

**METHODOLOGY BOOK FOR:**  
**-MSCI EMU SUSTAINABLE SELECT  
50 INDEX**  
**- MSCI EMU SUSTAINABLE SELECT  
50 DECREMENT INDEXES**  
**-MSCI UNITED KINGDOM  
SUSTAINABLE SELECT 50 INDEX**  
**- MSCI UNITED KINGDOM  
SUSTAINABLE SELECT 50  
DECREMENT INDEXES**  
**-MSCI USA SUSTAINABLE SELECT  
50 INDEX**  
**- MSCI USA SUSTAINABLE SELECT  
50 DECREMENT INDEXES**  
**-MSCI SWITZERLAND  
SUSTAINABLE SELECT 20 INDEX**  
**- MSCI SWITZERLAND  
SUSTAINABLE SELECT 20  
DECREMENT INDEXES**

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## 1 Introduction

The MSCI EMU Sustainable Select 50 Index aims to represent the performance of a set of 50 stocks from the European Economic and Monetary Union region that have a large free-float adjusted market capitalization and a robust ESG profile.

The MSCI United Kingdom Sustainable Select 50 Index aims to represent the performance of a set of 50 stocks from the United Kingdom that have a large free-float adjusted market capitalization and a robust ESG profile.

The MSCI USA Sustainable Select 50 Index aims to represent the performance of a set of 50 stocks from USA that have a large free-float adjusted market capitalization and a robust ESG profile.

The MSCI Switzerland Sustainable Select 20 Index aims to represent the performance of a set of 20 stocks from the Switzerland that have a large free-float adjusted market capitalization and a robust ESG profile.

The MSCI EMU Sustainable Select 50 5% Decrement Index (Net) and MSCI EMU Sustainable Select 50 5% Decrement Index (Gross) aim to represent the net and gross performance of the MSCI EMU Sustainable Select 50 Index respectively, while applying a constant markdown ('synthetic dividend') of 5% on an annual basis, expressed as a percentage of performance.

The MSCI EMU Sustainable Select 50 4% Decrement Index (Net) and MSCI EMU Sustainable Select 50 4% Decrement Index (Gross) aim to represent the net and gross performance of the MSCI EMU Sustainable Select 50 Index respectively, while applying a constant markdown ('synthetic dividend') of 4% on an annual basis, expressed as a percentage of performance.

The MSCI United Kingdom Sustainable Select 50 3.5% Decrement Index (Net), MSCI United Kingdom Sustainable Select 50 4% Decrement Index (Net) and MSCI United Kingdom Sustainable Select 50 5% Decrement Index (Net) aim to represent the net performance of the MSCI United Kingdom Sustainable Select 50 Index while applying a constant markdown ('synthetic dividend') of 3.5%, 4% and 5% respectively, on an annual basis, expressed as a percentage of performance.

The MSCI USA Sustainable Select 50 3% Decrement Index, MSCI USA Sustainable Select 50 4% Decrement Index and MSCI USA Sustainable Select 50 5% Decrement Index aim to represent the net performance of the MSCI USA Sustainable Select 50 Index while applying a constant markdown ('synthetic dividend') of 3%, 4% and 5% respectively, on an annual basis, expressed as a percentage of performance.

The MSCI Switzerland Sustainable Select 20 3% Decrement Index, MSCI Switzerland Sustainable Select 20 4% Decrement Index and MSCI Switzerland Sustainable Select 20 5% Decrement Index aim to represent the net performance of the MSCI Switzerland Sustainable Select 20 Index while applying a constant markdown



(‘synthetic dividend’) of 3%, 4% and 5% respectively, on an annual basis, expressed as a percentage of performance.

## 2 ESG Research Framework

The MSCI EMU Sustainable Select 50 Index, MSCI United Kingdom Sustainable Select 50 Index, MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 Index use company ratings and research provided by MSCI ESG Research LLC. The indexes use the following MSCI ESG Research products: MSCI ESG Ratings, MSCI ESG Controversies, 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 RATINGS

MSCI ESG Ratings provides research, data, analysis and ratings of how well companies manage environmental, social and governance risks and opportunities. MSCI ESG Ratings provides an overall company ESG rating - a seven-point scale from 'AAA' to 'CCC'. In addition, the product provides scores and percentiles indicating how well a company manages each key issue relative to industry peers, as well as underlying data and metrics used to compile the scores and ratings.

For more details on MSCI ESG Ratings, please refer to <https://www.msci.com/esg-ratings>

### 2.2 MSCI ESG CONTROVERSIES

MSCI ESG Controversies (formerly known as MSCI Impact Monitor) provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services. The evaluation framework used in MSCI ESG Controversies is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. MSCI ESG Controversies Score falls on a 0-10 scale, with "0" being the most severe controversy.

For more details on MSCI ESG Controversies, please refer to <https://www.msci.com/documents/10199/acbe7c8a-a4e4-49de-9cf8-5e957245b86b>

## 2.3 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](http://www.msci.com/resources/factsheets/MSCI_ESG_BISR.pdf)

## 2.4 MSCI CLIMATE CHANGE METRICS

MSCI Climate Change Metrics provides climate data & tools to support investors integrating climate risk & opportunities into their investment strategy and processes. It supports investors seeking to achieve a range of objectives, including measuring and reporting on climate risk exposure, implementing low carbon and fossil fuel-free strategies, align with temperature pathways and factoring climate change research into their risk management processes, in particular through climate scenario analysis for both transition and physical risks.

