

# **MSCI GLOBAL 4% DECREMENT INDEXES**

Parameter Sheet for Customization/Calculation Methodology

**January 2022**

## 1 Introduction

The MSCI EMU 4% Decrement Index, MSCI USA 4% Decrement Index, MSCI Emerging Markets 4% Decrement Index, MSCI ACWI 4% Decrement Index, MSCI World 4% Decrement Index, MSCI World 4% Decrement (EUR) Index, (herein, “MSCI Global 4% Decrement Indexes”) are constructed by applying the MSCI Global Investable Market Indexes Methodology<sup>1</sup>. A constant markdown (‘synthetic dividend’) is subsequently applied on a daily basis, expressed as a percentage of performance.

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<sup>1</sup> Please refer to the MSCI Global Investable Market Indexes Methodology at [www.msci.com/index-methodology](http://www.msci.com/index-methodology)

## 2 Constructing the MSCI Global 4% Decrement Indexes

### 2.1 ELIGIBLE UNIVERSE

The eligible universe for MSCI Global 4% Decrement Indexes includes all the constituents of their respective MSCI parent index (the “Parent Index”), as shown in the table below:

Index Name	Parent Index	Currency
MSCI World 4% Decrement Index	MSCI World Index	USD
MSCI ACWI 4% Decrement Index	MSCI ACWI Index	USD
MSCI Emerging Markets 4% Decrement Index	MSCI Emerging Markets Index	USD
MSCI USA 4% Decrement Index	MSCI USA Index	USD
MSCI EMU 4% Decrement Index	MSCI EMU Index	EUR
MSCI World 4% Decrement (EUR) Index	MSCI World Index	EUR

### 2.2 APPLYING THE MSCI DECREMENT INDEXES METHODOLOGY

A constant markdown (“synthetic dividend”) is applied on the Parent Index levels on a daily basis, expressed as a percentage of performance, to construct the MSCI 4% Decrement Indexes using the following parameters.

Decrement Index Methodology Parameters	MSCI World 4% Decrement Index	MSCI ACWI 4% Decrement Index	MSCI EM 4% Decrement Index	MSCI USA 4% Decrement Index	MSCI EMU 4% Decrement Index	MSCI World 4% Decrement (EUR) Index
Return Variant of the Parent Index	Net Total Return	Net Total Return	Net Total Return	Net Total Return	Net Total Return	Net Total Return
Currency Calculation	USD	USD	USD	USD	EUR	EUR
Decrement Type	Fixed Percentage	Fixed Percentage	Fixed Percentage	Fixed Percentage	Fixed Percentage	Fixed Percentage
Decrement Frequency	Daily	Daily	Daily	Daily	Daily	Daily
Decrement Application	Geometric	Geometric	Geometric	Geometric	Geometric	Geometric
Decrement Value	4%	4%	4%	4%	4%	4%
Day Count Convention	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365
Index Floor	0	0	0	0	0	0

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\* = toll free

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