

HOW MSCI MANAGES CONFLICTS OF INTEREST

MSCI

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Purpose

MSCI is committed to high standards in benchmark administration and to conducting its business with the highest degree of ethics and integrity in order to best serve its clients. Conflicts of interest could arise from conflicts between MSCI and its directors, staff, clients, investors, and suppliers, and MSCI has policies and procedures in place for the management of potential conflicts of interest, including for their identification, disclosure, mitigation or avoidance, as described below.

For the purposes of this document, references to “MSCI indexes” include the (1) MSCI equity and blended indexes, (2) MSCI fixed income indexes, and (3) MSCI Private Real Estate Indexes.

Independence

MSCI does not have any stock exchange, asset manager, broker dealer, bank, or trading/clearing facility in its corporate group. MSCI does not issue, market, trade or clear securities or financial products (excluding MSCI company stock). For these reasons, MSCI believes that there are no inherent conflicts of interest arising from its corporate structure in connection with benchmark administration.

While certain MSCI equity and fixed income indexes use ESG ratings data and/or risk data and tools provided by its affiliates, these are the same data and products designed for use by market participants broadly for purposes independent of the respective MSCI index. MSCI believes that this mitigates the risk of potential or perceived conflicts of interest because the data and tools are not designed specifically for use in MSCI indexes.

Board of Directors of MSCI Inc. (ultimate parent company)

MSCI’s Confidential Information and Securities Indexes Information Wall policy prohibits disclosure of MSCI index decisions to non-employee directors of MSCI Inc. in advance of a public announcement. The Board of Directors is subject to the MSCI Code of Ethics and Business Conduct, available on www.msci.com, including with respect to the disclosure and mitigation of conflicts of interest.

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MSCI employees are subject to the following compliance policies addressing potential conflicts of interest:

- Code of Ethics and Business Conduct;

- Code of Conduct;
- Confidential Information and Securities Indexes Chinese Wall;
- Employee Trading;
- Directorships, Outside Activities and Private Securities Transactions;
- Gifts and Entertainment and Charitable Giving;
- Related Party Transactions; and
- Global Anti-bribery.

The Code of Ethics and Business Conduct is reviewed and approved by the MSCI Inc. Board of Directors. MSCI’s employees are trained on these and other compliance policies upon joining and annually thereafter. They certify that they will comply with these policies annually.

Among other things, pursuant to these policies, MSCI employees engaged in MSCI equity and fixed income index design, calculation or maintenance are prohibited from purchasing stocks (other than MSCI Inc. stock with pre-approval) and are subject to holding periods, pre-approval requirements and trading blackouts, around the time of MSCI equity index rebalancings, for all types of equity investments, including investments in funds and ETFs. Relevant MSCI employees engaged in MSCI’s real estate products are prohibited from purchasing any publicly listed real estate fund, including REITs, as well as any derivative or other investment vehicle linked to an MSCI Private Real Estate Indexes. MSCI policies require that private securities transactions and outside business activities be pre-approved by MSCI’s Compliance department, which reviews the transaction or activity with a goal of identifying and avoiding or preventing real or apparent conflicts of interest.

MSCI also maintains a strict information barrier (“Information Wall”) that separates (physically and by rule) staff involved in MSCI equity and fixed income index design, calculation or maintenance from those who are not. The Information Wall restricts access to potentially price sensitive information related to the MSCI equity and fixed income indexes and index changes to staff who have a need to know such information to perform their duties and who are “inside the wall” in order to protect such data. Inside the wall employees are subject to a more restrictive employee trading policy which restricts trading in stock and certain financial products as described above. All other staff, including MSCI index sales, marketing, and product management personnel are not involved in or privy to MSCI equity and fixed income index decisions in advance of their communication to clients.

All MSCI employees are required to obtain pre-approval for all outside business activities as well as all board, committee or other positions in industry associations

or groups where they serve as representatives of MSCI. This includes index or product advisory or governance boards and expert committees.

While MSCI's revenues include fees based on assets in investment products linked to MSCI indexes licensed to clients, remuneration of MSCI employees responsible for the design, calculation and/or maintenance of any MSCI indexes is not linked to the performance of any MSCI indexes.

Clients/Investors/Suppliers

While MSCI's clients, investors or suppliers, as well as MSCI itself, may or may not be or become MSCI index constituents, inclusion in any MSCI index is determined by MSCI's rules-based methodologies. Entities do not and are not permitted to pay to be included in any MSCI index and they are not given advance knowledge of their inclusion, exclusion or treatment in an MSCI index.

For MSCI Private Real Estate Indexes, MSCI relies primarily on the voluntary provision of data from MSCI's clients. MSCI's data validation and verification procedures aim to ensure, among other things, that the integrity of the MSCI Private Real Estate Indexes is not compromised because of any commercial relationship.

MSCI's Research department may consult with experts in the design of methodologies for thematic indexes. These experts have no access to "inside the wall" data. Any use of expert input is solely in MSCI's discretion. MSCI has procedures in place to identify and manage potential conflicts of interest involving these experts. Current experts can be found at <https://www.msci.com/thematic-investing/theme-experts>.

Editorial and Operational Independence

MSCI has established committees to provide benchmark administration oversight and governance. Use of committees helps to ensure that decisions are not made unilaterally and content decisions are made in accordance with published rules-based methodologies.

All of MSCI's oversight and governance committees are staffed solely by MSCI group company employees. All committee members are expected to act with integrity as is required of all MSCI employees according to MSCI's Code of Ethics and Business Conduct posted on www.msci.com. Additionally, MSCI's BMR Oversight Committee, Equity and Fixed Income Index Committees and Index Policy Committee are staffed solely by employees who are inside the Information Wall. Also, the MSCI BMR Oversight Committee is staffed with voting members who are not involved in the design, calculation or maintenance of MSCI indexes.



MSCI's index methodologies are rules-based and any exercise of discretion (which is designed to be rare and limited to situations where the rules-based methodology does not effectively address or anticipate a particular market situation) must be approved by the appropriate governance committee.

Communication of MSCI Index Decisions

Announcements with respect to changes in an MSCI index or index methodology are communicated to the market at the same time. This ensures that one market participant does not have an information advantage over another.

Functional Separation

The design and calculation of the MSCI indexes are functionally separate from each other and other parts of the business. The MSCI indexes are designed, calculated and maintained by relevant teams within the Research and Data Management departments. The Research teams are primarily responsible for the index design, methodology and rebalancing/reviews for existing and new MSCI indexes. The Data Management teams are responsible for the implementation of the methodologies and calculation and distribution of MSCI indexes. The relevant IT teams are responsible for providing the tools and applications to support the other groups.

Whistleblowing

MSCI has a specific whistleblowing policy and procedure for reporting any potential misconduct in benchmark administration, including suspected manipulation of an MSCI index. Staff are made aware of this policy through MSCI's intranet and compliance training, and instructions for reporting an issue are provided on MSCI's intranet.

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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>.

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

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