The dataset spans across the four dimensions of a climate strategy: transition risks, green opportunities, physical risks and 1.5° alignment.

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



### 3 Constructing the Index

The MSCI EMU Sustainable Select 50 Index, MSCI United Kingdom Sustainable Select 50 Index , MSCI USA Sustainable Select 50 Index, MSCI Switzerland Sustainable Select 20 Index, MSCI EMU Sustainable Select 50 Decrement Indexes , MSCI United Kingdom Sustainable Select 50 Decrement Indexes, MSCI USA Sustainable Select 50 Decrement Indexes and MSCI Switzerland Sustainable Select 20 Decrement Indexes are constructed from their respective parent indexes, as shown in the table below (each a “Parent Index”):

Index Name	Parent Index
MSCI EMU Sustainable Select 50 Index	MSCI EMU IMI
MSCI EMU Sustainable Select 50 4% Decrement Index (Net)	
MSCI EMU Sustainable Select 50 4% Decrement Index (Gross)	
MSCI EMU Sustainable Select 50 5% Decrement Index (Net)	
MSCI EMU Sustainable Select 50 5% Decrement Index (Gross)	
MSCI United Kingdom Sustainable Select 50 Index	MSCI United Kingdom IMI
MSCI United Kingdom Sustainable Select 50 3.5% Decrement Index (Net)	
MSCI United Kingdom Sustainable Select 50 4% Decrement Index (Net)	
MSCI United Kingdom Sustainable Select 50 5% Decrement Index (Net)	
MSCI USA Sustainable Select 50 Index	MSCI USA IMI
MSCI USA Sustainable Select 50 3% Decrement Index	
MSCI USA Sustainable Select 50 4% Decrement Index	
MSCI USA Sustainable Select 50 5% Decrement Index	
MSCI Switzerland Sustainable Select 20 Index	MSCI Switzerland IMI
MSCI Switzerland Sustainable Select 20 3% Decrement Index	
MSCI Switzerland Sustainable Select 20 4% Decrement Index	
MSCI Switzerland Sustainable Select 20 5% Decrement Index	

The following steps are applied at initial construction as well as subsequent Quarterly and Semi-Annual Index Reviews of the “MSCI EMU Sustainable Select 50 Index”, the “MSCI United Kingdom Sustainable Select 50 Index” , “MSCI USA Sustainable Select 50 Index” and the “MSCI Switzerland Sustainable Select 20 Index”.

- Eligible Universe Screening

- ESG Eligibility Criteria
- Security Selection
- Security Weighting

In addition to the above steps, the following step is applied to the MSCI EMU Sustainable Select 50 Index, the MSCI United Kingdom Sustainable Select 50 Index , MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 Index. to construct the MSCI EMU Sustainable Select 50 Decrement Indexes, the MSCI United Kingdom Sustainable Select 50 Decrement Indexes , MSCI USA Sustainable Select 50 Decrement Indexes and the MSCI Switzerland Sustainable Select 20 Decrement Indexes, respectively.

- Applying the MSCI Decrement Indexes methodology<sup>1</sup>

## 3.1 MSCI EMU SUSTAINABLE SELECT 50 INDEX

### 3.1.1 ELIGIBLE UNIVERSE SCREENING

#### 3.1.1.1 EURO DENOMINATED SECURITIES

Only Euro denominated securities within the Parent Index are eligible for inclusion in the MSCI EMU Sustainable Select 50 Index.

#### 3.1.1.2 LIQUIDITY CRITERIA

Securities with 3-month ADTV greater than or equal to EUR 30 Million are eligible for inclusion in the MSCI EMU Sustainable Select 50 Index.

ADTV is defined as Average Daily Traded Volume and is calculated as:

$$ADTV_{3M} = \frac{ATV_{3M}^2}{252}$$

Where  $ATV_{3M}$  is annualized 3-month Average Traded Volume of the security.

<sup>1</sup> Please refer to the MSCI Decrement Indexes methodology at [www.msci.com/index-methodology](https://www.msci.com/index-methodology)

<sup>2</sup> MSCI Index Calculation Methodology at

<https://www.msci.com/index-methodology>

MSCI Global Investable Market Indexes Methodology at

<https://www.msci.com/index-methodology>

To avoid multiple securities of the same company in the final index, only the most liquid security for each issuer per its 3-month ADTV is eligible for inclusion in the Index. For any issuer, should two securities have the same 3-month ADTV, the one with the higher free float-adjusted market capitalization is included.

### 3.1.1.3 ESG RATINGS ELIGIBILITY

The MSCI EMU Sustainable Select 50 Index uses MSCI ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities. Companies having MSCI ESG Rating of 'AAA', 'AA' or 'A' are eligible for inclusion in the MSCI EMU Sustainable Select 50 Index<sup>3</sup>.

### 3.1.1.4 ESG CONTROVERSIES SCORE ELIGIBILITY

The MSCI EMU Sustainable Select 50 Index uses MSCI ESG Controversies Scores to identify those companies that are involved in very serious controversies involving the environmental, social, or governance impact of their operations and/or products and services. Companies are required to have an MSCI ESG Controversies Score of 2 or higher to be eligible for inclusion in the MSCI EMU Sustainable Select 50 Index<sup>4</sup>.

