

MSCI CHINA ALL SHARES INDEXES METHODOLOGY

May 2016

CONTENTS	1	Introduction	3
	2	Index construction	4
	2.1	MSCI China All Shares Indexes	4
	2.2	MSCI China A International Indexes	4
	3	Index maintenance	5
	3.1	Quarterly Index Review	5
	3.1.1	MSCI China All Shares Indexes	5
	3.1.2	MSCI China A International Indexes	5
	3.1.3	Policy Regarding Trading Suspensions for Individual Securities During Index Reviews	5
	3.2	Ongoing Event Related Changes	5

1 INTRODUCTION

The objective of the MSCI China All Shares Indexes is to reflect the opportunity set of China share classes¹. In addition, the MSCI China A International Indexes are constructed to represent the performance of the China A-shares component of the MSCI China All Shares Indexes.

The MSCI China All Shares Indexes and the MSCI China A International Indexes are constructed from the integrated MSCI China equity universe with China A-shares included.

¹ This index also provides a presentation of a scenario where A shares are fully represented in the MSCI China Index according to the consultation on China A-Shares Index Inclusion Roadmap, please refer to <http://www.msci.com/products/indices/consultations/>

2 INDEX CONSTRUCTION

2.1 MSCI CHINA ALL SHARES INDEXES

The MSCI China All Shares Indexes are constructed by applying the MSCI Global Investable Market Indexes (GIMI) Methodology on the integrated MSCI China equity universe comprising A-shares and B-shares listed in China, H-shares, Red-chips, and P-chips listed in Hong Kong and foreign listing listed outside China or Hong Kong. The Emerging Markets investability requirements and Global Minimum Size Reference for the relevant size-segments are applied.

China A and B-shares listed on the Shanghai or Shenzhen Stock Exchanges with a “ST” or “*ST” status and foreign listing listed in the US and resulting from reverse mergers are excluded from the integrated MSCI China equity universe. The index constituents are weighted by the security free-float adjusted market capitalization calculated based on the Foreign Inclusion Factor (FIF) and subject to Foreign Ownership Limits (FOLs).

For the China A-share constituents, an Inclusion Factor (IF) of 100% is applied to their security free-float adjusted market capitalization in deriving their final weight in the index.

MSCI will monitor the Foreign Room of A-Shares and will apply the necessary adjustment factors according to sections 3.1.6.2 and 3.2.1.4 of the MSCI Global Investable Market Indexes Methodology.

2.2 MSCI CHINA A INTERNATIONAL INDEXES

The constituents of the MSCI China A International Indexes are the China A-share constituents of the MSCI China All Shares Indexes.

The index constituents are weighted by the security free-float adjusted market capitalization calculated based on the Foreign Inclusion Factor (FIF) and subject to Foreign Ownership Limits (FOLs).

MSCI will monitor the Foreign Room of A-Shares and will apply the necessary adjustment factors according to sections 3.1.6.2 and 3.2.1.4 of the MSCI Global Investable Market Indexes Methodology.

3 INDEX MAINTENANCE

3.1 QUARTERLY INDEX REVIEW

3.1.1 MSCI CHINA ALL SHARES INDEXES

The MSCI China All Shares Indexes are rebalanced simultaneously with the MSCI Global Investable Market Indexes, using the same price and data cut-off dates. The results of the rebalancing are announced nine business days before the effective date of each Quarterly Index Review.

3.1.2 MSCI CHINA A INTERNATIONAL INDEXES

The constituents of the MSCI China A International Indexes are derived from the MSCI China All shares Indexes at each Index Review.

3.1.3 POLICY REGARDING TRADING SUSPENSIONS FOR INDIVIDUAL SECURITIES DURING INDEX REVIEWS

MSCI will postpone the implementation of index review changes for MSCI China All Shares Index constituents when the affected securities are suspended on the day prior to the effective implementation date of the Index Review. The postponed index review changes will be implemented two days after the securities resume trading.

Index Review changes include:

- Additions to, deletions from or migrations between the MSCI Large Cap, Mid Cap and Small Cap Indexes
- Changes in Foreign Inclusion Factor (FIF), Domestic Inclusion Factor (DIF) or Number of Shares (NOS) for constituents of the MSCI China All Shares Indexes

All index review changes that are postponed will be cancelled two months after the effective date of the index review and implemented coinciding with the subsequent index review if still warranted.

3.2 ONGOING EVENT RELATED CHANGES

Changes resulting from corporate events resulting in deletions (such as delisting and prolonged suspension) and changes in Number of Shares (NOS) and Foreign Inclusion Factors (FIFs) are implemented as they occur simultaneously with the event.

Constituents of the MSCI China All Shares Indexes that are assigned ST/*ST status will be deleted on the last business day of each month with a notice period of at least two full

business days. In order to minimize potential reverse turnover, securities deleted due to inclusion on such boards would not be added back to the MSCI China All Shares and MSCI China A International Indexes for a period of 12 months from their deletion.

During an Index Review, the deletion of a security due to ST or *ST status will be made to coincide with the effective date of the Index Review. If these securities are suspended from trading as of the last business day of the month, they will be deleted at the lowest price (unit or fraction of the currency) at which a security can trade on a given exchange.

Migrations between size-segments, IPOs and other early inclusions (for example, spun-off companies) are only considered at the next Quarterly Index Review.

If a China A-share security is deleted from the MSCI China All Shares Indexes due to corporate events, it will be automatically removed from the MSCI China A International Indexes.

The following sections have been modified since June 2014:

Section 2.1: MSCI China All Shares Indexes

- One paragraph added end of section

Section 2.2: MSCI China A International Indexes

- One paragraph added end of section

Section 3.2: Ongoing Event Related Changes

- Clarification on treatment of constituents that are assigned ST/*ST status

The following sections have been modified since November 2014:

Section 1: Introduction

- Updates

Section 2.1: MSCI China All Shares Indexes

- Updates in this section to include foreign listings

The following sections have been modified since November 2015:

Section 3.1.3: Policy Regarding Trading Suspensions for Individual Securities during Index Reviews

- Added new section

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 Inc. 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 Inc. 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.