



Emerging Markets Indexes

Discovering opportunities across transforming global economies

MSCI has an extensive history working with emerging markets and helping shape the investment landscape. We launched the MSCI Emerging Markets Index in 1988, one of the first investable benchmark indexes. At inception, the index included 10 markets and comprised less than 1% of the global equity universe.

Today, the index encompasses 24 markets and accounts for nearly 11% of the global equity opportunity set. More than \$1.3 trillion in assets under management are benchmarked to our emerging markets indexes. In addition, emerging markets represent around 10% of the \$3.9 trillion in assets under management benchmarked to our MSCI All Country World Indexes (ACWI).¹

MSCI Emerging Markets Evolution

Emerging Markets have changed dramatically since 1988. Over the years, countries have been added and removed from the MSCI Emerging Markets Index based on our market classification framework that assesses economic development, size and liquidity, and market accessibility.

Additions to MSCI Emerging Markets

- 1988**
- Argentina
 - Brazil
 - Chile
 - Greece
 - Jordan
 - Malaysia
 - Mexico
 - Philippines
 - Portugal
 - Thailand

			Colombia															
			India															
			Pakistan			China												
			Peru	Israel	Czech Rep													
Indonesia		Sri Lanka	Poland	Hungary		Egypt						Qatar		Argentina				
Turkey	Korea	Venezuela	South Africa	Taiwan	Russia	Morocco					Greece	UAE	Pakistan	Saudi Arabia	Kuwait			
1989	1992	1994	1995	1996	1997	2001	2006	2008	2009	2010	2013	2014	2017	2019	2020	2021	2022	
					Portugal	Greece	Venezuela	Jordan	Argentina	Israel	Morocco					Argentina	Russia	
						Sri Lanka		Pakistan								Pakistan		

- 2023**
- Brazil
 - Chile
 - China
 - Colombia
 - Czech Republic
 - Egypt
 - Greece
 - Hungary
 - India
 - Indonesia
 - Korea
 - Kuwait
 - Malaysia
 - Mexico
 - Peru
 - Philippines
 - Poland
 - Qatar
 - Saudi Arabia
 - South Africa
 - Taiwan
 - Thailand
 - Turkey
 - UAE