### 3.1.1.5 CONTROVERSIAL BUSINESS INVOLVEMENT CRITERIA

The MSCI EMU Sustainable Select 50 Index uses 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 below values- and climate change-based criteria are excluded from the eligible universe. Please refer to Appendix 1 for details on these criteria.

- Compliance with all the UN Global Compact Principles
- Controversial Weapons
- Nuclear Weapons
- Thermal Coal
- Oil Sands
- Civilian Firearms
- Conventional Weapons

<sup>3</sup> Unrated companies (Companies not assessed by MSCI ESG Research on MSCI ESG Rating) are excluded from the eligible universe. For more details refer to the MSCI ESG Universal Index:  
[https://www.msci.com/eqb/methodology/meth\\_docs/ESG\\_Universal\\_Index\\_Methodology.pdf](https://www.msci.com/eqb/methodology/meth_docs/ESG_Universal_Index_Methodology.pdf)

<sup>4</sup> Unrated companies (Companies not assessed by MSCI ESG Research on MSCI ESG Controversies Score) are excluded from the eligible universe. For more details refer to the MSCI ESG Universal Index:  
[https://www.msci.com/eqb/methodology/meth\\_docs/ESG\\_Universal\\_Index\\_Methodology.pdf](https://www.msci.com/eqb/methodology/meth_docs/ESG_Universal_Index_Methodology.pdf)

- Tobacco
- Gambling
- Alcohol
- Adult Entertainment
- Nuclear Power

### 3.1.2 SECURITY SELECTION

From the securities in the eligible universe that meet above screening criteria, the largest 50 securities based on their free-float adjusted market capitalization are selected for inclusion in the MSCI EMU Sustainable Select 50 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.

### 3.1.3 SECURITY WEIGHTING

The securities selected for inclusion in the MSCI EMU Sustainable Select 50 Index are assigned weights in proportion to their free-float adjusted market capitalization.

Additionally, security weights are capped at 5%. At each rebalance, if the weight of any security in the Index is greater than 5%, its weight will be capped at 5%. For more details on MSCI Capped Index Methodology, please refer to <https://www.msci.com/index-methodology>.

### 3.1.4 APPLYING THE MSCI DECREMENT INDEXES METHODOLOGY

The MSCI Decrement Indexes Methodology<sup>5</sup> is applied on the MSCI EMU Sustainable Select 50 Index to construct the following indexes

- MSCI EMU Sustainable Select 50 5% Decrement Index (Net)
- MSCI EMU Sustainable Select 50 5% Decrement Index (Gross)
- MSCI EMU Sustainable Select 50 4% Decrement Index (Net)
- MSCI EMU Sustainable Select 50 4% Decrement Index (Gross)

The parameters for the application of the decrement methodology in the above indexes are noted in Appendix 2.

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<sup>5</sup>Please refer to the MSCI Decrement Indexes methodology at [www.msci.com/index-methodology](https://www.msci.com/index-methodology)

## 3.2 MSCI UNITED KINGDOM SUSTAINABLE SELECT 50 INDEX

### 3.2.1 ELIGIBLE UNIVERSE SCREENING

#### 3.2.1.1 LIQUIDITY CRITERIA

Securities with 3-month ADTV greater than or equal to GBP 5 Million are eligible for inclusion in the MSCI United Kingdom Sustainable Select 50 Index.

To avoid multiple securities of the same company in the final index, only the most liquid security for each issuer per its 3-month ADTV is eligible for inclusion in the Index. For any issuer, should two securities have the same 3-month ADTV, the one with the higher free float-adjusted market capitalization is included.

#### 3.2.1.2 ESG RATINGS ELIGIBILITY

The MSCI United Kingdom Sustainable Select 50 Index uses MSCI ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities. Companies having MSCI ESG Rating of 'AAA', 'AA' or 'A' are eligible for inclusion in the MSCI United Kingdom Sustainable Select 50 Index<sup>6</sup>.

#### 3.2.1.3 ESG CONTROVERSIES SCORE ELIGIBILITY

The MSCI United Kingdom Sustainable Select 50 Index uses MSCI ESG Controversies Scores to identify those companies that are involved in very serious controversies involving the environmental, social, or governance impact of their operations and/or products and services. Companies are required to have an MSCI ESG Controversies Score of 2 or higher to be eligible for inclusion in the MSCI United Kingdom Sustainable Select 50 Index<sup>7</sup>.

#### 3.2.1.4 CONTROVERSIAL BUSINESS INVOLVEMENT CRITERIA

The MSCI United Kingdom Sustainable Select 50 Index uses 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 below values- and climate change-based criteria are excluded from the eligible universe. Please refer to Appendix 1 for details on these criteria.

- Compliance with all the UN Global Compact Principles

<sup>6</sup> Unrated companies (Companies not assessed by MSCI ESG Research on MSCI ESG Rating) are excluded from the eligible universe. For more details refer to the MSCI ESG Universal Index:

[https://www.msci.com/eqb/methodology/meth\\_docs/ESG\\_Universal\\_Index\\_Methodology.pdf](https://www.msci.com/eqb/methodology/meth_docs/ESG_Universal_Index_Methodology.pdf)

<sup>7</sup> Unrated companies (Companies not assessed by MSCI ESG Research on MSCI ESG Controversies Score) are excluded from the eligible universe. For more details refer to the MSCI ESG Universal Index:

[https://www.msci.com/eqb/methodology/meth\\_docs/ESG\\_Universal\\_Index\\_Methodology.pdf](https://www.msci.com/eqb/methodology/meth_docs/ESG_Universal_Index_Methodology.pdf)

- Controversial Weapons
- Nuclear Weapons
- Thermal Coal
- Oil Sands
- Civilian Firearms
- Conventional Weapons
- Tobacco
- Gambling
- Alcohol
- Adult Entertainment
- Nuclear Power

### 3.2.1.5 GICS® SECTOR CRITERIA

From the securities that meet above liquidity screening and ESG eligibility criteria, only the largest 6 securities from each of the 11 GICS® Sector based on their free-float adjusted market capitalization are eligible for inclusion in the MSCI United Kingdom Sustainable Select 50 Index.

