



METHODOLOGY BOOK FOR:

- MSCI EUROPE SELECT GREEN EX CONTROVERSIES INDEX**
- MSCI USA SELECT GREEN EX CONTROVERSIES INDEX**
- MSCI EUROPE SELECT GREEN 50 5% DECREMENT INDEX**
- MSCI EUROPE SELECT GREEN 50 5% DECREMENT INDEX (GROSS)**
- MSCI USA SELECT GREEN 50 3% DECREMENT INDEX**

August 2019



CONTENTS	1	Introduction.....	3
	2	MSCI ESG Research	4
	2.1	MSCI ESG Business Involvement Screening Research.....	4
	3	Constructing the Indexes	5
	3.1	Eligible Universe Screening.....	5
	3.2	Business Involvement Exclusions	6
	3.3	Security Selection.....	6
	3.4	Applying the Capping	6
	3.5	Applying the Decrement.....	6
	4	Maintaining the Indexes	8
	4.1	Quarterly Index Reviews.....	8
	4.2	Ongoing Event Related Changes	8
		Appendix 1 – Screening Criteria.....	10



1 INTRODUCTION

The MSCI Europe Select Green ex Controversies Index and the MSCI USA Select Green ex Controversies Index (herein, 'MSCI Select Green ex Controversies Indexes') aims to represent the performance of a selection of securities from their parent index that offer products and services that contribute to an environmentally sustainable economy through efficient use of limited global natural resources. The MSCI Select Green ex Controversies Indexes also exclude companies that are involved in the production of controversial, nuclear or conventional weapons, as well as those that are involved in environmental controversies. The indexes are free-float market capitalization weighted.

The MSCI Europe Select Green 50 5% Decrement Index, MSCI Europe Select Green 50 5% Decrement Index (Gross) and the MSCI USA Select Green 50 3% Decrement Index (herein, 'MSCI Select Green 50 Decrement Indexes') aim to represent the performance of the largest 50 stocks by free-float market capitalization from the MSCI Select Green ex Controversies Indexes. The MSCI Select Green 50 Decrement Indexes aim to avoid concentration by capping the weight of securities within the index to a maximum of 5%, while applying a constant markdown ('synthetic dividend') on an annual basis, expressed as a percentage of performance.



2 MSCI ESG RESEARCH

The MSCI Select Green ex Controversies Indexes and the MSCI Select Green 50 Decrement Indexes use company research provided by MSCI ESG Research LLC. In particular, these indexes use the MSCI Business Involvement Screening Research product.

For details on MSCI ESG Research's full suite of ESG products, please refer to:
http://www.msci.com/products/esg/about_msci_esg_research.html

2.1 MSCI ESG BUSINESS INVOLVEMENT SCREENING RESEARCH

MSCI ESG Business Involvement Screening Research (BISR) aims to enable institutional investors to manage environmental, social and governance (ESG) standards and restrictions reliably and efficiently.

For more details on MSCI ESG Business Involvement Screening Research, please refer to
http://www.msci.com/resources/factsheets/MSCI_ESG_BISR.pdf



3 CONSTRUCTING THE INDEXES

The MSCI Select Green ex Controversies Indexes and the MSCI Select Green 50 Decrement Indexes are constructed from their respective parent indexes, as shown in the table below (each a “Parent Index”):

Index Name	Parent Index
MSCI Europe Select Green ex Controversies Index	MSCI Europe IMI
MSCI Europe Select Green 50 5% Decrement Index	
MSCI Europe Select Green 50 5% Decrement Index (Gross)	
MSCI USA Select Green ex Controversies Index	MSCI USA IMI
MSCI USA Select Green 50 3% Decrement Index	

The following steps are applied at initial construction as well as subsequent Quarterly and Semi-Annual Index Reviews of the “MSCI Select Green ex Controversies Index”.

- Eligible Universe Screening
- Business Involvement Exclusions

In addition to the above steps, the following steps are applied to the MSCI Select Green ex Controversies Index at initial construction as well as subsequent Quarterly and Semi-Annual Index Reviews to construct the “MSCI Select Green 50 Decrement Index”.

