator spiked post Iran war but remains below 2025 tariff-crisis peaks

- The MSCI Geopolitical Risk Indicator (GPRI) uses an LLM pipeline to filter company news for geopolitical risks to operations, supply chains and financials.
- High geopolitical-beta securities outperformed low-beta peers by over 2% within the first week of both the tariff shock and the Iran conflict.

GPRI has risen sharply from recent lows post Iran war



High geopolitical beta securities outperform during stress

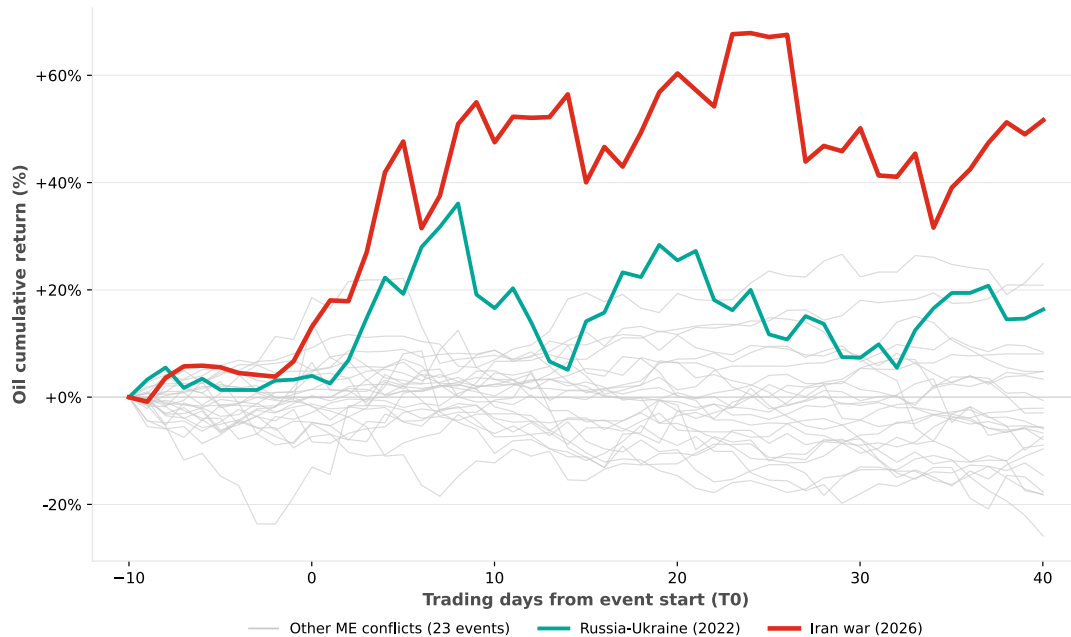


[MSCI Research](#). Left chart: GPRI is a weekly news-based measure that aggregates attention to a set of geopolitics-driven risks in company news. GPRI aggregates six geopolitics driven risks: cross border conflict and military tension (CBCMT), Cybersecurity and state-sponsored digital threats (CSSSDT), energy and resources access risks (ERAR), foreign regulatory and legal actions (FRLA), technology access risks (TAR), trade restrictions and economic nationalism (TREN). Right chart: We sorted securities into quintiles from Q1 (lowest beta) to Q5 (highest) and tracked the cumulative return spread between the two groups.

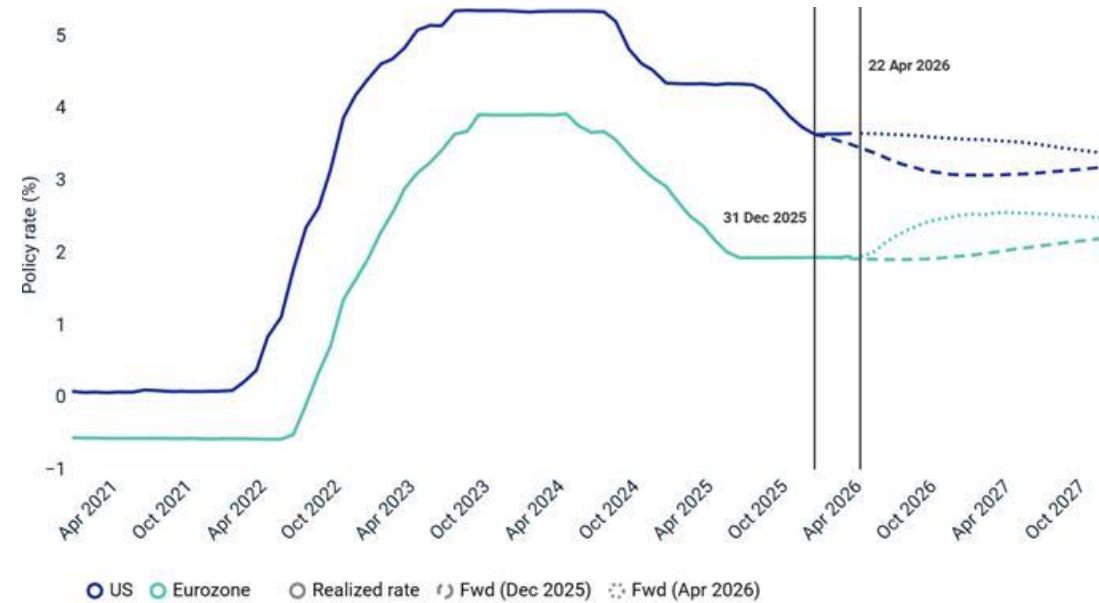
Middle East conflict resets rate expectations

- Past Middle East oil spikes typically faded within months. The current rally's persistence puts it outside the range of any Middle East conflict since 2006
- Rate-cut expectations across major economies repriced materially higher between December 2025 and April 2026

Current oil price rally more persistent than previous Middle East shocks



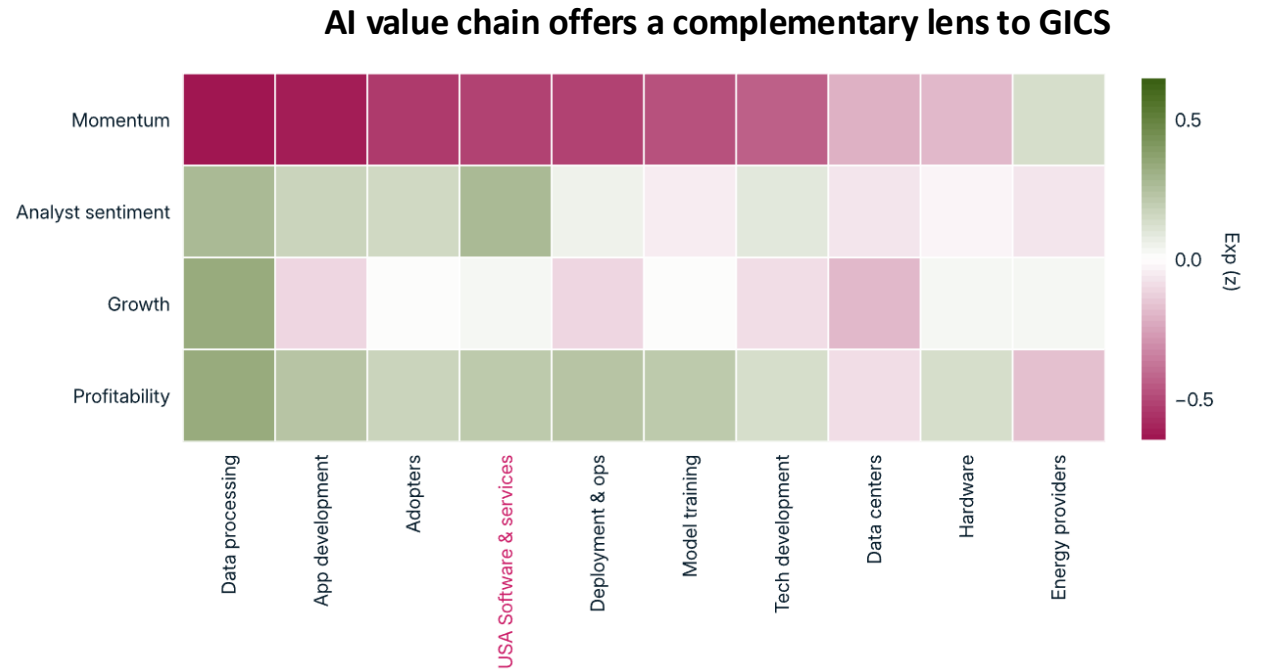
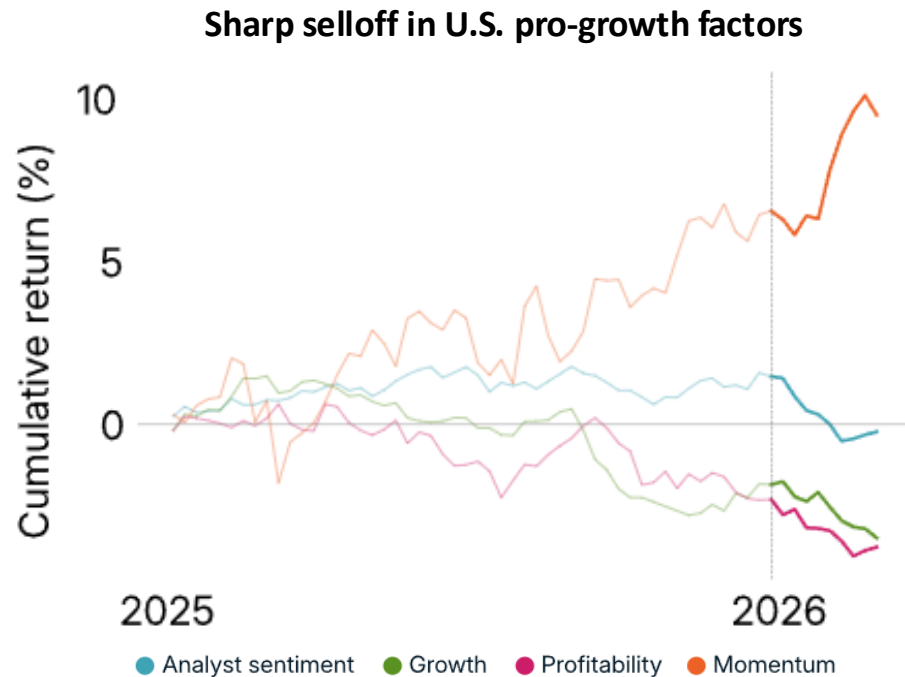
Rate-cut expectations repriced higher after the Iran strikes



Left: Oil cumulative returns (WTI crude) indexed to T-10 for 23 Middle East conflicts since 2006, Russia-Ukraine, and the current Iran war. Events defined as nation-state military actions involving the Middle East. See full list [here](#). Right: Market-implied expectations are based on forward rates implied by MSCI overnight index swap curves as Dec. 31, 2025 and April 22, 2026. Implied expectations are not a forecast.

SaaS Apocalypse: As much a factor story as a sector story

- Growth factors fell as momentum surged — a rare decoupling that suggests repricing is running ahead of fundamentals
- AI application and data-processing segments share U.S. software's vulnerable profile: Positive growth exposure, negative momentum — hardware and energy do not



[MSCI Research](#). Left: MSCI Global Economic Regions Equity Factor Model. Cumulative factor returns, January 2025 – February 2026. Right: Factor exposures (z-score) for U.S. software & services and MSCI AI value chain segments. MSCI Global Economic Regions Equity Factor Model, as of Jan. 30, 2026. Segments are equally weighted and may overlap.

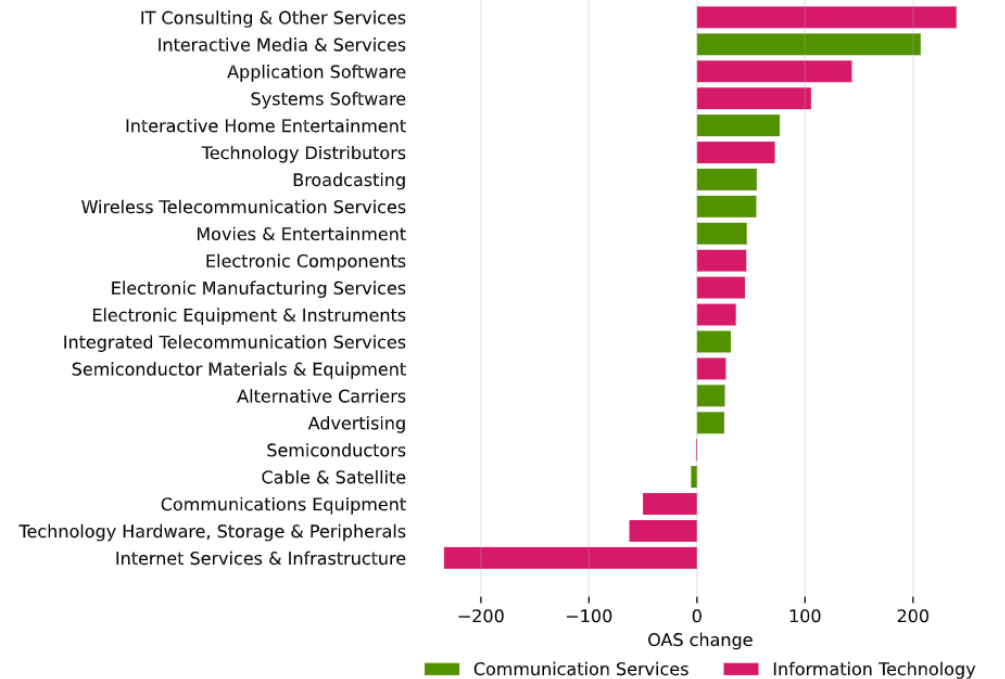
Agentic AI widens HY tech spreads, but hardware holds firm

→ The HY bond repricing is differentiated: AI-displaced sub-industries (IT consulting, interactive media, application software) saw the widest spread increases, while AI enablers (internet infrastructure, hardware) tightened.

IT credit spreads diverged from broad high yield



AI enablers' spreads tightened while AI-displaced sub-industries widened

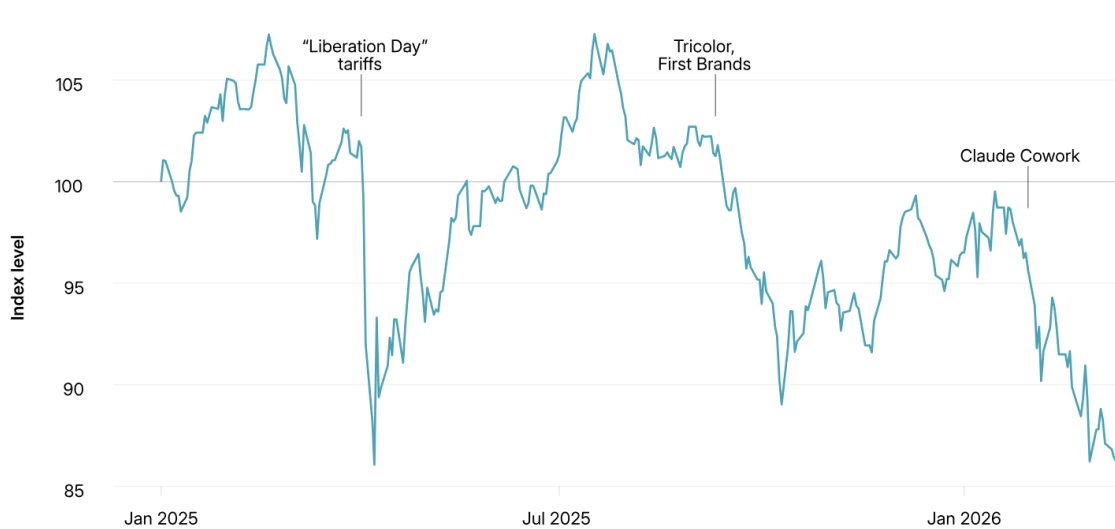


MSCI Research. Left Chart: OAS for the MSCI USD HY, MSCI HY IT and MSCI HY Communication Services Indexes for the sample period Dec. 31, 2024, to March 31, 2026. Right chart: Change in OAS from Dec. 31, 2025, to March 31, 2026, for IT and communication services GICS sub-industries in the MSCI USD HY Corporate Bond Index calculated based on MSCI Fixed Income Index Calculation Methodology. GICS is the industry-classification standard jointly developed by MSCI and S&P Global Market Intelligence.

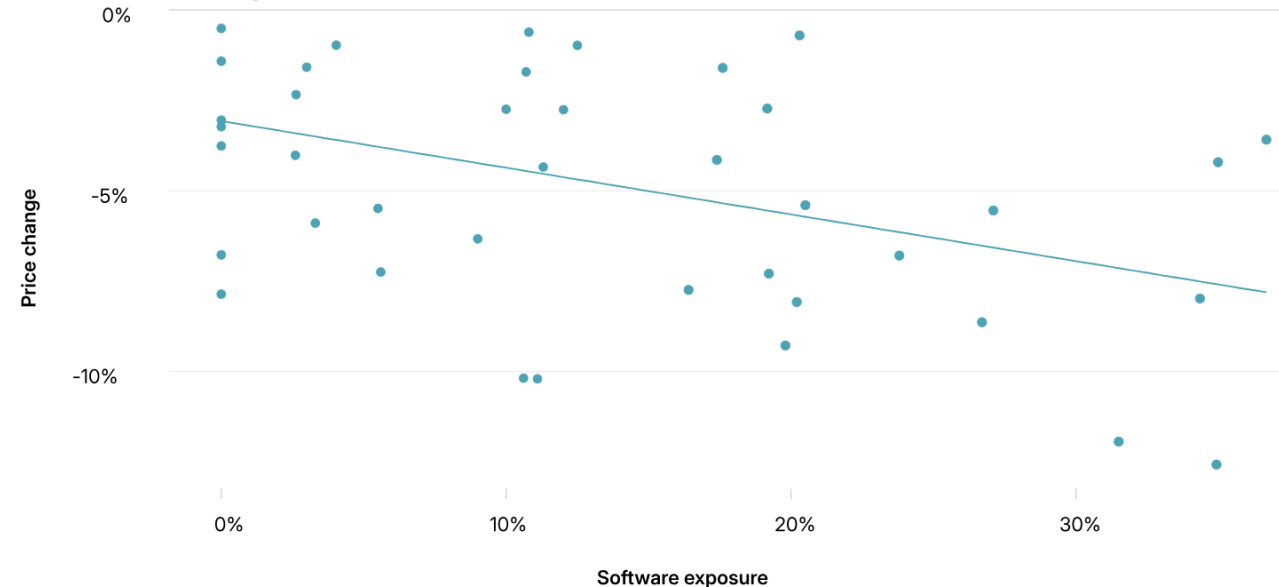
AI disruption stress-tests private credit

- The MSCI US Listed BDC Index fell 11% after Anthropic's Claude Cowork launch
- BDCs with higher exposure to software-borrowers experienced larger declines, even after accounting for leverage, implying a targeted sector repricing, not broad private-credit stress.

