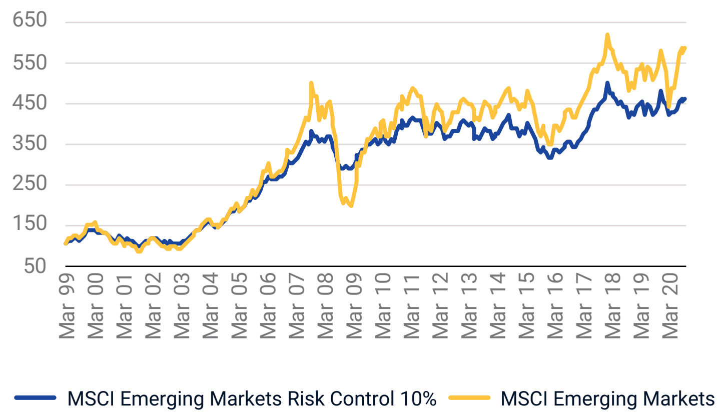
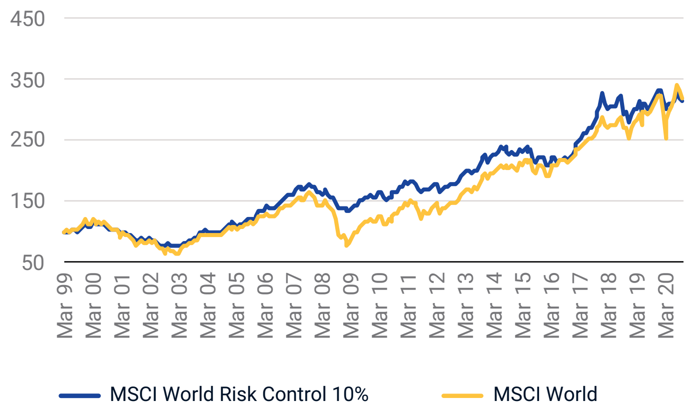
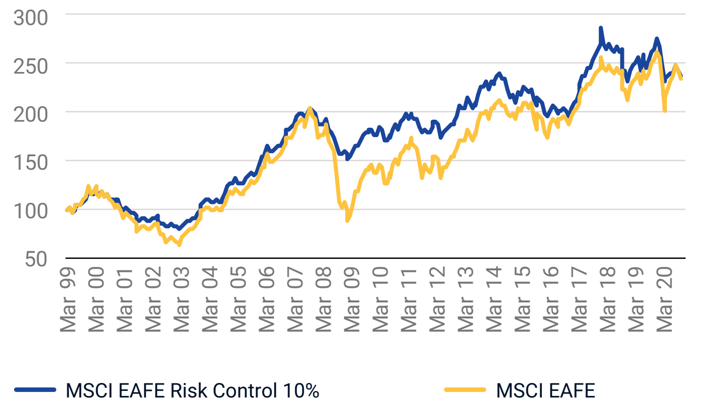
MSCI Risk Control Indexes

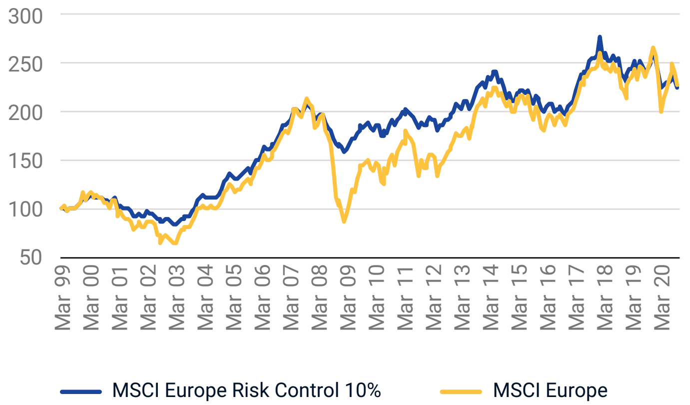
Traditional market cap weighted indexes reflect the performance of equity markets with varying levels of volatility. The MSCI Risk Control Indexes, however, aim to replicate the performance of a strategy that targets a specific level of risk by dynamically varying the weights of an underlying MSCI parent index, based on the realized volatility of the index, and a cash component. When the volatility of the underlying MSCI parent index is higher than the specific targeted risk level, the weight of the MSCI parent index in the MSCI Risk Control Index is reduced to less than 100% and the rest is weighted to a cash component. When the volatility of the underlying MSCI parent index is lower than the specific targeted risk level, the weight of the MSCI parent index in the MSCI Risk Control Index is increased to more than 100% using leverage to achieve the specific targeted risk level.

Sample Cumulative Performance – USD Gross (MAR 1999 - OCT 2020)









MSCI

Index Performance

Index	1 Month	3 Months	1 Year	Year to Date	3 Years (Annualized)	5 Years (Annualized)	10 Years (Annualized)	Since Mar 31, 1999 (Annualized)
MSCI World Risk Control 10%	-2.10	-0.61	0.28	-5.68	2.76	6.92	6.45	5.42
MSCI Emerging Markets Risk Control 10%	1.13	1.39	4.00	-3.48	0.90	6.20	1.61	3.69
MSCI EAFE Risk Control 10%	-2.95	-2.15	-9.57	-14.01	-3.08	1.95	2.36	-2.95
MSCI Europe Risk Control 10%	-3.28	-3.45	-9.33	-13.23	-3.82	0.88	1.67	-3.28

Index Risk Characteristics

Index	3 Years	5 Years	10 Years (Annualized)	Since Mar 31, 1999 (Annualized)
MSCI World Risk Control 10%	12.74	11.03	10.28	10.14
MSCI Emerging Markets Risk Control 10%	12.32	11.28	11.39	11.48
MSCI EAFE Risk Control 10%	12.69	11.39	10.59	10.32
MSCI Europe Risk Control 10%	11.28	10.33	9.64	9.40

Key Methodology Features:

- The MSCI Risk Control Index Methodology can be applied across all existing MSCI indexes and various currencies.
- Use of short-term and long-term volatility estimates accounts for both short-term and long-term volatility trends of the parent index.
- There are a range of risk control indexes already available on standard indexes – MSCI World, EAFE, Europe, EM, EM50, Kokusai and USA with 10%, 12.5%, 15% and 17.5% target risk levels provided to represent different levels of risk tolerance.
- 5% buffers around the index leverage reduce turnover without significantly altering key index characteristics such as risk, return and quality of risk control. This buffer level can be adjusted, as well as maximum leverage exposure.
- Total and Excess Return variants are available in variety of currencies.

Applications:

The MSCI Risk Control Indexes can be used as benchmarks for managed volatility strategies, or as a basis for financial products such as exchange traded funds, structured products or other indexed investment products that enable institutional investors to target specific levels of risk with dynamic combinations of an MSCI parent index and a cash component.

Bloomberg Tickers (in USD)

Index	TOTAL RETURN	EXCESS RETURN
MSCI World Risk Control 10%	MXWORCTU	MXWORCEU
MSCI Emerging Markets Risk Control 10%	MXEFRCTU	MXEFRCEU
MSCI EAFE Risk Control 10%	MXEARCTU	MXEARCEU
MSCI Europe Risk Control 10%	MXEURCTU	MXEURCEU

About MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 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.

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