Deletions from MSCI Emerging Markets

¹ Source: MSCI, as of December 31, 2022

MSCI Emerging Markets Index region and country allocation

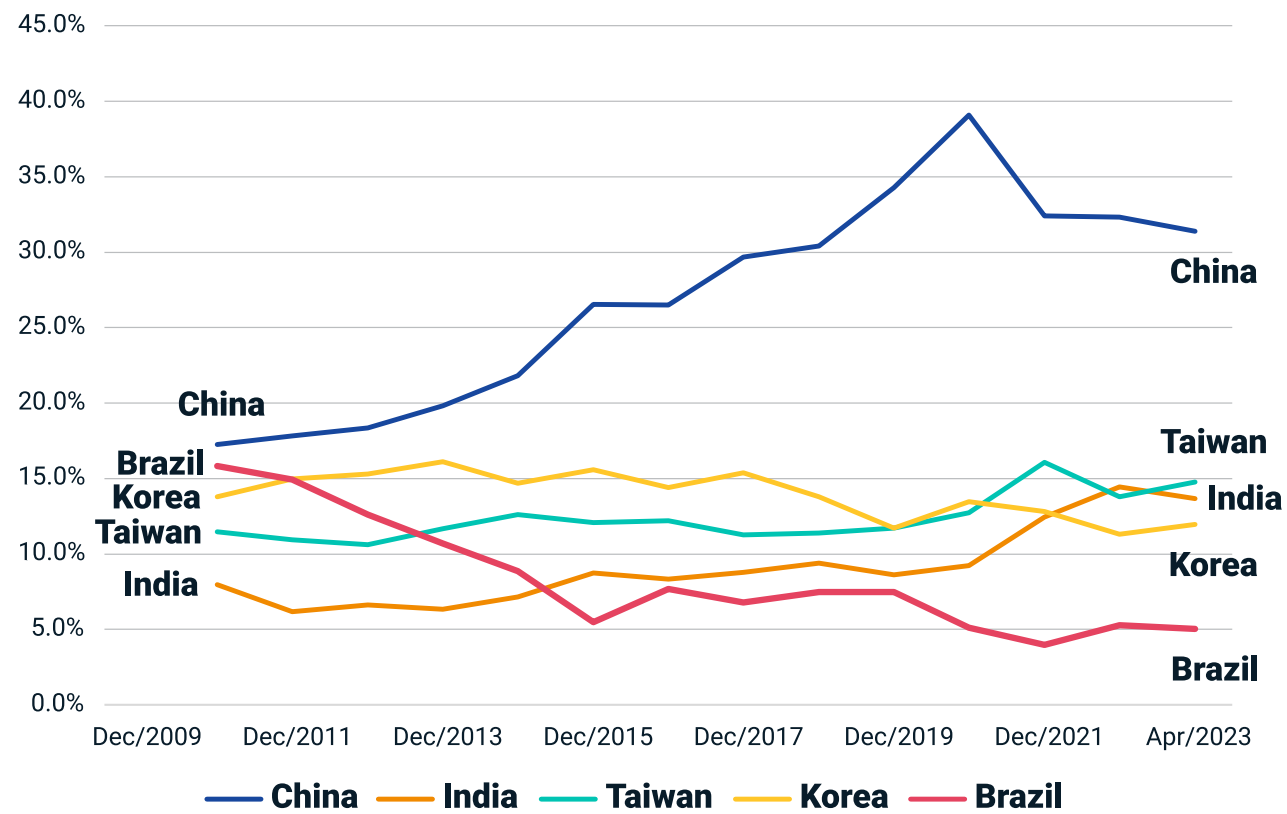
Americas (8.7%)		EMEA (13.2%)		APAC (78.1%)	
Brazil	5.0%	Saudi Arabia	4.2%	China	31.4%
Mexico	2.7%	South Africa	3.6%	Taiwan	14.8%
Chile	0.6%	UAE	1.4%	India	13.7%
Peru	0.3%	Qatar	0.9%	Korea	12.0%
Colombia	0.1%	Kuwait	0.9%	Thailand	2.1%
		Poland	0.8%	Indonesia	2.0%
		Turkey	0.6%	Malaysia	1.5%
		Greece	0.4%	Philippines	0.7%
		Hungary	0.2%		
		Czech Republic	0.2%		
		Egypt	0.1%		

EMEA: Europe, Middle East, and Africa

APAC: Asia Pacific

Source: MSCI, as of April 30, 2023

Largest countries in the MSCI Emerging Markets Index



Source: MSCI, as of April 30, 2023

Over time, we have witnessed the economic growth of the Asia-Pacific region, and a corresponding increase in the region's role in global equity markets. As we can see in the chart, four of the largest five emerging markets are in Asia. This growth is also visible in the evolution of the regional weights of the MSCI Emerging Markets Index, as illustrated on the next page.

