

**METHODOLOGY BOOK FOR
-MSCI USA IMI FUTURE
MEGATRENDS SELECT INDEX
- MSCI USA IMI FUTURE
MEGATRENDS SELECT 3%
DECREMENT INDEX
- MSCI USA IMI FUTURE
MEGATRENDS SELECT 5%
DECREMENT INDEX**

April 2022

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1 Introduction

The MSCI USA IMI Future Megatrends Select Index aims to represent the performance of a quarterly rebalanced index of securities from the MSCI USA IMI Universe that are associated with the development of new products and services focused on the following themes: Genomics Innovation, Cybersecurity, Millennials, Smart Cities, Future Mobility and Next Generation Internet.

The MSCI USA IMI Future Megatrends Select 3% Decrement Index aims to represent the net performance of the MSCI USA IMI Future Megatrends Select Index while applying a constant markdown ('synthetic dividend') of 3% on an annual basis, expressed as a percentage of performance.

The MSCI USA IMI Future Megatrends Select 5% Decrement Index aims to represent the net performance of the MSCI USA IMI Future Megatrends Select Index while applying a constant markdown ('synthetic dividend') of 5% on an annual basis, expressed as a percentage of performance.

2 Index Construction

The MSCI USA IMI Future Megatrends Select Index is constructed from the MSCI ACWI IMI Index (the 'Parent Index').

2.1 INITIAL ELIGIBLE UNIVERSE

An initial Selection Universe for the Index is created by identifying securities that belong to any of the following six MSCI Thematic Indices¹:

MSCI ACWI IMI Genomics Innovation Index

MSCI ACWI IMI Cybersecurity Index

MSCI ACWI IMI Millennials Index

MSCI ACWI IMI Smart Cities Index

MSCI ACWI IMI Future Mobility Index

MSCI ACWI IMI Next Generation Internet Index

From this initial Selection Universe, an Eligible Universe is created by selecting all the securities that belong to the MSCI USA IMI Index.

2.2 ADDITIONAL SCREENS

2.2.1 LIQUIDITY SCREEN

The securities from the Eligible Universe above are subsequently screened for 6-month ADTV to be greater than USD 10 Million.

The remaining securities are subsequently filtered to include a single security per issuer. For issuers having multiple securities which are part of the Eligible Universe, the security with the highest 6-month ADTV is selected.

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

¹ For further details about MSCI's Thematic Indexes please refer to <https://www.msci.com/thematic-investing/megatrends>

$$ADTV_{6M} = \frac{ATV_{6M}^2}{252}$$

Where ATV_{6M} is annualized 6-month Average Traded Value of the security.

2.3 SECURITY SELECTION

The securities remaining from above are ranked based on the free-float adjusted market capitalization weights of the Parent Index and 20 Securities from each theme are selected based on highest weights. In case two securities have same weight, the security with higher 6-month Average Traded Value (ATV_{6M}) is selected.

If at any rebalance the number of securities remaining for a theme are less than 20, then all the securities from that theme will be selected.

2.4 WEIGHTING SCHEME

At each Index Review, the securities selected for inclusion in the Index are assigned weights in proportion to their free float adjusted market capitalization

The weights are then normalized to 100%.

Additionally, at each rebalance, if the weight of any security in the Index is greater than 5%, its weight will be capped at 5%.

2.5 APPLYING THE MSCI DECREMENT INDEXES METHODOLOGY

The MSCI Decrement Indexes Methodology³ is applied on the MSCI USA IMI Futures Megatrends Select Index to construct the MSCI USA IMI Futures Megatrends Select 3% Decrement Index and the MSCI USA IMI Futures Megatrends Select 5% Decrement Index. The parameters for the application of the decrement methodology in the above index is noted in Appendix 1 and Appendix 2.

² MSCI Index Calculation Methodology at <https://www.msci.com/index-methodology>

MSCI Global Investable Market Indexes Methodology at <https://www.msci.com/index-methodology>

³Please refer to the MSCI Decrement Indexes methodology at www.msci.com/index-methodology

3 Maintenance of the Index

3.1 QUARTERLY INDEX REVIEWS

The MSCI USA IMI Future Megatrends Select 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 pro forma Index is typically announced nine business days before the effective date.

3.2 DAILY DECREMENT CALCULATION

The performance of the MSCI USA IMI Futures Megatrends Select 3% Decrement Index and the MSCI USA IMI Futures Megatrends Select 5% Decrement Index is computed by reducing the net performance of the MSCI USA IMI Future Megatrends Select Index, by a fixed percentage, on a daily basis using parameters detailed in Appendix 1 and Appendix 2.

3.3 ONGOING EVENT RELATED CHANGES

The following section briefly describes the treatment of common corporate events within the 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 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 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-MSCI 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: Parameters used for the MSCI USA IMI Future Megatrends Select 3% Decrement Index

| | MSCI Decrement Indexes Methodology Parameters | Parameters |
|---|---|--------------------------|
| 1 | Currency of Calculation | USD |
| 2 | Return Variant of the MSCI USA IMI Future Megatrends Select Index | Daily Gross 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 |

Appendix 2: Parameters used for the MSCI USA IMI Future Megatrends Select 5% Decrement Index

| | MSCI Decrement Indexes Methodology Parameters | Parameters |
|---|---|--------------------------|
| 1 | Currency of Calculation | USD |
| 2 | Return Variant of the MSCI USA IMI Future Megatrends Select 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 |

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