

HOW MSCI MANAGES CONFLICTS OF INTEREST

MSCI

December 2019

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 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 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 (“Chinese 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 Chinese 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.

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 Chinese 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.

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
São 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 *
Thailand	0018 0015 6207 7181 *
Tokyo	+ 81 3 5290 1555

* = toll free

ABOUT MSCI

MSCI is a leader provider of critical decision support tools and services for the global investment community. With over 45 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

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

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 investible 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 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 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>.