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Index Methodology

MSCI China A 50 Index Methodology

October 2012

Section 1: Introduction

The MSCI China A 50 Index is constructed based on the MSCI China A Index (“the parent”). The MSCI China A 50 Index aims to reflect the performance of the 50 largest securities of the MSCI China A Index based on domestic free float-adjusted market capitalization¹. The MSCI China A 50 Index is designed to serve as the basis for investment products such as exchange traded and OTC derivative contracts, exchange traded funds and other passive vehicles.

Section 2: Index Construction Methodology

2.1: Applicable Universe

The applicable universe includes domestic A shares securities listed on the Shanghai and Shenzhen Stock Exchanges which are existing constituents of the MSCI China A Index.

2.2: Determining the Constituents of the MSCI China A 50 Index

The eligible securities are ranked in decreasing order of domestic free float-adjusted market capitalization. The top 50 securities are then selected for inclusion in the MSCI China A 50 Index.

Section 3: Maintaining the MSCI China A 50 Index

3.1: Quarterly Index Reviews

The composition of the MSCI China A 50 Index is fully reviewed on a quarterly basis coinciding with the regular index reviews (Semi-Annual Index Reviews in May and November and Quarterly Index Reviews in February and August) of the MSCI Global Investable Market Indexes. The pro forma MSCI China A 50 Index is in general announced nine business days before the effective date and the changes are implemented at the end of February, May, August and November.

At each Index Review, the number of securities in the MSCI China A 50 Index will be restored to 50. Between two Index Reviews, the number of index constituents may differ from 50 due to additions and deletions resulting from corporate events impacting existing constituents.

¹ MSCI defines the free float of a China A security as the proportion of tradable shares outstanding that are deemed to be available for purchase in the public equity markets by domestic investors. In practice, limitations on free float available to domestic investors also include strategic and other shareholdings that are not considered part of available free float. MSCI free float-adjusts the market capitalization of each security using an adjustment factor referred to as the Domestic Inclusion Factor (DIF).

If a security that is scheduled to be added to or deleted from the MSCI China A 50 Index is suspended from trading at the effective implementation date of the index review, MSCI will cancel the implementation.

3.2 Buffer Rules

To minimize index turnover, buffer rules are applied to the MSCI China A 50 Index. The eligible securities are ranked in the decreasing order of domestic free float-adjusted market capitalization. New index constituents that satisfy all eligibility criteria and with a rank 35th or higher in the eligible universe will be added to the MSCI China A 50 Index on a priority basis. Existing index constituents with a rank between 36th and 65th are then successively added until the number of constituents in the MSCI China A 50 Index reaches 50. If the number of constituents is below 50 after this step, the remaining securities in the eligible universe with the next highest rank are added until the number of securities in the MSCI China A 50 Index reaches 50.

3.4: Ongoing Event Related Changes

In general, the MSCI China A 50 Index follows the event maintenance of the MSCI China A Index. As a result of corporate events, the number of index constituents between the index reviews may differ from 50. 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/products/indexes/size/methodology.html>

3.4.1: IPOs and other early inclusions

There will be no fast inclusion for IPOs. IPOs will only be considered for inclusion in the MSCI China A 50 Index at the next quarterly index review.

A spun-off security that qualifies for immediate inclusion to the underlying MSCI China A Index will generally be eligible for immediate inclusion to the corresponding MSCI China A 50 Index.

3.4.2: Early Deletions of Existing Constituents

If a security is deleted from the underlying MSCI China A Index due to corporate events, it will be automatically removed from the MSCI China A 50 Index. 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. When the number of securities in the MSCI China A 50 Index falls below 50 due to corporate events, no additions or deletions will be made to restore the number of securities to 50 until the next index review.

Client Service Information is Available 24 Hours a Day

clientservice@msci.com

Americas

Americas	1.888.588.4567 (toll free)
Atlanta	+ 1.404.551.3212
Boston	+ 1.617.532.0920
Chicago	+ 1.312.675.0545
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Paris	0800.91.59.17 (toll free)

Asia Pacific

China North	10800.852.1032 (toll free)
China South	10800.152.1032 (toll free)
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Seoul	00798.8521.3392 (toll free)
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The company's flagship product offerings are: the MSCI indexes with approximately USD 7.5 trillion estimated to be benchmarked to them on a worldwide basis¹; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; IPD real estate information, indexes and analytics; MSCI ESG (environmental, social and governance) Research screening, analysis and ratings; ISS corporate governance research, data and outsourced proxy voting and reporting services; and FEA valuation models and risk management software for the energy and commodities markets. MSCI is headquartered in New York, with research and commercial offices around the world.

¹ As of March 31, 2013, as reported on July 31, 2013 by eVestment, Lipper and Bloomberg

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