

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, and (2) 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 or ownership structure in connection with benchmark administration.

While certain MSCI equity 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 Equity Indexes Chinese 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.

MSCI Employees

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 Equity 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 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 real estate index. 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 (“Chinese Wall”) that separates (physically and by rule) staff involved in MSCI equity index design, calculation or maintenance from those who are not. The Chinese Wall restricts access to potentially price sensitive information related to the MSCI equity 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 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 cannot 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.

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 Equity Index Committee and Index Policy Committee are staffed solely by employees who are inside the Chinese Wall. Also, the MSCI BMR Oversight Committee are staffed with voting members who are inside the Chinese Wall and 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

Public 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 the relevant Research and Data Management teams. The

Research teams are primarily responsible for the index design, methodology and rebalancing/reviews for existing and new MSCI indexes. (For MSCI Private Real Assets Indexes, the Technical Product team plays a role in confirming that the technical implementation is consistent with the methodology.) 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.

For the MSCI equity indexes, all of these groups are inside the Chinese Wall.

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

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