

METHODOLOGY BOOK FOR:

- **MSCI UK EX WEAPONS AND NON RENEWABLES SELECT INDEX**
- **MSCI USA EX WEAPONS AND NON RENEWABLES SELECT INDEX**
- **MSCI EUROPE EX UK EX WEAPONS AND NON RENEWABLES SELECT INDEX**
- **MSCI ACWI IMI EX WEAPONS AND NON RENEWABLES SELECT INDEX**

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Contents

- 1 Introduction 3
- 2 MSCI ESG Research 4
 - 2.1 MSCI ESG Business Involvement Screening Research 4
 - 2.2 MSCI Climate Change Metrics..... 4
- 3 Constructing the MSCI Global ex Weapons and Non Renewables Select Indexes..... 5
 - 3.1 Underlying Universe 5
 - 3.2 Eligibility Criteria 5
 - 3.2.1 Values and Climate Change-Based Exclusions 5
 - 3.3 Weighting Scheme..... 6
- 4 Maintaining the MSCI Global ex Weapons and Non Renewables Select Indexes..... 7
 - 4.1 Quarterly Index Reviews 7
 - 4.2 Ongoing Event-Related Maintenance 7
- Appendix – Values and Climate-Based Exclusion Criteria 9

1 Introduction

The MSCI UK ex Weapons and Non Renewables Select Index, MSCI USA ex Weapons and Non Renewables Select Index, MSCI Europe ex UK ex Weapons and Non Renewables Select Index, and MSCI ACWI IMI ex Weapons and Non Renewables Select Index (herein the MSCI Global ex Weapons and Non Renewables Select Indexes or the “Indexes”) aim to represent the performance of a free float adjusted market capitalization weighted investment strategy that excludes companies associated with controversial and nuclear weapons, as well as those that derive revenue from thermal coal, oil sands and arctic oil-related activities.

2 MSCI ESG Research

The MSCI Global ex Weapons and Non Renewables Select Indexes use company ratings and research provided by MSCI ESG Research LLC. In particular, the indexes use the following two MSCI ESG Research products: MSCI Business Involvement Screening Research and MSCI Climate Change Metrics.

For details on MSCI ESG Research’s full suite of ESG products, please refer to: <https://www.msci.com/esg-investing>

2.1 MSCI ESG BUSINESS INVOLVEMENT SCREENING RESEARCH

MSCI ESG Business Involvement Screening Research (BISR) aims to enable institutional investors to manage environmental, social and governance (ESG) standards and restrictions reliably and efficiently.

For more details on MSCI ESG Business Involvement Screening Research, please refer to http://www.msci.com/resources/factsheets/MSCI_ESG_BISR.pdf

2.2 MSCI CLIMATE CHANGE METRICS

MSCI Climate Change Metrics is designed to support investors seeking to achieve a range of objectives, including measuring and reporting on climate risk exposure, implementing low carbon and fossil fuel-free strategies, and factoring climate change research into their risk management processes. It provides Carbon Emissions, Fossil Fuel exposure, environmental impact (i.e., clean technology) data and screens, as well as climate-related risk exposure and management assessment on companies.

For more details on MSCI Climate Change Metrics, please refer to <https://www.msci.com/climate-solutions>

3 Constructing the MSCI Global ex Weapons and Non Renewables Select Indexes

3.1 UNDERLYING UNIVERSE

The selection universe for the MSCI Global ex Weapons and Non Renewables Select Indexes is defined by the constituents of the MSCI Global Investable Market Indexes (GIMI) (the “Parent Indexes”).

The Parent Indexes for the MSCI Global ex Weapons and Non Renewables Select Indexes are shown in the table below.

Index Name	Parent Index
MSCI UK ex Weapons and Non Renewables Select Index	MSCI United Kingdom Index
MSCI USA ex Weapons and Non Renewables Select Index	MSCI USA Index
MSCI Europe ex UK ex Weapons and Non Renewables Select Index	MSCI Europe ex UK Index
MSCI ACWI IMI ex Weapons and Non Renewables Select Index	MSCI ACWI IMI Index

3.2 ELIGIBILITY CRITERIA

The MSCI Global ex Weapons and Non Renewables Select Indexes use research provided by MSCI ESG Research to determine eligibility for index inclusion.