Publicly listed BDCs slumped after Claude Cowork announcement



Greater software exposure corresponded to larger selloffs



MSCI Research. Left Chart: Jan. 1, 2025, through March 11, 2026. The MSCI US Listed BDC Index is a total-return index of listed private-credit BDCs. Right chart: Source: U.S. Securities and Exchange Commission, MSCI Private Capital Solutions

Preview: (Private) credit stress test

Shared backdrop: elevated inflation and rates, equity selloff..

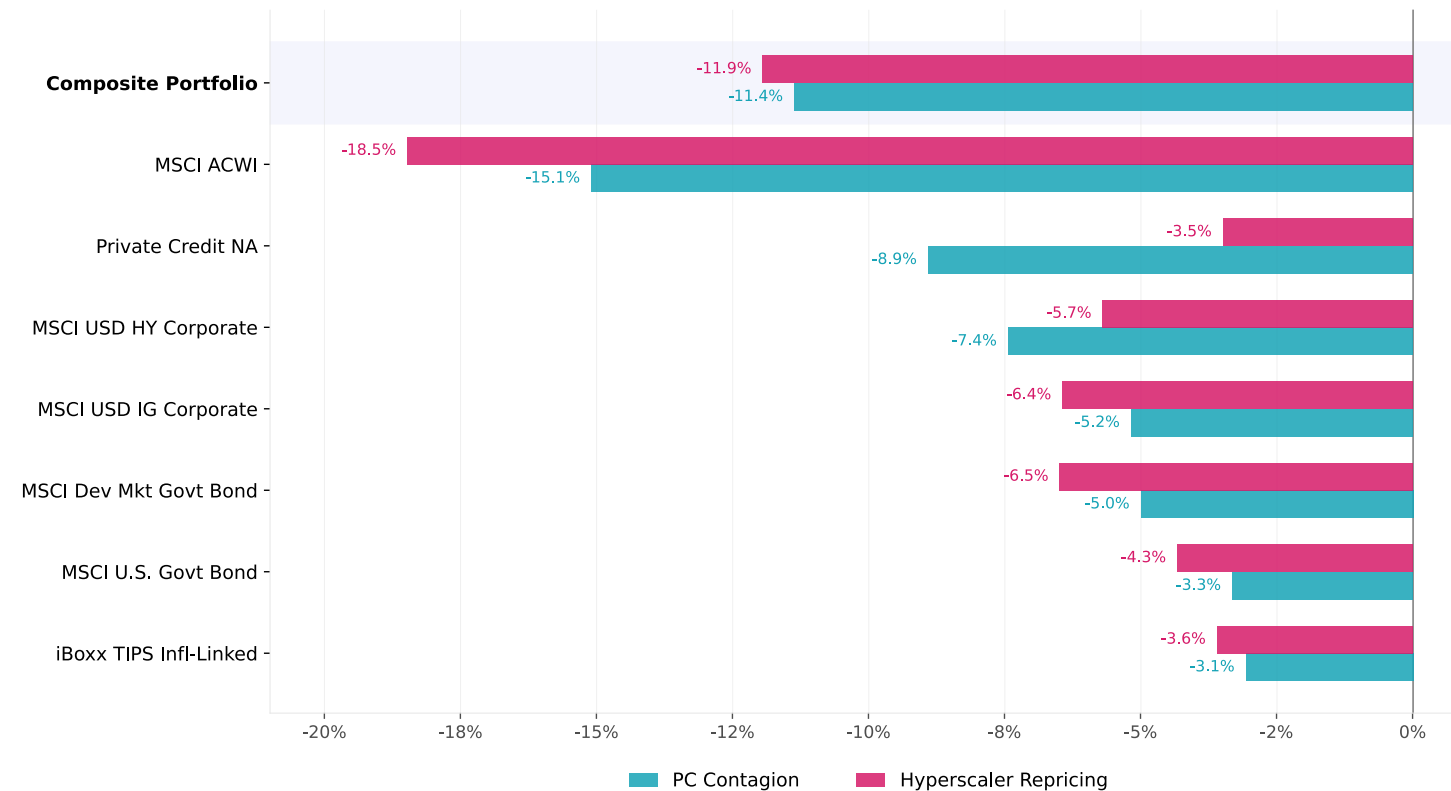
Private credit contagion scenario

- AI disrupts software borrowers in private credit
- Floating-rate burden squeezes borrowers further
- Funds gate, allocators sell liquid bonds, spreads widen on de-risking
- Financials under pressure from bank exposure to PC facilities

Hyperscaler repricing scenario

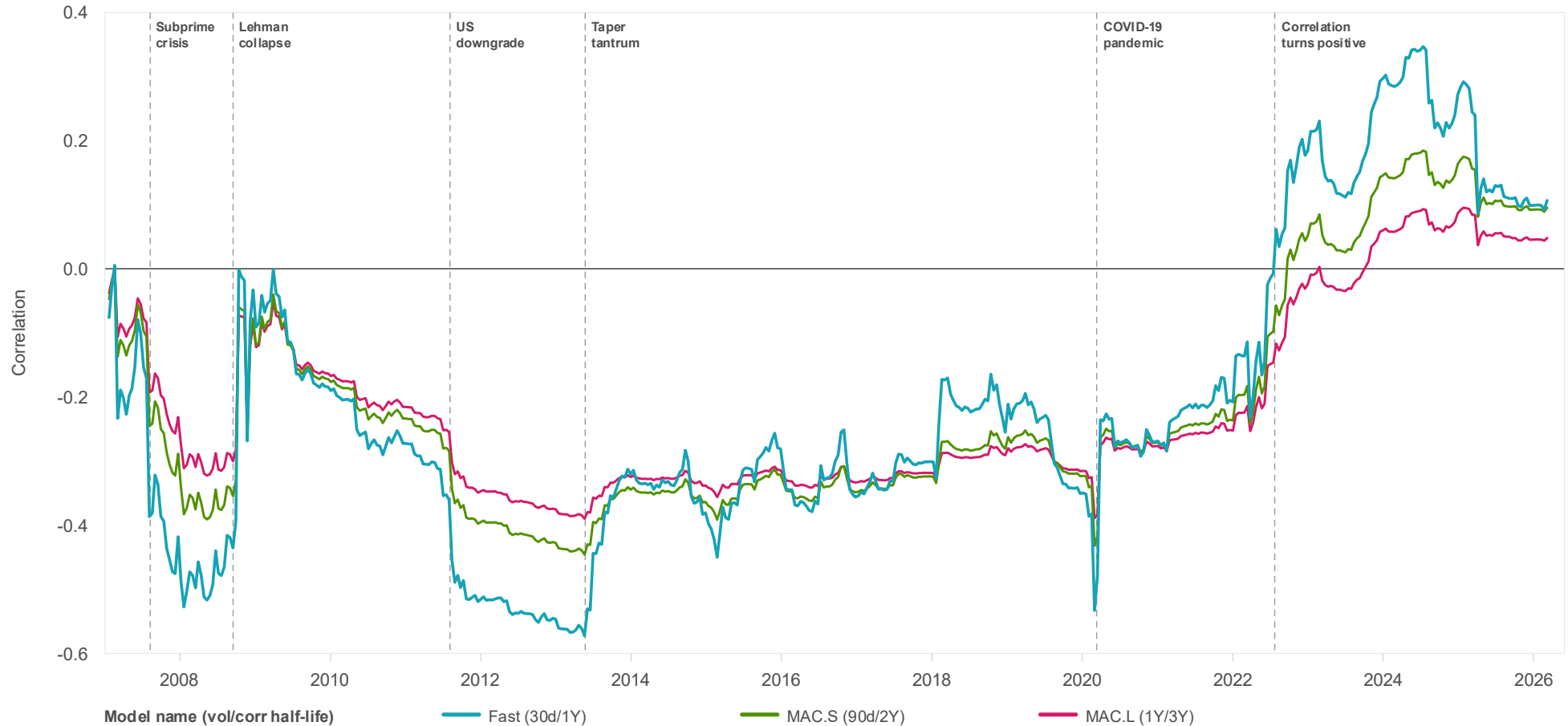
- AI capex disappoints, tech bonds reprice, IG and equity sell off
- Primary markets freeze, stressed borrowers lose access to refinancing
- Widening reflects fundamental reassessment

Two credit scenarios' impact to portfolios



Bonds no longer hedge equities

Bond-equity diversification survived multiple crises — until 2022



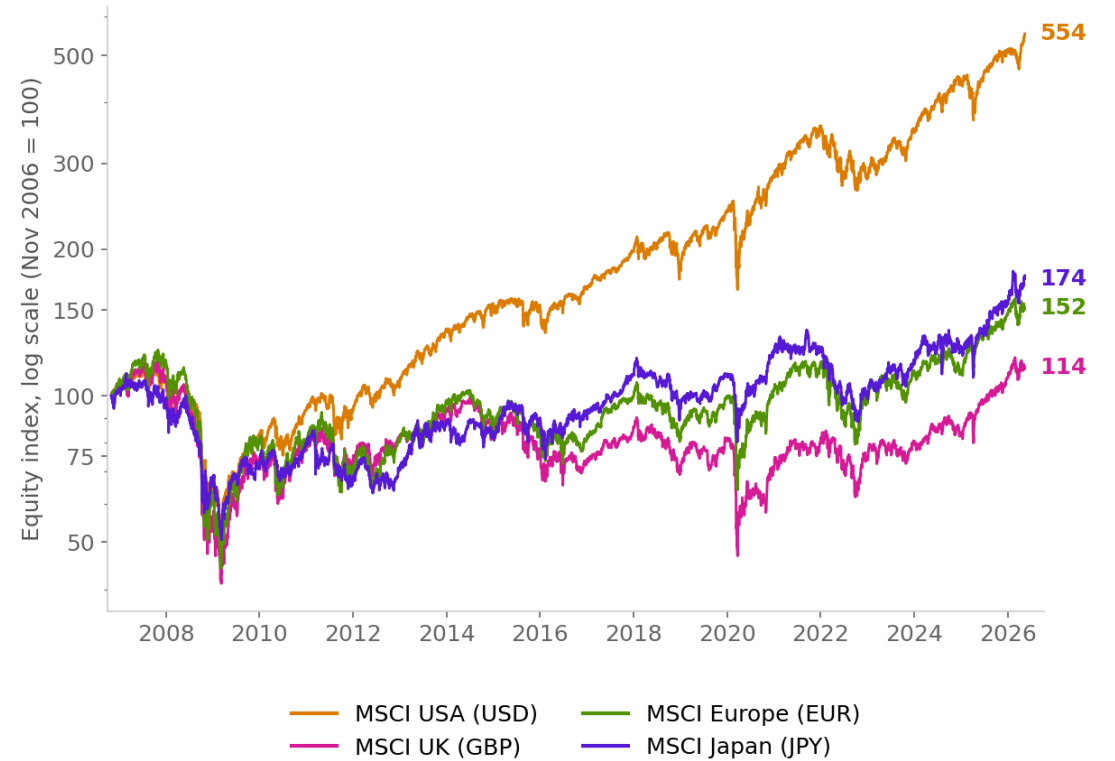
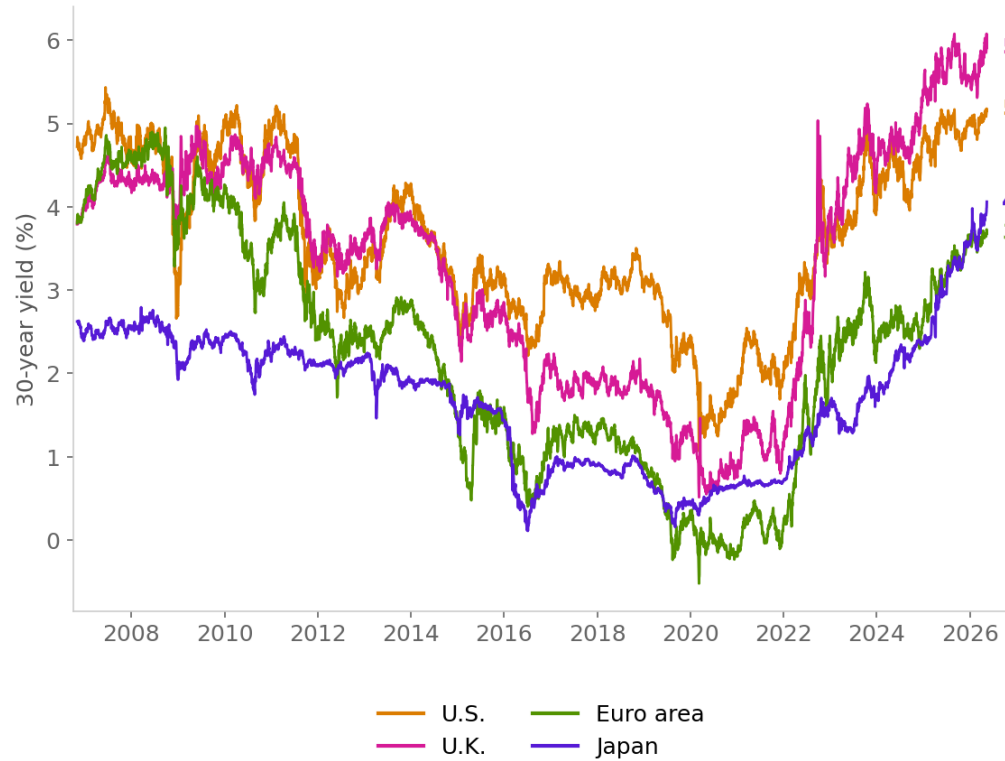
→ The negative bond-equity correlation weathered every shock from 2007 to 2020 — but persistent inflation broke it in 2022 and it has stayed positive for over three years

→ Fast-calibrated models crossed into positive territory first; when slower models followed, it confirmed the shift was structural, not transient

The new regime of higher yields

→ 30-year yields reversed a 15-year secular decline and are now back near pre-GFC levels — yet equity markets in all four regions reached new highs over the same period

Bond yields reversed course, equity markets reached new highs

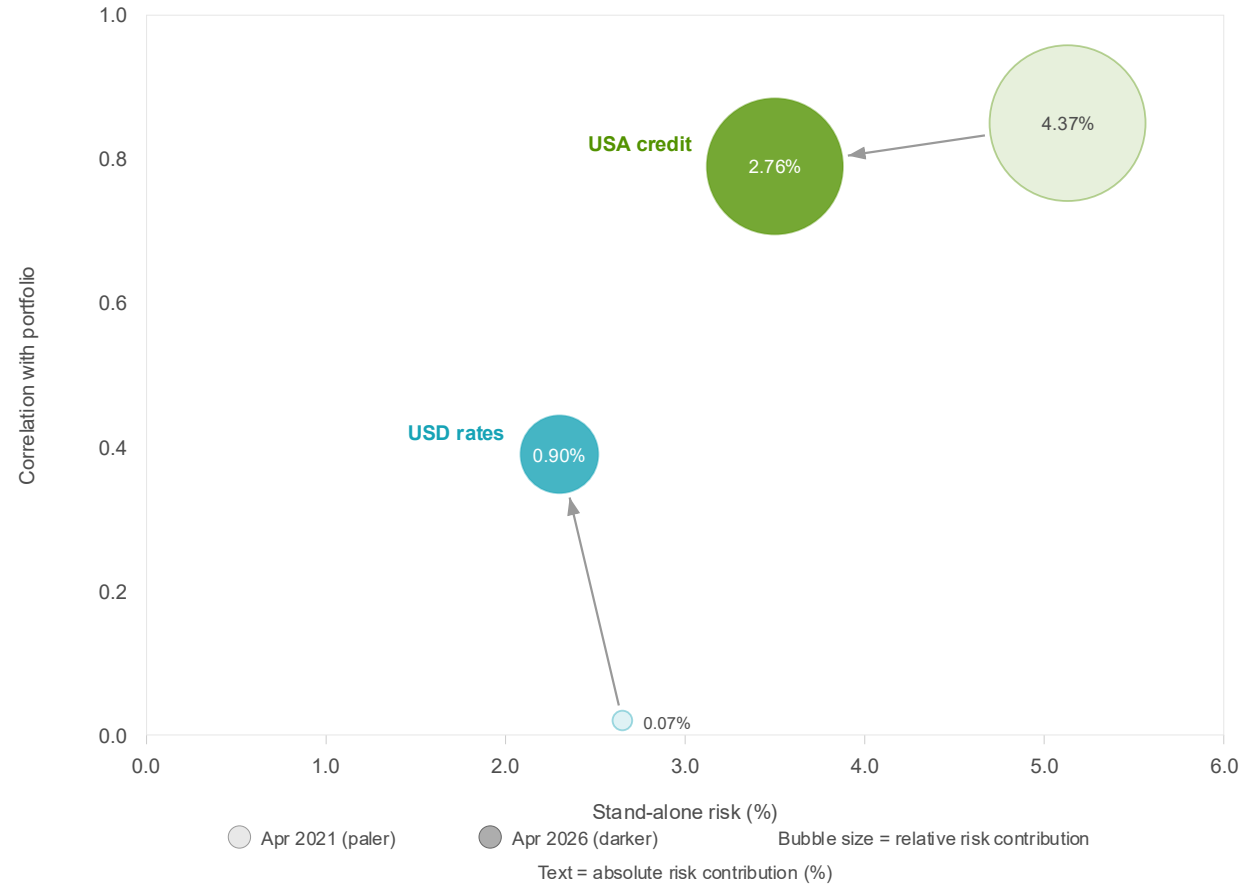


MSCI Research. 30-year zero-coupon government bond yields and MSCI equity country indexes in local currency. Nov. 1, 2006 – May 14, 2026.

