

MSCI SELECT EMERGING AND FRONTIER MARKETS ACCESS INDEX METHODOLOGY

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1 Introduction

The MSCI Select Emerging and Frontier Markets Access Index aims to represent the performance of a selection of 200 securities from select countries within the MSCI Emerging and Frontier Markets Index. The Index screens securities classified in the Emerging Markets to target companies with high economic exposure to the Emerging and Frontier Markets excluding Brazil, Russia, India, China, Korea and Taiwan. A liquidity screen is applied to the securities classified in the Frontier Markets with an aim to enhance the replicability of the Index. The MSCI Select Emerging and Frontier Markets Access Index aims to mitigate concentration risk by applying capping at the country, sector and issuer level.

2 Constructing the MSCI Select Emerging and Frontier Markets Access Index

The MSCI Select Emerging and Frontier Markets Access Index (the “Index”) is constructed by applying the following steps to the MSCI Emerging and Frontier Markets Index (the “Parent Index”).

- Defining the Eligible Universe
- Liquidity Screening
- Economic Exposure Screening
- Security Selection
- Weighting Scheme

2.1 Defining the Eligible Universe

The Eligible Universe consists of all constituents of the Parent Index, with the exception of securities with an MSCI country of classification¹ of Brazil, Russia, India, China, Korea or Taiwan.

2.2 Liquidity Screening

All securities from the Eligible Universe within the Frontier Markets with Foreign Inclusion Factor (FIF) adjusted 12-month Annualized Traded Value Ratio² (ATVR) of less than 10% are ineligible for inclusion in the Index.

In addition, securities from the Eligible Universe within the Frontier Markets will not be eligible for inclusion in the Index if the securities have 3-month Frequency of Trading of less than 50%.

Liquidity screening is not applicable to the securities within the Emerging Markets.

¹ Please refer to the MSCI Global Investable Market Indexes methodology for further information on MSCI’s country of classification at www.msci.com/index-methodology

² Please refer to MSCI Index Calculation methodology at www.msci.com/index-methodology

2.3 Economic Exposure Screening

All the securities from the Eligible Universe within the Emerging Markets with economic exposure³ of less than or equal to 80% to the 'Emerging and Frontier Markets, excluding Brazil, Russia, India, China, Korea and Taiwan' are ineligible for inclusion in the Index.

Economic exposure screening is not applicable to the securities within the Frontier Markets.

2.4 Security Selection

The free-float adjusted market capitalization of securities from the Eligible Universe within the Frontier Markets after Liquidity screening are multiplied by a factor of 2. The securities within Frontier Market after free-float adjusted market capitalization has been doubled and the securities within Emerging Markets after Economic Exposure screening are then ranked in descending order of their free-float adjusted market capitalization. The 200 highest ranked securities are selected for inclusion in the Index.

In case two or more securities have the same free-float adjusted market capitalization, the security with higher Foreign Inclusion Factor (FIF) adjusted 12-month Annualized Traded Value Ratio (ATVR) will be given a higher rank.

2.5 Weighting Scheme

A multiple of 2 is applied to the free-float adjusted market capitalization of securities classified within the Frontier Markets which have been selected for inclusion in the Index. Constituents are then weighted as per their free-float adjusted market capitalization for Emerging Markets and doubled free-float adjusted market capitalization for Frontier Markets, subject to sector, country, and issuer capping constraints.

The maximum weight of any Global Industry Classification Standard (GICS®) sector is capped at 30%. The maximum weight of any country in the Index is capped at 10%, while the maximum weight of any issuer in the Index is capped at 2%.

If the sector or country or issuer weight exceeds the applicable capping, the weight of the securities in that sector or country or issuer is capped at the applicable constraint and the additional weight is redistributed to other securities in proportion to their float adjusted market capitalization. If there is a breach in the sector or

³ Please refer to the MSCI Economic Exposure Data methodology for further information on economic exposure data at www.msci.com/index-methodology

country or issuer weights while adjusting the sector or country or issuer weights, the process is repeated until sector, country and issuer weights are within the applicable capping constraints. In this process, the sector weights are taken into consideration first followed by the country weights and then issuer weights.

3 Maintaining the MSCI Select Emerging and Frontier Markets Access Index

3.1 Quarterly Index Reviews

The MSCI Select Emerging and Frontier Markets Access 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 security selection and weighting, as well as the sector, country and issuer capping is effective at each Quarterly Index Review. Between Index Reviews, security weights will fluctuate according to market movements.

Economic exposure data as of the end of the month preceding the Index Reviews is used for the rebalancing of the MSCI Select Emerging and Frontier Markets Access Index.

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

At each Quarterly Index Review, the MSCI Select Emerging and Frontier Markets Access Index is rebalanced as described in Section 2. Additionally, a 20% security selection buffer is applied for security selection as described in the following section.

3.1.1 Buffer Rules

To reduce turnover and enhance Index stability, a security selection buffer of 20% is applied on securities selected during the security selection step noted in Section 2.4 at each Quarterly Index Review.

The Index targets 200 securities and the 20% buffer is applicable for securities ranked between 160 and 240. The securities with a rank at or below 160 will be added to the Index on a priority basis. Existing constituents not included in the previous step that have a rank between 161 and 240 are then successively added until the number of securities reaches 200. If the number of securities is below 200 after this step, the remaining securities with the highest rank are added until the number of securities in the Index reaches 200 constituents.

3.2 Ongoing Event Related changes

The general treatment of corporate events in the MSCI Select Emerging and Frontier Markets Access 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.

The following section briefly describes the treatment of common corporate events within the MSCI Select Emerging and Frontier Markets Access 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 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>

Methodology Book Tracked Changes

The following sections have been modified since August 2018:

Section 2.2: Liquidity Screening

- Addition of Frequency of Trading requirement

The following sections have been modified since May 2019:

Section 2.4: Security Selection

- Updates to selection process
- Updated number of securities for inclusion

Section 2.5: Weighting Scheme

- Updates to weighting process

Section 3.1: Quarterly Index Reviews

- Modified text to reflect security and weighting updates
- Updated the security selection buffer

Section 3.1.1: Buffer Rules

- Modified text to reflect security selection buffer update

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