

MSCI World Digital Economy Select Index

September 2020

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1 Introduction

The MSCI World Digital Economy Select Index (the 'Index') aims to represent the performance of a select set of companies that are expected to derive significant revenue from the development of new products and services for the digital economy value chain. The Index uses a screen to exclude companies with low liquidity based on 6-month Average Daily Traded Value (ADTV)¹.

¹ Please refer to Appendix 1 for the definition used

2 Constructing the Index

The Index is constructed by selecting stocks from the MSCI World Index ('Parent Index') based on rules explained in the following sections.

2.1 Eligible universe

Stocks from the Parent Index which are in the MSCI ACWI IMI Digital Economy² Index are included in the eligible universe.

2.2 Selected universe

Stocks in the eligible universe that have a 6-month ADTV of US\$ 5 million or more are included in the selected universe and comprise the Index.

2.3 Weighting scheme

The weights of stocks in the selected universe are renormalized to sum to 100%. Additionally, weights are capped at the security level at 5% at each Index Review.

² Please refer to this link for the methodology - <https://www.msci.com/index-methodology>

3 Maintaining the Index

3.1 Semi-Annual Index Review

The Index is reviewed on a Semi-Annual basis in May and November and the changes are implemented at the end of May and November. In general, the pro forma index is announced nine business days before the effective date.

During the Semi-Annual Index Review, the eligible universe and selected universe are updated.

3.2 Ongoing Event-Related Maintenance

The general treatment of corporate events in the 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 Index.

No new securities will be added (except where noted below) to the Index between Index Reviews. Parent Index deletions will be reflected simultaneously.

Further detail and illustration regarding specific treatment of corporate events relevant to this Index can be found in the MSCI Corporate Events Methodology.

The MSCI Corporate Events methodology book is available at:
<https://www.msci.com/index-methodology>

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.

Appendix 1: Calculation of 6-Month Average Daily Traded Value (ADTV)

$$ADTV = ATV / 252$$

Where:

- ADTV = 6-month Average Daily Traded Value
- ATV = 6-month Annualized Traded Value

For details on the calculation of ATV, please refer to the MSCI Fundamental Data Methodology (<https://www.msci.com/index-methodology>)

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* = toll free

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