

METHODOLOGY BOOK FOR - MSCI AUSTRALIAN SHARES IMI 50, MSCI AUSTRALIAN SHARES IMI 100, MSCI AUSTRALIA 200, MSCI AUSTRALIAN SHARES ALL CAP 300 AND MSCI AUSTRALIAN SHARES ALL CAP 500 INDEXES

September 2020

Contents

- 1 Introduction.....3
- 2 Index Construction Methodology 4
- 3 Index Maintenance Methodology 5
 - 3.1 Quarterly Index Review 5
 - 3.1.1 Buffer Rules..... 5
 - 3.1.2 Cutoff Date for Market Capitalization and Prices used for the Rebalancing..... 6
 - 3.1.3 Announcement Policy 6
 - 3.2 Ongoing Event Related Changes 6
 - 3.2.1 IPOs and Other Early Inclusions..... 6
 - 3.2.2 Additions and Deletions Due to Corporate Events 6
- Methodology Book Tracked Changes..... 8

1 Introduction

The MSCI Australian Shares IMI 50, MSCI Australian Shares IMI 100, MSCI Australia 200, MSCI Australian Shares All Cap 300 and MSCI Australian Shares All Cap 500 Indexes (herein, the “Size Indexes”) are free float-adjusted market capitalization weighted indexes designed to represent the performance of the 50, 100, 200, 300 and 500 largest securities in the Australian equity universe respectively.

2 Index Construction Methodology

The selection universe of the MSCI Australian Shares IMI 50, MSCI Australian Shares IMI 100 and MSCI Australia 200 is based on constituent securities of the underlying MSCI Australian Shares Investable Market Index (IMI). The MSCI Australian Shares All Cap 300 and MSCI Australian Shares All Cap 500 indexes are based on constituent securities of the underlying MSCI Australian Shares All Cap Index. The constituents of the MSCI Australian Shares IMI and MSCI Australian Shares All Cap Index are ranked in descending order of free float-adjusted market capitalization available to Australian domestic investors. The largest securities based on the defined size (i.e. 50, 100, 200, 300 or 500) from the underlying universe are selected to construct the Size Indexes. The resulting Index constituents are weighted according to their free float-adjusted market capitalizations available to Australian domestic investors.

The free float-adjustment is applied using an adjustment factor referred to as the Domestic Inclusion Factor (DIF).

More information on the construction, maintenance and calculation of the MSCI Australian Shares IMI and MSCI Australian Shares All Cap Index can be found in the MSCI Global Investable Market Indexes methodology.

3 Index Maintenance Methodology

3.1 QUARTERLY INDEX REVIEW

The composition of the Size Indexes is fully reviewed on a quarterly basis to coincide with the regular index reviews of the MSCI Global Investable Market Indexes. The changes are implemented at the end of February, May, August and November.

During the Quarterly Index Review, the number of securities is restored to 50, 100, 200, 300 and 500 for the MSCI Australian Shares IMI 50, MSCI Australian Shares IMI 100, MSCI Australia 200, MSCI Australian Shares All Cap 300 and MSCI Australian Shares All Cap 500 Indexes respectively. Note that the number of index constituents between the index reviews may differ from this number due to additions and deletions resulting from corporate events on existing index constituents.

If a security that is scheduled to be added to or deleted from the Size Indexes is suspended from trading on the day before the effective implementation date of the index review, MSCI will cancel the implementation for the security. When the implementation of a deletion from a Parent Index is postponed, the implementation of the deletion from the Size Indexes derived from that Parent Index will also be postponed. When the deletion is implemented in the Parent Index after the security resumes trading, the security will be simultaneously deleted from the derived index.

3.1.1 BUFFER RULES

To minimize index turnover and enhance index stability, buffer rules are applied at 12.50% of the fixed number of securities in the Size Indexes.

For example, for the MSCI Australia 200 Index, companies that satisfy all eligibility criteria and rank 175th and above will be added to the MSCI Australia 200 Index and existing constituents which rank below 225th will be deleted from the Index. If the number of securities differs from 200 after applying the buffer rules, the lowest ranked securities within the index will be deleted, or the next highest ranked securities will be added to the index to restore the number of constituents to 200.

Quarterly Index Reviews may also result in changes in Domestic Inclusion Factor (DIF) and updates in number of shares for existing constituents.

