

MSCI ALL COLOMBIA SELECT 25/50 INDEX METHODOLOGY

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CONTENTS

- 1 Introduction 3
- 2 Constructing the MSCI All Colombia Select 25/50 Index..... 4
 - 2.1 Applying liquidity screen of Annualized Traded Value 4
 - 2.2 Applying Liquidity Screen of Frequency of Trading 4
 - 2.3 Applying the MSCI 25/50 Index Methodology..... 4
- 3 Maintaining the All Colombia Select 25/50 Index..... 5
 - 3.1 Quarterly Index Reviews 5
 - 3.2 Ongoing Event Related Changes 5
- Appendix I: Index Concentration Issues 6

1 INTRODUCTION

The MSCI All Colombia Select 25/50 Index (the “Index”) applies liquidity screenings on the MSCI All Colombia Index (the “Parent Index”) and reflects 25/50 constraints, i.e. no issuer should have a weight above 25%, and the sum of weights of all issuers with weights above 5% should not exceed 50%. The Parent Index is weighted and rebalanced according to the MSCI All Market Index Methodology¹. The Index aims to reflect the performance of the larger liquid segment of securities in the Parent Index above the defined size and liquidity thresholds.

¹ [MSCI All Market Indexes](#)

2 CONSTRUCTING THE MSCI ALL COLOMBIA SELECT 25/50 INDEX

The MSCI All Colombia Select 25/50 Index is constructed from the MSCI All Colombia Index. The following three steps are applied at initial construction:

- Applying a liquidity screen of Annualized Traded Value.
- Applying a liquidity screen of Frequency of Trading.
- Applying the MSCI 25/50 Methodology.

2.1 APPLYING LIQUIDITY SCREEN OF ANNUALIZED TRADED VALUE

For all constituents of the Parent Index, include all securities with 6-month Annualized Traded Value (ATV)² greater than or equal to USD 25,000,000.

Securities for which the above parameter is missing are not eligible for inclusion in the Index.

2.2 APPLYING LIQUIDITY SCREEN OF FREQUENCY OF TRADING

For all securities included as per Section 2.1, a liquidity screen is applied such that securities with 6-month Frequency of Trading (FOT)² greater than or equal to 95% are included in the Index.

Securities for which the above parameter is missing are not eligible for inclusion in the Index.

The resulting list of constituents is free float-adjusted market capitalization weighted.

2.3 APPLYING THE MSCI 25/50 INDEX METHODOLOGY

In the final step, the MSCI 25/50 Index Methodology is applied so that no issuer should have a weight above 25%, and the sum of weights of all issuers with weights above 5% should not exceed 50%.

Please refer to the following link for further details on the MSCI 25/50 Index Methodology: <https://www.msci.com/index-methodology>.

² MSCI Index Calculation Methodology at <https://www.msci.com/index-methodology>

3 MAINTAINING THE ALL COLOMBIA SELECT 25/50 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 Parent Index. Changes are implemented coinciding with the changes to the Parent Index. The pro forma index is typically announced nine business days before the effective date. At each Index Review, the screens are applied to the pro forma Parent Index constituents as described below:

For securities that are not currently a part of the MSCI All Colombia Select 25/50 Index, the liquidity thresholds are the same as the ones used at initial construction:

- Include all securities with 6-month Annualized Traded Value greater than or equal to USD 25,000,000.
- Include all securities with 6-month Frequency of Trading greater than or equal to 95%.

For existing constituents of the MSCI All Colombia Select 25/50 Index, the screening thresholds are relaxed, as described below, in order to reduce turnover:

- Include all securities with 6-month Annualized Traded Value greater than or equal to USD 12,500,000.
- Include all securities with 6-month Frequency of Trading greater than or equal to 85%.

Securities, for which the 6-month Annualized Traded Value (ATV) or 6-month Frequency of Trading (FOT) is missing, are not eligible for inclusion in the Index.

The MSCI 25/50 Index Methodology is applied with the exception that there is no index rebalancing if the 25/50 constraints are violated between the announcement date and the effective date.

3.2 ONGOING EVENT RELATED CHANGES

In between Index Reviews, securities deleted from the Parent Index are simultaneously deleted from the Index. New securities added to the Parent Index are not simultaneously added to the Index, but are reviewed at the subsequent Index Review.

APPENDIX I: INDEX CONCENTRATION ISSUES

A minimum of 15 issuers in the index is required for the MSCI All Colombia Select 25/50 Index to be rebalanced as described in sub-section 3.1. In the event the number of issuers drops below 15, Index continuity rules, as described in sub-section 3.5 of the MSCI 25/50 Indexes Methodology³ will be applied for rebalancing the Index.

³ <https://www.msci.com/index-methodology>

The following sections have been modified since June 2016:

Section 3.1: Quarterly Index Reviews

- Update to the index rebalancing rule between pro-forma announcement and effective dates.

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