### 3.2.2 SECURITY SELECTION

From the securities in the eligible universe that meet above screening criteria, the largest 50 securities based on their free-float adjusted market capitalization are selected for inclusion in the MSCI United Kingdom Sustainable Select 50 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 ranked higher for selection.

### 3.2.3 SECURITY WEIGHTING

At each rebalancing, all the securities selected for inclusion in the MSCI United Kingdom Sustainable Select 50 Index are weighted by the product of their market capitalization weight in the Parent Index and the industry-adjusted ESG Score.

Security Weight = Industry-Adjusted ESG Score \* Market Capitalization Weight in the Parent Index

The above weights are then normalized to 100%.

Additionally, security weights are capped at 5%. At each rebalance, if the weight of any security in the MSCI United Kingdom Sustainable Select 50 Index is greater than

5%, its weight will be capped at 5%. For more details on MSCI Capped Index Methodology, please refer to <https://www.msci.com/index-methodology>.

### 3.2.4 APPLYING THE MSCI DECREMENT INDEXES METHODOLOGY

The MSCI Decrement Indexes Methodology<sup>8</sup> is applied on the MSCI United Kingdom Sustainable Select 50 Index to construct the following indexes

- MSCI United Kingdom Sustainable Select 50 3.5% Decrement Index (Net)
- MSCI United Kingdom Sustainable Select 50 4% Decrement Index (Net)
- MSCI United Kingdom Sustainable Select 50 5% Decrement Index (Net)

The parameters for the application of the decrement methodology in the above indexes are noted in Appendix 3.

## 3.3 MSCI USA SUSTAINABLE SELECT 50 INDEX

### 3.3.1 ELIGIBLE UNIVERSE SCREENING

#### 3.3.1.1 LIQUIDITY CRITERIA

Securities with 3-month ADTV greater than or equal to USD 15 Million are eligible for inclusion in the MSCI USA Sustainable Select 50 Index.

To avoid multiple securities of the same company in the final index, only the most liquid security for each issuer per its 3-month ADTV is eligible for inclusion in the Index. For any issuer, should two securities have the same 3-month ADTV, the one with the higher free float-adjusted market capitalization is included.

#### 3.3.1.2 ESG RATINGS ELIGIBILITY

The MSCI USA Sustainable Select 50 Index uses MSCI ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities. Companies having MSCI ESG Rating of 'AAA', 'AA' or 'A' are eligible for inclusion in the MSCI USA Sustainable Select 50 Index<sup>9</sup>.

#### 3.3.1.3 ESG CONTROVERSIES SCORE ELIGIBILITY

The MSCI USA Sustainable Select 50 Index uses MSCI ESG Controversies Scores to identify those companies that are involved in very serious controversies involving the

<sup>8</sup>Please refer to the MSCI Decrement Indexes methodology at [www.msci.com/index-methodology](https://www.msci.com/index-methodology)

<sup>9</sup> Unrated companies (Companies not assessed by MSCI ESG Research on MSCI ESG Rating) are excluded from the eligible universe. For more details refer to the MSCI ESG Universal Index: [https://www.msci.com/eqb/methodology/meth\\_docs/ESG\\_Universal\\_Index\\_Methodology.pdf](https://www.msci.com/eqb/methodology/meth_docs/ESG_Universal_Index_Methodology.pdf)

environmental, social, or governance impact of their operations and/or products and services. Companies are required to have an MSCI ESG Controversies Score of 2 or higher to be eligible for inclusion in the MSCI USA Sustainable Select 50 Index<sup>10</sup>.

### 3.3.1.4 CONTROVERSIAL BUSINESS INVOLVEMENT CRITERIA

The MSCI USA Sustainable Select 50 Index uses 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 below values- and climate change-based criteria are excluded from the eligible universe. Please refer to Appendix 1 for details on these criteria.

- Compliance with all the UN Global Compact Principles
- Controversial Weapons
- Nuclear Weapons
- Thermal Coal
- Oil Sands
- Civilian Firearms
- Conventional Weapons
- Tobacco
- Gambling
- Alcohol
- Adult Entertainment
- Nuclear Power

### 3.3.1.5 GICS® SECTOR CRITERIA

From the securities that meet above liquidity screening and ESG eligibility criteria, only the largest 10 securities from each of the 11 GICS® Sector based on their free-float adjusted market capitalization are eligible for inclusion in the MSCI USA Sustainable Select 50 Index.

