

ACWI IMI BLOCKCHAIN ECONOMY INDEX

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1 Introduction

The MSCI ACWI IMI Blockchain Economy Index (the 'Index'), developed in collaboration with ARK Invest, aims to represent the performance of a set of companies associated with the development of new products and services for servicing digital asset markets, decentralized finance, providing payments services for cryptocurrencies as well as enabling other solutions for the blockchain economy.

2 Constructing the Index

The Index is constructed by selecting stocks from a 'Parent Index'¹ based on rules explained in the following sections.

The Index selects companies which are assessed to have high exposure to the following business activities:

- Hardware and software used for adding and verifying digital asset transactions to a blockchain ledger
- Products and services for servicing digital asset markets, e.g., cryptocurrency exchanges and trading platforms, payment gateways, digital wallets
- Providers of technology and protocols for decentralized finance, e.g., smart contracts
- Providers of other solutions and services for blockchain technology, e.g., blockchain-as-a-service
- Providers of payments services using cryptocurrencies

MSCI may seek input from ARK Invest on the ongoing evolution of the themes underlying the index. However, such input is advisory only in nature. MSCI alone decides whether to use such input at all or to what extent. Receipt of such input, like any other feedback on MSCI indexes, may or may not lead to a change to the index or index methodology.

2.1 Selected Universe

The Selected Universe is constructed by selecting all securities from the Parent Index with a combined Relevance Score² of 15% or more.

2.2 Weighting scheme

Securities included in the Index are weighted by the product of their combined Relevance Score and their float adjusted market capitalization. The weights are then normalized to sum to 100%. Additionally, constituent weights are capped at the

¹ Please refer to Appendix 1 of the methodology document for the MSCI ACWI IMI Genomic Innovation Index for the details of the methodology of the Parent Index. The methodology document can be found here - <https://www.msci.com/index-methodology> .

² For details of calculation of the combined Relevance Score, please refer to section 3.4.5 of the MSCI Thematic Relevance Score Methodology document.

issuer level to mitigate concentration risk in the Index. The issuer weight in the Index is capped at 5%³.

³ For historical rebalances where number of constituents < 20, the issuer capping is relaxed at rebalance.

3 Maintaining the Index

3.1 Semi-Annual Index Review

The Index is reviewed on a Semi-Annual basis in May and November to coincide with the May and November Semi-Annual Index Reviews of the Parent Index, and the changes are implemented at the end of May and November. In general, the pro forma index is announced nine business days before the effective date.

During the Semi-Annual Index Review, the Selected Universe is updated.

In general, MSCI uses Relevance Score data as of two business days prior to the rebalancing date for the Semi-Annual Index Review.

3.2 Ongoing event-related maintenance

The general treatment of corporate events in the index 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. Further, changes in Index market capitalization that occur as a result of corporate event implementation will be offset by a corresponding change in the Variable Weighting Factor (VWF) of the constituent.

The following section briefly describes the treatment of common corporate events within the index.

No new securities will be added (except where noted below) to the Index between Index Reviews. 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 be added to the Index at the time of event implementation if the spin-off security is also added to the Parent Index. Reevaluation for continued inclusion in the Index will occur at the subsequent Index Review.
Merger/Acquisition	<p>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.</p> <p>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.</p>
Changes in Security Characteristics	A security will continue to be an Index constituent if there are changes in characteristics (country, sector, size segment, etc.) Reevaluation for 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.

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

The following sections have been modified effective June 1, 2022:

- Section 2
 - updated to reference the MSCI Thematic Relevance Score Methodology
 - Relevance Score threshold for security selection in the Index has been updated to 15%
- Section 3 has been updated to reflect the data cutoff date for Relevance Scores

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