- Security Selection
- Applying the Capping
- Applying the Decrement

3.1 ELIGIBLE UNIVERSE SCREENING

The eligible universe for the MSCI Select Green ex Controversies Index is obtained by applying the MSCI Global Environment Index Methodology¹ on the Parent Index, with a customization to include companies that derive 10% of more of their revenue cumulatively from the five CleanTech (CT) themes as noted in Section 3.3 of the MSCI Global Environment Index Methodology.

¹ Please refer to the MSCI Global Environment Index Methodology at <http://www.msci.com/index-methodology>.



3.2 BUSINESS INVOLVEMENT EXCLUSIONS

From the eligible universe, companies are excluded based on their involvement in the production of controversial, nuclear and conventional weapons, as well as those involved in environmental controversies. The details of these criteria are described in Appendix 1.

The securities included after the application of the above exclusions are weighted in proportion of their free-float adjusted market capitalization to form the “MSCI Select Green ex Controversies Index”.

The following steps are then applied to the MSCI Select Green ex Controversies Index to construct the MSCI Select Green 50 Decrement Index.

3.3 SECURITY SELECTION

The largest 50 securities ranked in the descending order of their free-float adjusted market capitalization are selected for inclusion in the Index.

3.4 APPLYING THE CAPPING

The maximum weight of any security in the Index is capped at 5% in accordance with the MSCI Capped Indexes methodology². The excess weight of the capped securities is distributed among the remaining constituents in proportion of their free float market capitalization.

3.5 APPLYING THE DECREMENT

The MSCI Decrement Indexes methodology³ is applied on the capped Index to construct the MSCI Select Green 50 5% Decrement Index using the following parameters.

MSCI Europe Select Green 50 5% Decrement

Sr. No.	Methodology Parameter	Parameter Value
1	Currency of Calculation	EUR
2	Return Variant of the Parent Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	5%
6	Day-count Convention	Actual / 365

² Please refer to the MSCI Capped Indexes Methodology at <http://www.msci.com/index-methodology>.

³ Please refer to the MSCI Decrement Indexes Methodology at <http://www.msci.com/index-methodology>.



7	Index Floor	0
8	Decrement Frequency	Daily

MSCI Europe Select Green 50 5% Decrement Index (Gross)

Sr. No.	Methodology Parameter	Parameter Value
1	Currency of Calculation	EUR
2	Return Variant of the Parent Index	Daily Gross Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	5%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily

MSCI USA Select Green 50 3% Decrement:

Sr. No.	Methodology Parameter	Parameter Value
1	Currency of Calculation	USD
2	Return Variant of the Parent Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	3%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily



4 MAINTAINING THE INDEXES

4.1 QUARTERLY INDEX REVIEWS

The MSCI Select Green ex Controversies and the MSCI Select Green 50 Decrement Indexes are reviewed on a quarterly basis as described in Section 3, coinciding with the May and November Semi-Annual Index Reviews and the February and August Quarterly Index Reviews of the Parent Index.

The pro forma Indexes are typically announced nine business days before the effective date.

In general, MSCI uses MSCI ESG Research data (including MSCI ESG Ratings, MSCI ESG Controversies Scores and MSCI Business Involvement Screening Research) as of the end of the month preceding the Index Reviews. For some securities, such data may not be published by MSCI ESG Research by the end of the month preceding the Index Review. For such securities, MSCI will use ESG data published after the end of month, when available.

4.2 ONGOING EVENT RELATED CHANGES

The general treatment of corporate events in the MSCI Select Green ex Controversies and the MSCI Select Green 50 Decrement Indexes aims to minimize turnover outside of index Reviews. The methodology aims to appropriately represent an investor's participation in an event based on relevant deal terms and pre-event weighting of the index constituents that are involved.

The following section briefly describes the treatment of common corporate events within the MSCI Select Green ex Controversies and the MSCI Select Green 50 Decrement Indexes.

No new securities will be added to the Indexes between Index Reviews. For cases where additions are noted below, securities will be added to the index only if added to the parent index.

Parent Index deletions will be reflected simultaneously.

EVENT TYPE

EVENT DETAILS

New additions to the Parent Index

A new security added to the parent index (such as IPO and other early inclusions) will not be added to the index.

Spin-Offs

All securities created as a result of the spin-off of an existing Index constituent



will not be added to the Index at the time of event implementation.

Merger/Acquisition

For Mergers and Acquisitions, the acquirer's post event weight will account for the proportionate amount of shares involved in deal consideration, while cash proceeds will be invested across the Index.

