



MSCI USA 10% Volatility Target Index

The **MSCI USA 10% Volatility Target Index** ("the Index") aims to represent the performance of a portfolio that target 10% annualized volatility by dynamically adjust the exposure on MSCI USA with a cash component¹.

¹ SOFR + 25bps p.a. is used as the cash rate from Jan 1, 2019, USD 3m Libor is used prior to it.



Key Features



1. Dynamic allocation

- The index systematically adjusts its exposure between the MSCI USA Index and a cash component on daily basis. This dynamic rebalancing aims to keep annualized volatility near the 10% target level.



2. Volatility targeting

- When MSCI USA realized volatility exceeds 10%, the Index reduces its exposure to MSCI USA and increases its allocation to cash.
- When MSCI USA realized volatility is below 10%, the Index increases its exposure to MSCI USA, with the potential up to 150% leverage to meet the target volatility.



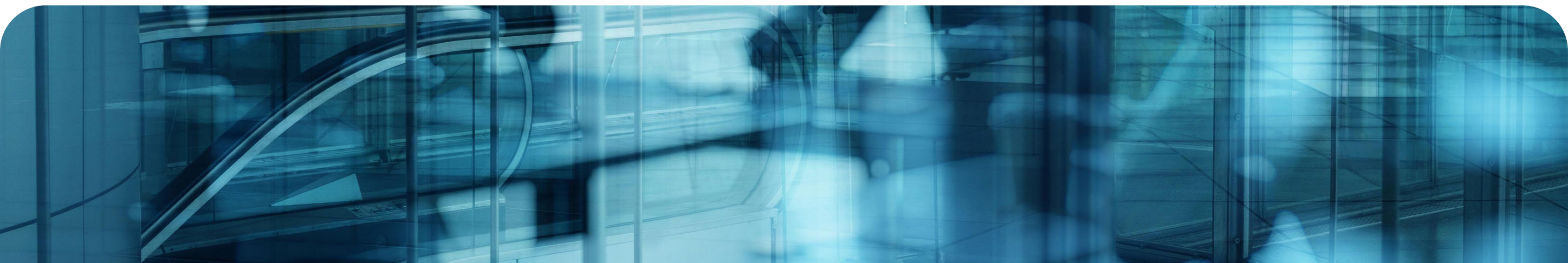
3. Stable return profile

- The volatility target mechanism tries to mitigate excessive impact of market fluctuations, offering a smoother performance profile.

Index Facts

Index Name	MSCI USA 10% Volatility Target Index
Base value date	Mar 30th, 2001
Bloomberg Ticker	MXUSVT10
Launch date	Nov 29th, 2024
Maximum leverage	150%
Return Type	Excess Return ²
Equity Component	MSCI USA Index
Currency	USD

² The index is an excess return index, cash allocation is not interest bearing.



What is the equity component – MSCI USA Quality Index

The **MSCI USA Index** is a stock market index that measures the performance of large and mid-cap companies across the US Market. The Index covers approximately 85% of the free float-adjusted market capitalization in the US.

The Index was launched on March 31, 1986, with nearly 40 years of live track record, and is widely used by institutional investors as the benchmark for US equity market.

The MSCI USA Index focuses on large and mid-cap companies, which we define based on a percentile approach rather than a fixed number of companies. Large-cap companies would be those that capture roughly the first 70% of the free float-adjusted market capitalization; mid-cap companies capture 15% of the companies that follow.

