

MSCI CHINA TECHNOLOGY DEPOSITARY RECEIPTS AND P CHIP INDEX METHODOLOGY

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1 Introduction

The MSCI China Technology Depository Receipts and P Chip¹ Index aims to track the performance of a set of Chinese companies that are represented by Depository Receipts listed in NYSE, NASDAQ or London Stock Exchange and P Chips and generate revenue from technology related activities. The Index aims to achieve increased diversification by capping the weight of individual constituent securities.

¹ P chips are Nonstate-owned Chinese companies incorporated outside the mainland and traded in Hong Kong. For more details please refer to the MSCI Global Investable Market Indexes Methodology at <https://www.msci.com/index-methodology>

2 Index Construction

The MSCI China Technology Depository Receipts and P Chip Index is constructed from the MSCI China Index (the “Parent Index”).

2.1 ELIGIBLE UNIVERSE

The eligible universe includes P Chip securities listed in Hong Kong Stock Exchange and Depository Receipts which are existing constituents of the MSCI China Index.

2.1.1 LIQUIDITY SCREEN

The securities from the eligible universe are screened for 3-month ATVR to be at a minimum of 20% to be eligible for inclusion in MSCI China Technology Depository Receipts and P Chip Index.

ATVR is defined as Annual Traded Value Ratio².

2.1.2 SIZE SCREEN

The securities with full security market capitalization of a minimum of USD 1.5 Billion are eligible for inclusion in MSCI China Technology Depository Receipts and P Chip Index.

2.2 GICS^{®3} SECTOR AND INDUSTRY SELECTION

Securities mapped to the following GICS sectors and GICS industries are included in the selection universe

No.	GICS [®] SECTOR	INDUSTRY
45	Information Technology	All
40	Communication Services	All
25	Consumer Discretionary	Internet & Direct Marketing Retail

² Please refer to the MSCI Index Calculation Methodology at MSCI Index Calculation Methodology at <https://www.msci.com/index-methodology>

³GICS, the global industry classification standard jointly developed by MSCI and S&P Global. For more details please refer to <https://www.msci.com/gics>

2.3 WEIGHTING SCHEME

Securities included in the MSCI China Technology Depositary Receipts and P Chip Index are weighted by full security market capitalization. Additionally, constituent weights are capped to mitigate concentration risk in the Index. The individual security weights in the Index are capped at 10%.

3 Maintenance of the Index

3.1 QUARTERLY INDEX REVIEWS

The Index is reviewed on a quarterly basis, coinciding with the May and November Semi-Annual Index Reviews and the February and August Quarterly Index Reviews of the Parent Index. The pro forma Index is announced nine business days before the effective date.

3.2 ONGOING EVENT RELATED CHANGES

The following section briefly describes the treatment of common corporate events within the Index.

No new securities will be added (except where noted below) to the Index between Index Reviews. For cases where additions are noted below, securities will be added to the Index only if added to the Parent Index. Parent Index deletions will be reflected simultaneously.

EVENT TYPE

EVENT DETAILS

New additions to the Parent Index

A new security added to the Parent Index (such as IPO and other early inclusions) will be added to the Index at an estimated full market capitalization adjustment factor on the date of security inclusion

Spin-Offs

All securities created as a result of the spin-off of an existing Index constituent will be added to the Index at the time of event implementation. Reevaluation for continued inclusion in the Index will occur at the subsequent Index Review.

Merger/Acquisition

For Mergers and Acquisitions, the acquirer’s post event weight will account for the proportionate amount of shares involved in deal consideration, while cash proceeds will be invested across the Index.

If an existing Index constituent is acquired by a non-Index constituent, the existing constituent will be deleted from the Index and the acquiring non-constituent will be added to the Index. Reevaluation for continued inclusion in the Index will occur at the subsequent Index Review.

Changes in Security Characteristics

A security will continue to be an Index constituent if there are changes in characteristics (country, sector, size segment, etc.) Reevaluation for continued inclusion in the Index will occur at the subsequent Index Review.

Further detail and illustration regarding specific treatment of corporate events relevant to this Index can be found in the MSCI Corporate Events Methodology book under the sections detailing the treatment of events in Capped Weighted and Non-Market Capitalization Weighted indexes.

The MSCI Corporate Events methodology book is available at:
<https://www.msci.com/index-methodology>

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