MSCI ACWI IMI
Semiconductors & Semiconductor Equipment ESG Screened Select Capped Index

Parameter Sheet for Customization/Calculation Methodology

[Szerző]

May 2021
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1 Introduction

The MSCI ACWI IMI Semiconductors & Semiconductor Equipment ESG Screened Select Capped Index (the “Index”) aims to reflect the performance of securities belonging to the Semiconductors and Semiconductor equipment GICS industry group in the MSCI ACWI IMI and is constructed based on the MSCI ESG Screened Indexes methodology\(^1\). The Index excludes companies:

- that are associated with controversial, civilian, conventional and nuclear weapons and tobacco
- that derive revenues from thermal coal and oil sands extraction and thermal coal based power generation
- that are not in compliance with the United Nations Global Compact principles
- that have an ESG Controversy score of 0

To avoid concentration, the weight of the issuers in the Index is capped in accordance with the MSCI Capped Indexes methodology\(^2\), such that the 5 largest issuers within the Index are capped at 8% while all other issuers are capped at 5%, with buffers.

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\(^1\) Please refer to the MSCI ESG Screened Indexes methodology at [www.msci.com/index-methodology](http://www.msci.com/index-methodology)

\(^2\) Please refer to the MSCI Capped Indexes methodology at [www.msci.com/index-methodology](http://www.msci.com/index-methodology)
2 Constructing the MSCI ACWI IMI Semiconductors & Semiconductor Equipment ESG Screened Select Capped Index

The Index is constructed in following steps:

1) Defining the eligible universe
2) Applying the MSCI ESG Screened Indexes Methodology
3) Applying the MSCI Capped Indexes Methodology

2.1 Defining the Eligible Universe

Eligible universe (the “Parent Index”) for the Index constitutes all the constituents of the MSCI ACWI IMI classified under Semiconductors and Semiconductor Equipment GICS industry group.

2.2 Applying the MSCI ESG SCREENED Indexes METHODOLOGY

The Parent Index is weighted and rebalanced in accordance with the MSCI ESG Screened Indexes Methodology. In addition to the criteria mentioned in the Section 3.2 of the MSCI ESG Screened Indexes Methodology, the Index uses additional eligibility criteria as mentioned below.

2.2.1 ESG Controversies Score Eligibility

The Index uses MSCI ESG Controversies Scores to identify companies that are involved in very serious controversies involving the environmental, social, or governance impact of their operations and/or products and services. Companies are required to have an MSCI ESG Controversies Score above 0 to be eligible for inclusion in the Index. Companies not assessed by MSCI ESG Research on ESG Controversies are not eligible for inclusion in the Index.

2.2.2 Controversial Business Involvement Criteria

The Index uses the MSCI ESG Business Involvement Screening Research to exclude companies that are involved in the following business activities:

- Conventional Weapons:
  - All companies deriving 5% or more revenue from the production of conventional weapons.
  - All companies deriving 10% or more aggregate revenue from weapons systems, components, and support systems and services.
2.3 Applying the MSCI Capped Indexes Methodology

At each index review, the remaining securities, after the exclusions as defined above, are then capped such that the weight of the 5 largest issuers are constrained at 7.5% (8% less 6.25% buffer). The weight of the all other issuers are capped at 4.5% (5% less 10% buffer) of the total index weight.
3 Maintaining the MSCI ACWI IMI Semiconductors & Semiconductor Equipment ESG Screened Select Capped Index

3.1 Quarterly Index Reviews

The Index is reviewed on a quarterly basis, coinciding with the May and November Semi-Annual Index Reviews and the February and August Quarterly Index Reviews of the MSCI Global Investable Market Indexes.

In general, MSCI uses MSCI ESG Research data (including MSCI ESG Controversies Scores and MSCI Business Involvement Screening Research) as of the end of the month preceding the Index Reviews for the rebalancing of the Index. 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, for the rebalancing of the Index.

In general, the pro forma index is announced nine business days before the effective date.

3.2 Ongoing Event Related Changes

The MSCI Corporate Events Methodology is applied for the maintenance of the MSCI ACWI IMI Semiconductors & Semiconductor Equipment ESG Screened Select Capped Index between index reviews.

No new securities will be added (except where noted below) to the Index between Index Reviews. Only securities that are added to the Parent Index are eligible for additions to the Index.

Parent Index deletions will be reflected simultaneously.

<table>
<thead>
<tr>
<th>EVENT TYPE</th>
<th>EVENT DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>New additions to the Parent Index</td>
<td>A new security added to the parent index (such as IPO and other early inclusions) will not be added to the index.</td>
</tr>
<tr>
<td>Spin-Offs</td>
<td>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. Evaluation for inclusion in the index will occur at the subsequent index Review.</td>
</tr>
</tbody>
</table>

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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 continue to be an index constituent if there are changes in its characteristics (country, sector, size segment, etc.) Reevaluation for the continued 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 available at: https://www.msci.com/index-methodology.
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
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EUROPE, MIDDLE EAST & AFRICA

Cape Town  + 27 21 673 0100
Frankfurt  + 49 69 133 859 00
Geneva  + 41 22 817 9777
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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

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