### 3.3.2 SECURITY SELECTION

From the securities in the eligible universe that meet above screening criteria, the largest 50 securities based on their free-float adjusted market capitalization are selected for inclusion in the MSCI USA Sustainable Select 50 Index. Should there be

<sup>10</sup> Unrated companies (Companies not assessed by MSCI ESG Research on MSCI ESG Controversies Score) are excluded from the eligible universe. For more details refer to the MSCI ESG Universal Index:  
[https://www.msci.com/eqb/methodology/meth\\_docs/ESG\\_Universal\\_Index\\_Methodology.pdf](https://www.msci.com/eqb/methodology/meth_docs/ESG_Universal_Index_Methodology.pdf)



two securities with the same free float adjusted market capitalization, the one with higher liquidity per its 3-month ATV is ranked higher for selection .

### 3.3.3 SECURITY WEIGHTING

At each rebalancing, all the securities selected for inclusion in the MSCI USA Sustainable Select 50 Index are weighted by the product of their market capitalization weight in the Parent Index and the industry-adjusted ESG Score.

Security Weight = Industry-Adjusted ESG Score \* Market Capitalization Weight in the Parent Index

The above weights are then normalized to 100%.

Additionally, security weights are capped at 5%. At each rebalance, if the weight of any security in the MSCI USA Sustainable Select 50 Index is greater than 5%, its weight will be capped at 5%. For more details on MSCI Capped Index Methodology, please refer to <https://www.msci.com/index-methodology>.

### 3.3.4 APPLYING THE MSCI DECREMENT INDEXES METHODOLOGY

The MSCI Decrement Indexes Methodology<sup>11</sup> is applied on the MSCI USA Sustainable Select 50 Index to construct the following indexes

- MSCI USA Sustainable Select 50 3% Decrement Index
- MSCI USA Sustainable Select 50 4% Decrement Index
- MSCI USA Sustainable Select 50 5% Decrement Index

The parameters for the application of the decrement methodology in the above indexes are noted in Appendix 4.

## 3.4 MSCI SWITZERLAND SUSTAINABLE SELECT 20 INDEX

### 3.4.1 ELIGIBLE UNIVERSE SCREENING

#### 3.4.1.1 ESG RATINGS ELIGIBILITY

The MSCI Switzerland Sustainable Select 20 Index uses MSCI ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities. Companies having MSCI ESG Rating of 'AAA', 'AA' or 'A' are eligible for inclusion in the MSCI Switzerland Sustainable Select 20 Index<sup>12</sup>.

<sup>11</sup>Please refer to the MSCI Decrement Indexes methodology at [www.msci.com/index-methodology](https://www.msci.com/index-methodology)

<sup>12</sup> Unrated companies (Companies not assessed by MSCI ESG Research on MSCI ESG Rating) are excluded from the eligible universe. For more details refer to the MSCI ESG Universal Index: [https://www.msci.com/eqb/methodology/meth\\_docs/ESG\\_Universal\\_Index\\_Methodology.pdf](https://www.msci.com/eqb/methodology/meth_docs/ESG_Universal_Index_Methodology.pdf)

### 3.4.1.2 ESG CONTROVERSIES SCORE ELIGIBILITY

The MSCI Switzerland Sustainable Select 20 Index uses MSCI ESG Controversies Scores to identify those companies that are involved in very serious controversies involving the environmental, social, or governance impact of their operations and/or products and services. Companies are required to have an MSCI ESG Controversies Score of 2 or higher to be eligible for inclusion in the MSCI Switzerland Sustainable Select 20 Index <sup>13</sup>.

### 3.4.1.3 CONTROVERSIAL BUSINESS INVOLVEMENT CRITERIA

The MSCI Switzerland Sustainable Select 20 Index uses 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 below values- and climate change-based criteria are excluded from the eligible universe. Please refer to Appendix 1 for details on these criteria.

- Compliance with all the UN Global Compact Principles
- Controversial Weapons
- Nuclear Weapons
- Thermal Coal
- Oil Sands
- Civilian Firearms
- Conventional Weapons
- Tobacco
- Gambling
- Alcohol
- Adult Entertainment
- Nuclear Power

### 3.4.2 SECURITY SELECTION

From the securities in the eligible universe that meet above screening criteria, the largest 20 securities based on their free-float adjusted market capitalization are selected for inclusion in the MSCI Switzerland Sustainable Select 20 Index. Should

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<sup>13</sup> Unrated companies (Companies not assessed by MSCI ESG Research on MSCI ESG Controversies Score) are excluded from the eligible universe. For more details refer to the MSCI ESG Universal Index:  
[https://www.msci.com/eqb/methodology/meth\\_docs/ESG\\_Universal\\_Index\\_Methodology.pdf](https://www.msci.com/eqb/methodology/meth_docs/ESG_Universal_Index_Methodology.pdf)

there be two securities with the same free float adjusted market capitalization, the one with higher liquidity per its 3-month ATV is ranked higher for selection.

### 3.4.3 SECURITY WEIGHTING

The securities selected for inclusion in the MSCI Switzerland Sustainable Select 20 Index are assigned weights in proportion to their free-float adjusted market capitalization.

At each rebalance, if the weight of any security in the Index is greater than 20%, its weight will be capped at 20%.

