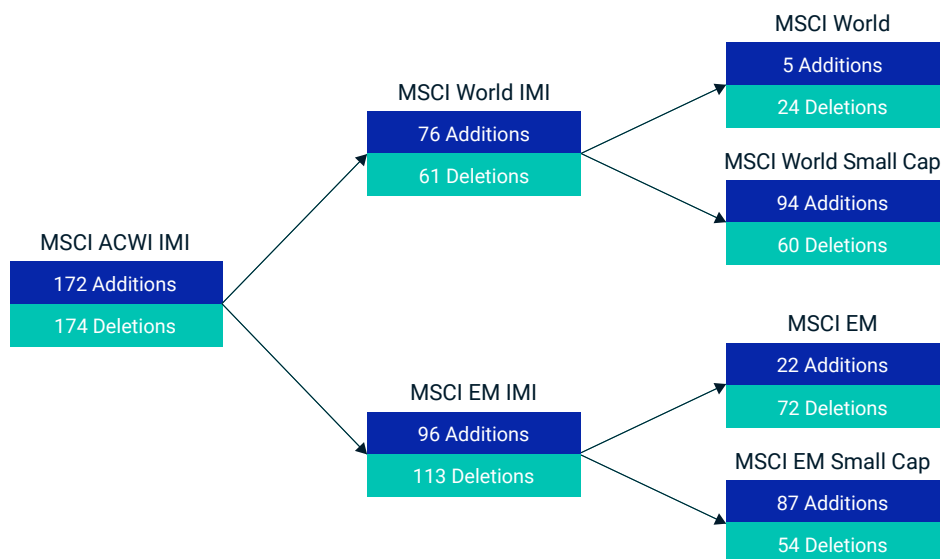


Insights from MSCI August 2024 Index Review

On **August 12th**, we communicated that **172 securities were added** and **174 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 October 31st, 2024.

What happens next?

August 31st, 2024 – Effective date of the index changes.

While the index changes were announced on August 12th, they will be implemented for the market cap indexes by August 31st, 2024. MSCI's standard practice is to announce the results of the review and provide sufficient lead time before implementation,

About MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

To learn more, please visit www.msci.com.

The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from MSCI. The Information may not be used to verify or correct other data, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information or MSCI index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information or any MSCI index is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF MSCI INC. OR ANY OF ITS SUBSIDIARIES OR ITS OR THEIR DIRECT OR INDIRECT SUPPLIERS

OR ANY THIRD PARTY INVOLVED IN THE MAKING OR COMPILING OF THE INFORMATION (EACH, AN "MSCI PARTY") MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH MSCI PARTY HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.

©2024 MSCI Inc. All rights reserved | CFS0824