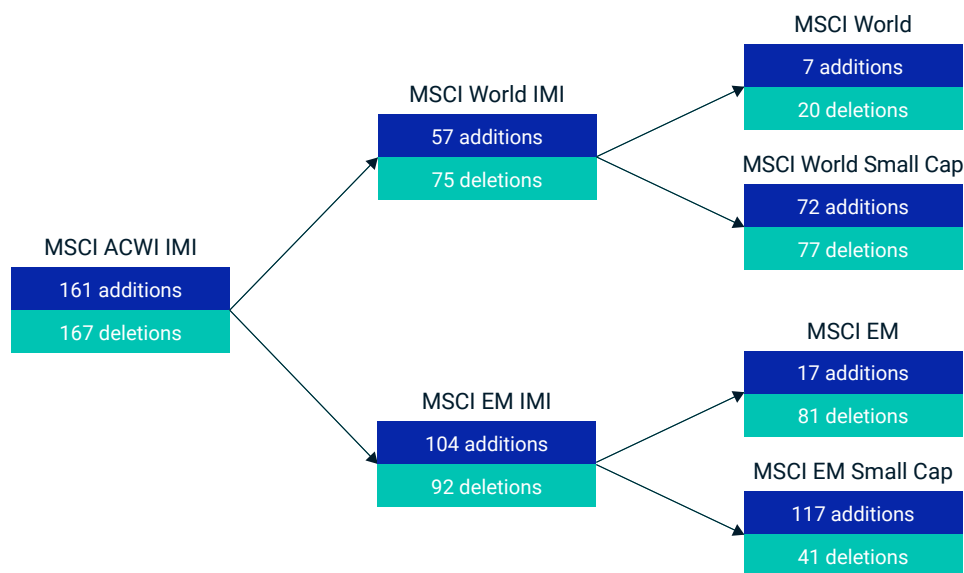


Insights from MSCI February 2024 Index Review

On **February 12th**, we communicated that **161 securities will be added** and **167 securities will be 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 aims to enable investors to see **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 large/mid cap indexes.



In the MSCI World Index, turnover was primarily driven by size segment migrations, particularly from downward migrations to the MSCI World Small Cap Index. Size segment migrations are typically triggered by changes in a company's full market capitalization relative to the required size threshold.

In the MSCI Emerging Markets Index, most of the additions and deletions occurred due to size segment migrations or securities meeting (or no longer meeting) the free float-adjusted market capitalization requirements. As a reminder, once a company is assigned to large-cap or mid-cap, its securities are subject to a free float-adjusted market capitalization requirement.

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

- In light of currently observed market accessibility issues, MSCI **will not implement changes** as part of this index review for any securities classified in Bangladesh, Egypt, or Kenya for the MSCI Bangladesh, MSCI Egypt, and MSCI Kenya Indexes or impacted composite indexes.
- As announced in October 2023, the MSCI Nigeria Indexes will be **reclassified from frontier markets to standalone markets** in one step coinciding with the February 2024 Index Review.

What happens next?

March 1, 2024 – Effective date of the index changes.

While the index changes were announced on February 12th, they will be implemented for the market cap indexes by March 1, 2024. MSCI's standard practice is to announce the results of the review and provide sufficient lead time before implementation, allowing the market and market participants to adjust to the information.

About MSCI

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