

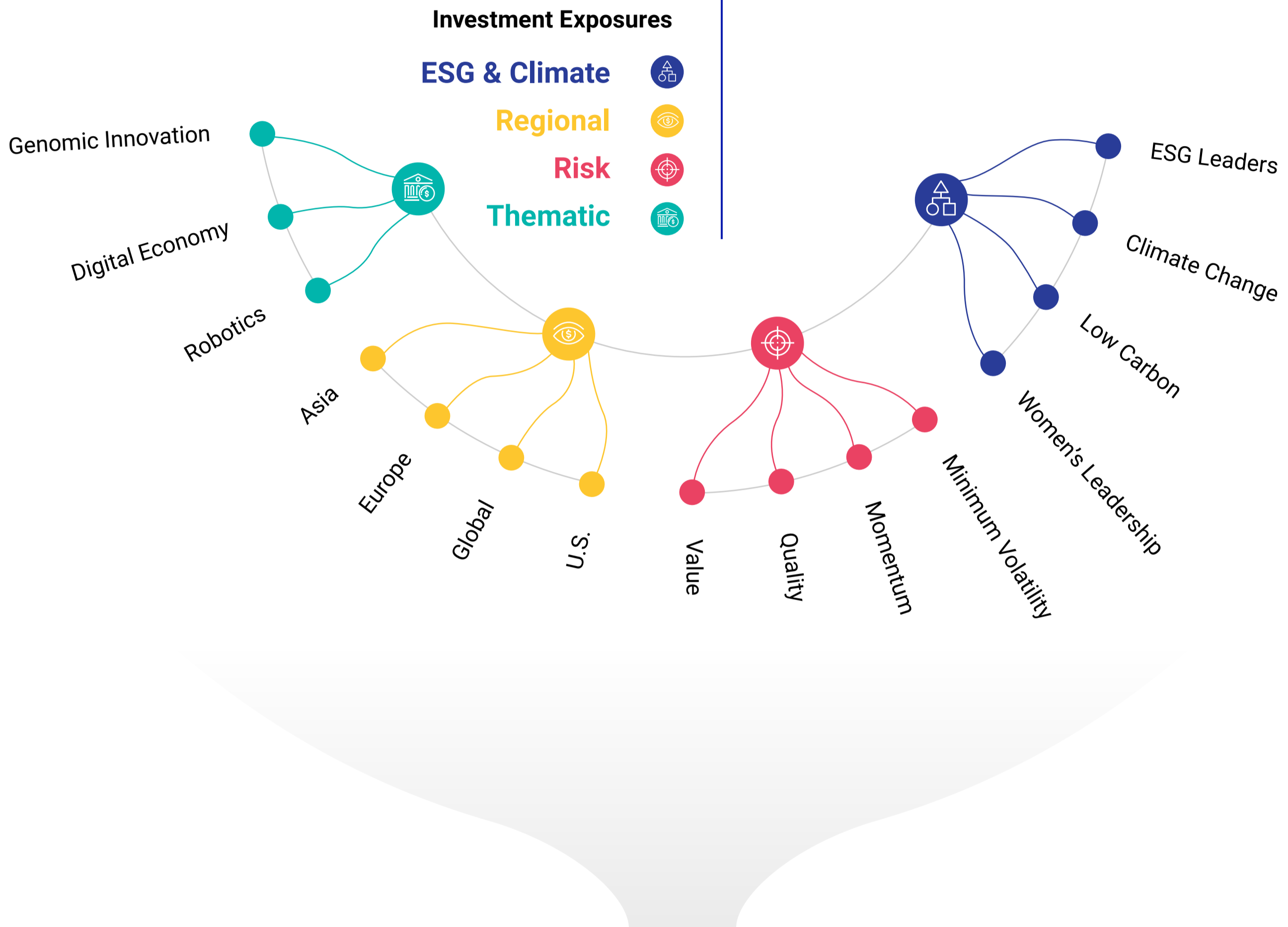
Leading Edge: What is Direct Indexing?

Today, investors can customize an index to meet specific outcomes—also known as direct indexing. Below, we show how a custom-made index is built.




Consider an investor who wants an index with the following features:

-  **Improved ESG score**
-  **Lowered risk**
-  **Increased global exposure**
-  **Reduced tax burden**

Based on these needs, the investor can choose from a number of indexes and personalization options.



After making custom selections, investors can build a direct index to meet their clients' unique needs and objectives, utilizing the following tools:

-  **ESG metrics**
-  **Risk optimization**
-  **Tax optimization**

Along with creating a personalized investment, direct indexing can:

- Reduce client costs**
- Increase client engagement**
- Provide performance measurement tools**
- Provide risk management tools**

Through an expansive set of index products, 24-hour service, and dedicated research team, MSCI works **hand-in-hand** with investors to build their desired portfolios.