Rate risk: From rounding error to major risk driver for HY bonds

- Rate risk contribution rose from 7 bps to 90 bps — mostly driven by a shift in co-movement with the portfolio, not by higher duration
- A rate hedge that added little value in 2021 may warrant reconsideration today

Rate risk now accounts for quarter of USD high-yield bond portfolio's risk



MSCI Research Risk decomposition of a USD high-yield bond portfolio into USD rates and USA credit spreads. The horizontal axis measures each factor's stand-alone risk, driven by the portfolio's sensitivity and the factor's own volatility. The vertical axis measures how closely the factor moves with the portfolio. The bubble size reflects relative risk contribution, while the text indicates absolute contribution. USD high-yield bonds are proxied by the MSCI USD High Yield Corporate Bond Index. Estimated with the MSCI Multi-Asset Class Factor Model (MAC.S calibration).

Three lenses for navigating market volatility

REAL TIME

Monitoring

What has changed?

GRANULAR

**Alternative
data**

*Where does it
concentrate?*

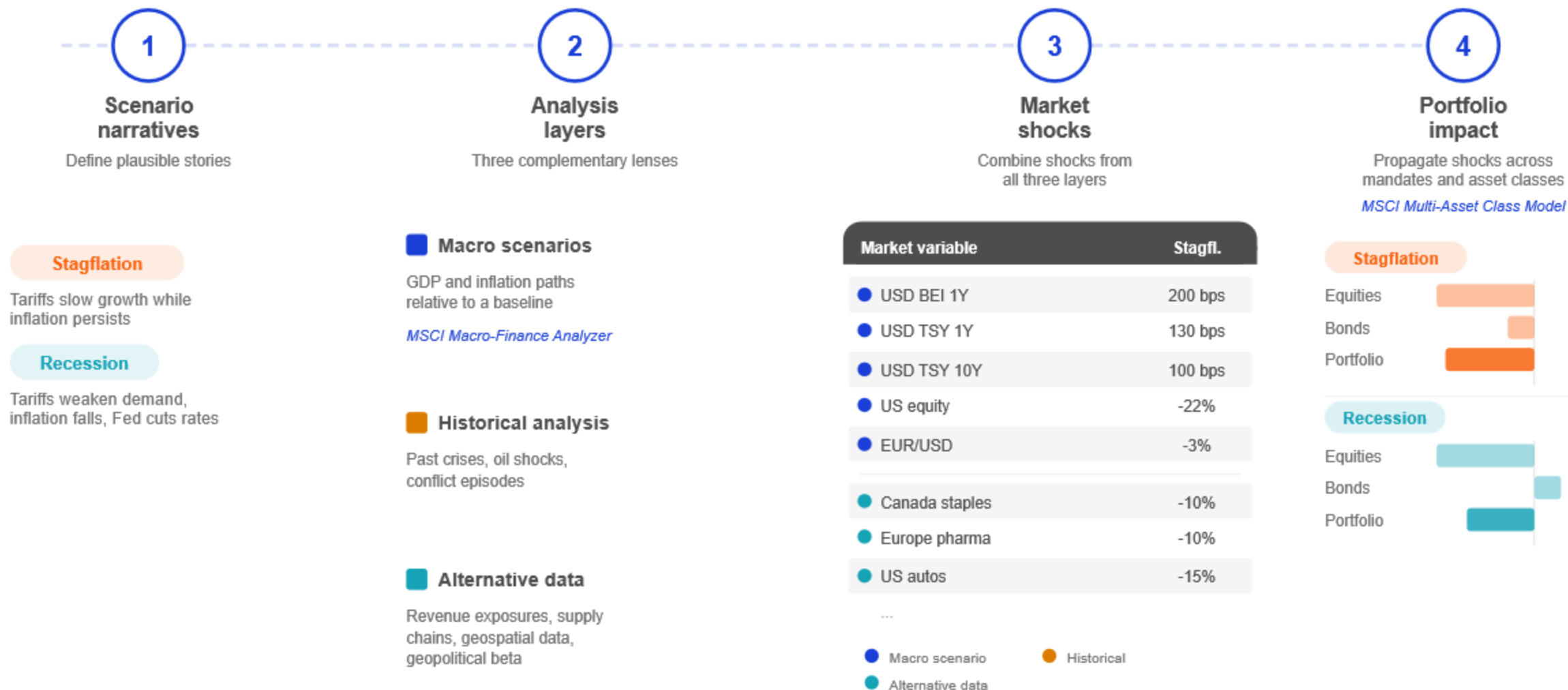
FORWARD-LOOKING

**Scenario
analysis**

*What does it mean
for portfolios?*

We apply these three lenses to the Iran war

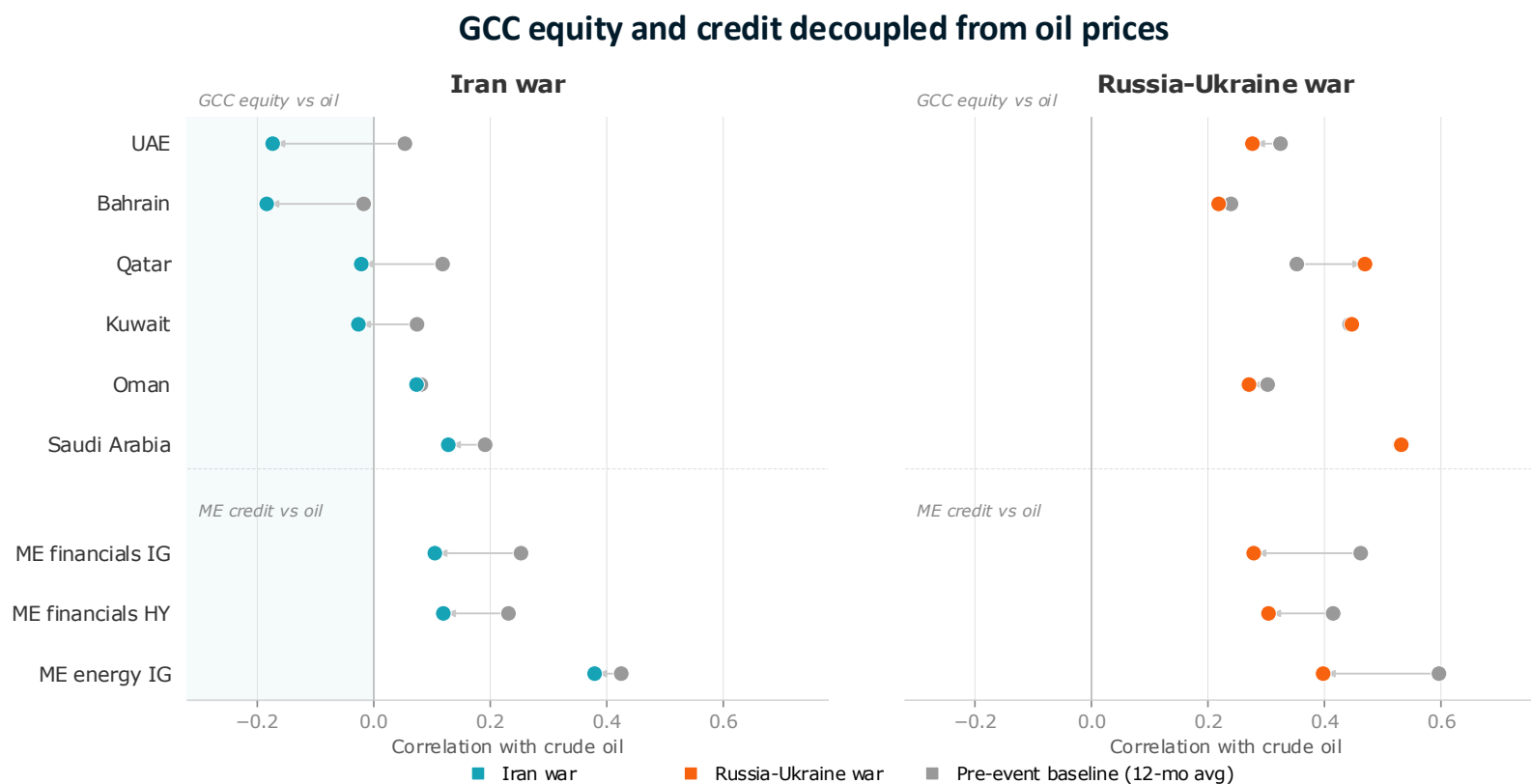
A framework to go from narrative to scenario



For more details, see: [“When regimes shift. Three Lenses for Managing Regime Shifts in Multi-Asset-Class Portfolios.”](#)

Local conflict fractured the oil-equity relationship

→ In four of six GCC countries, oil-equity correlations turned negative, the opposite of the Russia-Ukraine pattern, when rising oil lifted the region



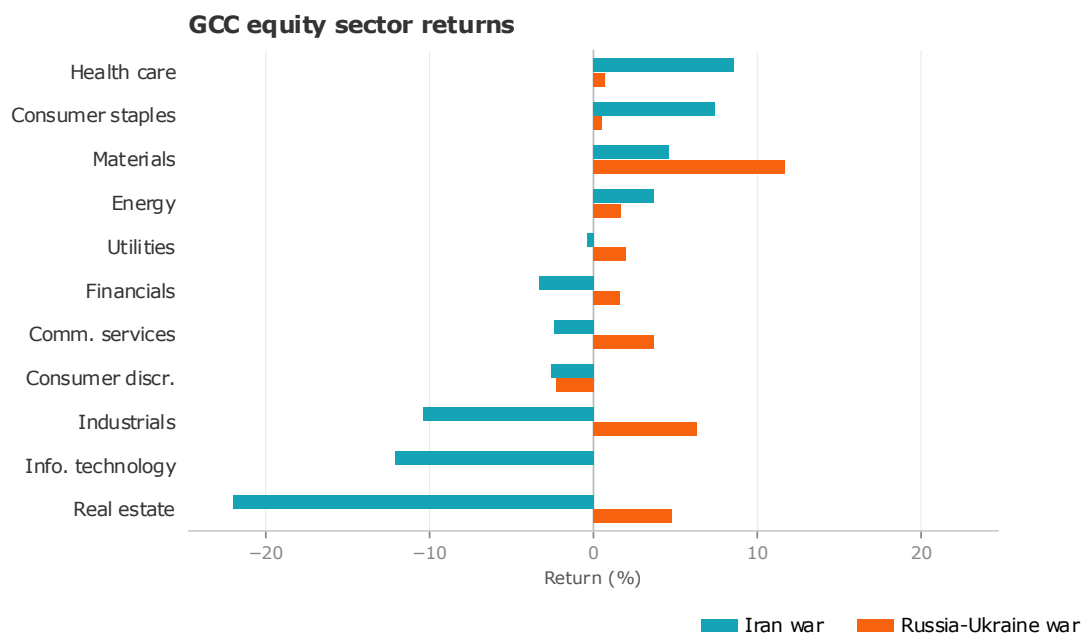
[MSCI Research](#). Correlation of GCC equity country factors and EM Middle East credit factors with crude oil. Baseline is the 12-month pre-event average; event-end is three weeks after the start of the war. A positive correlation reflects co-movement of asset prices. Correlation is estimated with a 30-day half-life for volatility and one year for correlation. Source: MSCI Multi-Asset Class Factor Model and MSCI Custom Covariance

Iran war split GCC sectors

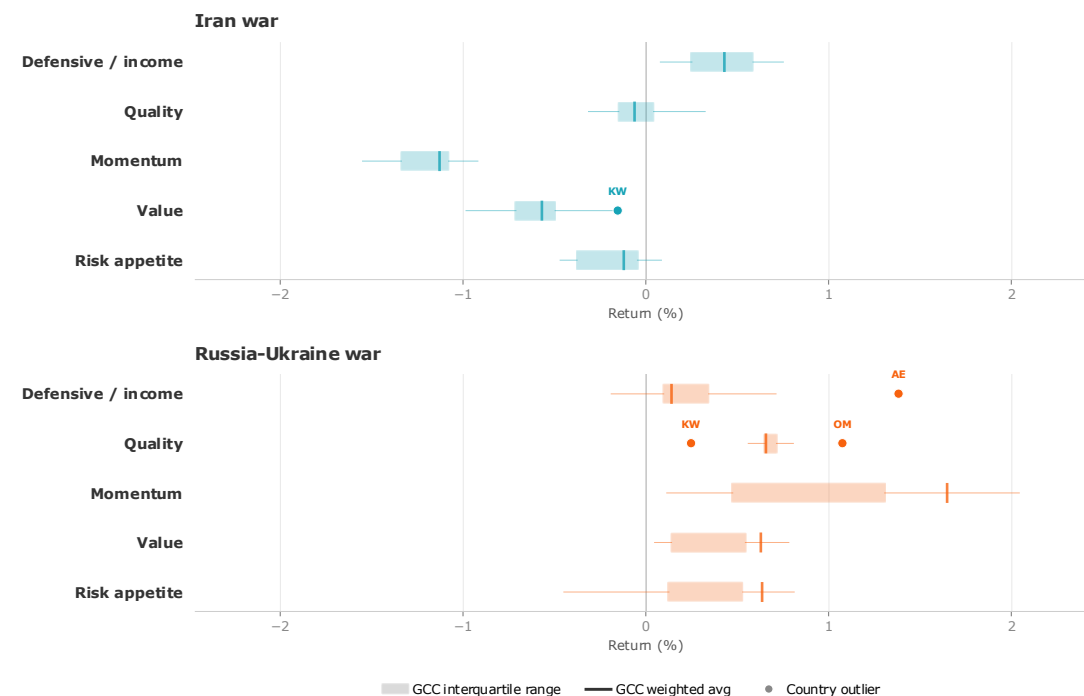
→ The initial market reaction in GCC countries was a rotation, not a blanket sell-off: Real estate, IT and industrials sold off; energy and health care held up

→ Momentum now weakest factor, while it was the strongest during Russia-Ukraine; defensive/income factors resilient

Market rotation rather than sell-off



Momentum reversed from strongest to weakest factor

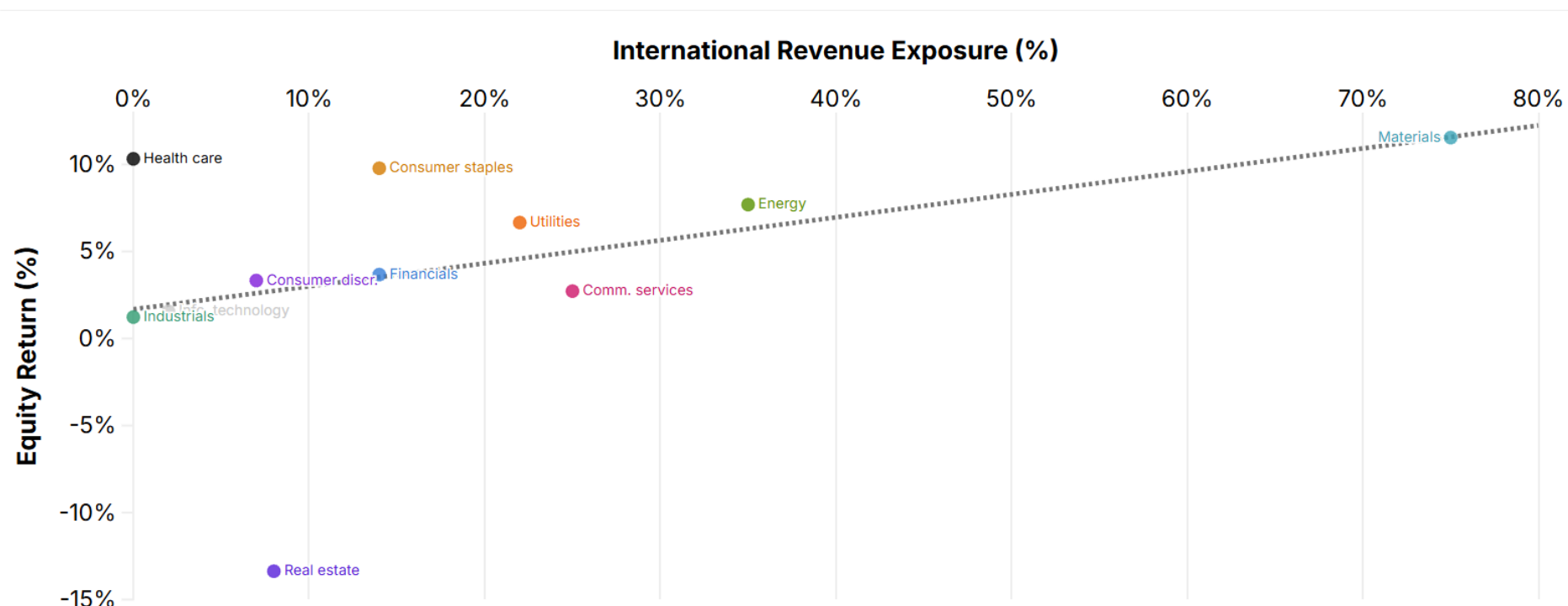


[MSCI Research](#). Left: GCC country and sector returns based on the MSCI GCC Countries Combined Index and GICS. The MSCI GCC Countries Combined Index includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE. Right: Thematic style-factor returns for the first three weeks after event onset. Box shows interquartile range across the six GCC countries. Factor returns are from the MSCI's Barra® MAC Factor Risk Model, grouped into five thematic categories. Returns measured between Feb. 23 and March 16, 2022, for the Russia-Ukraine war and between Feb. 27 and March 20, 2026, for the Iran war.

Hardest-hit sectors tended to have least international revenue

- About 80% of GCC equity revenue is domestic: Sectors with the smallest international footprint tended to take the biggest hit
- Revenue data turned the monitoring signal into an actionable explanation

Revenue exposure explained the sector dispersion in GCC equities



MSCI Research_MSCI Index data, Equity return based on GCC Countries combined index performance between Feb 27 - April 16. International revenue exposure as of Feb 27, 2026. Past performance is not indicative of future results.