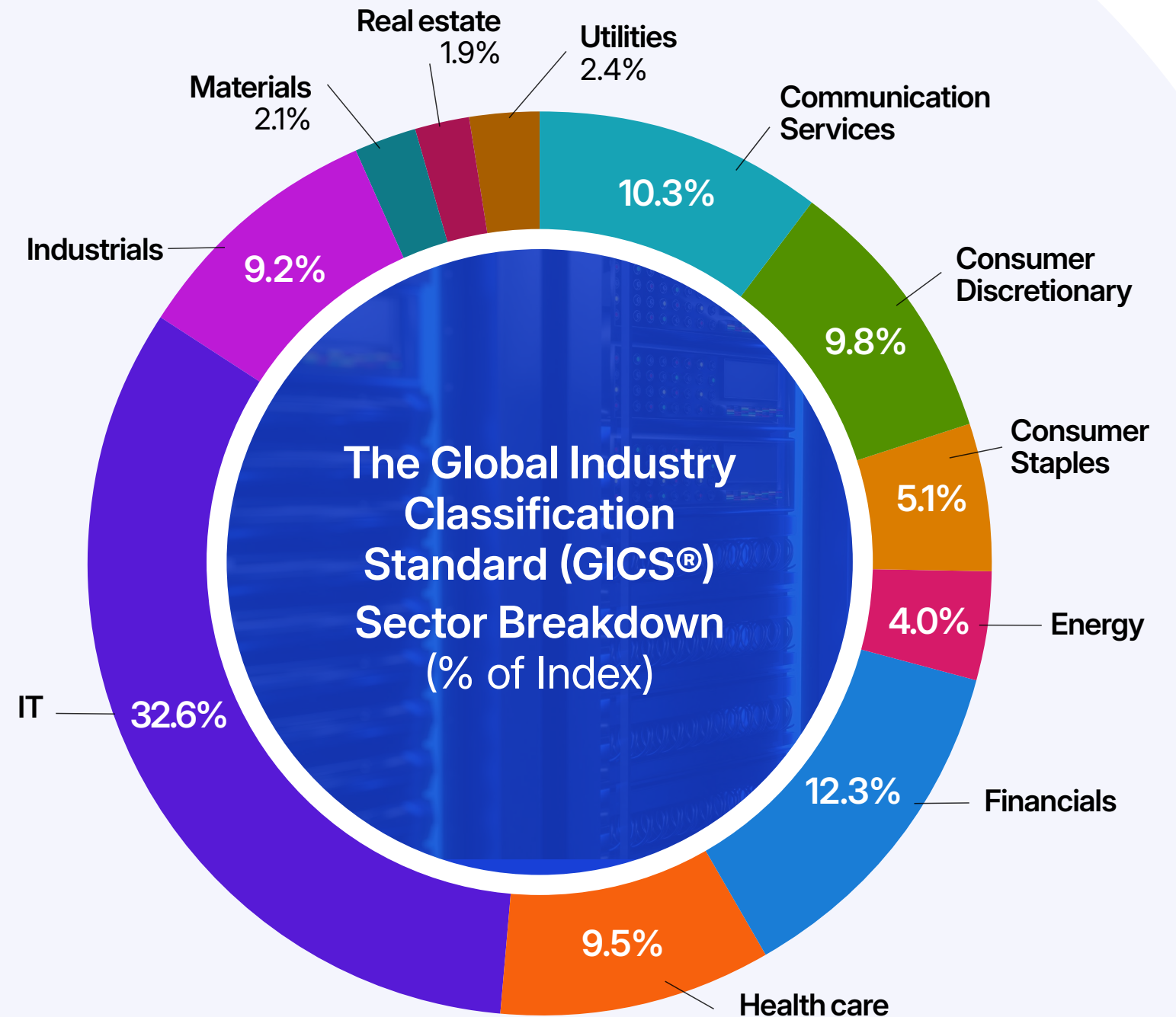


What about the businesses these companies represent?

The **MSCI USA Index** provides exposure to a diverse set of sectors.

By incorporating mid-cap companies, the MSCI USA Index may become more diversified from a sector perspective than if it was comprised solely of large cap companies.

Sector weights change over time, as markets and economies evolve. Because MSCI's indexes are not bound by a fixed number of constituents, they can better capture that evolution.

