

MSCI ACWI SRI 5% ISSUER CAPPED INDEX METHODOLOGY

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1 INTRODUCTION

The MSCI ACWI SRI 5% Issuer Capped Index aims to represent the performance of an investment strategy that excludes companies that are inconsistent with specific values based criteria focused on products with high negative social or environmental impact. Additionally, the index targets companies with high Environmental, Social and Governance (ESG) ratings relative to their sector peers. Further, the index aims to target sector weights that reflect the relative sector weights of the underlying MSCI ACWI Index to limit the systematic risk introduced by the ESG selection process. The Index aims to avoid concentration by capping issuers within the index to a maximum of 5%.

2 CONSTRUCTING THE MSCI ACWI SRI 5% ISSUER CAPPED INDEX

2.1 DEFINING THE ELIGIBLE UNIVERSE

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

2.2 APPLYING THE MSCI SRI INDEXES METHODOLOGY

The MSCI SRI Indexes methodology¹ is applied on the Parent Index.

As described in section 3.3 of the MSCI SRI Indexes methodology (“Index Construction”), the MSCI ACWI SRI index is created by aggregating the MSCI World SRI and MSCI EM SRI indexes, which in turn are created by aggregating regional SRI indexes.

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 free float market capitalization.

¹ Please refer to the MSCI SRI 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 SRI 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

In general, the Index follows the event maintenance of the Parent Index. In between Index Reviews, securities deleted from the Parent Index are simultaneously deleted from the Index. There will be no additions to the Index in between Index Reviews. The details relating to the handling of specific corporate event types can be found in the MSCI Corporate Events Methodology book³.

³ Please refer to the MSCI Corporate Events Methodology at www.msci.com/index-methodology

APPENDIX: HEDGED INDEX VARIANTS

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

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

Based on the MSCI ACWI SRI 5% Issuer Capped Index, all foreign currencies used to denote securities classified in Developed Market countries as per MSCI's Country of Classification⁴ 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 SRI 5% Issuer Capped Index, calculated as per the MSCI Net Daily Total Return (DTR) Index methodology described in the MSCI Index Calculation Methodology⁵ 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 SRI 5% Issuer Capped with Developed Markets 100% Hedged to CHF Index

Based on the MSCI ACWI SRI 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 SRI 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 SRI 5% Issuer Capped with Developed Markets 100% Hedged to EUR Index

Based on the MSCI ACWI SRI 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

⁴ 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

⁵ Please refer to the MSCI Index Calculation Methodology at <https://www.msci.com/index-methodology>

the securities quoted in that currency and classified in Developed Market countries in the underlying Index. The net variant for the MSCI ACWI SRI 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 SRI 5% Issuer Capped with Developed Markets 100% Hedged to GBP Index

Based on the MSCI ACWI SRI 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 SRI 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 SRI 5% Issuer Capped with Developed Markets 100% Hedged to GBP Index.

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