

METHODOLOGY BOOK FOR:

- MSCI EMU SRI SELECT 30 INDEX**
- MSCI EMU SRI SELECT 30 DECREMENT 3.5% INDEX**

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1 Introduction

The MSCI EMU SRI Select 30 Index aims to represent the performance of a set of 30 largest stocks from the European Economic and Monetary Union region that have high Environmental, Social and Governance (ESG) ratings relative to their sector peers. The Index aims to achieve diversification through equal weighting of the constituents.

The MSCI EMU SRI Select 30 Decrement 3.5% Index aims to represent the performance of the MSCI EMU ESG Leaders Select 30 Index, while applying a constant markdown ('synthetic dividend') of 3.5% on an annual basis, expressed as a percentage of performance.

2 Index Construction Methodology

The MSCI EMU SRI Select 30 Index and the MSCI EMU SRI Select 30 Decrement 3.5% Index are constructed from the MSCI EMU SRI Index¹ (the “Parent Index”).

The following steps are applied at initial construction as well as subsequent Quarterly and Semi-Annual Index Reviews of the MSCI EMU SRI Select 30 Index:

- Eligible Universe Screening
- Security Selection
- Weighting Scheme

In addition to the above steps, a daily decrement is applied to the MSCI EMU SRI Select 30 Index to construct the MSCI EMU SRI Select 30 Decrement 3.5% Index.

2.1 ELIGIBLE UNIVERSE SCREENING

The following screens are applied on the Parent Index to create an Eligible Universe for security selection.

2.1.1 CURRENCY OF LISTING

Only Euro denominated stocks within the Parent Index are eligible for inclusion in the Index.

2.1.2 ISSUER LEVEL SCREENING

To avoid multiple securities of the same company in the final index, only the most liquid security for each issuer is included, ranked in descending order of 6-month Annualized Traded Value² (ATV). For any issuer, should two securities have the same 6-month ATV, the one with the higher free float-adjusted market capitalization is included.

2.2 SECURITY SELECTION

From the eligible universe, the largest 30 securities ranked in the descending order of their free-float adjusted market capitalization are selected for inclusion in the Index. Should there be two securities with the same free float adjusted market capitalization, the one with higher liquidity per its 3-month ATV is selected.

¹ Please refer to the MSCI SRI Indexes methodology at <http://www.msci.com/index-methodology>

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

2.3 WEIGHTING SCHEME

Each selected security is then assigned an equal weight at initial construction and at every Index Review, in accordance with the MSCI Equal Weighted Indexes methodology³.

2.4 APPLYING THE DECREMENT

The MSCI Decrement Indexes methodology⁴ is applied on the MSCI EMU SRI Select 30 Index to construct the MSCI EMU SRI Select 30 Decrement 3.5% using the following parameters:

| Sr. No. | Methodology Parameter | Parameter Value |
|---------|------------------------------------|------------------------|
| 1 | Currency of Calculation | EUR |
| 2 | Return Variant of the Parent Index | Daily Net Total Return |
| 3 | Decrement Type | Fixed Percentage |
| 4 | Decrement Application | Geometric |
| 5 | Decrement Value | 3.5% |
| 6 | Day-count Convention | Actual / 360 |
| 7 | Index Floor | 0 |
| 8 | Decrement Frequency | Daily |

³ Please refer to the MSCI Equal Weighted Indexes methodology at <http://www.msci.com/index-methodology>

⁴ Please refer to the MSCI Decrement Indexes Methodology at <http://www.msci.com/index-methodology>

3 Maintaining the Indexes

3.1 QUARTERLY INDEX REVIEWS

The MSCI EMU SRI Select 30 Index is reviewed on a quarterly basis as described in Section 2, 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 typically announced nine business days before the business date.

3.2 ONGOING EVENT-RELATED CHANGES

The general treatment of corporate events in the MSCI EMU SRI Select 30 Index aims to minimize turnover outside of Index Reviews. The methodology aims to appropriately represent an investor's participation in an event based on relevant deal terms and pre-event weighting of the index constituents that are involved. Further, changes in index market capitalization that occur as a result of corporate event implementation will be offset by a corresponding change in the Variable Weighting Factor (VWF) of the constituent.

Additionally, if the frequency of Index Reviews in the Parent Index is greater than the frequency of Index Reviews in the MSCI EMU SRI Select 30 Index, the changes made to the Parent Index during the intermediate Index Reviews will be neutralized in the MSCI EMU SRI Select 30 Index.

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

No new securities will be added (except where noted below) to the Indexes 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 not be added to the index.

Spin-Offs

All securities created as a result of the spin-off of an existing index constituent will not be added to the index at the time of event implementation. Reevaluation for inclusion in the Index will occur at the subsequent Index Review.

Merger/Acquisition

For Mergers and Acquisitions, the acquirer's post even 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 not be added to the Index.

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.

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

The MSCI EMU SRI Select 30 Decrement 3.5% Index is derived from the MSCI EMU SRI Select 30 Index. As a result, corporate events are reflected in the MSCI EMU SRI Select 30 Decrement 3.5% Index as they occur and are captured in the MSCI EMU SRI Select 30 Index.

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 |
| São 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 * |
| Thailand | 0018 0015 6207 7181 * |
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* = toll free

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