Regional weights changes

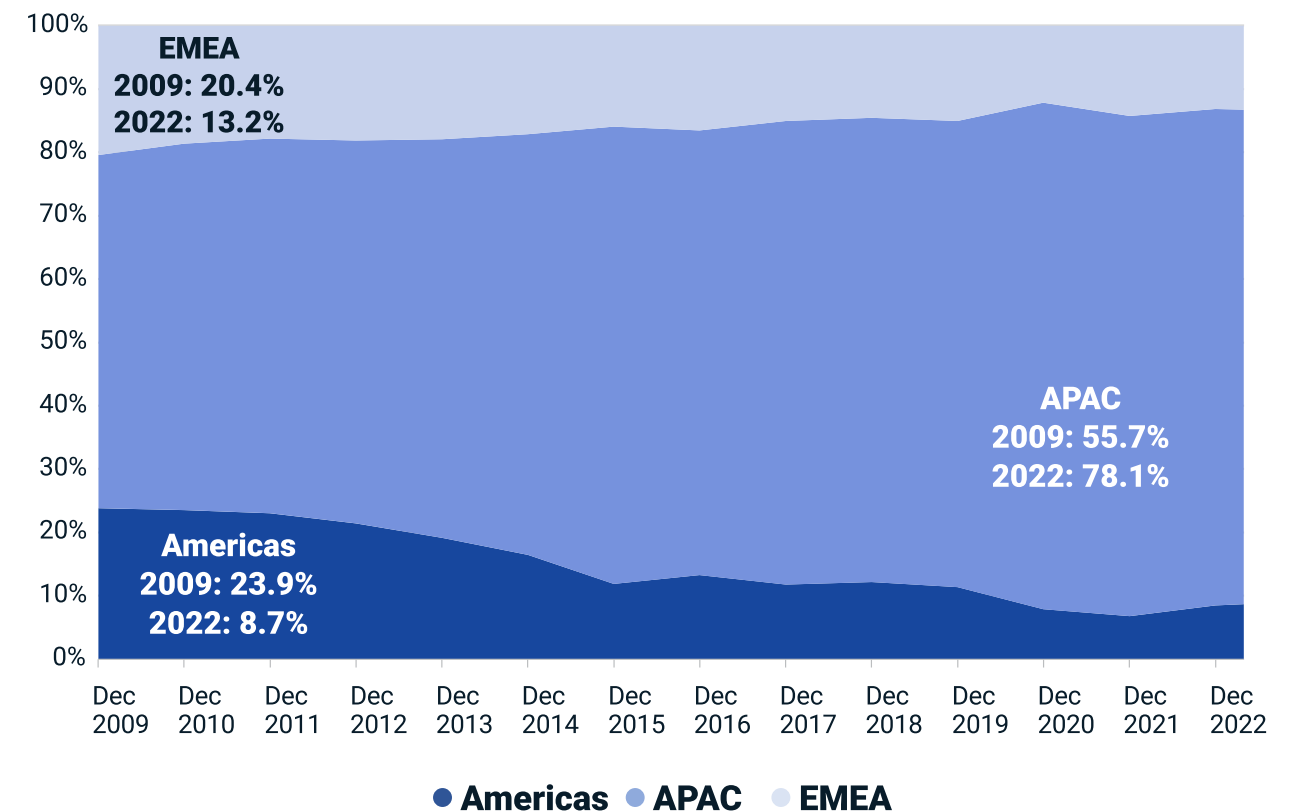
While the APAC region has increased in size and influence, the overall weight of the EMEA region has decreased over time, even with the addition of four Middle Eastern countries (Qatar, UAE, Kuwait and Saudi Arabia) to the MSCI Emerging Markets Index. Several factors have contributed to the region's weight change:

- Russia was originally classified as an Emerging Market and in 2009 it represented almost 6.5% of the MSCI Emerging Markets index. In 2022, MSCI reclassified Russia as a stand-alone market.

- South Africa's weight in the index has shrunk by nearly half over the last two decades.
- Israel was promoted to a Developed Market in 2010.

However, the most dramatic shift has been in the weight of the Americas region, driven primarily by the reduction in Brazil's weight.

Regional weights in MSCI Emerging Markets Index



Source: MSCI, as of April 30, 2023

EM stocks

come in all sizes

The MSCI Emerging Markets Index is built using our Global Investable Market Indexes (GIMI) methodology. Our transparent, rules-based methodology applies a modular approach across geographies (country, regions) and company size segments, including large, mid and small capitalization stocks. This means that investors can expand their emerging market exposure by including small cap companies, i.e., those that are smaller in terms of their market capitalization.

