

The MSCI Multi-Asset Class Factor Model

MAC Tier 4

The MSCI MAC Factor Model provides high to low granularity in looking at systematic strategy factors through an integrated and consistent framework

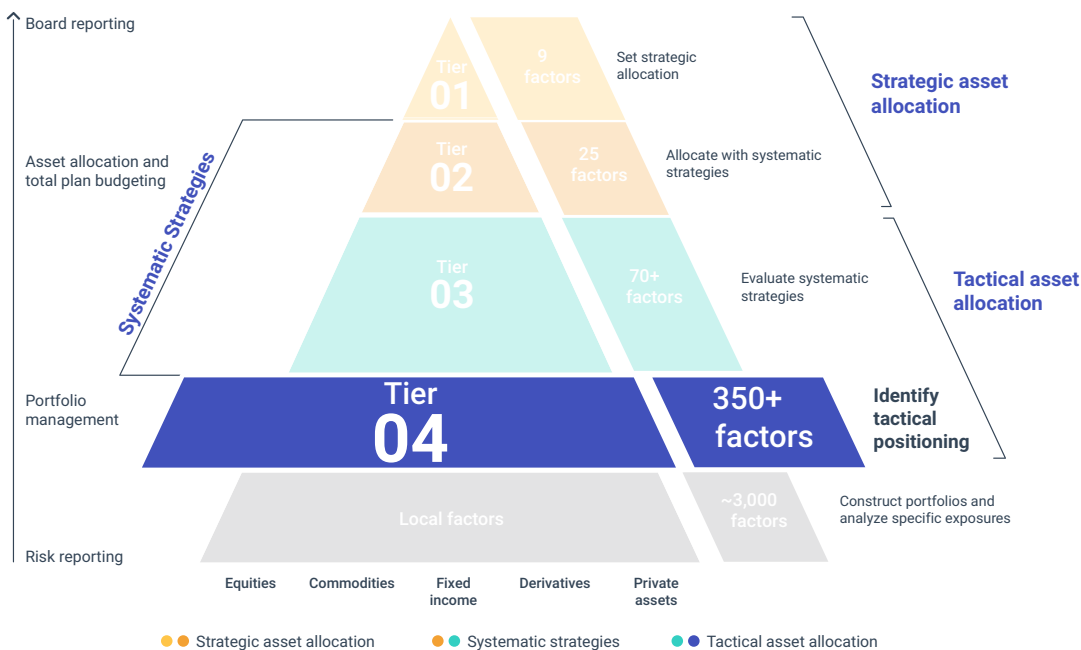
Better manage total portfolio investment objectives

Investors are seeking outcome-oriented strategies to help balance risk profiles with return targets. The MSCI Multi-Asset Class Factor Model provides insight into factor-based asset allocation to target key drivers of risk and return. The MAC model allows for the identification of systematic strategies in equities, fixed income, commodities, and currencies and improves communication of portfolio exposures at different levels of granularity for different audiences.

MAC Tier 4 - Identify tactical positioning

Tier 4 provides a consistent, global factor framework across asset classes, including the familiar Barra Global Equity Model (GEMLT) factors for equities. Tier 4 provides much more detail expanding sectors to industries and regions to countries, providing a global risk management framework with a country focus.

Tier 4 in the MSCI Multi-Asset Class Factor Model



Identify tactical positioning with country-specific systematic factors

Available in multiple horizons from ultra-short to extra-long

A consistent set of global style factors that integrate GEMLT with country-specific factors across asset classes

Tier 4 Factors

Equity

- Covers the global equity markets with a global market factor, country factors, global industries, and a broad set of systematic strategies

Fixed Income

- Represents global fixed income markets with country and region specific factors, including rates steepeners, sovereign spread and credit spread factors

Currencies

- Includes a total of 86 individual currency factors

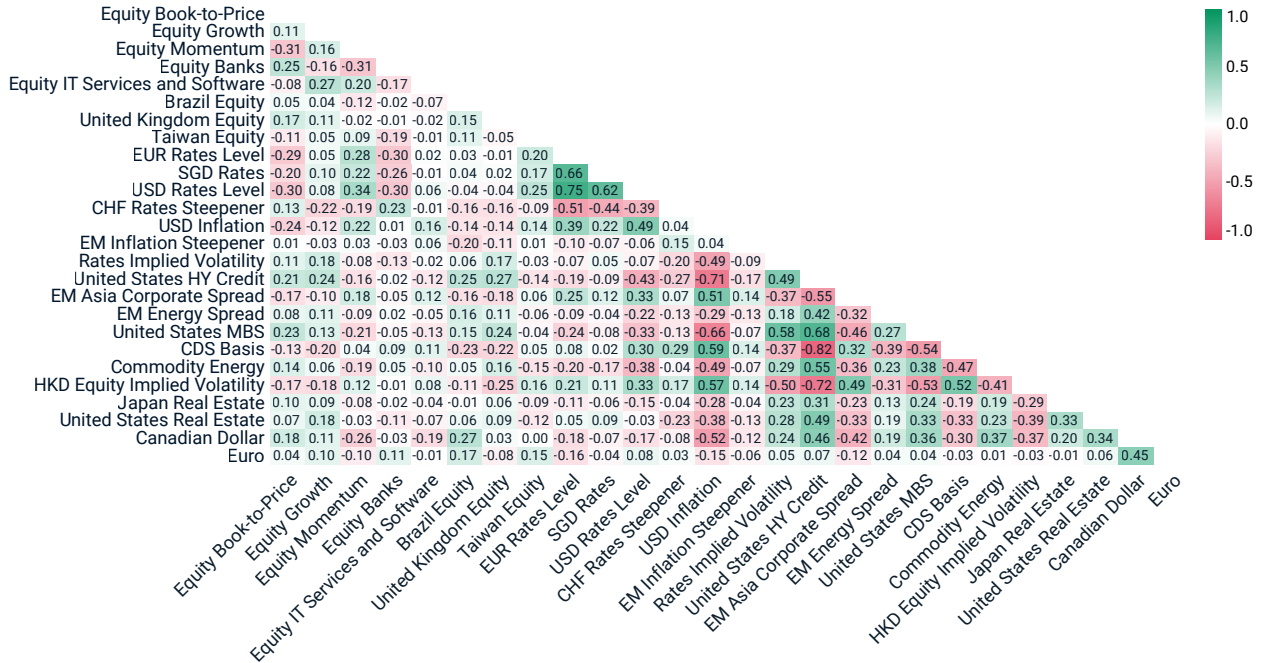
Commodities

- Provides aggregated commodity factors including systematic strategies such as Carry, Momentum and Low Volatility, and categories such as precious metals and energy

Alternatives

- Tier 4 includes country specific private real estate and private equity factors, as well as hedge fund systematic styles

Tier 4 Factor Correlations (as of May 29, 2020)



Tier 4 Model Horizon: ○ Short (MAC.S) ● Long (MAC.L)

Source: The MSCI Multi-Asset Class Factor Model (MAC).

Note: The MAC model adopts the following sign conventions for rates, inflation and credit factors. For rates factors, positive returns correspond to positive Treasury-bond returns and negative interest-rate changes; for inflation factors, positive returns correspond to positive returns of inflation-linked bonds (everything else equal) and negative changes in inflation expectation; and for credit factors, positive returns correspond to positive credit-asset returns (everything else equal) and negative changes in credit spreads.

About MSCI

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