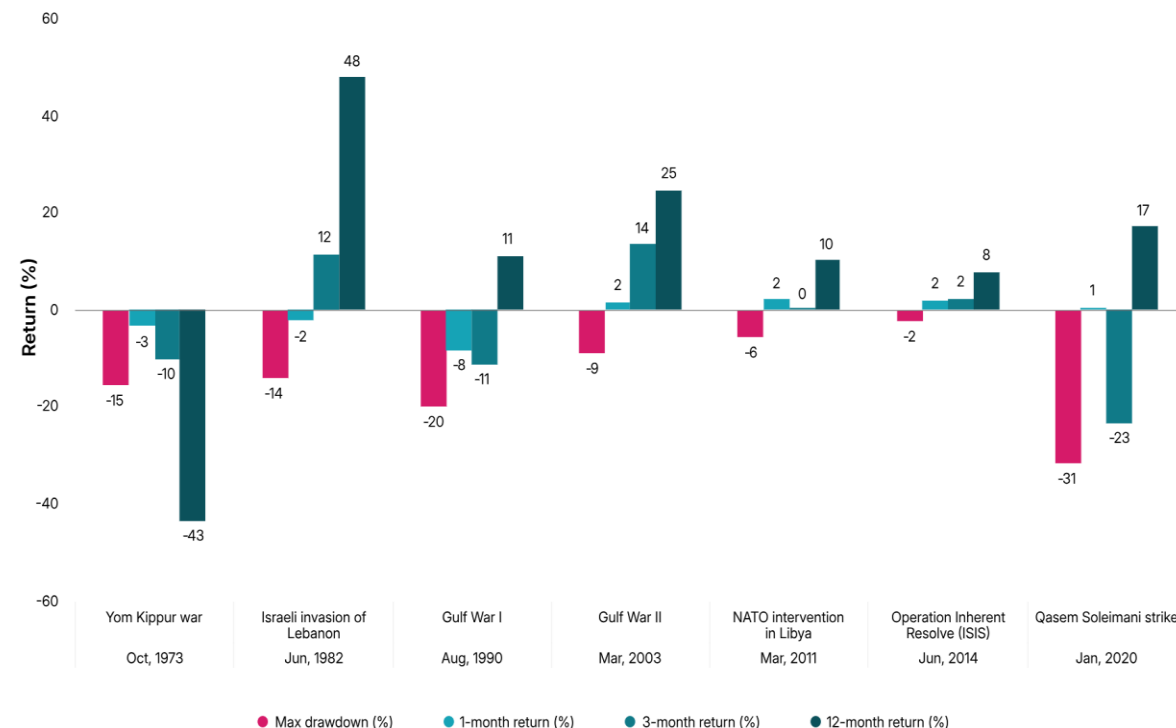
Middle East conflicts through a historical lens

→ Six of seven conflicts saw equity recovery within 12 months. The exception was 1973, when the oil price shock exacerbated stagflation

Oil-price surges tended to fade after Middle East events we identified



US equity markets often recovered within the year or sooner

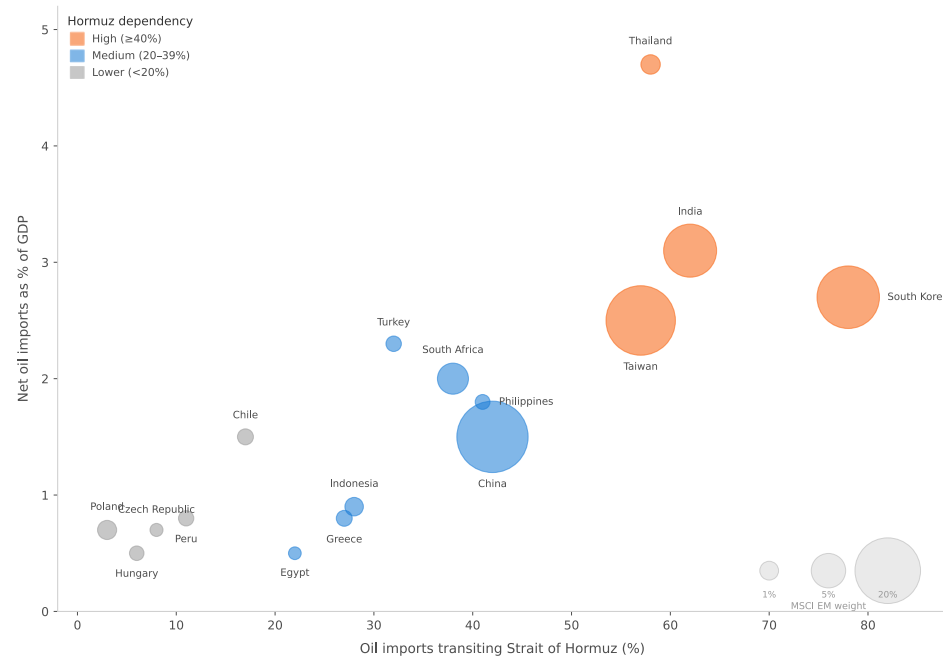


MSCI Research. Based on Crude oil prices: West Texas Intermediate, Consumer Price Index for All Urban Consumers: All Items in U.S. City Average and the MSCI USA Index. Source: U.S. Energy Information Administration and U.S. Bureau of Labor Statistics retrieved from FRED, Federal Reserve Bank of St. Louis, MSCI. Data between Jan. 1970 and June 2025.

Supply-chain exposure traces the shock beyond the Gulf

→ China, Korea, India and Taiwan — the four largest EM constituents — are the most oil-import dependent. Asian petrochemicals, utilities and manufacturing face first-order disruption through Hormuz

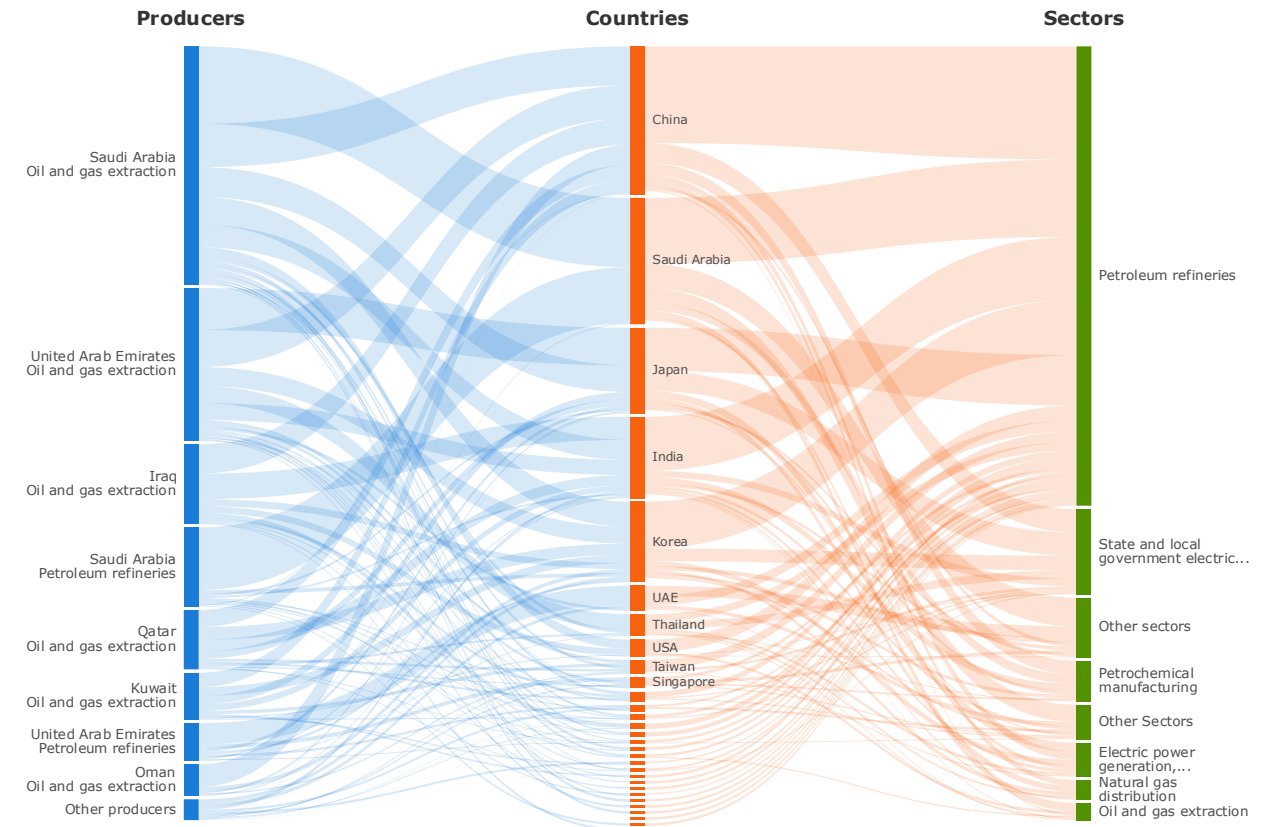
EM Asia's largest index constituents are the most exposed



[MSCI Research](#). Left: Data as of 2024-2025. Bubble size equals MSCI EM Index weight as of Feb. 27, 2026. EIA estimates that 84% of the crude oil and condensate and 83% of the liquefied natural gas that moved through the Strait of Hormuz went to Asian markets in 2024. Source: IEA, EIA, IMF, Nomura. Right: Data as of Feb. 27, 2026. The left side shows the source — oil and gas extraction and petroleum-refining capacity concentrated in Iran, Iraq and GCC countries; the middle shows destination markets; the right side shows industries within those economies facing first-order exposure. Nodes and flows represent estimated share of input or output. Hover over the nodes to highlight the connected links. Based on MSCI supply-chain data.



Gulf oil flows through the Strait of Hormuz to Asia-Pacific industries



Oil-driven stagflation left few places to hide across asset classes

→ All three lenses feed into the scenario. The P&L shows why stagflation is the worst case: bonds amplify equity losses instead of cushioning them

Scenario assumptions

MARKET VARIABLE	SHOCK	SOURCE
RATES & INFLATION		
USD BEI 1Y <small>1-year breakeven inflation</small>	+150 bps	● Macro-finance model
USD TSY 1Y <small>1-year Treasury yield</small>	+130 bps	● Macro-finance model
USD TSY 10Y <small>10-year Treasury yield</small>	+100 bps	● Macro-finance model
EQUITY & FX		
US equity	-12%	● Macro-finance model
Europe equity	-16%	● Supply-chain analysis ● Historical analysis
EM equity	-20%	● Supply-chain analysis ● Historical analysis
GCC equity	-15%	● Supply-chain analysis ● Historical analysis
EUR/USD	-3%	● Macro-finance model
COMMODITIES & CREDIT		
Oil (WTI)	+20%	● Macro-finance model
ME spread shock <small>Sovereign spread widening</small>	+45%	● Historical analysis ● Supply-chain analysis

● Macro-finance model ● Historical analysis ● Supply-chain analysis

Little place to hide under the Iran scenario

P&L CONTRIBUTION OF SHOCKS

	P&L	EQUITY	RATES	OIL	OTHER
MSCI ACWI	-16%	-14%	-1%	0%	-1%
ACWI Energy	+3%	-8%	+1%	+7%	+2%
DM Gov Bonds	-8%	0%	-6%	0%	-1%
USD Gov Bonds	-6%	0%	-6%	0%	0%
USD IG Bonds	-8%	-1%	-6%	0%	-1%

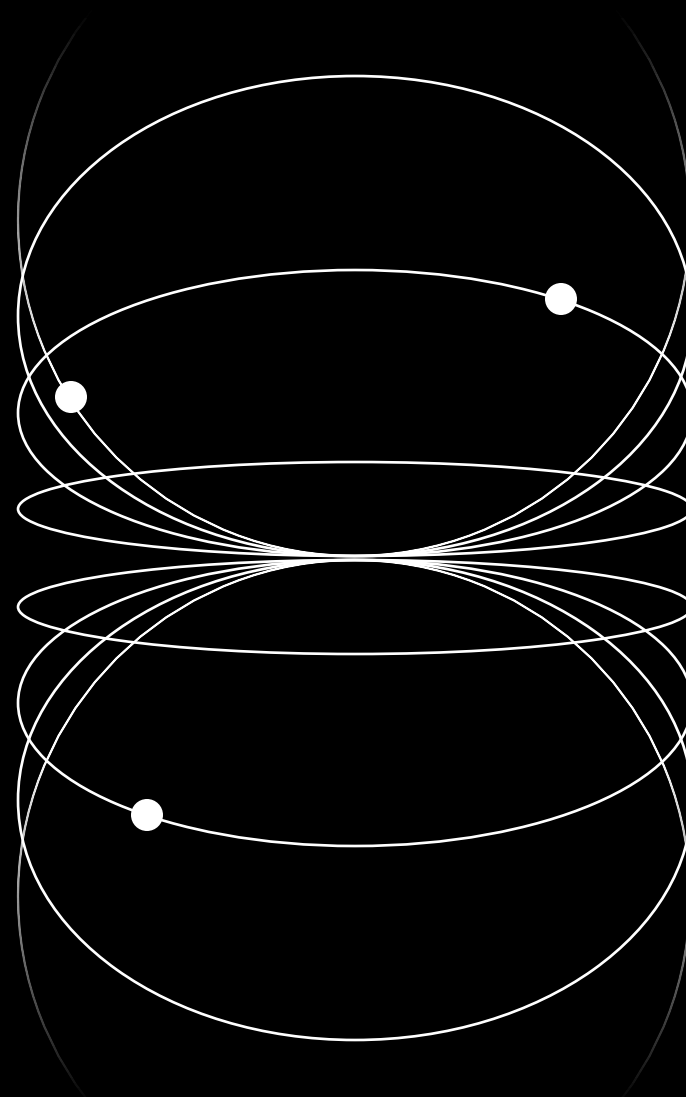


Positioning Portfolios for the Next Cycle

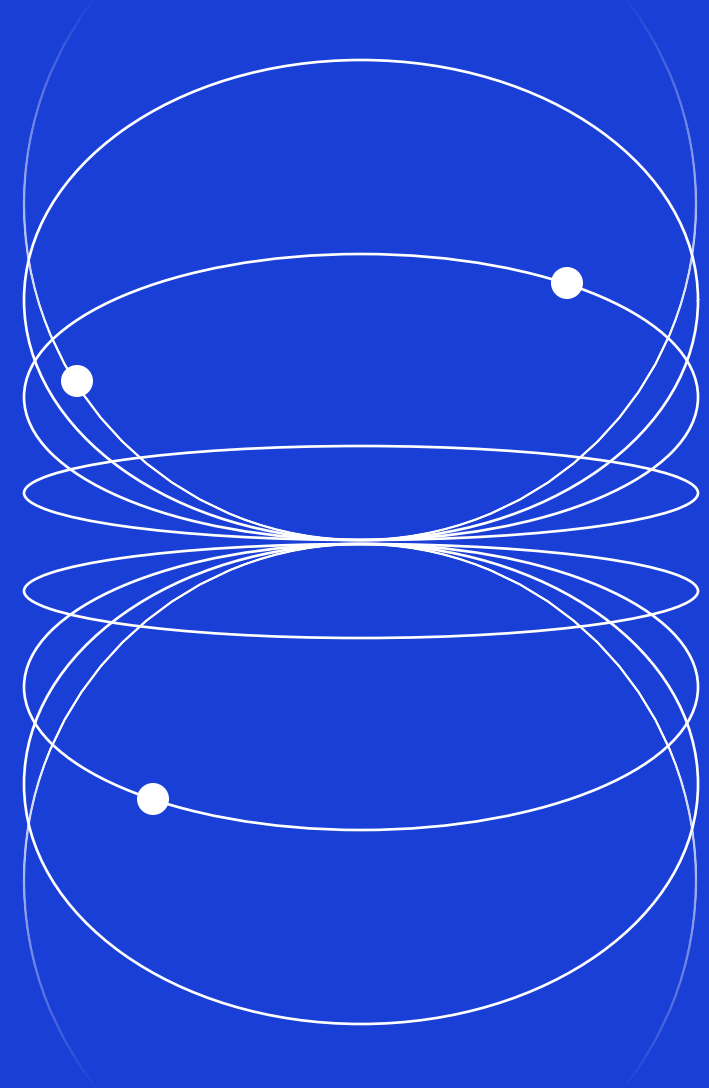
Fotios Kassianidis, PhD

EMEA Head of MSCI Indexed Investments & Solutions (IIS)

June 2026



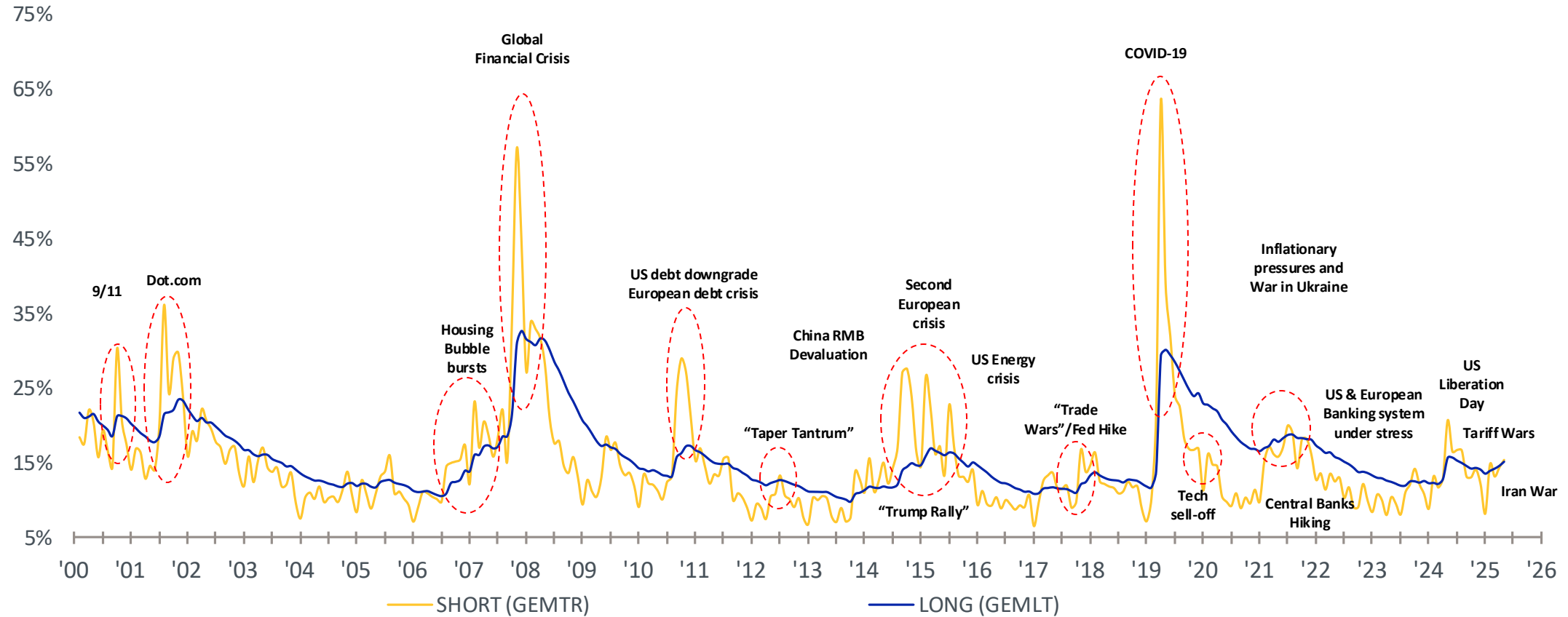
Market overview



Overview → Global risks remain persistently elevated

Risk and uncertainty in the global economy have remained elevated through 2025 and into 2026.

