

MSCI EAFE Index

The MSCI EAFE Index is a stock market index that measures the performance of large- and mid-cap companies across 21 developed markets countries around the world. Canada and the USA are not included.

EAFE is an acronym that stands for Europe, Australasia, and the Far East. With 722 constituents, the index covers approximately 85% of the market capitalization¹ in each country.

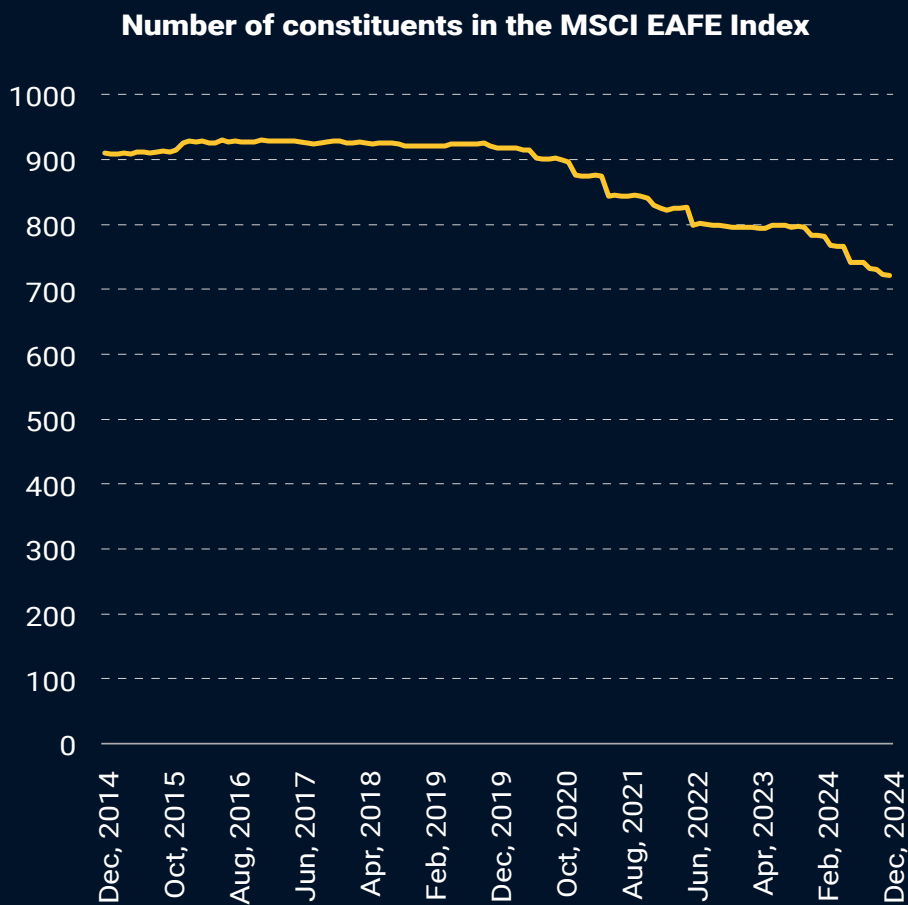
¹ Free-float-adjusted market capitalization; as of December 31, 2024

What companies does it include?

The MSCI EAFE Index is comprised of both large and mid-cap companies.

Rather than a fixed number of names, we construct the Index using a mix of large- and mid-cap companies. Large-cap companies comprise approximately 70% of the total market capitalization and mid-cap companies make up the balance, approximately 15%.

Let’s see how this has played out over the last decade.



Data as of December 31, 2024

How has it performed over time?

The MSCI EAFE Index has returned 5.2% on an annualized basis over the last decade.

MSCI EAFE Index	Returns
Year-to-date	3.8
1 Year	3.8
3 Years	1.6
5 Years	4.7
10 Years	5.2

Net returns, USD, as of December 31, 2024. Returns are annualized for periods longer than a year.

The MSCI EAFE Index has posted a positive return in six of the last 10 years.

Annual performance	MSCI EAFE Index
2024	3.8
2023	18.2
2022	-14.5
2021	11.3
2020	7.8
2019	22.0
2018	-13.8
2017	25.0
2016	1.0
2015	-0.8

Net returns, USD, as of December 31, 2024

Past performance – whether actual or back-tested – is no indication or guarantee of future performance.

Can you tell me more about what constitutes a developed market?

The classification of a market as developed, emerging or frontier reflects is based on a framework anchored in three pillars:

- » Economic development, which considers the sustainability of economic development and is used only in the classification of developed markets.
- » Size and liquidity requirements, which determine whether securities meet minimum investability standards.
- » Market accessibility, which aims to reflect international institutional investors' experience of investing in each market.

For a country to be classified as developed, it will have to meet the following criteria¹:

- » Economic development: Gross National Income (GNI) per capita of 25% above the World Bank high-income threshold for three consecutive years.
- » Size and liquidity requirements: At least five companies meeting minimum size requirements (full- and free-float market capitalization) and a liquidity threshold based on annualized traded values.
- » Market accessibility: Exhibits a high degree of openness to foreign investment as measured by such indicators as the absence of foreign ownership limits or restrictions on the flow of capital.

What are the developed markets globally and how are they represented in the index?