3.1.2 CUTOFF DATE FOR MARKET CAPITALIZATION AND PRICES USED FOR THE REBALANCING

The cutoff date for market capitalization and prices used for the rebalancing of the Size Indexes is 9 business days before the end of February, May, August and November.

3.1.3 ANNOUNCEMENT POLICY

The results of the rebalancing are announced nine business days before the effective date of each Quarterly Index Review.

3.2 ONGOING EVENT RELATED CHANGES

In general, the Size Indexes follow the event maintenance of the MSCI Australian Shares IMI and MSCI Australian Shares All Cap Index with the exception of the treatment described below. Changes in the MSCI Australian Shares IMI and MSCI Australian Shares All Cap Index are reflected simultaneously in the Size Indexes.

Details regarding the treatment of corporate events not covered below can be found in the MSCI Corporate Events Methodology Book, available at:

<http://www.msci.com/index-methodology>

3.2.1 IPOs AND OTHER EARLY INCLUSIONS

IPOs and other newly listed securities will only be considered for inclusion at the next Quarterly Index Review, even if they qualify for early inclusion in the MSCI Australian Shares IMI and MSCI Australian Shares All Cap Index.

3.2.2 ADDITIONS AND DELETIONS DUE TO CORPORATE EVENTS

The general treatment of additions and deletions due to corporate events aims at reducing turnover in the Size Indexes. When the number of securities in the Size Indexes falls below or rises above defined size due to corporate events, no additions or deletions will be made to restore the number of constituents to defined size until the next Quarterly Index Review.

A constituent deleted from the MSCI Australian Shares IMI and MSCI Australian Shares All Cap Index following a corporate event will be simultaneously deleted from the respective Size Indexes. Examples are securities of companies that are acquired, file for bankruptcy, companies that file for protection from their creditors and/or are suspended and for which a return to normal business activity and trading is unlikely in the near future.



There will be no early inclusion of new securities to the Size Indexes, except when a new security results from an event affecting an existing constituent (e.g., mergers and acquisitions, spin offs).

In the event of a merger or an acquisition where an index constituent acquires another index constituent or merges with another index constituent, the remaining company is maintained in the index. In the event of a merger or an acquisition where a non index constituent acquires or merges with an index constituent, the non index constituent is added to the Size Index provided it is added to the respective MSCI Australian Shares IMI or MSCI Australian Shares All Cap Index following the corporate event.

If a spun off security of an index constituent is added to the MSCI Australian Shares IMI or MSCI Australian Shares All Cap Index, it is added simultaneously to the respective Size Index.

Methodology Book Tracked Changes

The following sections have been modified since May 2014:

Section 3.1: Quarterly Index Review

- Clarification on implementation of suspended securities

Section 3.2.2: Additions and Deletions Due to Corporate Events

- Added examples of corporate events

The following sections have been modified since August 2017:

Section 3.1.3: Announcement Policy

- Added new section

Section 3.2: Ongoing Event Related Changes

- Added clarification

The following changes have been made since September 2017:

- The selection universe of the MSCI Australia 200 Index has been updated

The following changes have been made since November 2019:

- Update of the methodology to include additional MSCI Australian Shares size indexes

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
São 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 *
Thailand	0018 0015 6207 7181 *
Tokyo	+ 81 3 5290 1555

* = toll free

ABOUT MSCI

MSCI is a leader provider of critical decision support tools and services for the global investment community. With over 45 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

The process for submitting a formal index complaint can be found on the index regulation page of MSCI's website at: <https://www.msci.com/index-regulation>.

To learn more, please visit 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 investable 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 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.

MIFID2/MIFIR notice: MSCI ESG Research LLC does not distribute or act as an intermediary for financial instruments or structured deposits, nor does it deal on its own account, provide execution services for others or manage client accounts. No MSCI ESG Research product or service supports, promotes or is intended to support or promote any such activity. MSCI ESG Research is an independent provider of ESG data, reports and ratings based on published methodologies and available to clients on a subscription basis. We do not provide custom or one-off ratings or recommendations of securities or other financial instruments upon request.

Privacy notice: For information about how MSCI ESG Research LLC collects and uses personal data concerning officers and directors, please refer to our Privacy Notice at <https://www.msci.com/privacy-pledge>.