

MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix Index

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1 Introduction

The MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix Index is a combination of three indexes designed to represent the performance of long-term risk factors such as Momentum, Quality and Low Volatility. The index additionally excludes a selection of securities as defined by AIA Singapore Private Limited as well as companies belonging to the Tobacco GICS Industry and those having ties to cluster munition.

2 MSCI ESG Research

MSCI ESG Research provides in-depth research, ratings and analysis of the environmental, social and governance-related business practices of thousands of companies worldwide. It consists of an integrated suite of tools and products to efficiently manage research, analysis and compliance tasks across the spectrum of ESG factors.

The Index uses company ratings and research provided by MSCI ESG Research. In particular, this index uses the following MSCI ESG Research product: MSCI ESG Business Involvement Screening Research.

For details on MSCI ESG Research’s full suite of ESG products, please refer to: <https://www.msci.com/esg-integration>

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 Constructing the MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix Index

The MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix Index is constructed using the following steps:

- Defining the Eligible Universe
- Creating the Component Indexes
- Weighting the Component Indexes

These steps are defined in further detail in the subsequent sections:

3.1 DEFINING THE ELIGIBLE UNIVERSE

The eligible universe for MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix Index includes all the constituents of the MSCI World Index (the 'Parent Index') excluding securities based on the following criteria:

3.1.1 ESG EXCLUSIONS

The MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix Index uses MSCI ESG Business Involvement Screening Research to identify companies that have ties with cluster munitions. Companies that meet the business involvement exclusion criteria are excluded from the eligible universe.

Please refer to Appendix 1 for details on this criterion.

3.1.2 TOBACCO EXCLUSION

All securities classified in the Tobacco Industry based on the Global Industry Classification Standard (GICS®)¹ are ineligible for inclusion in the eligible universe.

3.1.3 SECURITY EXCLUSION

AIA Group (MSCI Security Code: 67619.01) and AIA Insurance Lanka (MSCI Security Code: 98220.01), are ineligible for inclusion in the eligible universe.

¹ GICS, the global industry classification standard jointly developed by MSCI Inc. and S&P Global.

3.2 CREATING THE COMPONENT INDEXES

The MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix Index is constructed using a combination of the following three Factor Indexes:

3.2.1 COMPONENT 1: MSCI WORLD CUSTOM ESG MOMENTUM INDEX

The MSCI World Custom ESG Momentum Index is constructed and maintained by applying the MSCI Momentum Indexes Methodology to the eligible universe.

This Index is computed using a variant of the MSCI Momentum Indexes methodology² that does not incorporate a provision for conditional rebalancing.

3.2.2 COMPONENT 2: MSCI WORLD CUSTOM ESG QUALITY INDEX

The MSCI World Custom ESG Quality Index is constructed and maintained by applying the MSCI Quality Indexes Methodology³ to the eligible universe.

3.2.3 COMPONENT 3: MSCI WORLD CUSTOM ESG MINIMUM VOLATILITY (USD) INDEX

The MSCI World Custom ESG Minimum Volatility (USD) Index is constructed and maintained by applying the MSCI Minimum Volatility Indexes Methodology⁴ to the eligible universe. The optimization currency used is USD.

3.3 WEIGHTING THE COMPONENT INDEXES

All constituents of each component are included in the MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix Index.

Each component index, is attributed an equal weight at initial construction and each subsequent Index Review.

² For details, refer to the MSCI Momentum Indexes Methodology at www.msci.com/index-methodology.

³ For details, refer to the MSCI Quality Indexes Methodology at www.msci.com/index-methodology.

⁴ For details, refer to the MSCI Minimum Volatility Indexes Methodology at www.msci.com/index-methodology.

4 Maintaining the MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix Index

4.1 SEMI-ANNUAL INDEX REVIEWS

The MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix Index is reviewed on a semi-annual basis to coincide with the regular Semi-Annual Index Reviews of the MSCI Global Investable Market Indexes. The changes are implemented as of the close of the last business day of May and November.

In general, MSCI uses MSCI ESG Research data (including MSCI Business Involvement Screening Research) as of the end of the month preceding the Index Reviews for the rebalancing of the MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix 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 World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix 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 World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix Index, the changes made to the Parent Index during intermediate Index Reviews will be neutralized in the MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix Index.

The following section briefly describes the treatment of common corporate events within the MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix 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 not be added to the Index at the time of event implementation. Reevaluation for 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: ESG Exclusion Criteria

Companies which meet the following criteria are excluded from the MSCI World ex Tobacco ex Cluster Munition ex AIA Select Factor Mix Index:

Cluster Munition

- All companies that are involved in the production of cluster bombs and munitions, or the essential components of these products

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* = toll free

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