Ex-Ante Volatility of MSCI ACWI IMI Index (EUR)



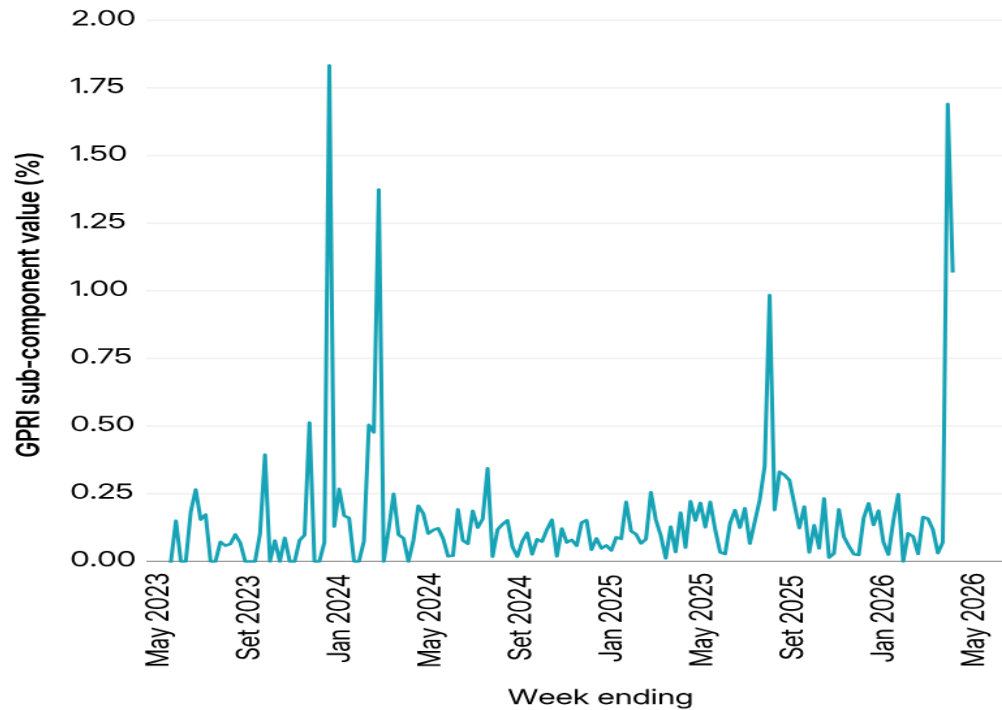
Period: 31st Dec 2000 to 30th Apr 2026

Source: MSCI, based on **MSCI Barra GEMLT & GEMTR Risk Model** and quoted in **EUR**

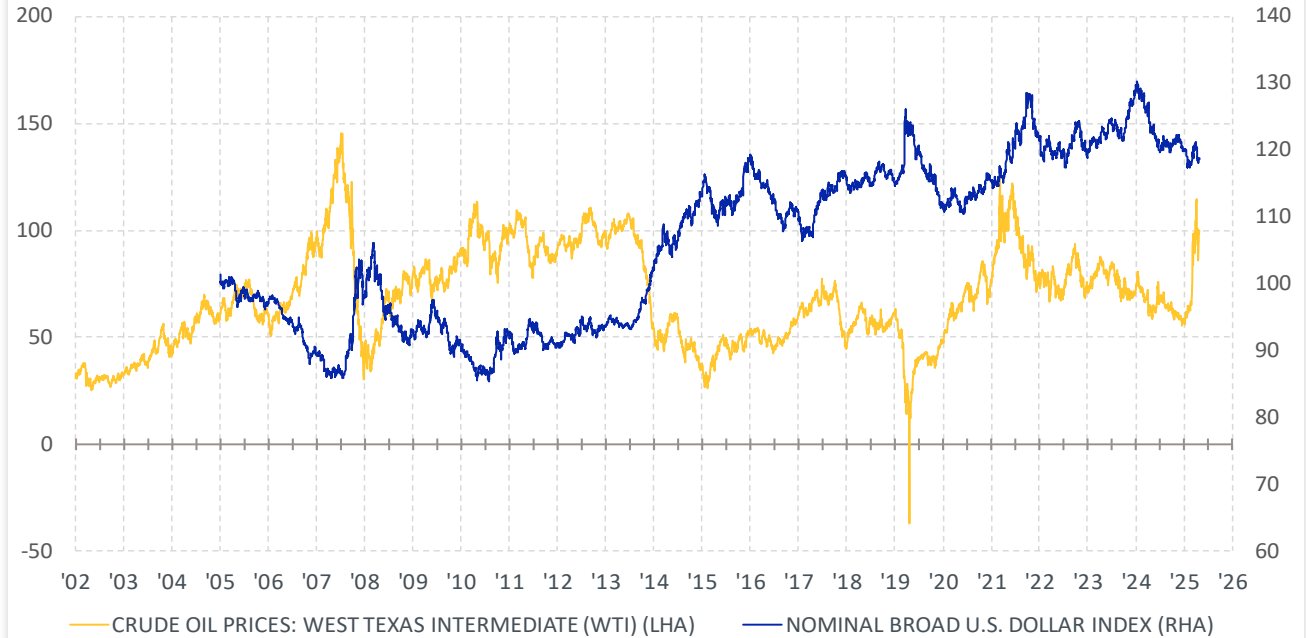
Overview → Geopolitics, oil and USD dynamics

Emerging risks for global investors: Iran conflict, oil price shock, credit tightening and USD weakness.

Cross-border conflict & military tension (CBCMT)



Oil Futures and USD Strength



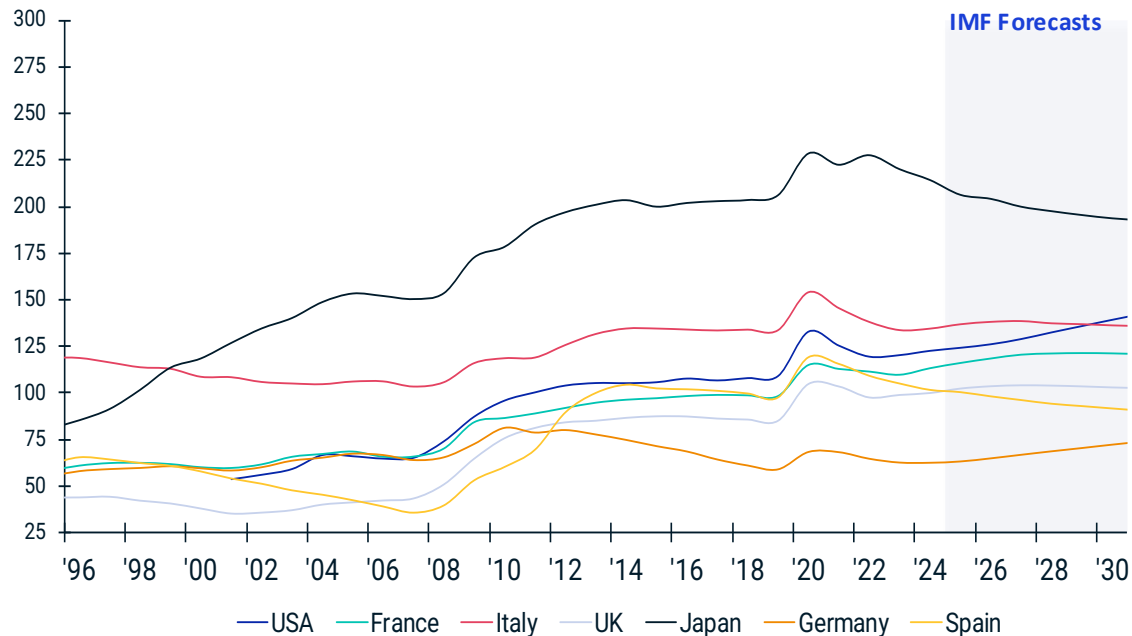
Source: MSCI, FRED

[MSCI's LLM-based geopolitical-risk indicator](#) seeks to capture geopolitical stress in real time, distinguishing between risk drivers with different transmission mechanisms.

Overview → Elevated sovereign debt and subdued growth

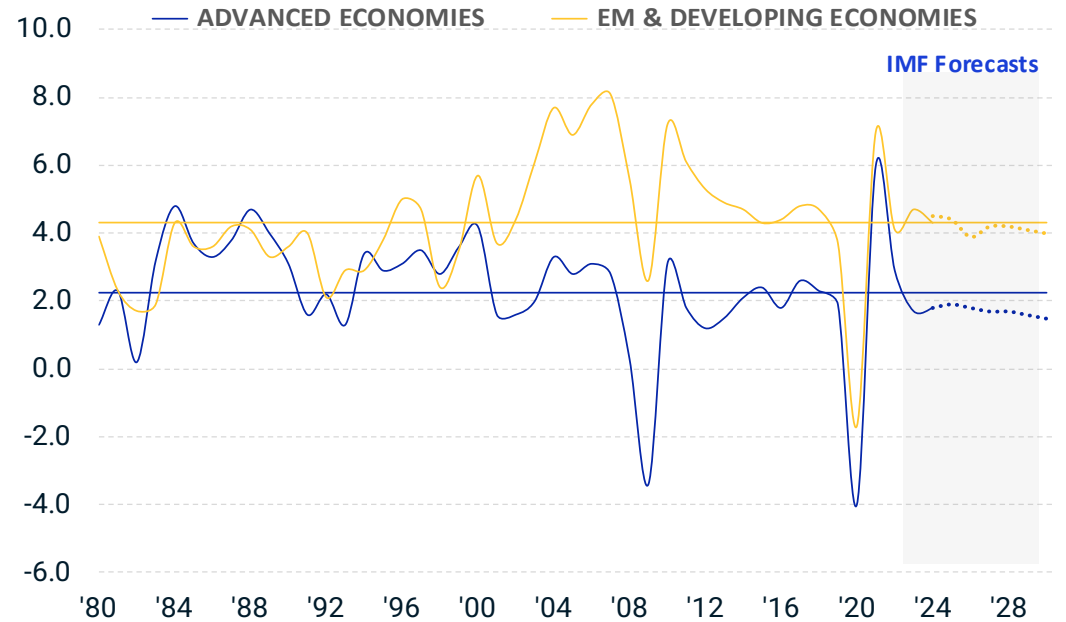
Macroeconomic conditions have shown limited improvement, with persistently high debt levels and subdued growth.

General Government Debt as % of GDP for Selected OECD Countries



Source: IMF, Fiscal Monitor (April 2026)

Real GDP Growth (Annual % Change)



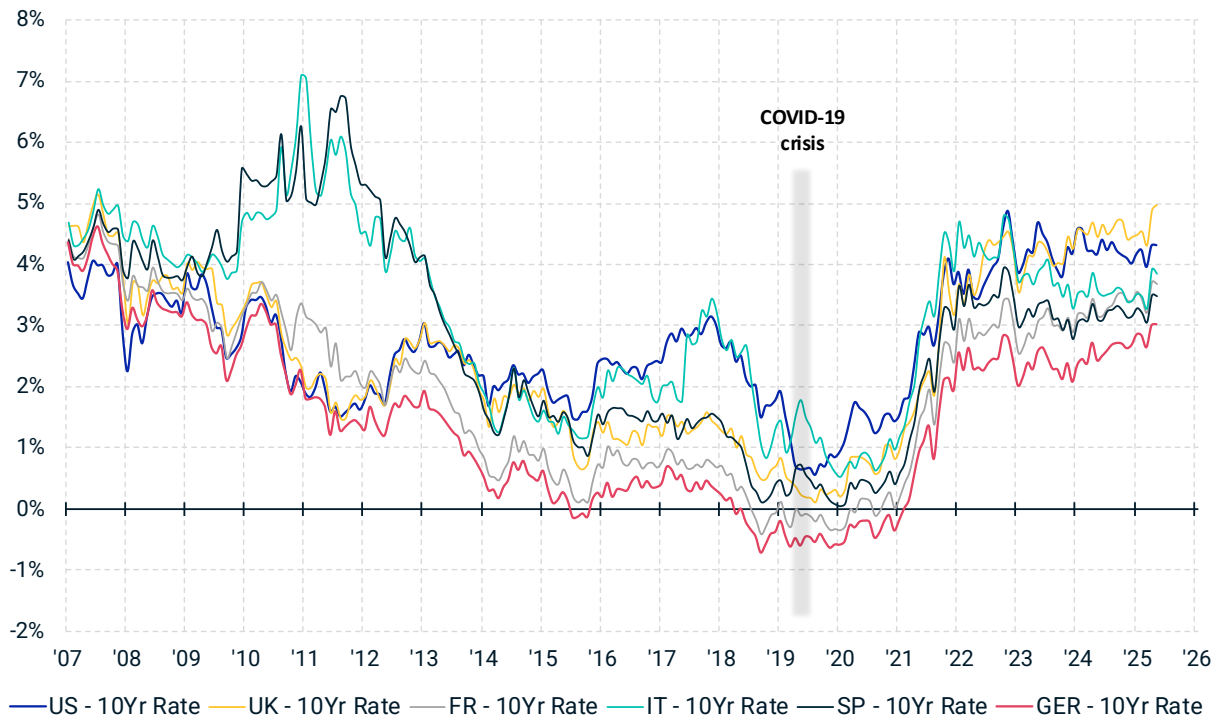
Source: IMF, Global Economic Outlook (April 2026)

Government Debt is calculated as the sum of the following liability categories (as applicable): currency and deposits; debt securities, loans; insurance, pensions and standardised guarantee schemes, and other accounts payable.

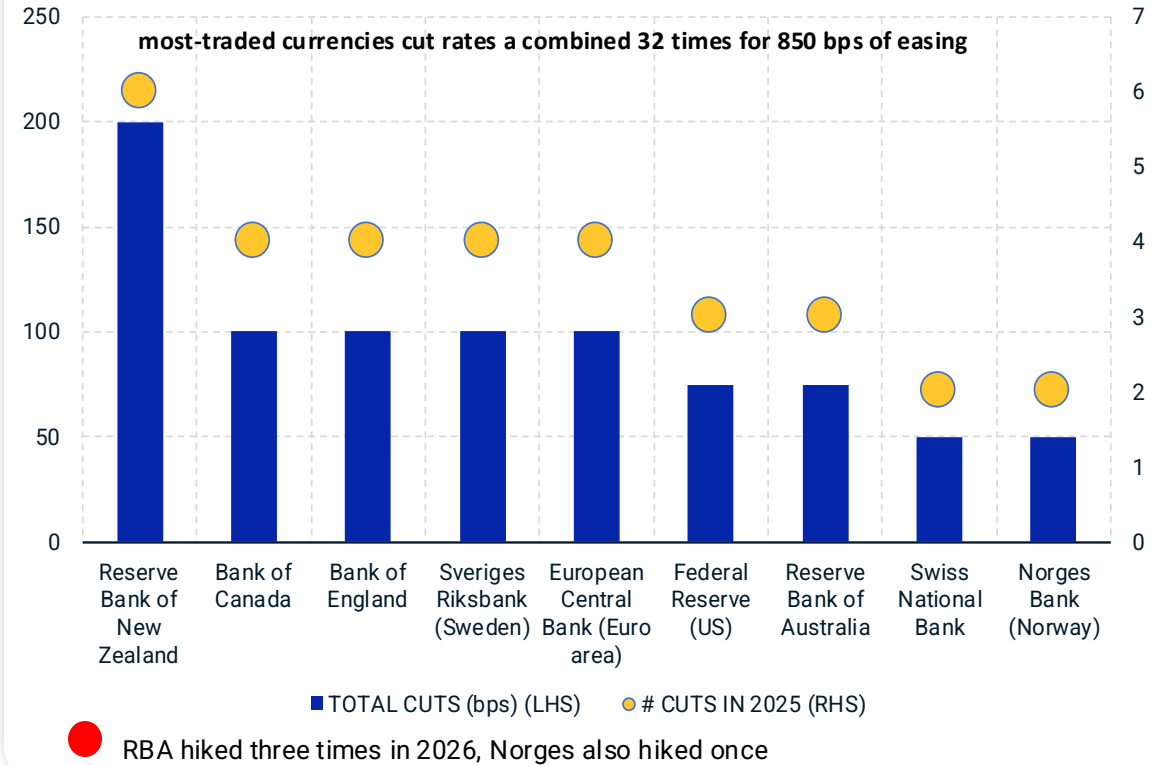
Overview → Cost of capital remains high despite the rate-cut cycle

Debt servicing costs and the cost of capital have remained elevated despite the 2025 rate-cut cycle.