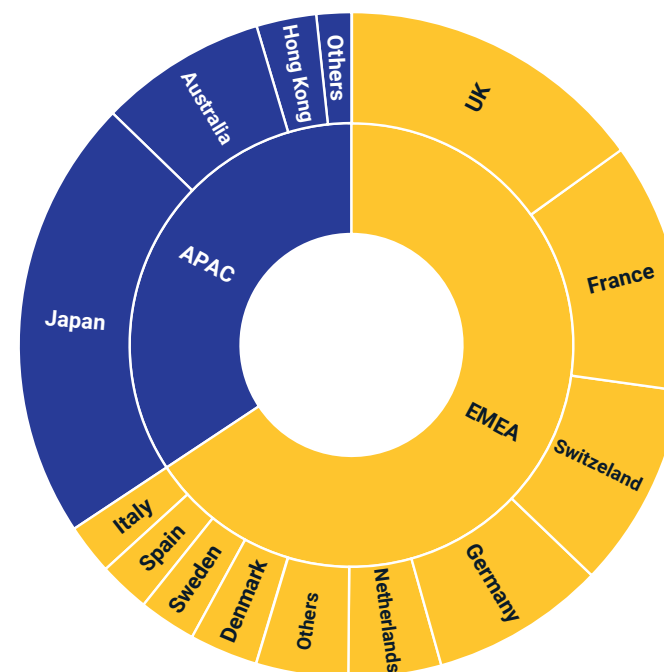
There are currently¹ 23 developed markets globally, including: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK, and the USA.

The MSCI EAFE Index captures representation from all but two of these markets; the USA and Canada are excluded from the Index.

The largest country in the MSCI EAFE Index, as measured by market capitalization, is Japan, which represents 23.2% of the Index. The next 3 countries by size are: UK (14.9%), France (11.1%), and Switzerland (9.6%).

As markets and economies evolve, so will country weights within the index. Our index construction process is not bound by a fixed number of constituents, which helps our indexes to be more dynamic and better capture that evolution.

MSCI EAFE Index: Country Composition



Other EMEA Countries (Total: 4.33%):

- | | | |
|-----------|----------|------------|
| » Belgium | » Norway | » Portugal |
| » Finland | » Israel | » Austria |
| » Ireland | | |

Other APAC countries (Total: 1.6%):

- | | |
|-------------|---------------|
| » Singapore | » New Zealand |
|-------------|---------------|

¹ Data as of December 29, 2023

What about the businesses these companies represent?

The MSCI EAFE Index provides exposure to a diverse set of sectors.

Sectors	Weights
Communication Services	4.8
Consumer Discretionary	11.3
Consumer Staples	8.3
Energy	3.5
Financials	21.9
Health Care	12.4
IT	8.8
Industrials	17.8
Materials	6.1
Real Estate	2.0
Utilities	3.2

Data as of December 31, 2024

By incorporating mid-cap companies, the MSCI EAFE Index may become more diversified from a sector perspective than if it was comprised solely of large cap companies.

For example, Real Estate and Health Care sectors are underrepresented among large cap companies when compared to mid-caps, while sectors such as IT and Financials have larger weights.

Sector weights change over time as markets and economies evolve. By having an index construction process that is not bound by a fixed number of constituents, our Indexes can better capture that evolution. The chart below shows the minimum and maximum weights to each sector over the last five years.

Sectors	Minimum weight (5-year period)	Maximum weight (5-year period)
Communication Services	3.9	5.7
Consumer Discretionary	10.6	13
Consumer Staples	8.3	12.6
Energy	2.7	5.3
Financials	15.1	21.9
Health Care	11.9	14.7
IT	7.1	9.9
Industrials	14.2	17.8
Materials	6.1	8.2
Real Estate	2	3.6
Utilities	3.1	4.2

Data from December 31, 2019 to December 31, 2024

GICS® (Global Industry Classification Standard) is the global industry classification standard jointly developed by MSCI Inc. and S&P Global.



Note:

- » Changes in the composition of the Communication Services, Consumer Discretionary and IT sectors in 2018 reflected the increased integration among telecommunications, media and internet companies.
- » Real Estate became its own sector in 2016.

What is its exposure to long-term structural trends?

At MSCI we created a Thematic Exposure Relevance Score to measure the importance of a theme or trend to a company’s business activities. The table below shows the top three themes to which MSCI EAFE Index has exposure.

Thematic Exposure Relevance Score (%)	MSCI EAFE Index
Disruptive Technology	8.7
Millennials	7.7
Ageing Society	6.4

Data as of December 31, 2024

Is there anything else I should know about the index?

Our Economic Exposure dataset illustrates where revenues originate for all the companies in the MSCI EAFE Index.

Economic Exposure	North America	Emerging Markets	Europe and Middle East	Pacific
MSCI EAFE Index	23.3%	27.1%	28.8%	20.9%

Data as of December 31, 2024

While the companies in the MSCI EAFE Index are based in developed markets, the analysis above shows that a substantial amount of their revenues comes from emerging markets.

The USA and Canada are not included in this Index, but revenues from these two markets are significant. In fact, we have seen exposure grow over the last 10 years as North American markets have become a more important source of revenues for other developed markets.

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.

To learn more, please visit www.msci.com. 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>.

The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from MSCI. The Information may not be used to verify or correct other data, to create any derivative works, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information or MSCI index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information or any MSCI index is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. MSCI ESG and climate ratings, research and data are produced by MSCI ESG Research LLC, a subsidiary of MSCI Inc. MSCI ESG Indexes, Analytics and Real Estate are products of MSCI Inc. that utilize information from MSCI ESG Research LLC. MSCI Indexes are administered by MSCI Limited (UK). The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF MSCI INC. OR ANY OF ITS SUBSIDIARIES OR ITS OR THEIR DIRECT OR INDIRECT SUPPLIERS OR ANY THIRD PARTY INVOLVED IN MAKING OR COMPILING THE INFORMATION (EACH, AN "INFORMATION PROVIDER") MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH INFORMATION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE INFORMATION PROVIDERS HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited. Privacy notice: For information about how MSCI collects and uses personal data, please refer to our Privacy Notice at <https://www.msci.com/privacy-pledge>.

©2025 MSCI Inc. All rights reserved | CFS0125

