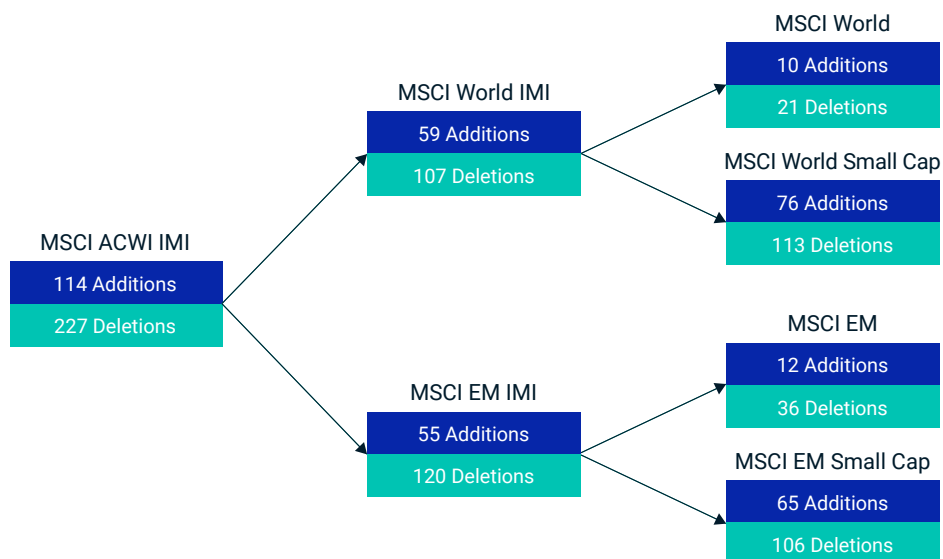


Insights from MSCI November 2024 Index Review

On **November 7th**, we communicated that **114 securities were added** and **227 securities were removed** from the MSCI ACWI Investable Market Index (IMI), MSCI's flagship global equity index. The MSCI ACWI IMI is designed to represent the performance of the investment universe of large/mid and small cap companies across developed and emerging markets. It covers approximately 99% of the global equity investment opportunity by free float-adjusted market capitalization.

Further granularity

Our methodology applies a **building block approach across geographies and company sizes**. This enables investors to assess **how the global investable opportunity has changed at a more granular level**. In this rebalance, there were more additions and deletions in emerging markets than in developed markets for both large/mid cap and small cap indexes.



In the MSCI World Index, most of the turnover is driven by size segment migrations, particularly from downward migrations in the MSCI USA and MSCI Japan Indexes. Size segment migrations are generally triggered by changes in the full company market capitalization of a company relative to the required size threshold.

In the MSCI Emerging Markets Index, most of the additions and deletions are due to size segment migrations.

It should also be noted the higher turnover in Brazil due to the addition of foreign listings.

Impact on the indexes

To assess the impact on the indexes of these changes, we calculate one-way index turnover to measure the percentage change in the composition of the index. This index turnover corresponds to the proportion of assets that should be bought in a portfolio replicating the index. As a portfolio has a fixed dollar amount, the amount of assets that should be bought exactly corresponds to the amount of assets that should be sold:



Index turnover is influenced by the number and size of securities added or deleted as well as other changes impacting security index market capitalization, such as free float update.



Additional Highlights

- MSCI will continue to not implement changes as part of this index review for any securities classified in Bangladesh for the MSCI Bangladesh Indexes or impacted composite indexes in light of currently observed market accessibility issues.
- As announced in February 2024, Brazil met the Foreign Listing Materiality Requirement. Hence, foreign listings will become eligible for the MSCI Brazil Indexes as part of this index Review. Also, foreign listings will become eligible for the MSCI Sweden Indexes starting from the November 2024 Index Review.
- MSCI launched a new consultation on the free float methodology with the objective of increasing precision of free float and enhancing index stability. This consultation will be open until January 31st, 2025..

What happens next?

November 27th, 2024 – Effective date of the index changes.

While the index changes were announced on November 7th, they will be implemented for the market cap indexes by November 27th, 2024. MSCI's standard practice is to announce the results of the review and provide sufficient lead time before implementation,

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