

MSCI ACWI ESG UNIVERSAL 5% ISSUER CAPPED INDEX METHODOLOGY

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1 INTRODUCTION

The MSCI ACWI ESG Universal 5% Issuer Capped Index aims to represent the performance of an investment strategy that by re-weighting free-float market cap weights based upon certain ESG metrics seeks to increase exposure to those companies demonstrating both a robust ESG profile as well as a positive trend in improving that profile, while seeking to minimize exclusions from the MSCI ACWI Index. The Index aims to avoid concentration by capping issuers within the index to a maximum of 5%.

2 CONSTRUCTING THE MSCI ACWI ESG UNIVERSAL 5% ISSUER CAPPED INDEX

2.1 DEFINING THE ELIGIBLE UNIVERSE

The eligible universe for the MSCI ACWI ESG Universal 5% Issuer Capped Index is the MSCI ACWI Index (the “Parent Index”).

2.2 APPLYING THE MSCI ESG UNIVERSAL INDEXES METHODOLOGY

The MSCI ESG Universal Indexes methodology¹ is applied on the Parent Index.

2.3 APPLYING THE CAPPING

The maximum weight of any issuer in the Index is capped at 5% in accordance with the MSCI Capped Indexes methodology². The excess weight of the capped issuers is distributed among the remaining constituents in proportion of their existing weights in the index.

¹ Please refer to the MSCI ESG Universal Indexes methodology at www.msci.com/index-methodology

² Please refer to the MSCI Capped Indexes methodology at www.msci.com/index-methodology

3 MAINTAINING THE MSCI ACWI ESG UNIVERSAL 5% ISSUER CAPPED INDEX

3.1 QUARTERLY INDEX REVIEWS

The Index is reviewed on a quarterly basis as described in section 2, coinciding with the May and November Semi-Annual Index Reviews and the February and August Quarterly Index Reviews of the Parent Index.

The pro forma Index is typically announced nine business days before the effective date.

3.2 ONGOING EVENT RELATED CHANGES

The general treatment of corporate events in the MSCI ACWI ESG Universal 5% Issuer Capped 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. There will be no additions to the Index in between Index Reviews.

Additionally, if the frequency of Index Reviews in the Parent Index is greater than the frequency of Index Reviews in the MSCI ACWI ESG Universal 5% Issuer Capped Index, the changes made to the Parent Index during intermediate Index Reviews will be neutralized in the MSCI ACWI ESG Universal 5% Issuer Capped Index.

The following section briefly describes the treatment of common corporate events within the MSCI ACWI ESG Universal 5% Issuer Capped 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. Reevaluation for continued inclusion in the Index will occur at the subsequent Index Review.

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 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 book under the sections detailing the treatment of events in Capped Weighted and Non-Market Capitalization Weighted indexes.

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

APPENDIX: HEDGED INDEX VARIANTS

The following hedged versions of the MSCI ACWI ESG Universal 5% Issuer Capped Index, are also calculated:

MSCI ACWI ESG Universal 5% Issuer Capped with Developed Markets 100% Hedged to USD Index

Based on the MSCI ACWI ESG Universal 5% Issuer Capped Index, all foreign currencies used to denote securities classified in Developed Market countries as per MSCI's Country of Classification³ are 100% hedged to USD. The weight of each foreign currency corresponds to the weight of the securities quoted in that currency and classified in Developed Market countries in the underlying Index. The net variant for the MSCI ACWI ESG Universal 5% Issuer Capped Index, calculated as per the MSCI Net Daily Total Return (DTR) Index methodology described in the MSCI Index Calculation Methodology⁴ is used. Currencies and their weights corresponding to securities classified in Emerging Market countries, per MSCI's Country of Classification are not hedged.

MSCI ACWI ESG Universal 5% Issuer Capped with Developed Markets 100% Hedged to CHF Index

Based on the MSCI ACWI ESG Universal 5% Issuer Capped Index, all foreign currencies used to denote securities classified in Developed Market countries as per MSCI's Country of Classification are 100% hedged to CHF. The weight of each foreign currency corresponds to the weight of the securities quoted in that currency and classified in Developed Market countries in the underlying Index. The net variant for the MSCI ACWI ESG Universal 5% Issuer Capped Index, calculated as per the MSCI Net Daily Total Return (DTR) Index methodology described in the MSCI Index Calculation Methodology is used. Currencies and their weights corresponding to securities classified in Emerging Market countries, per MSCI's Country of Classification are not hedged.

³ Please refer to the MSCI Global Investable Market Indexes methodology for further information on MSCI's country of classification at www.msci.com/index-methodology

⁴ Please refer to the MSCI Index Calculation Methodology at <https://www.msci.com/index-methodology>

MSCI ACWI ESG Universal 5% Issuer Capped with Developed Markets 100% Hedged to EUR Index

Based on the MSCI ACWI ESG Universal 5% Issuer Capped Index, all foreign currencies used to denote securities classified in Developed Market countries as per MSCI's Country of Classification are 100% hedged to EUR. The weight of each foreign currency corresponds to the weight of the securities quoted in that currency and classified in Developed Market countries in the underlying Index. The net variant for the MSCI ACWI ESG Universal 5% Issuer Capped Index, calculated as per the MSCI Net Daily Total Return (DTR) Index methodology described in the MSCI Index Calculation Methodology is used. Currencies and their weights corresponding to securities classified in Emerging Market countries, per MSCI's Country of Classification are not hedged.

MSCI ACWI ESG Universal 5% Issuer Capped with Developed Markets 100% Hedged to JPY Index

Based on the MSCI ACWI ESG Universal 5% Issuer Capped Index, all foreign currencies used to denote securities classified in Developed Market countries as per MSCI's Country of Classification are 100% hedged to JPY. The weight of each foreign currency corresponds to the weight of the securities quoted in that currency and classified in Developed Market countries in the underlying Index. The net variant for the MSCI ACWI ESG Universal 5% Issuer Capped Index, calculated as per the MSCI Net Daily Total Return (DTR) Index methodology described in the MSCI Index Calculation Methodology is used. Currencies and their weights corresponding to securities classified in Emerging Market countries, per MSCI's Country of Classification are not hedged.

MSCI ACWI ESG Universal 5% Issuer Capped with Developed Markets 100% Hedged to GBP Index

Based on the MSCI ACWI ESG Universal 5% Issuer Capped Index, all foreign currencies used to denote securities classified in Developed Market countries as per MSCI's Country of Classification are 100% hedged to GBP. The weight of each foreign currency corresponds to the weight of the securities quoted in that currency and classified in Developed Market countries in the underlying Index. The net variant for the MSCI ACWI ESG Universal 5% Issuer Capped Index, calculated as per the MSCI Net Daily Total Return (DTR) Index methodology described in the MSCI Index Calculation Methodology is used. Currencies and their weights corresponding to securities classified in Emerging Market countries, per MSCI's Country of Classification are not hedged.

The following sections have been modified since November 2017:

Update to include the index construction parameters for MSCI ACWI ESG Universal 5% Issuer Capped with Developed Markets 100% Hedged to JPY Index.

The following sections have been modified since December 2017:

Update to include the index construction parameters for MSCI ACWI ESG Universal 5% Issuer Capped with Developed Markets 100% Hedged to GBP Index.

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