

MSCI EMERGING MARKETS HORIZON INDEX METHODOLOGY

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1 INTRODUCTION

The MSCI Emerging Markets Horizon Index (“Index”) is designed to reflect the performance of a selection of the smallest emerging markets by targeting 25% coverage of the MSCI Emerging Markets Index and excluding Brazil, China, India and Russia from the selected countries.

2 CONSTRUCTING MSCI EMERGING MARKETS HORIZON INDEX

The Index is constructed using the MSCI Emerging Markets Index (“Parent Index”). The Index construction is based on a three-step process:

- Calculating weights for each country
- Country and constituent selection
- Weighting of Index constituents

2.1 CALCULATING WEIGHTS FOR EACH COUNTRY

The aggregate free float adjusted market capitalization weight for each country in the Parent Index is calculated on the basis of free float adjusted market capitalization weights of the constituents in each country in the Parent Index. The countries are then ranked in the descending order of the country weights in the Parent Index. These country weights are used to determine the cumulative weight distribution of the countries in the Parent Index.

2.2 COUNTRY AND CONSTITUENT SELECTION

All the countries within the range where the cumulative weight aggregates to between 75% and 100% of the Parent Index are selected for inclusion in the Index. Subsequently, Brazil, China, India and Russia are excluded from the list of countries selected in the previous step to determine the final list of eligible countries for inclusion in the Index.

All securities from the Parent Index classified in the eligible countries are eligible for inclusion in the Index.

2.3 WEIGHTING SCHEME

All the Index constituents are weighted based on their free float market capitalization.

3 MAINTAINING THE INDEXES

3.1 ANNUAL INDEX REVIEW

The Index is rebalanced in May to coincide with the Semi-Annual Index Reviews of the underlying Country Indexes.

The Annual Index Review involves a comprehensive review of the Index. During each Annual Index Review, the cumulative weight for each country is computed as described in Section 2.1

Existing countries included at previous rebalancing and new countries eligible for inclusion in the Index will be evaluated for inclusion in the Index using the following screening process:

- If a country was included in the Index at the previous rebalancing, it will remain in the Index if it falls in the range where the cumulative weight aggregates to between 70% and 100% of the Parent Index
- If a country was not included in the Index at the previous rebalancing, it will be selected in the list of eligible countries if it falls in the range where the cumulative weight aggregates to between 80% and 100% of the Parent Index
- Brazil, China, India and Russia are then excluded from the list of eligible countries determined from the previous two steps to provide the final list of eligible countries for inclusion in the Index

All securities in the Parent Index belonging to the final list of eligible countries are included in the Index. All the Index constituents are weighted based on their free float market capitalization.

The ranges in the cumulative weight distribution which are used for selecting countries in the Index may be revisited in the future to mitigate the impact of market reclassification into or out of Emerging Markets and the resultant turnover.

3.2 QUARTERLY INDEX REVIEWS

The Index is reviewed on a quarterly basis to reflect the changes to the Parent Index. These Index reviews coincide with the regular Semi-Annual and Quarterly Index Reviews of the MSCI Global Investable Market Indexes.

3.3 TREATMENT OF CORPORATE EVENTS

The Index is derived from the existing Parent Index. As a result, corporate events are reflected in the Index as they are incorporated into the Parent 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
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

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