10 Yr Government Rates for Selected Developed Markets (%)



G10 ex JPN central banks that cut in 2025



Period: 31st Dec 2007 to 30th Apr 2026

Source: FRED, St. Louis Economic Research, Bank for International Settlements, BIS WS_CBPOL daily policy-rate dataset

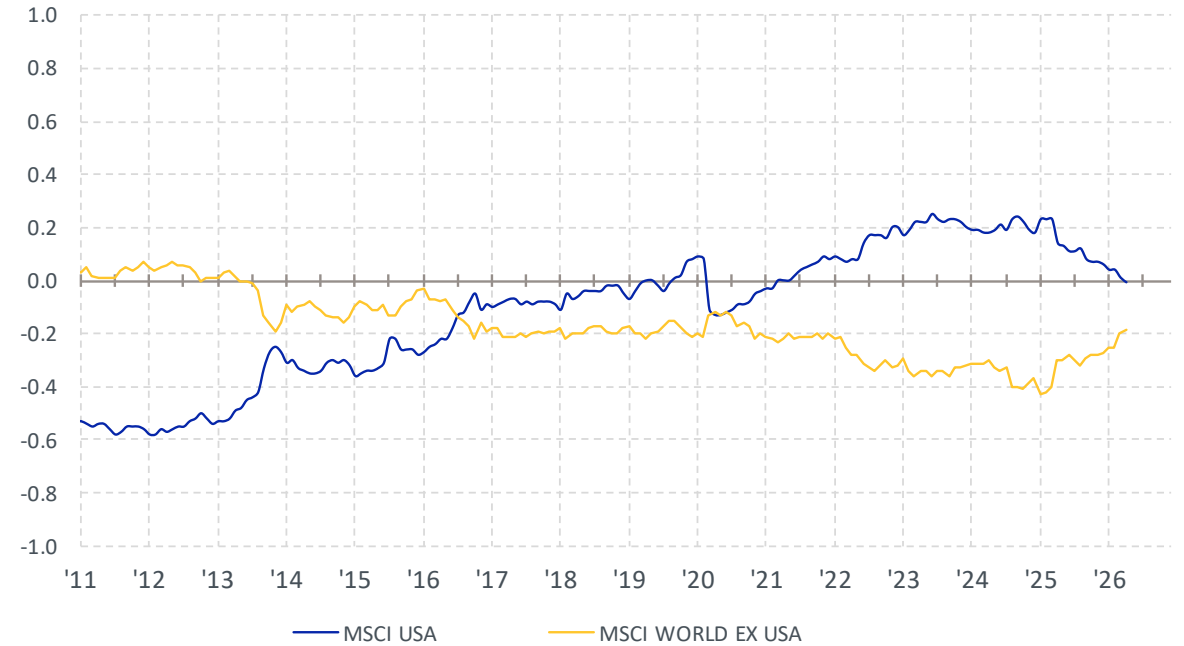
Overview → Impact of rate cuts on equity duration

Rate cuts supported valuation multiples, with the strongest impact on long-duration equities (tech/growth).

1Yr US Interest Rate Sensitivity



10Yr US Interest Rate Sensitivity



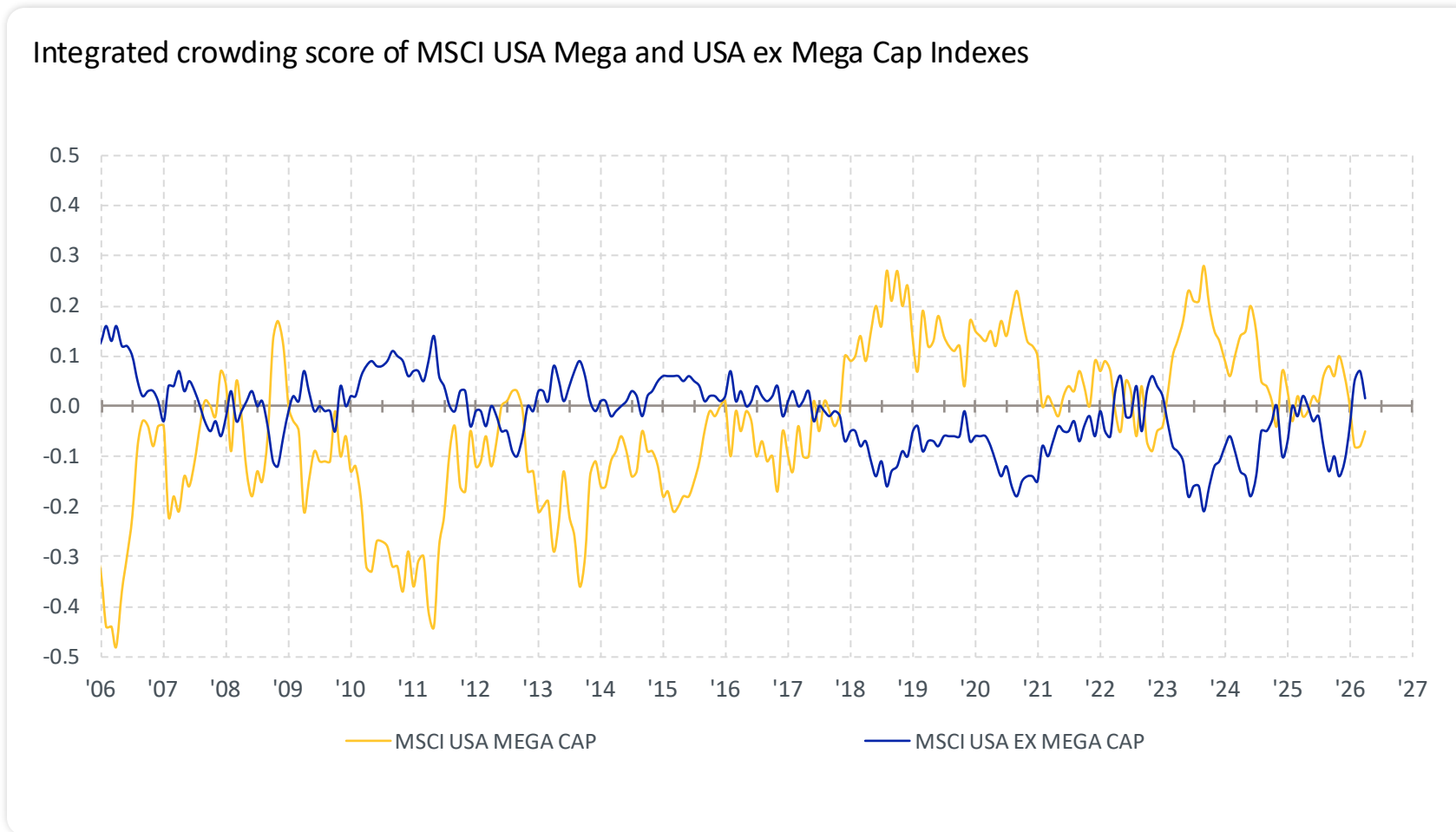
Rates Exposure	When Yield Falls	When Yield Rises	Interpretation
Positive	Residual return ↑	Residual return ↓	Long duration-like behaviour
Negative	Residual return ↓	Residual return ↑	Short duration-like behaviour

Period: 31st Jan 2011 to 30th Apr 2026

Source: MSCI FactoLab. Interest Rate Sensitivities are calculated by regressing asset CAPM residual returns against the returns of a hypothetical 1-year and 10-year zero-coupon bond that is based on the USD 1-year and 10-year key rate duration factor in the MSCI MAC model.

Overview → Crowding in U.S. mega caps has eased

MSCI's crowding model suggests that prior crowding and associated tail risks in U.S. mega caps have eased.

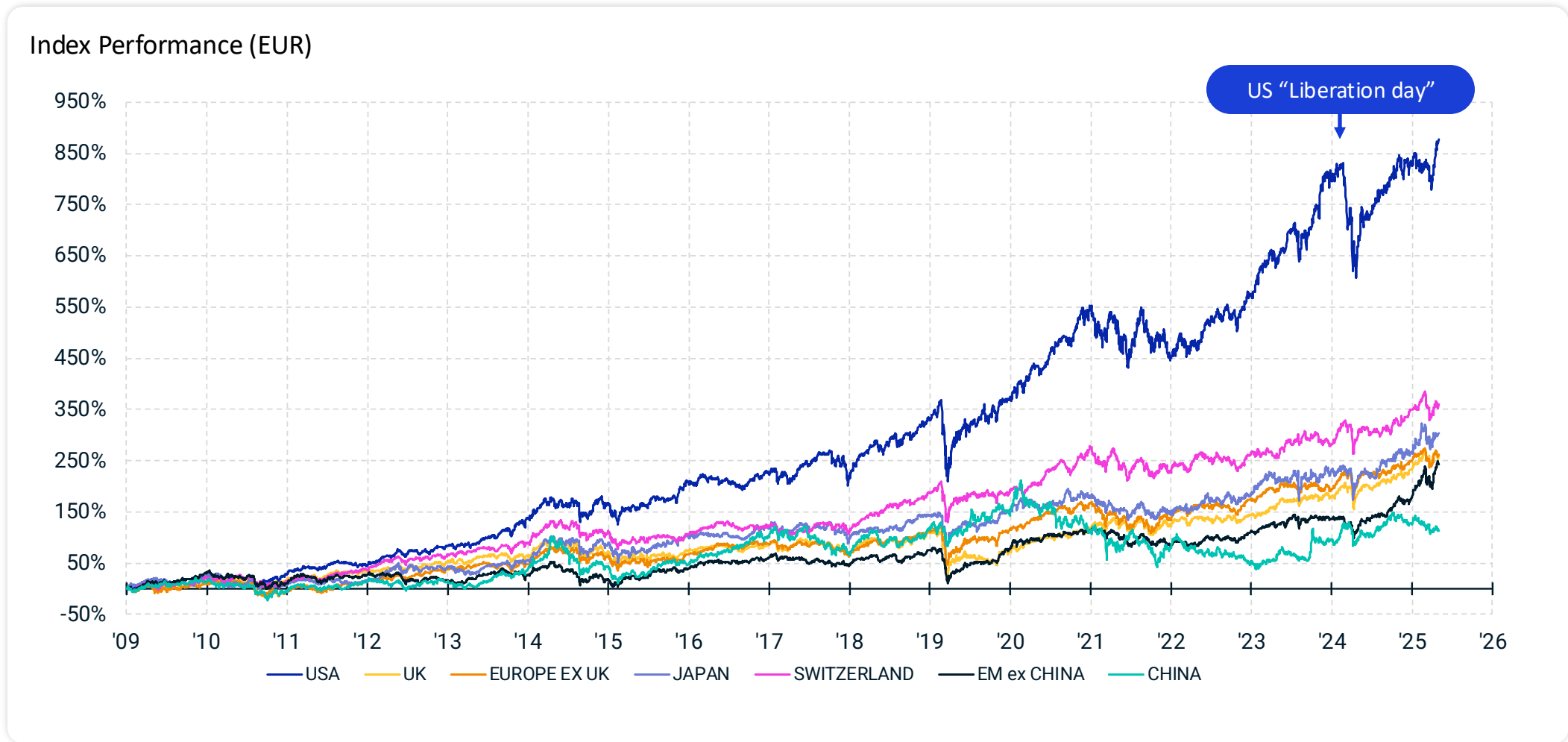


Period: 31st Jan 2011 to 30th Apr 2026

Source: MSCI FactoLab. Interest Rate Sensitivities are calculated by regressing asset CAPM residual returns against the returns of a hypothetical 1-year and 10-year zero-coupon bond that is based on the USD 1-year and 10-year key rate duration factor in the MSCI MAC model.

Overview → Equity Markets on the rise

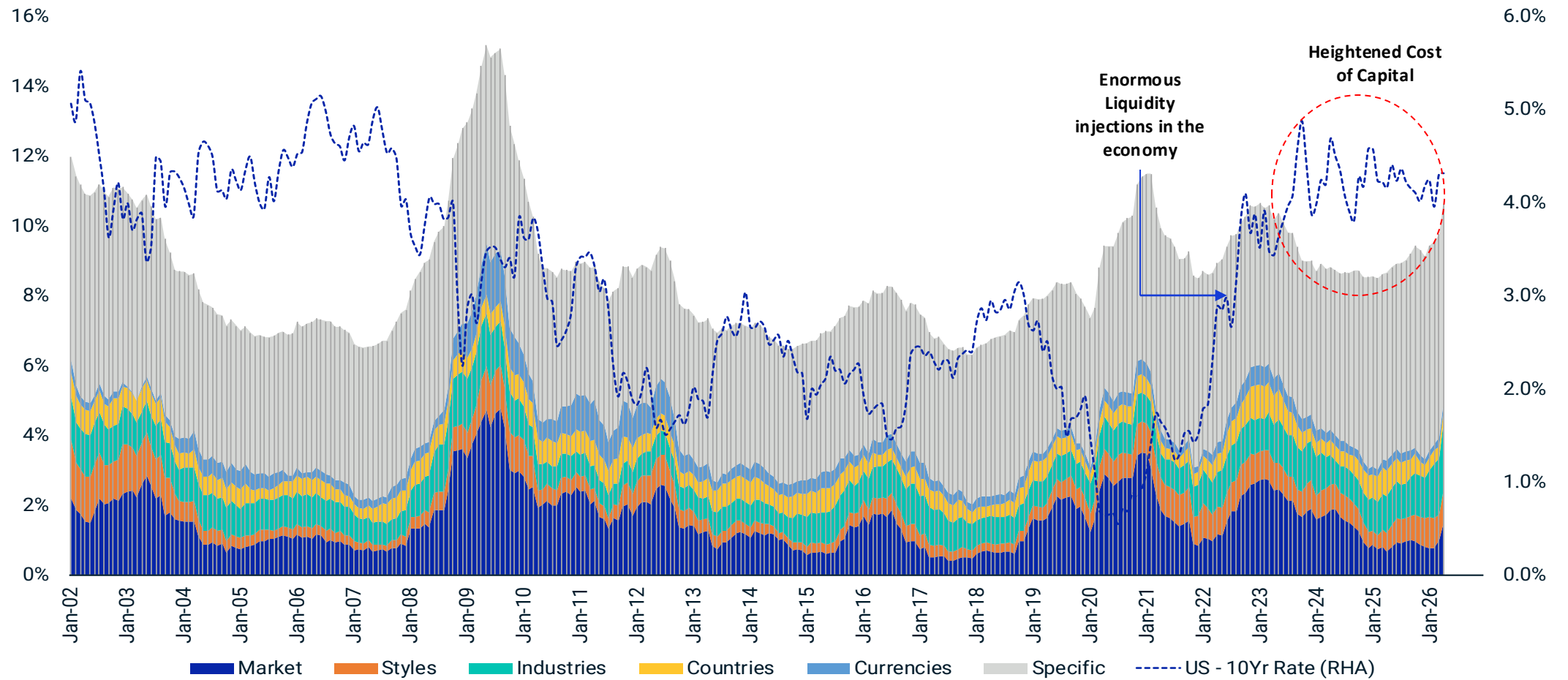
And Equity markets continued to rise at an impressive pace.



Overview → Global economy in “non-cyclical” regime

At the same time, the post-COVID era redefined the investment paradigm.

Cross Sectional Volatility (%) of MSCI ACWI IMI (USD) vs US 10 Yr Government Rates



