

MSCI EAFE HIGH DIVIDEND YIELD INDEX

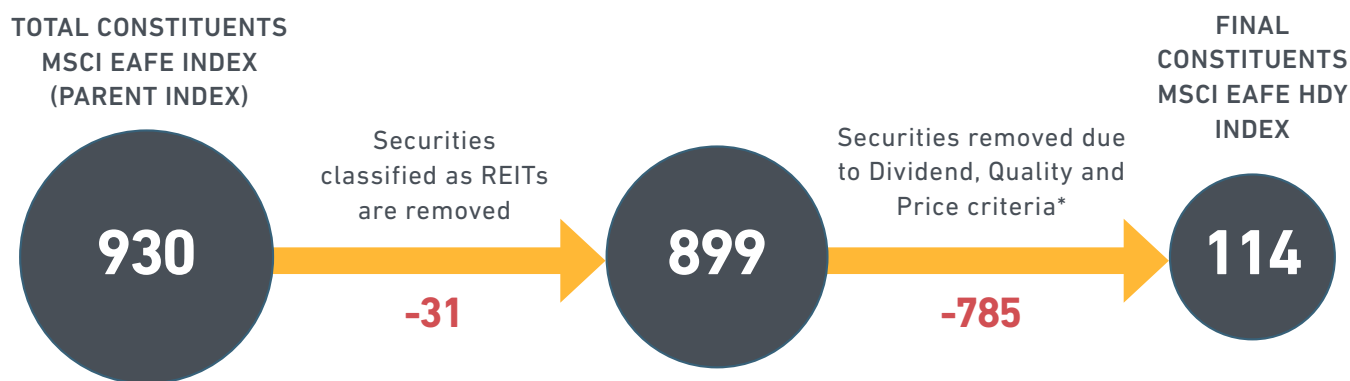
The MSCI High Dividend Yield (HDY) Indexes are designed to represent the performance of companies with high dividend income and quality characteristics. The methodology aims to include companies with higher-than-average dividend yields relative to the parent index and that have been sustainable and persistent over time. The index also excludes stocks that historically exhibited deteriorating quality characteristics.

KEY FEATURES OF THE MSCI HIGH DIVIDEND YIELD INDEXES

- Simple and transparent index methodology
- Aim to include stocks with historically sustainable dividend yields over time
- Seek stocks with a consistent history of dividend growth
- Goal of high replicability with moderate annual index turnover

The MSCI High Dividend Yield Indexes aim to represent the performance of companies that have historically demonstrated stable and increasing dividends.

HIGH DIVIDEND YIELD INDEX CONSTRUCTION



*EXCLUSION HIGHLIGHTS

55% failed 1 criteria

41% failed 2 or 3 criteria

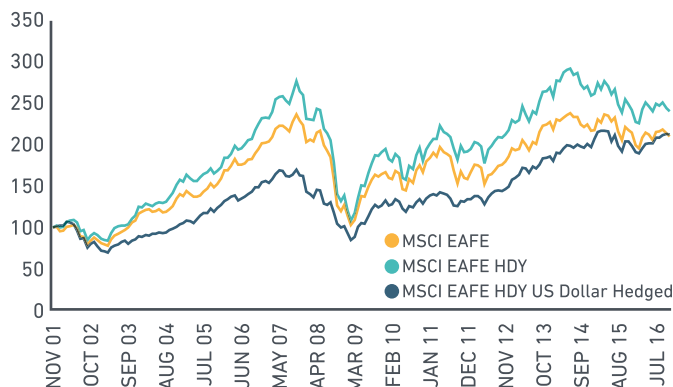
4% failed 4 or 5 criteria

The following table further details the number of securities which failed each criteria.

INDEX	PARENT INDEX	REITS	DIVIDEND YIELD	DIVIDEND SUSTAINABILITY	DIVIDEND PERSISTENCE	QUALITY	PRICE PERFORMANCE	FINAL INDEX
MSCI EAFE HDY Index	930	31	694	122	113	341	27	114

Source: MSCI as of November 2016.

INDEX LEVEL PERFORMANCE OF MSCI EAFE HDY INDEX (NOV 2001-NOV 2016)



HISTORICAL MONTHLY INDEX DIVIDEND YIELDS (NOV 2001-NOV 2016)



HIGH DIVIDEND YIELD INDEX METHODOLOGY

STEP 1

Remove any securities classified as REITs.

STEP 2

Apply the following criteria simultaneously:

- Dividend Yield: excludes securities with dividend yields that are less than 1.3 times the parent index dividend yield index
- Dividend Sustainability: excludes securities with negative or very high payouts (top 5% by payout)
- Dividend Persistence: excludes securities with negative 5-year dividends per share growth

- Quality: excludes securities with negative quality scores, based on ROE, earnings variability and debt-to-equity
- Price Performance: excludes securities ranked in the bottom 5% of the universe of securities with negative 1-year price performance

Additionally, MSCI can apply a hedged index methodology to any MSCI index. The MSCI Hedged Indexes include all of the securities and weights of each corresponding unhedged MSCI Parent Index, helping institutional investors to measure the impact of hedging currency while equity exposure remains constant. The MSCI Hedged High Dividend Yield Indexes provide an income focus and may be effective tools for those who also wish to measure the impact of currency risk or currency returns.

ABOUT MSCI

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