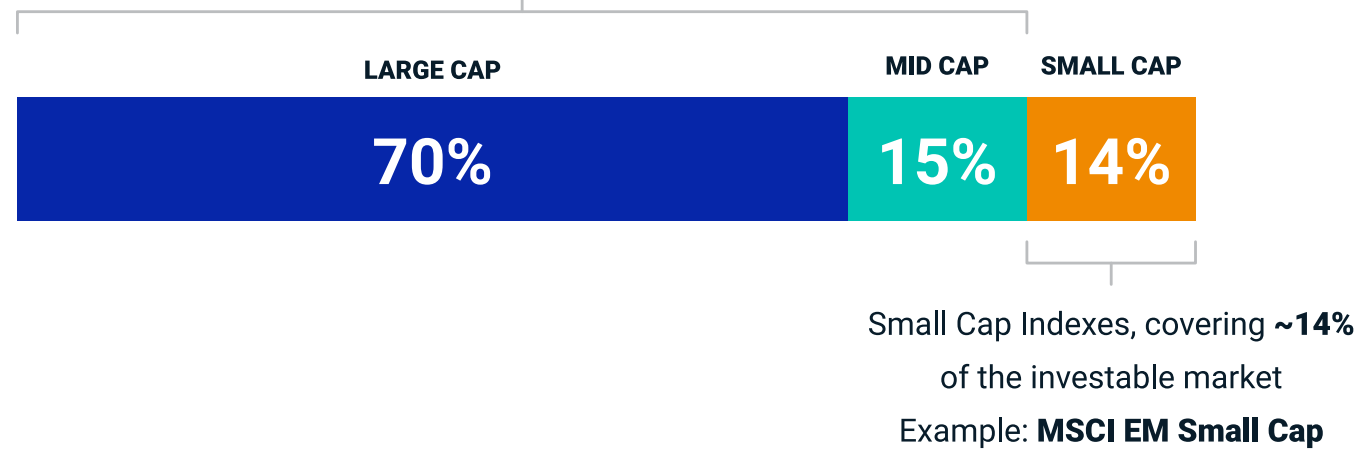
Investors can achieve this in two ways: using the MSCI EM IMI index, which includes small caps, or use the MSCI EM Small Cap index, which targets only small caps.

IMI Indexes, covering ~99% of the investable market

Example: **MSCI EM IMI**

Standard Indexes, covering ~85% of the investable market

Example: **MSCI EM**



The MSCI EM Small Cap Index is composed of over 1,800 stocks and covers the same countries as MSCI EM Index. There are some differences, however, in terms of its sector and country weights, as illustrated below:

MSCI EM Index	MSCI EM Small Cap Index
Top 3 Countries China Taiwan India	Top 3 Countries India Taiwan Korea
Top 3 GICS® Sectors Financial Industrials Consumer Discretionary	Top 3 GICS® Sectors IT Industrials Materials

Source: MSCI, as of April 30, 2023. GICS® (Global Industry Classification Standard) is the global industry classification standard jointly developed by MSCI Inc. and S&P Global.

Tailor your EM exposure to reflect

your investment goals

Advances in technology and data availability have enabled us to construct newer, more granular types of market indexes.

Using the MSCI EM Index or the MSCI EM Small Cap Index as a starting universe, investors can target specific criteria that align best with their investment goals and preferences.

MSCI EM ESG Indexes	MSCI EM Climate Indexes	MSCI EM Factor Indexes	MSCI EM Thematic Indexes
Indexes based on ESG criteria and designed to help measure exposure to ESG related risks.	Indexes based on Climate metrics and measurements. They are designed to help measure exposure to climate related risks.	Indexes are designed to reflect the return of markets defined by style factors such as volatility, yield, quality, momentum, value, size, and growth.	Indexes based on quantitative measurements of macroeconomic, geopolitical, and technological trends that may have far-reaching effects on markets
Examples: <ul style="list-style-type: none"> • MSCI EM ESG Screened • MSCI EM ESG Leaders • MSCI Sustainable Impact 	Examples: <ul style="list-style-type: none"> • MSCI EM Low Carbon Target • MSCI EM Climate Action • MSCI EM Paris Aligned 	Examples: <ul style="list-style-type: none"> • MSCI EM Minimum Volatility • MSCI EM Value • MSCI EM Quality 	Examples: <ul style="list-style-type: none"> • MSCI China Tech

Why MSCI?

Whatever your investment goals—diversification, differentiation or decarbonization—you need highly accurate data and timely insights to deliver better outcomes with conviction. MSCI continuously innovates by harnessing the collective intelligence and expertise of our global enterprise. Through our research, partnerships and technology, we aim to bring greater transparency and clarity to global financial markets, empowering the investment community to make better-informed decisions.

From broad market to customized outcome-oriented indexes, our time-tested, globally consistent index and decision-support solutions enable asset managers, asset owners and wealth managers to anticipate and respond to change to solve modern investing's most pressing challenges.



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.

The process for submitting a formal index complaint can be found on the index regulation page of MSCI's website at: <https://www.msci.com/index-regulation>.

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