

MSCI AUSTRALIA 200 INDEX METHODOLOGY

February 2015

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1 INTRODUCTION

The MSCI Australia 200 Index is a free float-adjusted market capitalization weighted index designed to track the performance of the 200 largest securities in the Australian equity universe.

2 CONSTRUCTING THE MSCI AUSTRALIA 200 INDEX

The selection universe of the MSCI Australia 200 Index is based on constituent securities of the underlying MSCI Australia IMI Index. The constituents of the MSCI Australia IMI Index are ranked in descending order of free float-adjusted market capitalization available to Australian resident investors. The largest 200 are selected to construct the MSCI Australia 200 Index. The resulting Index constituents are weighted according to their free float-adjusted market capitalizations available to Australian resident investors.

The free float-adjustment is applied using an adjustment factor referred to as the Domestic Inclusion Factor (DIF).

More information on the construction, maintenance and calculation of the MSCI Australia IMI Index can be found in the Global Investable Market Indexes methodology posted at http://www.msibarra.com/products/indexes/international_equity_indexes/gimi/stdindex/methodology.html.

3 MAINTAINING THE MSCI AUSTRALIA 200 INDEX

3.1 QUARTERLY INDEX REVIEW

The composition of the MSCI Australia 200 Index is fully reviewed on a quarterly basis to coincide with the regular index reviews of the MSCI Global Investable Market Indexes. The changes are implemented at the end of February, May, August and November.

During the Quarterly Index Review, the number of securities is restored to 200. Note that the number of index constituents between the index reviews may differ from this number due to additions and deletions resulting from corporate events on existing index constituents.

If a security that is scheduled to be added to or deleted from the MSCI Australia 200 Index is suspended from trading on the day before the effective implementation date of the index review, MSCI will cancel the implementation for the security. When the implementation of a deletion from a Parent Index is postponed, the implementation of the deletion from the indexes derived from that Parent Index will also be postponed. When the deletion is implemented in the Parent Index after the security resumes trading, the security will be simultaneously deleted from the derived index.

3.1.1 BUFFER RULES

To minimize index turnover, additions to and deletions from the Index during rebalancings will be controlled by buffer rules.

Non-constituents that satisfy all eligibility criteria and rank 175th and above will be added to the MSCI Australia 200 Index and existing constituents which rank below 225th will be deleted from the Index. If the number of securities differs from 200 after applying the buffer rules, the lowest ranked securities within the index will be deleted, or the next highest ranked securities will be added to the index to restore the number of constituents to 200.

Quarterly Index Reviews may also result in changes in Domestic Inclusion Factor (DIF) and updates in number of shares for existing constituents.

3.1.2 CUTOFF DATE FOR MARKET CAPITALIZATION AND PRICES USED FOR THE REBALANCING

The cutoff date for market capitalization and prices used for the rebalancing of the MSCI Australia 200 Index is 9 business days before the end of February, May, August and November.

3.2 ONGOING EVENT RELATED CHANGES

The MSCI Australia 200 Index follows the event maintenance of the MSCI Australia IMI Index. Changes in the MSCI Australia IMI Index are reflected simultaneously in the MSCI Australia 200 Index.

3.2.1 IPOs AND OTHER EARLY INCLUSIONS

IPOs and other newly listed securities will only be considered for inclusion at the next Quarterly Index Review, even if they qualify for early inclusion in the MSCI Australia IMI Index.

3.2.2 ADDITIONS AND DELETIONS DUE TO CORPORATE EVENTS

The general treatment of additions and deletions due to corporate events aims at reducing turnover in the MSCI Australia 200 Index. When the number of securities in the MSCI Australia 200 Index falls below or rises above 200 due to corporate events, no additions or deletions will be made to restore the number of constituents to 200 until the next Quarterly Index Review.

A constituent deleted from the MSCI Australia IMI Index following a corporate event will be simultaneously deleted from the MSCI Australia 200 Index. Examples are securities of companies that are acquired, file for bankruptcy, companies that file for protection from their creditors and/or are suspended and for which a return to normal business activity and trading is unlikely in the near future.

There will be no early inclusion of new securities to the MSCI Australia 200 Index, except when a new security results from an event affecting an existing constituent (e.g., mergers and acquisitions, spin offs).

In the event of a merger or an acquisition where an index constituent acquires another index constituent or merges with another index constituent, the remaining company is maintained in the index. In the event of a merger or an acquisition where a non index constituent acquires or merges with an index constituent, the non index constituent is added to the MSCI Australia 200 Index provided it is added to the MSCI Australia IMI Index following the corporate event.

If a spun off security of an index constituent is added to the MSCI Australia IMI Index, it is added simultaneously to the MSCI Australia 200 Index.

The following sections have been modified since May 2014:

Section 3.1: Quarterly Index Review

- Clarification on implementation of suspended securities

Section 3.2.2: Additions and Deletions Due to Corporate Events

- Added examples of corporate events

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