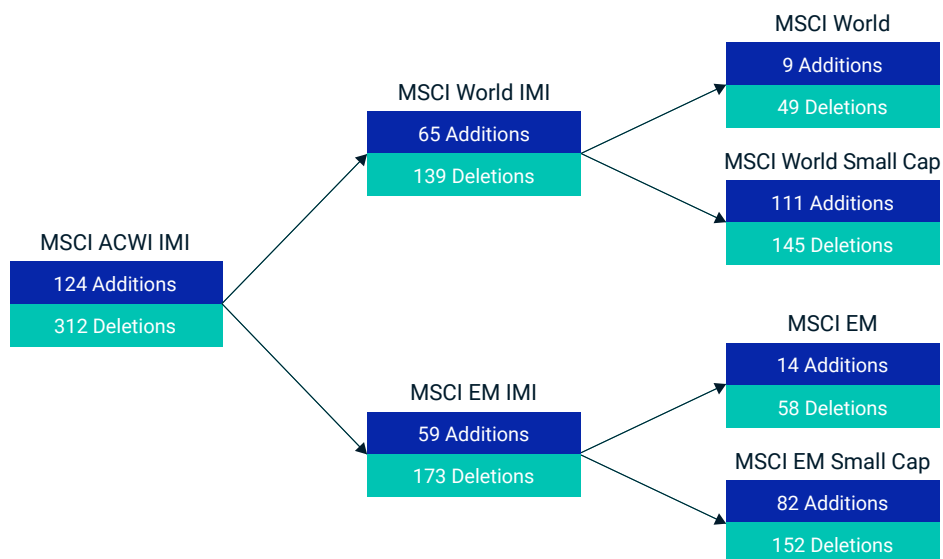


Insights from MSCI February 2025 Index Review

On **February 11, 2025**, we communicated that **124 securities were added** and **312 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 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 launched a new consultation on Potential Enhancements to the Size and Liquidity Requirements of the MSCI Market Classification Framework. This consultation will be open until March 31, 2025.
- MSCI launched a new consultation on a Potential Subcategorization of Frontier Markets. This consultation will be open until March 31, 2025.

What happens next?

March 3, 2025 – Effective date of the index changes.

While the index changes were announced on February 11, 2025, they will be implemented for the market cap indexes by February 11, 2025. MSCI's standard practice is to announce the results of the review and provide sufficient lead time before implementation,

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