### 3.4.4 APPLYING THE MSCI DECREMENT INDEXES METHODOLOGY

The MSCI Decrement Indexes Methodology<sup>14</sup> is applied on the MSCI Switzerland Sustainable Select 20 Index to construct the following indexes

- MSCI Switzerland Sustainable Select 20 3% Decrement Index
- MSCI Switzerland Sustainable Select 20 4% Decrement Index
- MSCI Switzerland Sustainable Select 20 5% Decrement Index

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<sup>14</sup>Please refer to the MSCI Decrement Indexes methodology at [www.msci.com/index-methodology](http://www.msci.com/index-methodology)

## **4 Maintenance of the Index**

### **4.1 MSCI EMU SUSTAINABLE SELECT 50 INDEX**

#### **4.1.1 QUARTERLY INDEX REVIEWS**

The MSCI EMU Sustainable Select 50 Index is reviewed on a quarterly basis as per the steps described in Section 3, coinciding with the May and November Semi-Annual Index Reviews and the February and August Quarterly Index Reviews of the Parent Index.

In general, MSCI uses MSCI ESG Research data (including MSCI ESG Ratings, MSCI ESG Controversies Scores, MSCI Business Involvement Screening Research and MSCI Climate-change metrics) 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.

#### **4.1.2 STAGGERED REBALANCE**

The quarterly Index rebalance is staggered over a period of 5 days starting on the 4<sup>th</sup> business day of each June, September, December and March. Five versions of the Index are calculated, based on the steps described above, having their effective date from the 4<sup>th</sup> to 8<sup>th</sup> business day respectively. These indexes are then equal weighted to arrive at the final index, which rebalances to equal weights daily during this five-day period.

#### **4.1.3 DAILY DECREMENT CALCULATION**

The performance of the MSCI EMU Sustainable Select 50 5% Decrement Index (Net), MSCI EMU Sustainable Select 50 5% Decrement Index (Gross), MSCI EMU Sustainable Select 50 4% Decrement Index (Net) and the MSCI EMU Sustainable Select 50 4% Decrement Index (Gross) is computed by reducing the performance of the MSCI EMU Sustainable Select 50 Index, by a fixed percentage, on a daily basis using parameters detailed in Appendix 2.

#### **4.1.4 ONGOING EVENT-RELATED CHANGES**

The following section briefly describes the treatment of common corporate events within the MSCI EMU Sustainable Select 50 Index. Changes in index market capitalization that occur because of corporate event implementation will be offset by a corresponding change in the Variable Weighting Factor (VWF) of the constituent.

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
<b>New additions to the Parent Index</b>	A new security added to the parent index (such as IPO and other early inclusions) will not be added to the index.
<b>Spin-Offs</b>	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 continued inclusion in the Index will occur at the subsequent Index Review.
<b>Merger/Acquisition</b>	<p>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.</p> <p>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.</p>
<b>Changes in Security Characteristics</b>	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>

## 4.2 MSCI UNITED KINGDOM SUSTAINABLE SELECT 50 INDEX, MSCI USA SUSTAINABLE SELECT 50 INDEX AND MSCI SWITZERLAND SUSTAINABLE SELECT 20 INDEX

### 4.2.1 QUARTERLY INDEX REVIEWS

The MSCI United Kingdom Sustainable Select 50 Index, MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 Index are reviewed on a quarterly basis as per the steps described in Section 3, coinciding with the May and November Semi-Annual Index Reviews and the February and August Quarterly Index Reviews of the Parent Index. The MSCI United Kingdom Sustainable Select 50 Index, MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 Index are rebalanced over five days T-4, T-3, T-2, T-1 and T, where T is the effective date of the May and November Semi-Annual Index Review (SAIR) and the February and August Quarterly Index Reviews of the Parent Index.

The pro forma of MSCI United Kingdom Sustainable Select 50 Index, MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 Index (herein, "Pro forma Index") in general are announced nine business days before T (T-9).

#### 4.2.1.1 STAGGERED REBALANCE

The rebalance changes of the Pro forma Index are then staggered for implementation by spreading the change in Index Number of Shares (NOS) for each security over five days leading into the rebalancing effective date (T). For each  $t \in \{T-4, T-3, T-2, T-1, T\}$ , number of shares for each security included in MSCI United Kingdom Sustainable Select 50 Index, MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 Index (*Staggered Index NOS* (t)) are calculated as below:

$$\text{Staggered Index NOS } (t) = \text{Pro forma Index NOS } (t) + [\text{Adjusted Pro forma Index NOS } (T) - \text{Pro forma Index NOS } (t)] * (N/5)$$

Where:

*t* : Effective date of the staggering

*T*: Rebalancing effective date of the Pro forma Index

*Pro forma Index NOS (t)*: It is the number of shares of a security in the Pro forma Index effective on *t* (as of close *t* - 1). It is calculated as a product of the end of day security number of shares on *t* - 1 and Full Market Cap Adjustment Factor<sup>15</sup> in the Pro forma Index on *t*

*Adjusted Pro forma Index NOS (T)* : Pro forma Index NOS (*T*) adjusted for change in number of shares due to events like Rights Issues, Split, Consolidation, Stock Dividend, effective between *t* and *T*

*N* = *n*th day of staggering, e. g. *t* - 4 is 1st day of staggering

#### 4.2.2 DAILY DECREMENT CALCULATION

The performance of the MSCI United Kingdom Sustainable Select 50 3.5% Decrement Index (Net), MSCI United Kingdom Sustainable Select 50 4% Decrement Index (Net) and the MSCI United Kingdom Sustainable Select 50 5% Decrement Index (Net) is computed by reducing the performance of the MSCI United Kingdom Sustainable Select 50 Index, by a fixed percentage, on a daily basis using parameters detailed in Appendix 3.