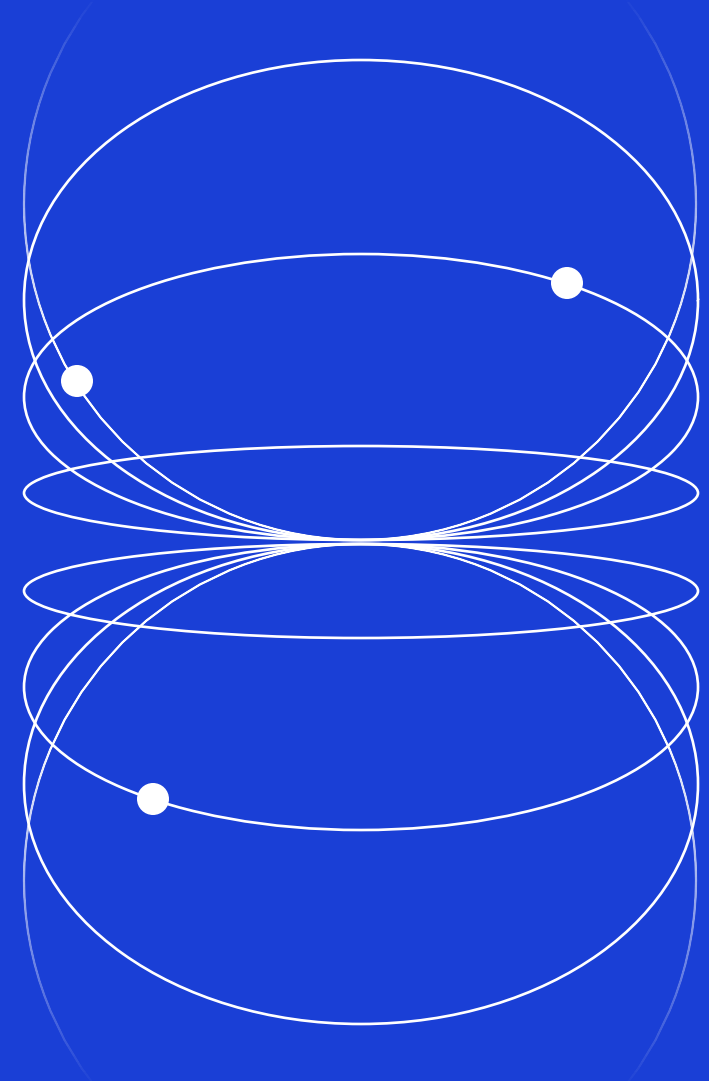
Period: 31st Jan 2001 to 30th Apr 2026

Source: MSCI, FRED, St. Louis Economic Research

Information Classification: GENERAL

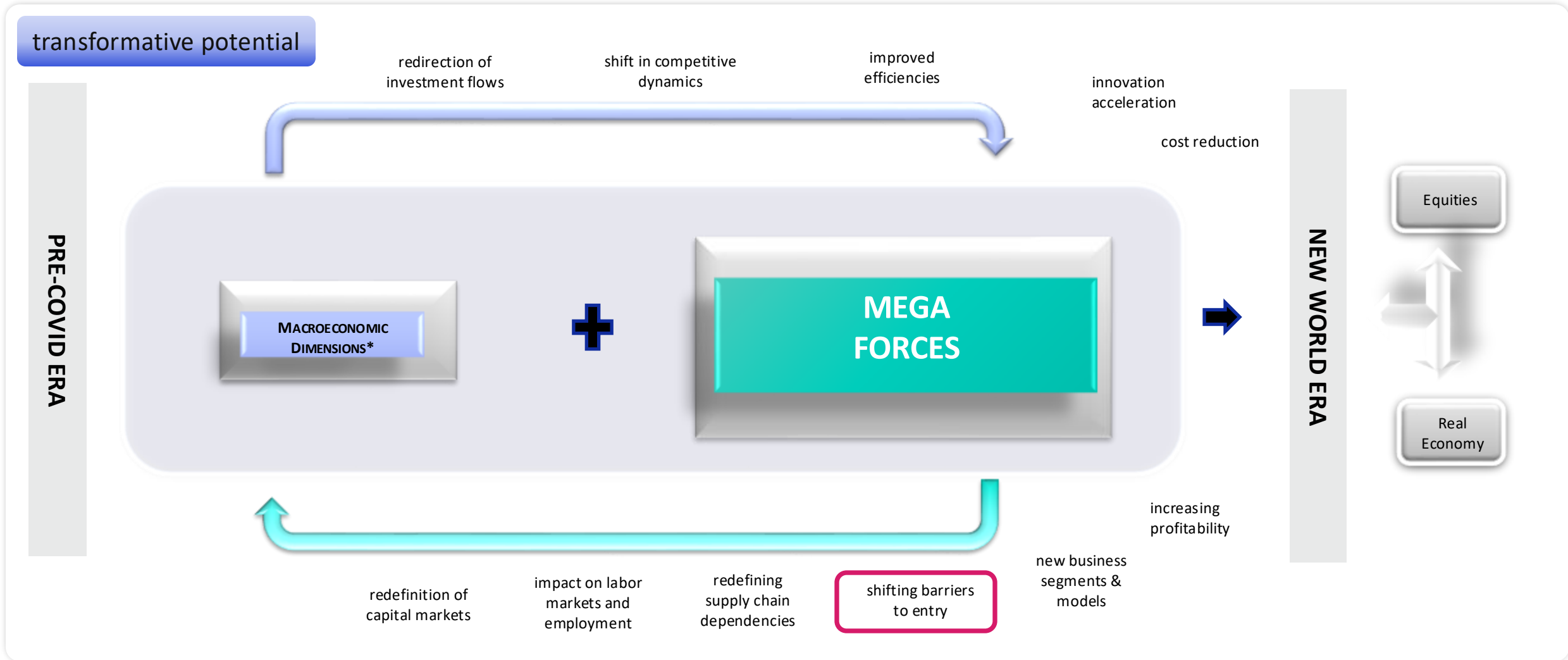
Mega Forces & Market Regimes

A structural perspective beyond cyclical dynamics



Overview → The multiplier effect of secular forces on the economic output is apparent

The anticipation of a quick adoption and subsequent wide-scale impact of Mega Forces on the real economy has created a state of euphoria among investors that accelerated Equities especially after the COVID shock.



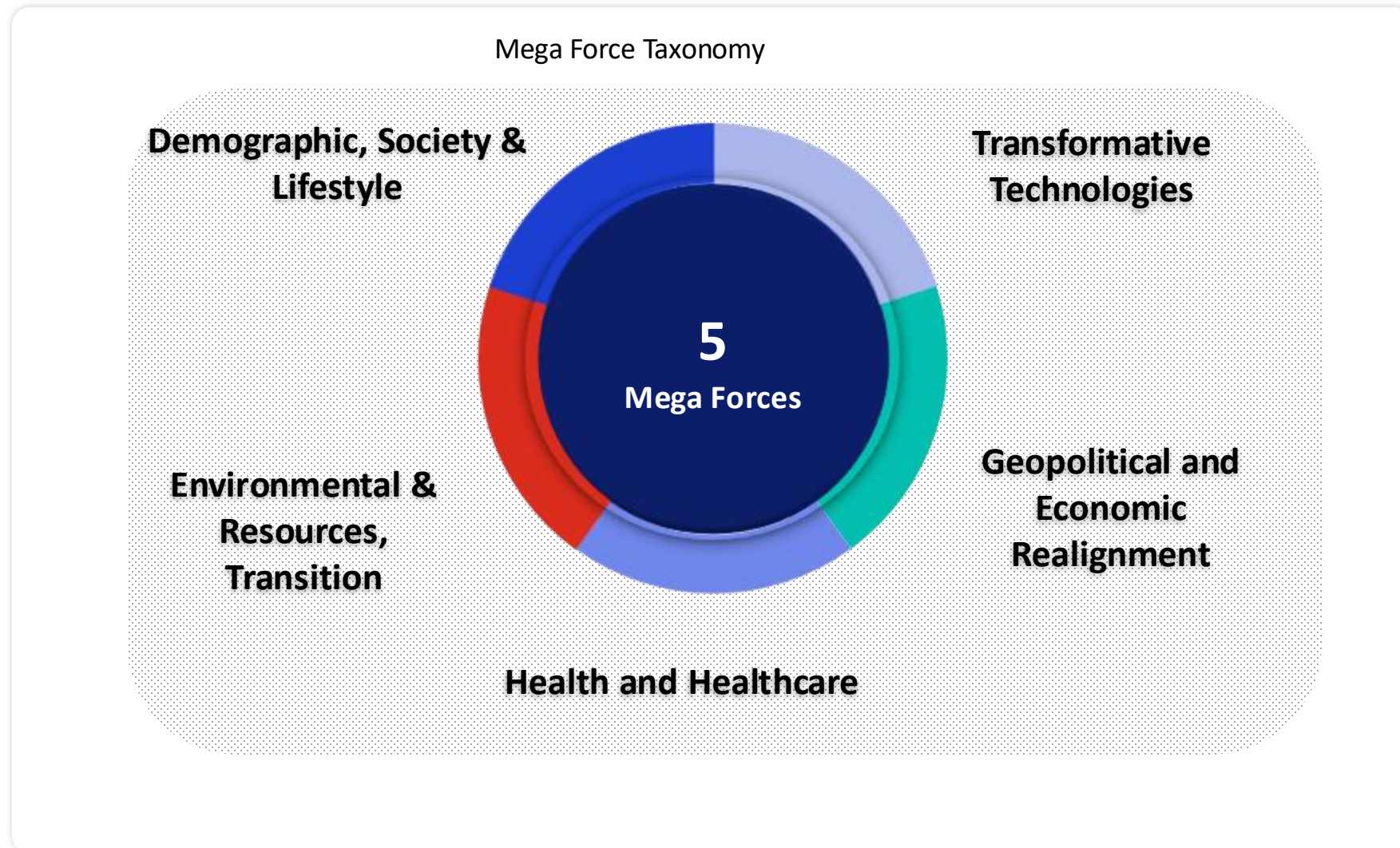
Source: MSCI

For illustration purposes only,

* Macroeconomic dimensions, Structural Trends and Mega Forces are interlinked and act as accelerating and decelerating forces to one another

Overview → Five core mega forces define the investment landscape

Mega-forces interact and often reinforce each other, yet geopolitical and economic realignment has emerged as a moderating influence, tempering the pace of other secular forces.



Traditional market cycle frameworks are no longer sufficient to explain asset returns.

Traditional Framework

Cyclical rotation

Countries, sectors, factors and credit supply evolve predictably through growth and contraction phases

Macro-driven dispersion

Performance gaps narrow as the cycle turns

Defensive vs. Growth tilt

Risk-on/risk-off dynamics anchor asset allocation

Monetary policy tempo

The rate environment drives market leadership



**MEGA
FORCES**

Secular forces are driving a persistent divergence from historical patterns. Traditional growth–peak–contraction–recovery cycles no longer adequately explain sector performance, capital allocation or long-term value creation.

A Three-Phase Framework: Build, Adapt, Dominate

Five secular forces, three phases, one framework.

Mega forces are driving a structural reallocation of capital, reshaping competitive dynamics and accelerating innovation, while redefining supply chains, barriers to entry and labor markets

Invest → build → enable

PHASE I

BUILD

PHASE DYNAMICS

Capital formation & infrastructure build-out

OBJECTIVE

Build foundational infrastructure & enable long-term value term value creation

GOVERNMENT ROLE

Facilitator & enabler

WINNERS

Infrastructure, capex and innovation beneficiaries

Scale → adopt → monetize

PHASE II

ADAPT

PHASE DYNAMICS

Technology diffusion & adoption

OBJECTIVE

Integrate new technologies into the real economy, scale scale adoption & demonstrate returns

GOVERNMENT ROLE

Regulator & standard-setter

WINNERS

Technology adopters, productivity leaders & margin margin expansion beneficiaries

Control → constrain → extract value

PHASE III

DOMINATE

PHASE DYNAMICS

Strategic control & economic sovereignty

OBJECTIVE

Secure control over critical inputs (energy, semiconductors, materials) and build structural competitive advantages

GOVERNMENT ROLE

Architect

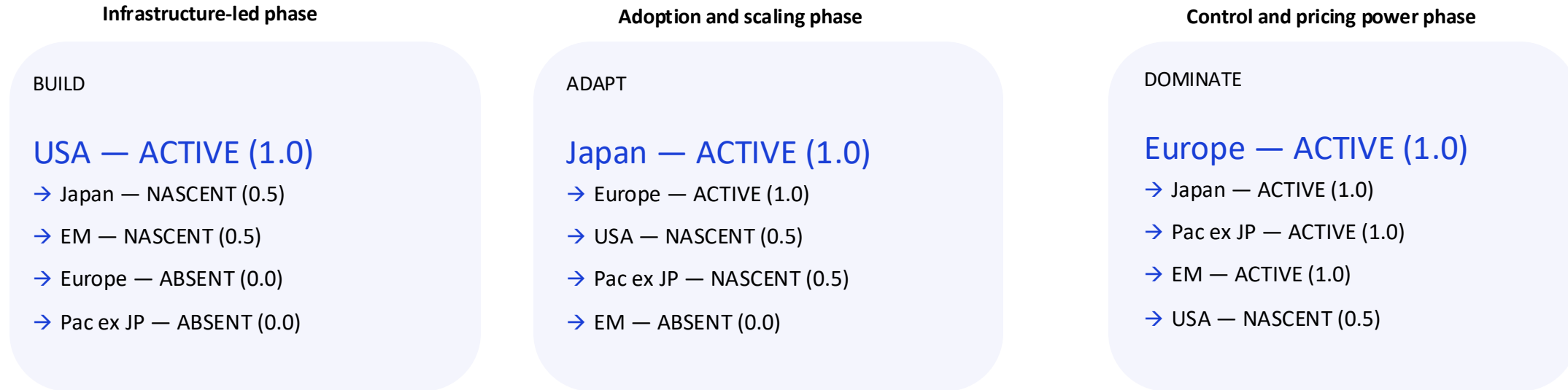
WINNERS

Scarcity, control and pricing power beneficiaries

Illustration of Framework for MSCI Regional Indexes

Phase Classification All Regions.

Regions are at different phases, with distinct sector leadership in each stage



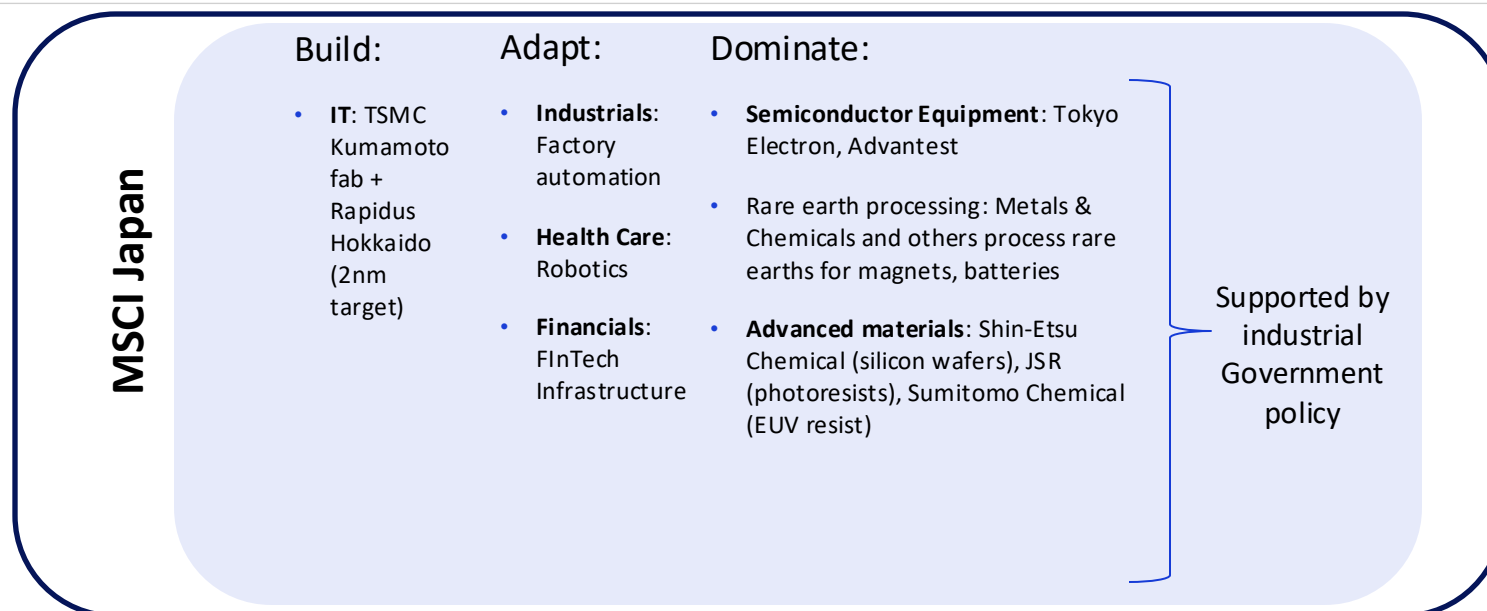
Active = dominant exposure | Nascent = emerging exposure | Absent = limited exposure

Note: Japan reflects the interaction of three secular forces (demographics, geopolitics and governance reform) which operate independently of the business cycle and reinforce each other.

Illustration of Framework for MSCI Regional Indexes

Phase weights: Build, Adapt and Dominate.

Region	Build (%)	Adapt (%)	Dominate (%)	Profile
USA	26.1%	43.5%	30.4%	Build, Adapt rising
Europe	0.0%	37.5%	62.5%	Adapt + Dominate only
Japan	16.1%	44.4%	39.5%	Most balanced — all 3 phases
Pac ex JP	0.0%	30.0%	70.0%	Commodity sovereignty
EM	21.7%	0.0%	78.3%	Dominate-dominant



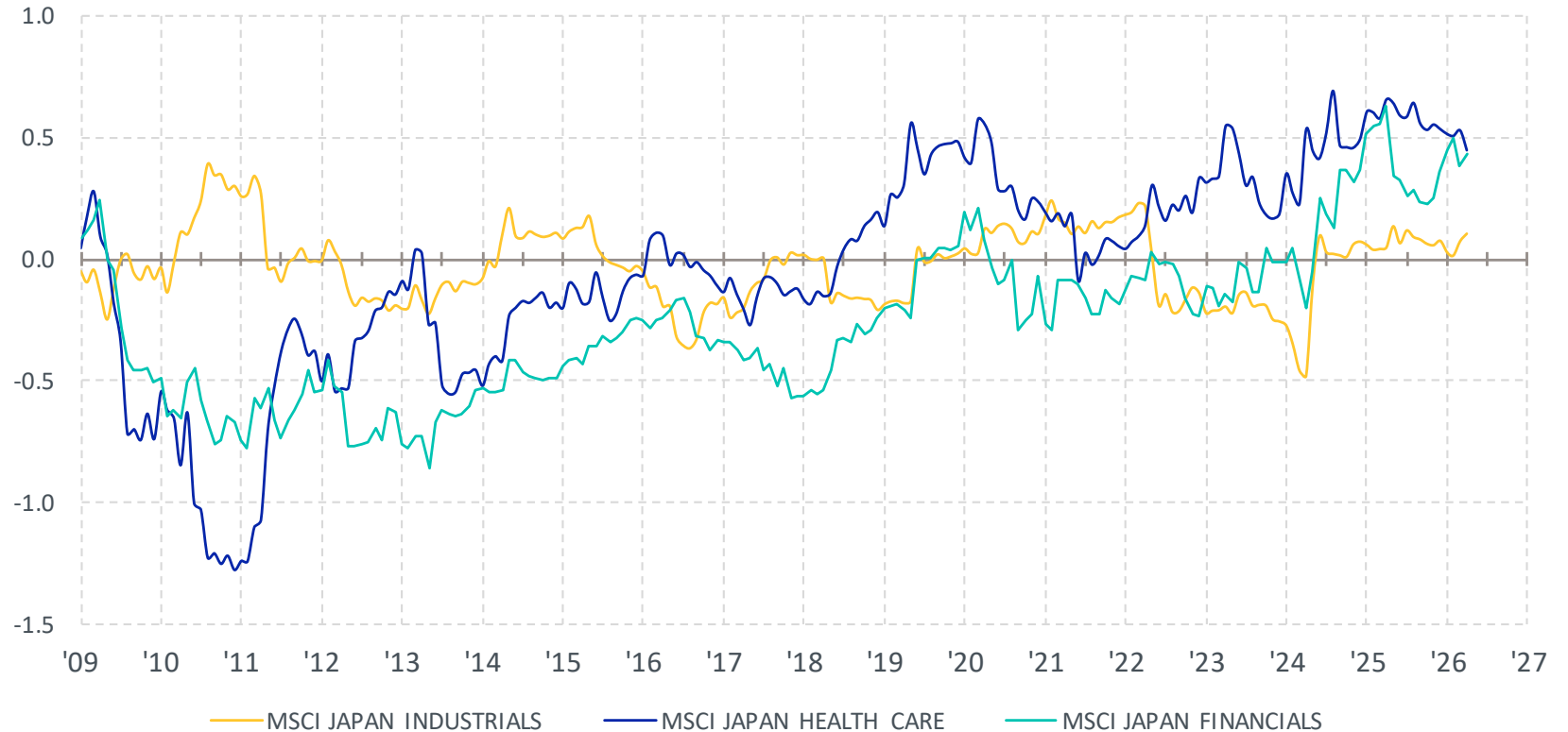
Japan's Adapt-phase sectors are transitioning to sustained growth

Improving growth characteristics as adoption scales.