If an existing Index constituent is acquired by a non-Index constituent, the existing constituent will be deleted from the Index and the acquiring non-constituent will not be added to the Index.

Changes in Security Characteristics

A security will be removed from the Index if there are changes in its characteristics (country, sector, size segment, etc.) Reevaluation for inclusion in the Index will occur at the subsequent Index Review.

Further detail and illustration regarding specific treatment of corporate events relevant to this Index can be found in the MSCI Corporate Events Methodology book under the sections detailing the treatment of events in Capped Weighted and Non-Market Capitalization Weighted indexes.

The MSCI Corporate Events methodology book is available at:
<https://www.msci.com/index-methodology>



APPENDIX 1 – SCREENING CRITERIA

Companies, whose activities meet the following values based criteria, as determined by MSCI ESG Research LLC, are excluded from the Index:

- Nuclear Weapons
 - All companies that manufacture nuclear warheads and/or whole nuclear missiles.
 - All companies that manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles).
 - All companies that manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons.
 - All companies that provide auxiliary services related to nuclear weapons, such as repairing and maintaining nuclear weapons, providing overhaul and upgrade services (including engineering), stockpiling and stewardship, R&D work, testing and simulations, etc.
 - All companies that manufacture components that were not developed or not significantly modified for exclusive use in nuclear weapons (warheads and missiles), i.e., these components can be used in both nuclear and conventional weapons.
 - All companies that manufacture or assemble delivery platforms that were not developed or not significantly modified for the exclusive delivery of nuclear weapons. i.e., these platforms are capable of delivering conventional weapons.
 - All companies that manufacture components for dual-use delivery platforms.
- Conventional Weapons
 - All companies that earn revenue from the production of conventional weapons.
 - All companies that earn revenue from weapons systems, components, and support systems and services.



- Environment Controversy
 - All companies marked with a Red, Orange or Yellow flag for Environment Controversies.



The following sections have been modified since September 2018:

Update to include the index construction and maintenance parameters for:

- MSCI Europe Select Green 50 5% Decrement Index (Gross)



METHODOLOGY BOOK FOR THE MSCI EUROPE SELECT GREEN EX CONTROVERSIES INDEX, THE MSCI USA SELECT GREEN EX CONTROVERSIES INDEX, THE MSCI EUROPE SELECT GREEN 50 5% DECREMENT INDEX, THE MSCI USA SELECT GREEN 50 3% DECREMENT INDEX | AUGUST 2019

CONTACT US

clientservice@msci.com

AMERICAS

Americas	1 888 588 4567 *
Atlanta	+ 1 404 551 3212
Boston	+ 1 617 532 0920
Chicago	+ 1 312 675 0545
Monterrey	+ 52 81 1253 4020
New York	+ 1 212 804 3901
San Francisco	+ 1 415 836 8800
Sao Paulo	+ 55 11 3706 1360
Toronto	+ 1 416 628 1007

EUROPE, MIDDLE EAST & AFRICA

Cape Town	+ 27 21 673 0100
Frankfurt	+ 49 69 133 859 00
Geneva	+ 41 22 817 9777
London	+ 44 20 7618 2222
Milan	+ 39 02 5849 0415
Paris	0800 91 59 17 *

ASIA PACIFIC

China North	10800 852 1032 *
China South	10800 152 1032 *
Hong Kong	+ 852 2844 9333
Mumbai	+ 91 22 6784 9160
Seoul	00798 8521 3392 *
Singapore	800 852 3749 *
Sydney	+ 61 2 9033 9333
Taipei	008 0112 7513 *
Tokyo	+ 81 3 5290 1555

* = toll free

ABOUT MSCI

For more than 40 years, MSCI's research-based indexes and analytics have helped the world's leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research.

Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research.

MSCI serves 98 of the top 100 largest money managers, according to the most recent P&I ranking.

For more information, visit us at www.msci.com.