The performance of the MSCI USA Sustainable Select 50 3% Decrement Index, MSCI USA Sustainable Select 50 4% Decrement Index and the MSCI USA Sustainable Select 50 5% Decrement Index is computed by reducing the performance of the MSCI USA Sustainable Select 50 Index, by a fixed percentage, on a daily basis using parameters detailed in Appendix 4.

The performance of the MSCI Switzerland Sustainable Select 20 3% Decrement Index, MSCI Switzerland Sustainable Select 20 4% Decrement Index and the MSCI Switzerland Sustainable Select 20 5% Decrement Index is computed by reducing the performance of the MSCI Switzerland Sustainable Select 20 50 Index, by a fixed percentage, on a daily basis using parameters detailed in Appendix 5.

#### 4.2.3 ONGOING EVENT RELATED CHANGES

Corporate event treatment for MSCI United Kingdom Sustainable Select 50 Index, MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 Index depends on whether the effective date of the event falls within the staggering period (T-4, T-3, T-2, T-1, T), or outside the staggering period.

<sup>15</sup> Full Market Cap Adjustment Factor (FMCAF): A factor that is used in index constituent weighting calculation defined as (Inclusion Factor (i.e. FIF)) \* (Constraint Factor) \* (Variable Weighting Factor). For more details, please refer to section 2.7 of the MSCI corporate Events Methodology book at <http://www.msci.com/index-methodology>

#### 4.2.3.1 EVENTS EFFECTIVE OUTSIDE THE STAGGERING PERIOD

The general treatment of corporate events effective outside the staggering period in MSCI United Kingdom Sustainable Select 50 Index, MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 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.

The following section briefly describes the treatment of common corporate events within MSCI United Kingdom Sustainable Select 50 Index, MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 Index.

No new securities will be added (except where noted below) to the Index outside the Staggering Period. Parent Index deletions outside the staggering period will be reflected simultaneously.

EVENT TYPE	EVENT DETAILS
<b>New additions to the Parent Index</b>	A new security added to the parent index (such as IPO and other early inclusions) will not be added to the index.
<b>Spin-Offs</b>	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 continued inclusion in the Index will occur at the subsequent Index Review.
<b>Merger/Acquisition</b>	<p>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.</p> <p>If an existing Index constituent is acquired by a non-Index constituent, the existing constituent will be deleted</p>



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>

#### **4.2.3.2 EVENTS EFFECTIVE DURING THE STAGGERING PERIOD**

The impact of event on MSCI United Kingdom Sustainable Select 50 Index, MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 Index depends on the type of event and calculation date of the Index as elaborated below.

##### **4.2.3.2.1 CALCULATION ON T-9**

###### **a) Before effective date**

The pro forma of MSCI United Kingdom Sustainable Select 50 Index, MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 Index in general are announced nine business days before T (T-9). If there is an event already confirmed on T-9 with an effective date in the staggering period, the change in numbers of shares for the security due to the rebalancing will not be staggered for such security until the event effective date. In case of multiple events, the staggering will be postponed till the effective date of the earliest event.

###### **b) On and after effective date**

In case of Rights Issues and market neutral events (like Split, Consolidation, Stock Dividend etc.) which involve change in security number of shares but does not involve change in the full market cap adjustment factor, staggering will start from the next day of the event effective date.

For all other events, staggering will start from the effective date of the event.

#### 4.2.3.2.2 CALCULATION AFTER T-9

##### a) Before Effective Date

In case of an event effective in the staggering period, the numbers of shares for the security involved in the event as announced on T-9 will hold until a day before the effective date. In case of multiple events, the effective date of the earliest event will be taken into account.

##### b) On and after the Effective Date

In case of Rights Issues and market neutral events (like Split, Consolidation, Stock Dividend etc.) which involve change in security number of shares but does not involve a change in inclusion factor, staggering will be applied again from the next day of the event effective date, taking into account the new post event number of shares in the Index.

For all other events, staggering will be applied from the effective date of the event incorporating the post event number of shares.

#### 4.2.3.2.3 TREATMENT OF SUSPENDED SECURITIES

A suspension treatment will be applied to any security suspended on any day starting from T-6 until T-2. On the day of suspension (t), the pro-forma Full Market Cap Adjustment Factor in MSCI United Kingdom Sustainable Select 50 Index, MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 Index announced for the security for the next day (t+1) will be held constant until T. However, in case, on T-2, if a new addition to the Parent Index is reverted due to suspension and the security is no longer a part of the Parent Index on T, the security will also be deleted from MSCI United Kingdom Sustainable Select 50 Index, MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 Index effective on T.

## Appendix 1: Values- and Climate Change-Based Exclusion Criteria

The MSCI EMU Sustainable Select 50 Index, the MSCI United Kingdom Sustainable Select 50 Index, MSCI USA Sustainable Select 50 Index and the MSCI Switzerland Sustainable Select 20 Index are constructed with an aim to reflect the performance of companies that are consistent with specific values- and climate change-based criteria.

### Compliance with all the UN Global Compact Principles

- All companies that fail to comply with the United Nations Global Compact principles are excluded. In this filter, activities are not classified under any specific tolerance level

### Values-based Exclusions Criteria

- **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) according to MSCI Ex-Controversial Weapons Indexes are excluded.
- **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.
  - All companies that manufacture components for nuclear-exclusive delivery platforms.