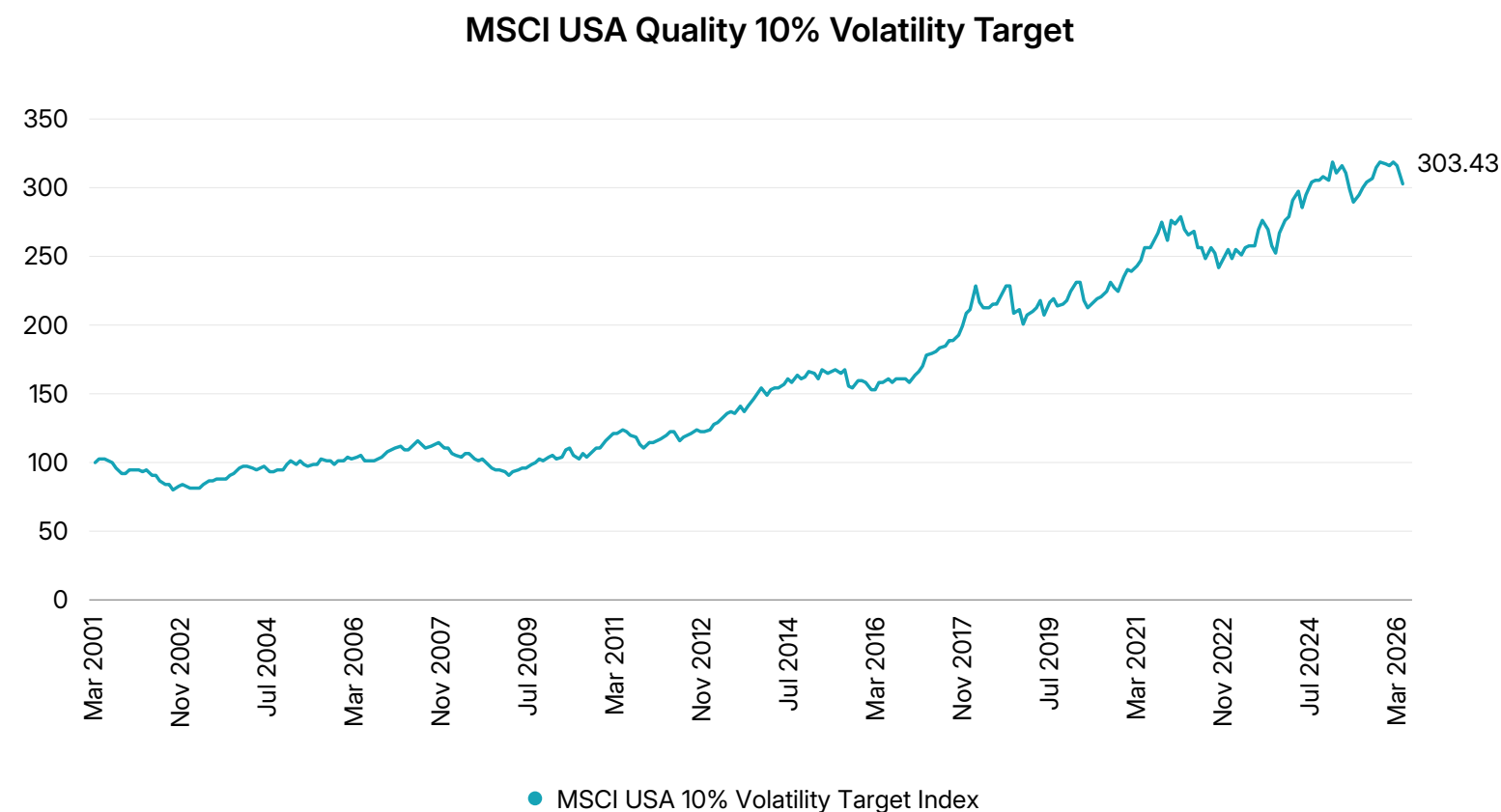


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Date: as of March 31, 2026

Performance

Back-tested and actual performance chart



Back-tested and actual annual returns

Year	MSCI USA Quality 10% Volatility Target
2025	2.07
2024	12.13
2023	11.42
2022	-11.07
2021	5.89
2020	4.52
2019	14.76
2018	-4.85
2017	27.03
2016	5.20
2015	-3.99
2014	6.94
2013	25.18
2012	6.83
2011	-0.27
2010	9.81

Source: MSCI. Data from Mar 30, 2001 to March 31, 2026. The Index was created on Oct 24, 2025. Levels for the Index before Oct 24, 2025, represent hypothetical data determined by retroactive application of a back-tested model, itself designed with the benefit of hindsight. Past performance - whether actual, backtested or simulated - is not indicative of future performance. Actual performance will vary, perhaps materially, from the performance set forth herein. The Index performance represents excess return. The performance of the Index includes a 50bps embedded cost and does not include fees or costs of any financial instrument referencing the Index. Because this Index applies a volatility control mechanism, the range of both positive and negative performance of the Index is limited.

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To learn more, please visit

The process for submitting a formal index complaint can be found on the index regulation page of MSCI's website at: <https://www.msci.com/index-regulation>.

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