

MSCI NETHERLANDS IMI ESG UNIVERSAL EX SELECT GLOBAL SANCTIONS AND BUSINESS INVOLVEMENT INDEX

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1 INTRODUCTION

The MSCI Netherlands IMI ESG Universal ex Select Global Sanctions and Business Involvement Index aims to represent the performance of an investment strategy that by re-weighting securities, seeks to increase exposure to companies demonstrating both a robust ESG profile as well as a positive trend in improving that profile. The index also excludes companies that have ties with certain countries on global sanction lists; as well as companies involved with business activities related to military weapons, gambling operations, tobacco, adult entertainment and fossil fuels.

2 MSCI ESG RESEARCH

The MSCI Netherlands IMI ESG Universal ex Select Global Sanctions and Business Involvement Index uses company research provided by MSCI ESG Research. In particular, this index uses the MSCI Business Involvement Screening Research product.

For details on MSCI ESG Research's full suite of ESG products, please refer to: http://www.msci.com/products/esg/about_msci_esg_research.html

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

3 INDEX CONSTRUCTION METHODOLOGY

The MSCI Netherlands IMI ESG Universal ex Select Global Sanctions and Business Involvement Index is constructed from the MSCI Netherlands IMI ESG Universal Index (the “Parent Index”).

3.1 SCREENING

MSCI ESG Research evaluates companies for exclusion from the MSCI Netherlands IMI ESG Universal ex Select Global Sanctions and Business Involvement Index, based on their association with certain countries on the global sanction lists as well as involvement in certain businesses that meet the values based exclusion criteria. The details of these criteria are described in Appendix 1.

3.2 WEIGHTING SCHEME

The remaining securities, after the exclusion based on section 3.1, are weighted in accordance with section 3.4 of the MSCI ESG Universal Indexes methodology¹.

¹ Please refer to the MSCI ESG Universal Indexes methodology at www.msci.com/index-methodology

4 MAINTAINING THE INDEX

4.1 QUARTERLY INDEX REVIEWS

The Index is reviewed on a quarterly basis to coincide with the regular Semi-Annual and Quarterly Index Reviews of the MSCI Global Investable Market Indexes. The changes are implemented as of the close of the last business day of February, May, August and November.

In general, MSCI uses MSCI ESG Research data (including MSCI ESG Ratings, MSCI ESG Controversies Scores and MSCI Business Involvement Screening Research) as of the end of the month preceding the Index Reviews for the rebalancing of the Index. For some securities, such 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 Index.

The pro forma Index is in general announced nine business days before the effective date.

4.2 ONGOING EVENT RELATED CHANGES

The general treatment of corporate events in the MSCI Netherlands IMI ESG Universal ex Select Global Sanctions and Business Involvement 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 Netherlands IMI ESG Universal ex Select Global Sanctions and Business Involvement Index, the changes made to the Parent Index during intermediate Index Reviews will be neutralized in the MSCI Netherlands IMI ESG Universal ex Select Global Sanctions and Business Involvement Index.

The following section briefly describes the treatment of common corporate events within the MSCI Netherlands IMI ESG Universal ex Select Global Sanctions and Business Involvement Index.

No new securities will be added (except where noted below) to the Index between Index Reviews. 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 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 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 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>

APPENDIX 1 – SCREENING CRITERIA

Companies, whose activities meet the following values based criteria, as determined by MSCI ESG Research, are excluded from the Index:

GLOBAL SANCTIONS

- Syria
 - All Companies which have Equity involvement with Syria
- Sudan
 - All Companies which have Equity involvement with Sudan
- Iran
 - All Companies which have Equity involvement with Iran
- North Korea
 - All Companies which have Equity involvement with North Korea

CONTROVERSIAL BUSINESS INVOLVEMENT

- Chemical and Biological Weapons
 - All Companies that manufacture key biological and chemical weapons components.
 - All Companies that manufacture biological and chemical weapons, including weapons that use pathogens such as viruses, bacteria, and disease-causing biological agents, toxins, or chemical substances that have toxic properties to kill, injure, or incapacitate.
 - All Companies that are 50% or more owned by a company with biological and chemical weapons involvement.
 - All Companies that own 20% to 49.99% of a company with chemical and biological weapons involvement. When a company owns 50% or more of a subsidiary with involvement, MSCI treats it as a consolidated subsidiary.
- Depleted Uranium
 - All Companies involved in the production of depleted uranium (DU) weapons, ammunition, and armor, including companies that manufacture armor piercing, fin stabilized, discarding sabot tracing rounds (APFSDS-T);

kinetic energy missiles made with DU penetrators; and DU-enhanced armor, including composite tank armor.

- All Companies that are 50% or more owned by a company with depleted uranium weapons involvement.
- All Companies that own 20% to 49.99% of a company with depleted uranium weapons involvement. When a company owns 50% or more of a subsidiary with involvement, MSCI treats it as a consolidated subsidiary.
- Cluster Munitions
 - All Companies with any industry tie to cluster munitions.
- Landmine
 - All Companies that have any industry tie to the manufacture of landmines except for Safety, which is a positive indicator.
- Blinding Lasers
 - All Companies that manufacture weapons utilizing laser technology that causes permanent blindness to the target.
 - All Companies that are owned by a Blinding Laser Manufacturer.
 - All Companies that are owners of a Blinding Laser Manufacturer.
- Non-Detectable Fragments
 - All Companies that manufacture weapons that use non-detectable fragments to inflict injury to targets.
 - All Companies that are owned by a Non-Detectable Weapons Manufacturer.
 - All Companies that are owners of a Non-Detectable Weapons Manufacturer.
- Incendiary Weapons
 - All Companies that manufacture incendiary weapons using white phosphorus.
 - All Companies that are owned by an Incendiary Weapons Manufacturer.
 - All Companies that are owners of an Incendiary Weapons Manufacturer.
- Tobacco
 - All Companies that earn more than or equal to 5% revenue (either reported or estimated) from the manufacture of tobacco products.

- All Companies that earn more than or equal to 15% revenue (either reported or estimated) from tobacco-related business activities.
- Gambling
 - All Companies that earn more than or equal to 5% revenue (either reported or estimated) from the ownership or operation of gambling facilities such as casinos, racetracks, bingo parlors, or other betting establishments, including: horse, dog, or other racing events that permit wagering; lottery operations; online gambling; pari-mutuel wagering facilities; bingo; pachislot and pachinko parlors; slot machines; Jai-alai; mobile gambling; and sporting events that permit wagering.
 - All Companies that earn more than or equal to 15% revenue (either reported or estimated) from gambling-related business activities.
- Adult Entertainment
 - All Companies that earn more than or equal to 5% revenue (either reported or estimated) producing, directing, or publishing adult entertainment materials that fall into the following categories: Producer of X-rated films, Producer of Pay-per-view programming or channels, Producer of sexually explicit video games,
 - Producer of books or magazines with adult content, Live entertainment of an adult nature, Producer of adults-only material on the internet.
 - All Companies that earn more than or equal to 15% revenue (either reported or estimated) from adult entertainment.
- Fossil Fuel – Thermal Coal
 - All companies that earn more than or equal to 30% 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.
- Fossil Fuel – Oil Sands
 - All companies that own oil sands reserves and disclose evidence of deriving revenue from oil sands extraction, that earn more than or equal to 30% revenue (either reported or estimated) from oil sands extraction. This factor does not include revenue from non-extraction activities (e.g. exploration, surveying, processing, refining); ownership of oil sands reserves with no associated extraction revenues; revenue from intra-company sales.

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