Adoption and scaling phase for Japanese Sectors:

- Growth improvement reflects successful scaling and monetization, consistent with the Adapt phase
- This suggests these sectors are moving from adoption to sustained earnings growth

MSCI FACS GROWTH SCORE



One Framework, Multiple Investment Languages

Fundamental View

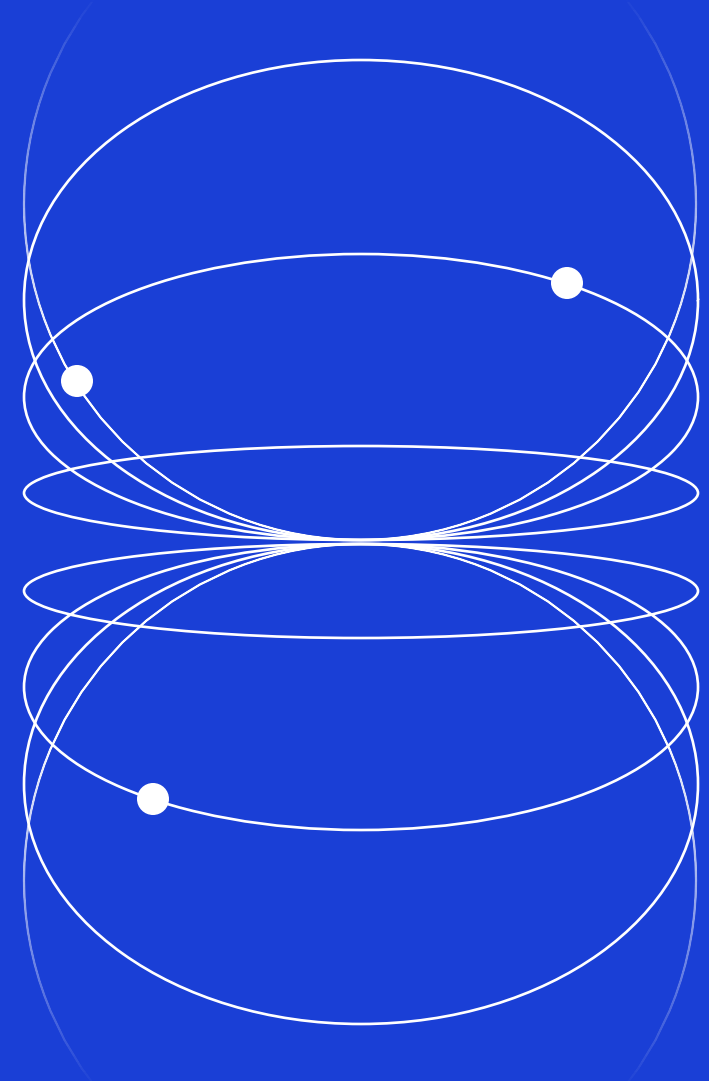
- Portfolio managers can identify who is building infrastructure, who is scaling adoption and where competitive advantages are emerging
- Investment committees can debate phase classifications using observable real-world signals
- Risk managers gain a structural anchor to assess evolving sector and regional exposures
- Phase transitions map directly to actionable research themes

Systematic View

- Quant models can incorporate both short-term rotations and long-term structural themes
- Structurers can build systematic, investable strategies
- Asset allocators can use phase signals to inform rotation frameworks
- Fund selectors can map phases to investable building blocks (ETFs, funds, structured products)

Mapping Themes to a Phase

How we capitalize on secular forces and adjust to structural changes to create investment opportunities



Emerging Markets

Indicative MSCI EM Country Indexes Mapped to Phase Signals.

MSCI Country Index	Phase	Why It Fits
Brazil	Dominate	Large domestic economy, gold/iron ore/oil exposure and a rate-cut cycle supporting rerating
Mexico	Dominate	Nearshoring supports supply-chain sovereignty, gold production, alongside attractive valuations
India	Dominate (+ Nascent Build)	Domestic-sector dominance; tech sector is US-dependent, not domestic Build (The state is directing capital toward national self-sufficiency)
Korea	Nascent Build	AI-memory concentration driving productivity and governance rerating (capex concentration profile looks more like a miniature version of the US Build story than like any other emerging market)

European Sectors

Indicative MSCI Europe Sector Indexes Mapped to Phase Signals.

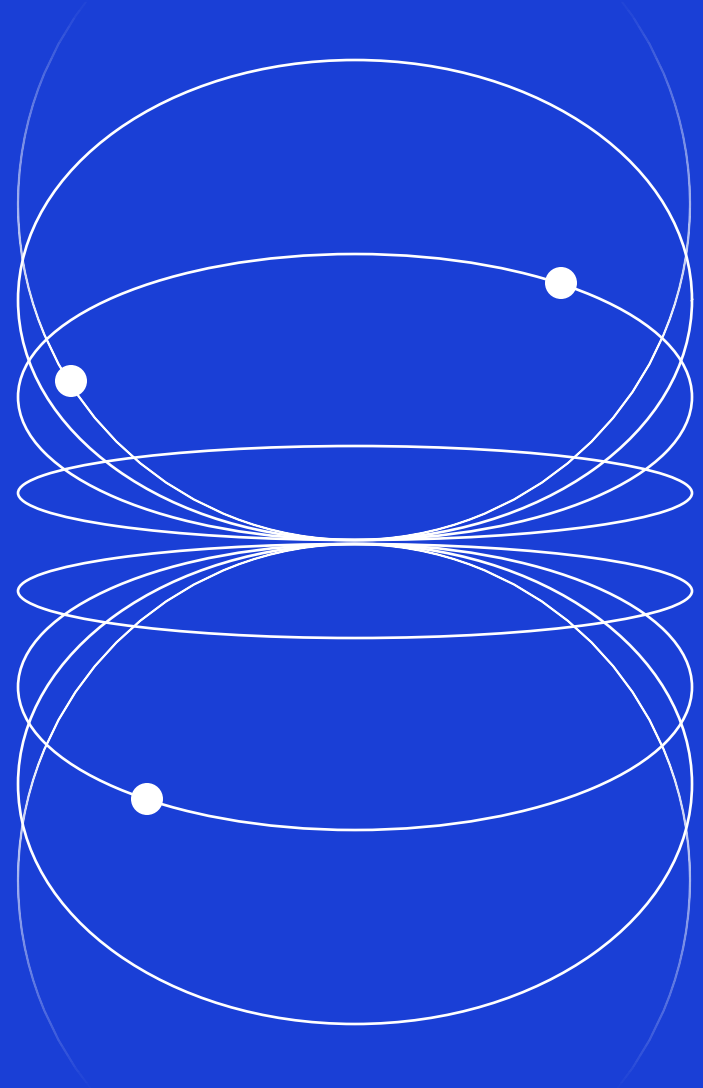
MSCI Sector Index	Phase	Why It Fits
Industrials	Adapt + Dominate	AI-driven industrial automation + Fiscal/infrastructure spending (German stimulus, defence)
Healthcare	Adapt	AI accelerating innovation in diagnostics, R&D and digital health; broad-based adoption rather than concentration
Financials	Adapt	Rate stability supports margins, while AI improves efficiency across European banks
Utilities	Adapt + Dominate	Renewables buildout and grid modernisation (Adapt), alongside energy sovereignty and nuclear (Dominate)
Comm Services	Dominate	Digital sovereignty, platform regulation and data localisation as structural tailwinds
Materials	Dominate	Resource nationalism and supply-chain security supporting critical minerals for energy transition and defence

Positioning Liquid PE Through a Phase Lens

Liquid PE Themes Mapped to Phase Signals.

Liquid PE Theme	Phase	Structural Linkage
Deal-cycle recovery	Build	Concentrated capex drives financing demand for buyouts, refinancing and secondaries
AI value-creation	Build	Software, IT services and automation platforms are core sectors targeted by PE sponsors
Exit optionality	Build → Adapt	Peak Build supports deal flow, while Adapt broadens exit opportunities as IPO and M&A activity improves
Margin improvement	Adapt	As AI tools diffuse to non-IT sectors (HC, Financials, Industrials), portfolio companies capture efficiency gains — the earnings channel of Adapt.

UCITS ETFs Tracking MSCI Indexes



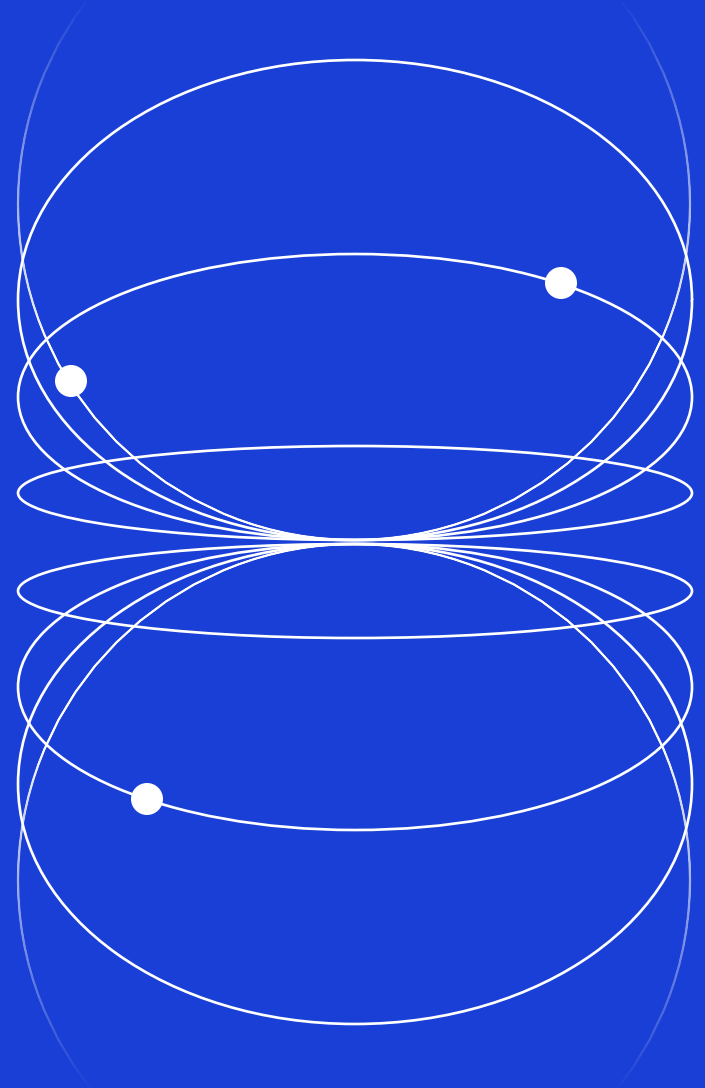
UCITS ETFs Tracking MSCI Indexes

Index	Amundi	AXA	BNP	Deka	Goldman Sachs AM	HSBC	Invesco	iShares	SPDR	UBS	Xtrackers
Global											
MSCI ACWI IMI									✓		
MSCI ACWI								✓	✓	✓	✓
MSCI World	✓			✓		✓		✓	✓	✓	✓
MSCI Europe	✓			✓		✓		✓	✓	✓	✓
MSCI Japan	✓			✓		✓		✓	✓	✓	✓
MSCI EM	✓			✓		✓		✓	✓	✓	✓
USA / ex-USA											
MSCI USA	✓						✓	✓		✓	✓
MSCI USA Mega Cap	✓										
MSCI USA Ex Mega Cap	✓										
MSCI USA Mega Cap 18% Capped										✓	
MSCI World Ex Mega Cap										✓	
EM / Liquid PE											
MSCI India	✓							✓		✓	
MSCI China	✓					✓		✓			✓
MSCI China A	✓									✓	
MSCI China A Inclusion						✓		✓			
MSCI China Tech							✓	✓			✓
MSCI Brazil	✓							✓			✓
MSCI Mexico Capped								✓			
MSCI Mexico											✓
MSCI Taiwan 20/35								✓			✓
MSCI Korea 20/35	✓					✓		✓			✓
MSCI EM ex China	✓	✓	✓	✓				✓		✓	✓
MSCI World PE Return Tracker					✓						

UCITS ETFs Tracking MSCI Indexes

Index	Amundi	AXA	BNP	Deka	Goldman Sachs AM	HSBC	Invesco	iShares	SPDR	UBS	Xtrackers
European Sectors											
MSCI Europe Energy	✓							✓	✓		✓
MSCI Europe Materials	✓							✓	✓		✓
MSCI Europe Industrials	✓							✓	✓		✓
MSCI Europe Consumer Discretionary	✓							✓	✓		
MSCI Europe Consumer Staples	✓							✓	✓		✓
MSCI Europe Health Care	✓							✓	✓		✓
MSCI Europe Financials								✓	✓		✓
MSCI Europe Information Technology								✓	✓		✓
MSCI Europe Communication Services	✓							✓	✓		✓
MSCI Europe Utilities	✓							✓	✓		✓
MSCI Europe Real Estate								✓	✓		
USA Sectors											
MSCI USA Energy											✓
MSCI USA Materials											✓
MSCI USA Industrials											✓
MSCI USA Consumer Discretionary											✓
MSCI USA Consumer Staples											✓
MSCI USA Health Care											✓
MSCI USA Financials											✓
MSCI USA Information Technology											✓
MSCI USA Communication Services											✓
MSCI USA Utilities											✓
MSCI USA Real Estate											✓

Appendix



MSCI FaCS definitions



Value

Book to Price – 30%
Book to Price

Earnings Yield – 60%
Reported E/P
Forecast E/P
Cash E/P
EBITD/EV

Long Term Reversal – 10%
LT Relative Strength
LT Historical Alpha



Size

Small Cap – 90%
Log of Mkt Cap

Mid Cap – 10%
Cube of Size



Momentum

Momentum – 100%
Relative Strength
Historical Alpha



Quality

Leverage – 12.5%
Debt to Assets
Book Leverage
Mkt Leverage

Profitability – 25%
Asset Turnover
Profitability
Profit Margin
Return on Assets

Earnings Variability – 12.5%
Var in Sales
Var in Earnings
Var in Cash Flow
Var in For EPS

Earnings Quality – 25%
Cash earn/Earn
Accr-bal sheet
Accr- C/F statement

Investment Quality – 25%
Asset Growth
Capex Growth
Issuance Growth



Yield

Dividend Yield – 100%
Reported D/P
Forecast D/P



Volatility

Beta – 60%
Hist Beta

Residual Volatility – 40%
His Sigma
Daily ST Dev
Cum Range



Growth

Growth – 100%
Sales Growth
Earnings Growth
Forecast LTG



Liquidity

Liquidity – 100%
1m Turnover
3m Turnover
12m Turnover
12m ATVR

Conclusion

MONITORING

What changed?

- Bond-equity correlation turned positive and stayed there
- Rate risk in HY jumped
- Oil-equity link broke for GCC countries

ALTERNATIVE DATA

Where does it concentrate?

- AI value chain isolated the repricing that GICS missed
- Revenue data explained the GCC sector rotation
- Supply chains traced Hormuz risk to EM Asia's largest weights

SCENARIO ANALYSIS

What could it mean?

- Stagflation leaves no place to hide — bonds amplify equity losses
- Tariff recession vs. stagflation differed by 4 pp — all from bonds
- Iran scenario: bonds amplify equity losses, only energy stocks gain

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United States
+1 888 588 4567 (toll free)

Canada
+1 416 628 1007

Brazil
+55 11 4040 7830

Mexico
+52 81 1253 4020

Asia Pacific

China
+86 21 61326611

Hong Kong
+ 852 2844 9333

India
+ 91 22 6784 9160

Malaysia
1800818185 (toll free)

South Korea
+82 70 4769 4231

Singapore
+65 67011177

Australia
+612 9033 9333

Taiwan
008 0112 7513 (toll free)

Thailand
0018 0015 6207 7181 (toll free)

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+ 27 21 673 0103

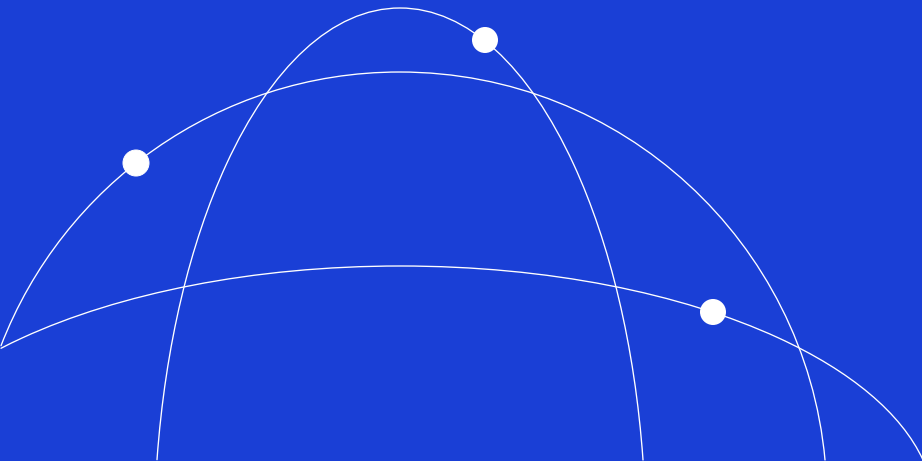
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Switzerland
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Italy
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