

MSCI CANADA HIGH DIVIDEND YIELD 10% SECURITY CAPPED INDEX METHODOLOGY

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1 INTRODUCTION

The MSCI Canada High Dividend Yield 10% Security Capped Index aims to represent the performance of equities in the MSCI Canada Index (excluding REITs) with higher than average dividend yields that are both sustainable and persistent. The Index also applies quality screens and reviews past 12-month price performance to exclude stocks with potentially deteriorating fundamentals that could force them to reduce or eliminate dividends. The Index is free float-adjusted market capitalization weighted with a capping applied at the security level.

2 CONSTRUCTING AND MAINTAINING THE MSCI CANADA HIGH DIVIDEND YIELD 10% SECURITY CAPPED INDEX

2.1 DEFINING THE ELIGIBLE UNIVERSE

The eligible universe is the MSCI Canada ex REITs Index (the “Parent Index”), which is constructed using the MSCI Canada Index but excludes securities of companies classified as Equity Real Estate Investment Trusts Industry and Mortgage Real Estate Investment Trusts Sub-Industry as per the Global Industry Classification Standard (GICS®).

2.2 APPLYING THE MSCI HIGH DIVIDEND YIELD INDEXES METHODOLOGY

The MSCI High Dividend Yield Indexes methodology is applied on the Parent Index. The resulting constituents selected after the application of the MSCI High Dividend Yield Indexes methodology are weighted based on their free float market capitalization. The capping at issuer level during the constituent weighting is not applied.

For more information on the MSCI High Dividend Yield Indexes methodology, please refer to <https://www.msci.com/index-methodology>

2.3 APPLYING THE CAPPING

The maximum security weight in the Index is capped at 10% in accordance with the MSCI Capped Indexes methodology¹. The excess weight of capped security is distributed among the remaining constituents in proportion to their free float market capitalization. The security level capping is applied at Quarterly Index Reviews.

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

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

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