MSCI Emerging Markets Extended ESG Focus Index (CAD)

The MSCI Emerging Markets Extended ESG Focus Index is based on MSCI Emerging Markets Index, its parent index, which includes securities across Emerging Markets (EM) countries*. The Index is designed to maximize exposure to positive environmental, social and governance (ESG) factors while exhibiting risk and return characteristics similar to those of the MSCI Emerging Markets Index. The index is constructed by selecting constituents from MSCI Emerging Markets Index through an optimization process that aims to maximize exposure to ESG factors for a target tracking error budget set to 50bps under certain constraints. The index is sector-diversified and targets companies with high ESG ratings in each sector. Tobacco and Controversial Weapons companies and Producers of or ties with Civilian Firearms are not eligible for inclusion.

CUMULATIVE INDEX PERFORMANCE — NET RETURNS (CAD)  
(NOV 2014 – MAR 2020)

INDEX PERFORMANCE — NET RETURNS (%) (MAR 31, 2020)

INDEX RISK AND RETURN CHARACTERISTICS (NOV 25, 2014 – MAR 31, 2020)

FUNDAMENTALS (MAR 31, 2020)

* EM countries include: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

The MSCI Emerging Markets Extended ESG Focus Index was launched on Mar 27, 2018. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance — whether actual or back-tested – is no indication or guarantee of future performance.
## INDEX CHARACTERISTICS

<table>
<thead>
<tr>
<th></th>
<th>MSCI Emerging Markets Extended ESG Focus</th>
<th>MSCI Emerging Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Constituents</td>
<td>291</td>
<td>1,404</td>
</tr>
</tbody>
</table>

### Sector Weights

- Financials: 25.22%
- Information Technology: 18.28%
- Consumer Discretionary: 15.87%
- Communication Services: 12.2%
- Consumer Staples: 6.09%
- Energy: 6.01%
- Materials: 5.61%
- Industrials: 4.34%
- Health Care: 2.77%
- Real Estate: 1.97%
- Utilities: 1.63%
- Other: 24.29%

### Country Weights

- China: 36.81%
- Taiwan: 13.95%
- South Korea: 11.8%
- India: 8.51%
- Brazil: 4.63%

## TOP 10 CONSTITUENTS

<table>
<thead>
<tr>
<th>Country</th>
<th>Index Wt. (%)</th>
<th>Parent Index Wt. (%)</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALIBABA GROUP HLDG ADR</td>
<td>7.29</td>
<td>7.08</td>
<td>Cons Discr</td>
</tr>
<tr>
<td>TENCENT HOLDINGS LI (CN)</td>
<td>6.46</td>
<td>5.89</td>
<td>Comm Svcs</td>
</tr>
<tr>
<td>TAIWAN SEMICONDUCTOR MFG</td>
<td>5.48</td>
<td>4.68</td>
<td>Info Tech</td>
</tr>
<tr>
<td>SAMSUNG ELECTRONICS CO</td>
<td>3.95</td>
<td>3.92</td>
<td>Info Tech</td>
</tr>
<tr>
<td>CHINA CONSTRUCTION BK H</td>
<td>3.14</td>
<td>3.14</td>
<td>Financials</td>
</tr>
<tr>
<td>PING AN INSURANCE H</td>
<td>2.45</td>
<td>2.45</td>
<td>Financials</td>
</tr>
<tr>
<td>NASPERS N</td>
<td>1.36</td>
<td>1.36</td>
<td>Cons Discr</td>
</tr>
<tr>
<td>E.SUN FINANCIAL HOLDINGS</td>
<td>1.15</td>
<td>1.15</td>
<td>Financials</td>
</tr>
<tr>
<td>HOUSING DEV FINANCE CORP</td>
<td>1.01</td>
<td>0.74</td>
<td>Financials</td>
</tr>
<tr>
<td>PUBLIC BANK</td>
<td>0.98</td>
<td>0.24</td>
<td>Financials</td>
</tr>
</tbody>
</table>

### INDEX METHODOLOGY

MSCI ESG Focus Index is constructed by selecting constituents from its underlying parent index through an optimization process that aims to maximize exposure to ESG factors for a target tracking error budget under certain constraints. In order that market cap coverage of the index is higher than would otherwise be the case, the predicted tracking error bound is set to 50bps and the minimum constituent weight is set to 5bps. Tobacco and Controversial Weapons companies and Producers of or ties with Civilian Firearms are excluded from the index. Securities of companies involved in very severe business controversies are not eligible for inclusion. Other exclusions include where companies do not have the controversy score or IVA rating or ESG score. Constituents are selected to maximize exposure to higher ESG IVA scores, subject to maintaining risk and return characteristics similar to the parent index. ESG IVA scores are normalized and factored into the optimization process.

Further, the optimized portfolio is determined and the index is constructed using the most recent release of the Barra Open Optimizer in combination with the relevant Barra Equity Model. The Index is rebalanced on a quarterly basis coinciding with the regular Index Reviews of the MSCI Global Investable Market Indexes. Changes are effective at the beginning of March, June, September and December.

### ABOUT MSCI

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