

# MSCI USA Sector Neutral Quality Index (CAD)

The **MSCI USA Sector Neutral Quality Index** captures large and mid-cap representation across the US equity markets. The index aims to capture the performance of securities that exhibit stronger quality characteristics relative to their peers within the same GICS® sector by identifying stocks with high quality scores based on three main fundamental variables: high Return-on-Equity (ROE), low leverage and low earnings variability.

For a complete description of the index methodology, please see [Index methodology - MSCI](#).

## CUMULATIVE INDEX PERFORMANCE – NET RETURNS (CAD) (JAN 2011 – JAN 2026)



## ANNUAL PERFORMANCE (%)

Year	MSCI USA Sector Neutral Quality	MSCI USA
2025	7.27	11.81
2024	33.04	35.88
2023	26.94	23.10
2022	-14.90	-14.02
2021	25.58	25.38
2020	14.47	18.61
2019	26.86	24.26
2018	2.23	3.51
2017	13.74	13.23
2016	4.90	7.06
2015	24.73	20.75
2014	20.04	22.85
2013	42.46	40.63
2012	9.49	12.78

## INDEX PERFORMANCE – NET RETURNS (%) (JAN 30, 2026)

	ANNUALIZED								Div Yld (%)	P/E	P/E Fwd	P/BV
	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Nov 30, 1998				
MSCI USA Sector Neutral Quality	0.68	0.06	4.18	0.68	20.06	14.88	13.57	8.06	1.01	27.15	23.59	7.60
MSCI USA	0.04	-2.15	7.83	0.04	21.26	15.22	14.55	7.59	1.16	27.97	22.26	5.57

## FUNDAMENTALS (JAN 30, 2026)

## INDEX RISK AND RETURN CHARACTERISTICS (NOV 30, 1998 – JAN 30, 2026)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			MAXIMUM DRAWDOWN		
				3 Yr	5 Yr	10 Yr	(%)	Period YYYY-MM-DD	
MSCI USA Sector Neutral Quality	0.97	3.01	25.20	10.53	13.73	13.05	49.62	2000-11-02–2009-03-05	
MSCI USA	1.00	0.00	2.16	10.99	13.19	12.76	56.50	2000-08-31–2009-03-05	

<sup>1</sup> Last 12 months

<sup>2</sup> Based on monthly net returns data

The MSCI USA Sector Neutral Quality Index was launched on Dec 12, 2014. Data prior to the launch date is back-tested test (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance – whether actual or back-tested – is no indication or guarantee of future performance.

## INDEX CHARACTERISTICS

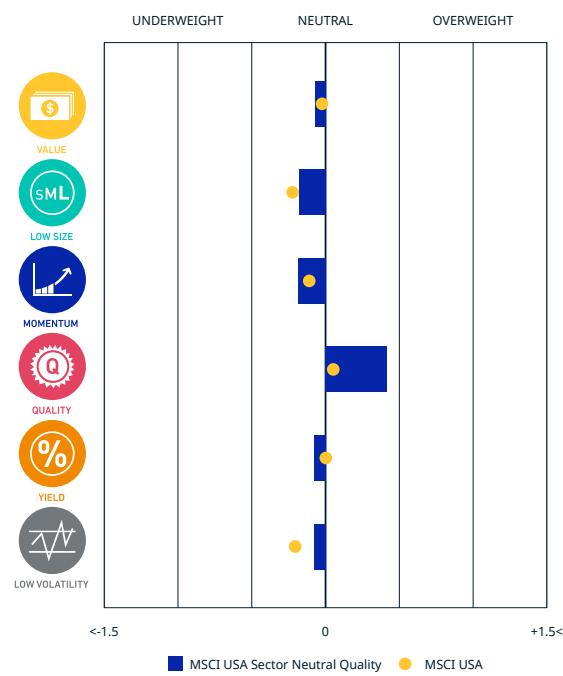
	MSCI USA Sector Neutral Quality	MSCI USA
<b>Number of Constituents</b>	125	544
	<b>Weight (%)</b>	
<b>Largest</b>	6.38	7.70
<b>Smallest</b>	0.01	0.01
<b>Average</b>	0.80	0.18
<b>Median</b>	0.43	0.06

## TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
NVIDIA	6.38	7.70	Info Tech
APPLE	6.14	6.38	
MICROSOFT CORP	5.44	5.04	
META PLATFORMS A	4.19	2.58	
LILLY (ELI) & COMPANY	3.31	1.38	
TJX COMPANIES	3.12	0.28	
VISA A	3.08	0.91	
LAM RESEARCH CORP	2.99	0.49	
MASTERCARD A	2.52	0.76	
KLA CORPORATION	2.33	0.31	
<b>Total</b>	<b>39.50</b>	<b>25.82</b>	

## FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

## MSCI FACTOR BOX



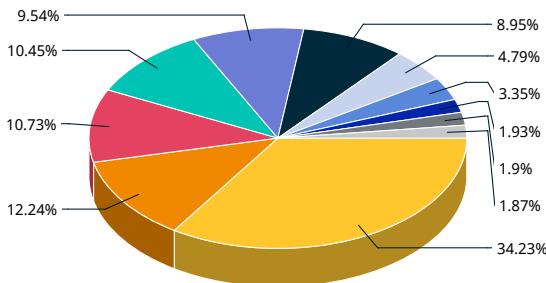
## MSCI FaCS

- VALUE**  
Relatively Inexpensive Stocks
- LOW SIZE**  
Smaller Companies
- MOMENTUM**  
Rising Stocks
- QUALITY**  
Sound Balance Sheet Stocks
- YIELD**  
Cash Flow Paid Out
- LOW VOLATILITY**  
Lower Risk Stocks

MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

## SECTOR WEIGHTS



- Information Technology 34.23%    ● Financials 12.24%    ● Consumer Discretionary 10.73%
- Communication Services 10.45%    ● Health Care 9.54%    ● Industrials 8.95%
- Consumer Staples 4.79%    ● Energy 3.35%    ● Materials 1.93%    ● Real Estate 1.9%
- Utilities 1.87%

## MSCI FACTOR BOX AND FaCS FRAMEWORK (Please refer to complete description of the MSCI FaCS methodology [here](#))

MSCI FaCS is a standard method for evaluating and reporting the Factor characteristics of equity portfolios. MSCI FaCS consists of Factor Groups (e.g. Value, Size, Momentum, Quality, Yield, and Volatility) that have been extensively documented in academic literature and validated by MSCI Research as key drivers of risk and return in equity portfolios. These Factor Groups are constructed by aggregating 16 factors (e.g. Book-to-Price, Earnings/Dividend Yields, LT Reversal, Leverage, Earnings Variability/Quality, Beta) from the latest Barra global equity factor risk model, GEMLT, designed to make fund comparisons transparent and intuitive for use. The MSCI Factor Box, which is powered by MSCI FaCS, provides a visualization designed to easily compare absolute exposures of funds/indexes and their benchmarks along 6 Factor Groups that have historically demonstrated excess market returns over the long run.

## ABOUT MSCI

MSCI (NYSE: MSCI Inc.) strengthens global markets by connecting participants across the financial ecosystem with a common language. Our research-based data, analytics and indexes, supported by advanced technology, set standards for global investors and help our clients understand risks and opportunities so they can make better decisions and unlock innovation. We serve asset managers and owners, private-market sponsors and investors, hedge funds, wealth managers, banks, insurers and corporates. To learn more, please visit [www.msci.com](http://www.msci.com).

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