

# **MSCI Ageing Society Opportunities Index**

**May 2023**

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## 1 Introduction

The MSCI Ageing Society Opportunities Index (the 'Index'<sup>1</sup>) aims to represent the performance of a set of companies that are associated with the development of new products and services focused on the health, recreation and lifestyle needs of the older population.

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<sup>1</sup> The Index is governed by a set of methodology and policy documents ("Methodology Set"), including the present index methodology document. The methodology set for the Index can be accessed from MSCI's webpage <https://www.msci.com/index-methodology> in the section 'Search Methodology by Index Name or Index Code'.

## 2 Constructing the Index

The Index is constructed by selecting stocks from an MSCI Index (the ‘Parent Index’<sup>2</sup>) based on rules explained in the following sections.

The Index selects companies which are assessed to have high exposure to business activities such as –

- Health care services and therapies for age-related diseases like dementia, cancer, arthritis, heart diseases, etc.
- Senior care housing facilities or assisted living facilities
- Smart houses
- Health insurance and life insurance
- Leisure and tourism services
- Anti-aging cosmetic and consumer products

MSCI may seek input from outside market experts on the ongoing evolution of the themes underlying the Index. However, such input is advisory only in nature. MSCI alone decides whether to use such input at all or to what extent. Receipt of such input, like any other feedback on MSCI indexes, may or may not lead to a change to the index or index methodology.

### 2.1 Selected Universe

Stocks in the Parent Index that have a Relevance Score<sup>3</sup> of 25% or more are included in the Selected Universe.

#### 2.1.1 GICS<sup>®4</sup> sector and sub industry filtering

Stocks mapped to the following GICS<sup>®</sup> sub industries are excluded from the Selected Universe.

No.	GICS <sup>®</sup> Sector	GICS <sup>®</sup> Sub Industries
1	Consumer Staples	<ul style="list-style-type: none"> <li>• Drug Retail</li> <li>• Food Distributors</li> <li>• Packaged Food &amp; Meats</li> <li>• Agricultural Products &amp; Services</li> </ul>
2	Health Care	<ul style="list-style-type: none"> <li>• Health Care Distributors</li> </ul>
3	Industrials	<ul style="list-style-type: none"> <li>• Data Processing &amp; Outsourced Services</li> </ul>
4	Financials	<ul style="list-style-type: none"> <li>• Transaction &amp; Payment Processing Services</li> </ul>

<sup>2</sup> Use of some indexes as Parent Indexes may result in a low number of constituents, which may affect replicability

<sup>3</sup> For details of calculation of Relevance Scores, please refer to the MSCI Thematic Relevance Score Methodology document.

<sup>4</sup> GICS, the global industry classification standard jointly developed by MSCI and S&P Global.

## 2.2 Weighting scheme

Stocks included in the Index are weighted by the product of Relevance Score and their weight in Parent Index. The weights are then normalized to 100%. Additionally, constituent weights are capped at the issuer level to mitigate concentration risk in the Index. The issuer weight in the Index is capped at 5%.

## **3 Maintaining the Index**

### **3.1 Semi-Annual Index Review**

The Index is reviewed on a semi-annual basis in May and November to coincide with the May and November Index Reviews of the Parent Index, and the changes are implemented at the end of May and November. In general, the pro forma index is announced nine business days before the effective date.

During the Index Review, the Selected Universe is updated.

In general, MSCI uses Relevance Score data as of two business days prior to the rebalancing date for the semi-annual Index Review.

### **3.2 Ongoing event-related maintenance**

The general treatment of corporate events in the Index aims to minimize turnover outside of Index Reviews. The methodology aims to appropriately represent an investor's participation in an event based on relevant deal terms and pre-event weighting of the Index constituents that are involved. Further, changes in Index market capitalization that occur as a result of corporate event implementation will be offset by a corresponding change in the Variable Weighting Factor (VWF) of the constituent.

The following section briefly describes the treatment of common corporate events within the index.

No new securities will be added (except where noted below) to the index between Index Reviews. Parent Index deletions will be reflected simultaneously.

**EVENT TYPE**

**EVENT DETAILS**

**New additions to the Parent Index**

A new security added to the Parent Index (such as IPO and other early inclusions) will not be added to the Index.

**Spin-Offs**

All securities created as a result of the spin-off of an existing Index constituent will be added to the Index at the time of event implementation if the spin-off security is also added to the Parent Index. Reevaluation for continued inclusion in the Index will occur at the subsequent Index Review.

**Merger/Acquisition**

For Mergers and Acquisitions, the acquirer’s post event weight will account for the proportionate amount of shares involved in deal consideration, while cash proceeds will be invested across the Index.

If an existing Index constituent is acquired by a non-Index constituent, the existing constituent will be deleted from the Index and the acquiring non-constituent will not be added to the Index.

**Changes in Security Characteristics**

A security will continue to be an Index constituent if there are changes in characteristics (country, sector, size segment, etc.) Reevaluation for continued inclusion in the Index will occur at the subsequent Index Review.

Further detail and illustration regarding specific treatment of corporate events relevant to this Index can be found in the MSCI Corporate Events Methodology.

The MSCI Corporate Events methodology book is available at: <https://www.msci.com/index-methodology>.

## Appendix 1: Changes to this Document

The following sections have been modified since January 2022:

- Introduction
- The role of experts in constructing the Index
- The set of relevant words and phrases
- Calculating the stock Relevance Score

The following sections have been modified effective June 1, 2022:

- Section 2 has been updated to reference the MSCI Thematic Relevance Score Methodology
- Section 3 has been updated to reflect the data cutoff date for Relevance Scores

The following sections have been modified as of June 1, 2023:

- Methodology book was updated to reflect the transition of the MSCI Global Investable Market Indexes (GIMI) to Quarterly Comprehensive Index Reviews.
- All references to “Semi-Annual Index Reviews” and “Quarterly Index Reviews” of the MSCI GIMI were replaced with “Index Reviews.”
- Updated GICS sub-industry exclusions in Section 2.1.1 due to GICS structural changes



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