3.2.1 VALUES AND CLIMATE CHANGE-BASED EXCLUSIONS

The MSCI Global ex Weapons and Non Renewables Select Indexes use MSCI ESG Business Involvement Screening Research and MSCI Climate Change Metrics to identify companies that are involved in the following business activities. Companies that meet the business involvement criteria are excluded from the MSCI Global ex Weapons and Non Renewables Select Indexes. Please refer to the Appendix for details on these criteria.

- Controversial Weapons
- Nuclear Weapons
- Thermal Coal
- Oil Sands

- Arctic Oil

3.3 WEIGHTING SCHEME

The remaining securities, after the exclusions based on the above sections, are weighted in proportion of their free float-adjusted market capitalization.

4 Maintaining the MSCI Global ex Weapons and Non Renewables Select Indexes

4.1 QUARTERLY INDEX REVIEWS

The MSCI Global ex Weapons and Non Renewables Select Indexes are reviewed on a quarterly basis to coincide with the regular Index Reviews of the Parent Indexes. The changes are implemented at the end of February, May, August and November. The pro forma indexes are in general announced nine business days before the effective date.

In general, MSCI uses MSCI ESG Research data as of the end of the month preceding the Index Reviews. For some securities, this data may not be published by MSCI ESG Research by the end of the month preceding the Index Review. For such securities, MSCI will use ESG data published after the end of month, when available, for the rebalancing of the MSCI Global ex Weapons and Non Renewables Select Indexes.

4.2 ONGOING EVENT-RELATED MAINTENANCE

The following section briefly describes the treatment of common corporate events within the MSCI Global ex Weapons and Non Renewables Select Indexes.

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 not be added to the MSCI Global ex Weapons and Non Renewables Select Indexes.

Spin-Offs

All securities created as a result of the spin-off of an existing Index constituent will not be added to the MSCI Global ex Weapons and Non Renewables Select Indexes at the time of event implementation. Reevaluation

for addition in the Indexes will occur at the subsequent Index Review.

Merger/Acquisition

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>

Appendix – Values and Climate-Based Exclusion Criteria

Companies, whose activities meet the following values and climate-based criteria, as evaluated by MSCI ESG Research, are excluded from the Indexes:

- **Controversial Weapons**
 - All companies with any tie to Controversial Weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), as defined by the methodology of the MSCI Global Ex-Controversial Weapons Indexes available at <https://www.msci.com/index-methodology>
- **Nuclear Weapons**
 - All companies that manufacture nuclear warheads and/or whole nuclear missiles
 - All companies that manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles)
 - All companies that manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons
 - All companies that provide auxiliary services related to nuclear weapons
 - All companies that manufacture components that were not developed or not significantly modified for exclusive use in nuclear weapons (warheads and missiles)
 - All companies that manufacture or assemble delivery platforms that were not developed or not significantly modified for the exclusive delivery of nuclear weapons but have the capability to deliver nuclear weapons
 - All companies that manufacture components for nuclear-exclusive delivery platforms
- **Thermal Coal**
 - All companies deriving 5% or more revenue (either reported or estimated) from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case

of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading

- All companies deriving 25% or more revenue (either reported or estimated) from the thermal coal-based power generation

- **Oil Sands**

- All companies deriving 5% or more revenue from oil sands extraction, which own oil sands reserves and disclose evidence of deriving revenue from oil sands extraction. Companies that derive revenue from non-extraction activities (e.g. exploration, surveying, processing, refining) or intra-company sales are not excluded. Additionally, companies that own oil sands reserves with no associated revenue are also not excluded

- **Arctic Oil**

- All companies deriving 5% or more revenue from offshore and onshore Arctic Oil production. Arctic is defined geographically and includes production activities north of the 66.5 latitude

The following sections have been modified since October 2020:

Update to include the index construction and maintenance parameters for:

- MSCI ACWI IMI ex Weapons and Non Renewables Select Index

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The process for submitting a formal index complaint can be found on the index regulation page of MSCI's website at: <https://www.msci.com/index-regulation>.

To learn more, please visit www.msci.com.

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