- **Oil Sands**
  - All companies deriving 5% or more revenue from oil sands extraction are excluded.
- **Civilian Firearms**
  - All companies classified as “Producer” of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets.
  - All companies deriving 5% or more revenue from the distribution of firearms.
- **Conventional Weapons**
  - All companies that manufacture conventional weapons components or conventional weapons and weapons systems and earn 5% or more in revenue from these activities.
- **Tobacco**
  - All companies classified as a “Producer”.
  - All companies deriving 10% or more aggregate revenue from the production, distribution, retail and supply of tobacco-related products.
- **Gambling**
  - All companies classified as gambling “Operations” or “Support” that earn 10% or more revenue from gambling-related products.
- **Alcohol**
  - All companies classified as alcohol “Producer” that earn either 10% or more revenue from alcohol-related products.
- **Adult Entertainment**
  - All companies classified as a “Producer” that earn either 10% or more in revenue from adult entertainment materials.

#### **Climate Change-based Exclusions Criteria**

- **Thermal Coal Mining**
  - All companies deriving 5% or more revenue from the mining of thermal coal are excluded.
- **Thermal Coal-based Power Generation**
  - All companies deriving 5% or more revenue from the thermal coal-based power generation are excluded.
- **Nuclear Power**



- All companies with 20% or more of installed capacity attributed to nuclear sources.
- All companies involved in nuclear fuel enrichment for nuclear power generation.
- All companies involved in uranium mining for nuclear power generation.
- All companies involved in nuclear reactor design or construction for nuclear power generation.

## Appendix 2: Parameters used for the MSCI EMU Sustainable Select 50 Decrement Indexes

- The following parameters are used for the calculation of MSCI EMU Sustainable Select 50 5% Decrement Index (Net)

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	EUR
2	Return Variant of the MSCI EMU Sustainable Select 50 Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	5%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily

- The following parameters are used for the calculation of MSCI EMU Sustainable Select 50 5% Decrement Index (Gross)

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	EUR
2	Return Variant of the MSCI EMU Sustainable Select 50 Index	Daily Gross Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	5%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily

- The following parameters are used for the calculation of MSCI EMU Sustainable Select 50 4% Decrement Index (Net)

	<b>MSCI Decrement Indexes Methodology Parameters</b>	<b>Parameters</b>
1	Currency of Calculation	EUR
2	Return Variant of the MSCI EMU Sustainable Select 50 Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	4%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily

- The following parameters are used for the calculation of MSCI EMU Sustainable Select 50 4% Decrement Index (Gross)

	<b>MSCI Decrement Indexes Methodology Parameters</b>	<b>Parameters</b>
1	Currency of Calculation	EUR
2	Return Variant of the MSCI EMU Sustainable Select 50 Index	Daily Gross Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	4%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily

## Appendix 3: Parameters used for the MSCI United Kingdom Sustainable Select 50 Decrement Indexes

- The following parameters are used for the calculation of MSCI United Kingdom Sustainable Select 50 3.5% Decrement Index (Net)

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	GBP
2	Return Variant of the MSCI United Kingdom Sustainable Select 50 Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	3.5%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily

- The following parameters are used for the calculation of MSCI United Kingdom Sustainable Select 50 4% Decrement Index (Net)

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	GBP
2	Return Variant of the MSCI United Kingdom Sustainable Select 50 Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	4%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily



- The following parameters are used for the calculation of MSCI United Kingdom Sustainable Select 50 5% Decrement Index (Net)

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	GBP
2	Return Variant of the MSCI United Kingdom Sustainable Select 50 Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	5%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily

## Appendix 4: Parameters used for the MSCI USA Sustainable Select 50 Decrement Indexes

- The following parameters are used for the calculation of MSCI USA Sustainable Select 50 3% Decrement Index (Net)

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	USD
2	Return Variant of the MSCI USA Sustainable Select 50 Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	3%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily

- The following parameters are used for the calculation of MSCI USA Select 50 4% Decrement Index (Net)

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	USD
2	Return Variant of the MSCI USA Sustainable Select 50 Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	4%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily

- The following parameters are used for the calculation of MSCI USA Sustainable Select 50 5% Decrement Index (Net)

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	USD
2	Return Variant of the MSCI USA Sustainable Select 50 Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	5%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily

## Appendix 5: Parameters used for the MSCI Switzerland Sustainable Select 20 Decrement Indexes

- The following parameters are used for the calculation of MSCI Switzerland Sustainable Select 20 3% Decrement Index

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	CHF
2	Return Variant of the MSCI Switzerland Sustainable Select 20 Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	3%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily

- The following parameters are used for the calculation of MSCI Switzerland Sustainable Select 20 4% Decrement Index

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	CHF
2	Return Variant of the MSCI Switzerland Sustainable Select 20 Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	4%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily

- The following parameters are used for the calculation of MSCI Switzerland Sustainable Select 20 5% Decrement Index

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	CHF
2	Return Variant of the MSCI Switzerland Sustainable Select 20 Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	5%
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily

## Methodology Book Tracked Changes

First Version reviewed and published in June 2021.

The following modifications are effective from May 2022.

- **Section 1:** Introduction
  - Addition of MSCI Switzerland Sustainable Select 20 Indexes to section
- **Section 3:** Constructing the Index
  - Addition of MSCI Switzerland Sustainable Select 20 Indexes to section
- **Section 4:** Maintenance
  - Addition of MSCI Switzerland Sustainable Select 20 Indexes to section
- **Appendix 5:** Parameters for MSCI Switzerland Sustainable Select 20 Decrement Indexes
  - Addition of section

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