CONSULTATION ON MSCI HONG KONG-LISTED SOUTHBOUND INDEX

November, 2017
The MSCI Hong Kong-Listed Southbound Indexes are designed to represent the performance of Large Cap and Mid Cap securities that are determined by the MSCI Hong Kong Indexes, Hong Kong-listed HSBC and the MSCI China Indexes excluding B shares and foreign listings.

Currently, the indexes do not formally take into consideration of eligibility for Southbound Trading on Stock Connect system.

In order to accurately reflect accessibility of securities trading on Stock Connect, MSCI proposes to exclude securities that are not accessible through the Stock Connect from the MSCI Hong Kong-listed Southbound Indexes starting from the November 2017 Semi-Annual Index Review (SAIR), effective December 1, 2017.

MSCI welcomes feedback from the investment community on the proposal. MSCI will announce the results of the consultation on or before November 28, 2017.

Please note that this consultation may or may not result in any changes to the MSCI Indexes or methodologies. Consultation feedback will remain confidential. MSCI may publicly disclose feedback if specifically requested by respective market participants. In that case, the relevant feedback would be published together with the final results of the consultation.
Quarterly Index Review:

- MSCI proposes not to include securities that are ineligible for Southbound trading on Stock Connect starting from the November 2017 SAIR, effective December 1, 2017.

On-going Events Maintenance:

- IPOs and other early inclusions (such as, spun-off companies, merger, acquisition) are only considered at the next Quarterly Index Review.
- Constituents of the MSCI Hong Kong-Listed Southbound Indexes that are no longer accessible through the Stock Connect programs would be deleted from the index with 2 days’ notice.
Existing constituents of MSCI Hong Kong-Listed Southbound Index not eligible for the Stock Connect:

<table>
<thead>
<tr>
<th>Security Name</th>
<th>Company Mkt Cap</th>
<th>Index Mkt Cap</th>
<th>Weight in Current Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>LINK REIT</td>
<td>18,254</td>
<td>18,254</td>
<td>1.01%</td>
</tr>
<tr>
<td>HKT TRUST AND HKT</td>
<td>9,240</td>
<td>4,620</td>
<td>0.26%</td>
</tr>
<tr>
<td>HK ELECTRIC INVESTMENTS</td>
<td>8,076</td>
<td>2,423</td>
<td>0.13%</td>
</tr>
</tbody>
</table>

Note: All market caps are in USD millions. Data as of the close of November 1, 2017

Simulated Impact:

<table>
<thead>
<tr>
<th>Current Index</th>
<th>Pro forma Index</th>
<th># Securities</th>
<th>One Way Index Turnover*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index Market Cap</td>
<td># Sec.</td>
<td>Index Market Cap</td>
<td># Sec.</td>
</tr>
<tr>
<td>MSCI Hong Kong-Listed Southbound Index</td>
<td>1,808,131</td>
<td>174</td>
<td>1,782,834</td>
</tr>
<tr>
<td>MSCI Hong Kong-Listed Southbound IMI</td>
<td>2,000,627</td>
<td>571</td>
<td>1,921,746</td>
</tr>
</tbody>
</table>

Note: All market caps are in USD millions. Data as of the close of November 1, 2017
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Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research.

MSCI serves 97 of the top 100 largest money managers, according to the most recent P&I ranking.

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