METHODOLOGY BOOK FOR THE MSCI EUROPE SELECT GREEN EX CONTROVERSIES INDEX, THE MSCI USA SELECT GREEN EX CONTROVERSIES INDEX, THE MSCI EUROPE SELECT GREEN 50 5% DECREMENT INDEX, THE MSCI USA SELECT GREEN 50 3% DECREMENT INDEX | AUGUST 2019

NOTICE AND DISCLAIMER

This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information") is the property of MSCI Inc. or its subsidiaries (collectively, "MSCI"), or MSCI's licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (collectively, with MSCI, the "Information Providers") and is provided for informational purposes only. The Information may not be modified, reverse-engineered, reproduced or disseminated in whole or in part without prior written permission from MSCI.

The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indexes, databases, risk models, analytics, software, or in connection with the issuing, offering, sponsoring, managing or marketing of any securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information or any other MSCI data, information, products or services.

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 THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider 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, including without limitation (as applicable), any liability for death or personal injury to the extent that such injury results from the negligence or willful default of itself, its servants, agents or sub-contractors.

Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Past performance does not guarantee future results.

The Information should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. All Information is impersonal and not tailored to the needs of any person, entity or group of persons.

None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy.

It is not possible to invest directly in an index. Exposure to an asset class or trading strategy or other category represented by an index is only available through third party investable instruments (if any) based on that index. MSCI does not issue, sponsor, endorse, market, offer, review or otherwise express any opinion regarding any fund, ETF, derivative or other security, investment, financial product or trading strategy that is based on, linked to or seeks to provide an investment return related to the performance of any MSCI index (collectively, "Index Linked Investments"). MSCI makes no assurance that any Index Linked Investments will accurately track index performance or provide positive investment returns. MSCI Inc. is not an investment adviser or fiduciary and MSCI makes no representation regarding the advisability of investing in any Index Linked Investments.

Index returns do not represent the results of actual trading of investable assets/securities. MSCI maintains and calculates indexes, but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the index or Index Linked Investments. The imposition of these fees and charges would cause the performance of an Index Linked Investment to be different than the MSCI index performance.

The Information may contain back tested data. Back-tested performance is not actual performance, but is hypothetical. There are frequently material differences between back tested performance results and actual results subsequently achieved by any investment strategy.

Constituents of MSCI equity indexes are listed companies, which are included in or excluded from the indexes according to the application of the relevant index methodologies. Accordingly, constituents in MSCI equity indexes may include MSCI Inc., clients of MSCI or suppliers to MSCI. Inclusion of a security within an MSCI index is not a recommendation by MSCI to buy, sell, or hold such security, nor is it considered to be investment advice.

Data and information produced by various affiliates of MSCI Inc., including MSCI ESG Research LLC and Barra LLC, may be used in calculating certain MSCI indexes. More information can be found in the relevant index methodologies on www.msci.com.

MSCI receives compensation in connection with licensing its indexes to third parties. MSCI Inc.'s revenue includes fees based on assets in Index Linked Investments. Information can be found in MSCI Inc.'s company filings on the Investor Relations section of www.msci.com.

MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. Except with respect to any applicable products or services from MSCI ESG Research, neither MSCI nor any of its products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and MSCI's products or services are not 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. Issuers mentioned or included in any MSCI ESG Research materials may include MSCI Inc., clients of MSCI or suppliers to MSCI, and may also purchase research or other products or services from



METHODOLOGY BOOK FOR THE MSCI EUROPE SELECT GREEN EX CONTROVERSIES INDEX, THE MSCI USA SELECT GREEN EX CONTROVERSIES INDEX, THE MSCI EUROPE SELECT GREEN 50 5% DECREMENT INDEX, THE MSCI USA SELECT GREEN 50 3% DECREMENT INDEX | AUGUST 2019

MSCI ESG Research. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body.

Any use of or access to products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, IPD, InvestorForce, and other MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and Standard & Poor's.

MIFID2/MIFIR notice: MSCI ESG Research LLC does not distribute or act as an intermediary for financial instruments or structured deposits, nor does it deal on its own account, provide execution services for others or manage client accounts. No MSCI ESG Research product or service supports, promotes or is intended to support or promote any such activity. MSCI ESG Research is an independent provider of ESG data, reports and ratings based on published methodologies and available to clients on a subscription basis. We do not provide custom or one-off ratings or recommendations of securities or other financial instruments upon request.

Privacy notice: For information about how MSCI ESG Research LLC collects and uses personal data concerning officers and directors, please refer to our Privacy Notice at <https://www.msci.com/privacy-pledge>.