

MSCI ALL PAKISTAN SELECT 25/50 INDEX METHODOLOGY

May 2018

CONTENTS

- 1 Introduction 3
- 2 Constructing the MSCI All Pakistan Select 25/50 Index 4
 - 2.1 Applying Liquidity Screen 4
 - 2.2 Applying the MSCI 25/50 Index Methodology 4
- 3 Maintaining the All Pakistan Select 25/50 Index 5
 - 3.1 Quarterly Index Reviews 5
 - 3.2 Ongoing Event Related Changes 6
- Appendix I: Index Concentration Issues 7

1 INTRODUCTION

The MSCI All Pakistan Select 25/50 Index (the “Index”) applies liquidity screenings on the MSCI All Pakistan 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 represent the liquid segment of the Parent Index above the defined liquidity thresholds.

¹ Please refer to the MSCI All Market Index Methodology, available at <https://www.msci.com/index-methodology>.

2 CONSTRUCTING THE MSCI ALL PAKISTAN SELECT 25/50 INDEX

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

- Applying a liquidity screen
- Applying the MSCI 25/50 Methodology

2.1 APPLYING LIQUIDITY SCREEN

For all constituents of the Parent Index

- Include all securities with 3-month Annualized Traded Value (ATV)² greater than or equal to USD 25,000,000
- Include all securities with 6-month Annualized Traded Value (ATV) greater than or equal to USD 35,000,000
- Include all securities with 3-month Frequency of Trading (FoT)³ greater than or equal to 98%

Securities for which any of the above parameters is missing are not eligible for inclusion in the index.

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

2.2 APPLYING THE MSCI 25/50 INDEX METHODOLOGY

In the second 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 Please refer to Index Calculation Methodology, available at <https://www.msci.com/index-methodology>

³ Please refer to the MSCI Global Investable Market Indexes Methodology, available at <https://www.msci.com/index-methodology>

3 MAINTAINING THE ALL PAKISTAN 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 liquidity 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 Pakistan Select 25/50 Index, the liquidity thresholds are the same as the ones used at initial construction:

- Include all securities with 3-month Annualized Traded Value (ATV) greater than or equal to USD 25,000,000
- Include all securities with 6-month Annualized Traded Value (ATV) greater than or equal to USD 35,000,000
- Include all securities with 3-month Frequency of Trading (FoT) greater than or equal to 98%

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

- Include all securities with 3-month Annualized Traded Value (ATV) greater than or equal to USD 15,000,000
- Include all securities with 6-month Annualized Traded Value (ATV) greater than or equal to USD 20,000,000
- Include all securities with 3-month Frequency of Trading (FoT) greater than or equal to 95%

Securities for which any of the above parameters 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 group entities in the index is required for the MSCI All Pakistan Select 25/50 Index to be rebalanced as described in sub-section 3.1. In the event the number of group entities drops below 15, Index continuity rules as described in sub-section 3.5 of the MSCI 25/50 Indexes Methodology will be applied for rebalancing the Index.

The following sections have been modified since April 2015:

Section 1

- Old link updated.

Section 2

- Old links updated.

The following sections have been modified since September 2017:

Section 3.1: Quarterly Index Reviews

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

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 |
| New York | + 1 212 804 3901 |
| San Francisco | + 1 415 836 8800 |
| Sao Paulo | + 55 11 3706 1360 |
| Toronto | + 1 416 628 1007 |

EUROPE, MIDDLE EAST & AFRICA

| | |
|-----------|--------------------|
| Cape Town | + 27 21 673 0100 |
| Frankfurt | + 49 69 133 859 00 |
| Geneva | + 41 22 817 9777 |
| London | + 44 20 7618 2222 |
| 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 * |
| Tokyo | + 81 3 5290 1555 |

* = toll free

ABOUT MSCI

For more than 40 years, MSCI's research-based indexes and analytics have helped the world's leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research.

Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research.

MSCI serves 98 of the top 100 largest money managers, according to the most recent P&I ranking.

For more information, visit us at www.msci.com.

NOTICE AND DISCLAIMER

- This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the “Information”) is the property of MSCI Inc. or its subsidiaries (collectively, “MSCI”), or MSCI’s licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (collectively, with MSCI, the “Information Providers”) and is provided for informational purposes only. The Information may not be modified, reverse-engineered, reproduced or disseminated in whole or in part without prior written permission from MSCI.
- The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indexes, databases, risk models, analytics, software, or in connection with the issuing, offering, sponsoring, managing or marketing of any securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information or any other MSCI data, information, products or services.
- The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.
- Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited, including without limitation (as applicable), any liability for death or personal injury to the extent that such injury results from the negligence or willful default of itself, its servants, agents or sub-contractors.
- Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Past performance does not guarantee future results.
- The Information should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. All Information is impersonal and not tailored to the needs of any person, entity or group of persons.
- None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy.
- It is not possible to invest directly in an index. Exposure to an asset class or trading strategy or other category represented by an index is only available through third party investable instruments (if any) based on that index. MSCI does not issue, sponsor, endorse, market, offer, review or otherwise express any opinion regarding any fund, ETF, derivative or other security, investment, financial product or trading strategy that is based on, linked to or seeks to provide an investment return related to the performance of any MSCI index (collectively, “Index Linked Investments”). MSCI makes no assurance that any Index Linked Investments will accurately track index performance or provide positive investment returns. MSCI Inc. is not an investment adviser or fiduciary and MSCI makes no representation regarding the advisability of investing in any Index Linked Investments.
- Index returns do not represent the results of actual trading of investible assets/securities. MSCI maintains and calculates indexes, but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the index or Index Linked Investments. The imposition of these fees and charges would cause the performance of an Index Linked Investment to be different than the MSCI index performance.
- The Information may contain back tested data. Back-tested performance is not actual performance, but is hypothetical. There are frequently material differences between back tested performance results and actual results subsequently achieved by any investment strategy.
- Constituents of MSCI equity indexes are listed companies, which are included in or excluded from the indexes according to the application of the relevant index methodologies. Accordingly, constituents in MSCI equity indexes may include MSCI Inc., clients of MSCI or suppliers to MSCI. Inclusion of a security within an MSCI index is not a recommendation by MSCI to buy, sell, or hold such security, nor is it considered to be investment advice.
- Data and information produced by various affiliates of MSCI Inc., including MSCI ESG Research LLC and Barra LLC, may be used in calculating certain MSCI indexes. More information can be found in the relevant index methodologies on www.msci.com.
- MSCI receives compensation in connection with licensing its indexes to third parties. MSCI Inc.’s revenue includes fees based on assets in Index Linked Investments. Information can be found in MSCI Inc.’s company filings on the Investor Relations section of www.msci.com.
- MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. Except with respect to any applicable products or services from MSCI ESG Research, neither MSCI nor any of its products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and MSCI’s products or services are not intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Issuers mentioned or included in any MSCI ESG Research materials may include MSCI Inc., clients of MSCI or suppliers to MSCI, and may also purchase research or other products or services from MSCI ESG Research. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body.
- Any use of or access to products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, IPD, FEA, InvestorForce, and other MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor’s. “Global Industry Classification Standard (GICS)” is a service mark of MSCI and Standard & Poor’s.