

MSCI CHINA ALL SHARES INDEXES METHODOLOGY

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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 following the MSCI Global Investable Market Indexes Methodology and using the same price and data cut-off dates.

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 by selecting all China A Shares securities listed in China.

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 due to suspension will be cancelled two months after the effective date of the Index Review if the securities are still suspended and will be implemented at the Index Review following the resumption of trading if still warranted.

Additions of Chinese securities to all MSCI Indexes² (including pro forma MSCI China All Shares Indexes and MSCI China A Indexes) will be cancelled instead of postponed if the securities are suspended on the day prior to the effective implementation of the Index Review. The inclusion of the security will be re-evaluated at the next Index Review.

² Non-current IMI constituent

3.2 ONGOING EVENT RELATED CHANGES

The ongoing event-related changes to the MSCI China All Shares Indexes follow the MSCI GIMI Methodology. For more information on the details of the implementation of ongoing event related changes, please refer to section 3.3 of the MSCI GIMI Methodology.

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.

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.

4 MSCI CHINA A INDEXES

The MSCI China A Indexes³ and the MSCI China A RMB Indexes are designed to represent the performance of the China A shares portion of the MSCI China All Shares Index that are accessible through the Stock Connect program.

The MSCI China A Indexes are designed for global investors accessing the China A shares market through the Stock Connect program.

The MSCI China A RMB Indexes are designed for domestic China investors and have the same constituents as the MSCI China A Indexes.

Currently, MSCI calculates the Standard as well as the Large Cap and the Mid Cap Size Segment Indexes for both the MSCI China A and the MSCI China A RMB Indexes.

4.1 INDEX CONSTRUCTION

The MSCI China A Indexes are constructed by deriving the constituents from the MSCI China All Shares Indexes by first selecting the China A shares securities and then filtering out the China A shares securities that are not accessible through the Stock Connect program.

4.2 INDEX MAINTENANCE

The constituents of the MSCI China A Indexes are derived from the MSCI China All Shares Index at each Index Review by including only the China A shares that are accessible through the Stock Connect program.

4.3 ONGOING EVENT RELATED CHANGES

The ongoing event-related changes to the MSCI China Indexes primarily follow the MSCI GIMI Methodology and the MSCI Corporate Events Methodology.

In order to reflect accessibility of securities trading on Stock Connect and keep the MSCI Indexes replicable, methodologies were enhanced in order to more accurately reflect the investment process of Stock Connect investors, especially for cases when Stock Connect is closed but the onshore Chinese domestic market is trading.

Details of the treatment of Stock Connect China A shares can be found in Appendix VIII of the MSCI Corporate Events Methodology.

³ The MSCI China A Onshore Indexes were previously known as the MSCI China A Indexes prior to March 1, 2018. Please refer to Appendixes XII and XIV of the MSCI GIMI Methodology for more details on the MSCI China A Onshore Indexes.

4.4 INDEX CALCULATION

The MSCI China A Indexes are calculated using China A Stock Connect listings based on the offshore RMB exchange rate (CNH).

The MSCI China A RMB Indexes are calculated using China A local listings based on the onshore RMB exchange rate (CNY).

METHODOLOGY BOOK TRACKED CHANGES

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

The following sections have been modified since February 2017:

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

- Updates

The following sections have been modified since May 2017:

Section 3.2: Ongoing Event Related Changes

- Updates in this section to align with the MSCI GIMI Methodology

The following sections have been modified since August 2017:

Section 3.1.1: MSCI China All Shares Index

- Added clarification

Section 3.1.2: MSCI China A International Index

- Added clarification

Section 3.1.4: Announcement Policy

- Added new section

The following sections have been modified since March 2018:

Section 4: MSCI China A Indexes

- Added new section

The following sections have been modified since May 2018:

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

- Added clarification

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