

MSCI China A 50 Connect Index Methodology

August 2021

Contents

- 1 Introduction..... 3
- 2 Index Construction Methodology..... 4
 - 2.1 Applicable Universe..... 4
 - 2.2 Security Selection..... 4
 - 2.3 Security Weighting..... 4
- 3 Maintaining the Index 5
 - 3.1 Quarterly Index Review..... 5
 - 3.1.1 Buffer Rules 5
 - 3.2 Ongoing Event Related Changes 5

1 Introduction

The MSCI China A 50 Connect Index (the “Index”) is constructed from the MSCI China A Index (the “Parent Index”) ¹. The Index aims to reflect the performance of the 50 largest securities representing each Global Industry Classification Standard (GICS®) sector and reflecting the sector weight allocation of the Parent Index.

¹ For details on the MSCI China A Index, please refer to appendix XVI: ‘MSCI China A Indexes’ of the MSCI Global Investable Market Indexes (GIMI) Methodology, available at <https://www.msci.com/index/methodology/latest/GIMI>

For details on the Corporate Events, please refer to appendix VIII: ‘Implementation for stock connect A-Share securities’ of the MSCI Corporate Events Methodology, available at <https://www.msci.com/index/methodology/latest/CE>

For details on the Index Calculation, please refer to the MSCI Index Calculation methodology book, available at <https://www.msci.com/index/methodology/latest/IndexCalc>

Definitions of standard terms used in GIMI index methodology are available at <https://www.msci.com/index/methodology/latest/IndexGlossary>

2 Index Construction Methodology

The index construction rules defined in sections 2.1 to 2.3 below are used to construct the MSCI China A 50 Connect Index.

2.1 APPLICABLE UNIVERSE

The applicable universe includes all the constituents of the Parent Index.

2.2 SECURITY SELECTION

Step 1: The Index aims to include the 2 largest securities from each GICS® sector (the “sectors”) of the MSCI China A Large Cap Index based on their free float-adjusted market capitalization.

If any of the sectors from the Parent Index are not represented in the above selection, then the largest security based on the free float-adjusted market capitalization from each of these sectors from the applicable universe is included.

Step 2: After selecting securities as described in step 1 above, the Index includes the largest securities from the MSCI China A Large Cap Index based on their free float-adjusted market capitalization until the number of securities reaches target number of constituents (50).

2.3 SECURITY WEIGHTING

The selected Index constituents are assigned weights in the proportion of their free float-adjusted market capitalization.

These weights are then adjusted to implement sector neutrality, i.e. the weight of each sector in the MSCI China A 50 Connect Index is equated with the weight of that sector in the Parent Index at the rebalancing. This is done by re-normalizing the weights of the constituents within each sector to reflect the Parent Index sector weight.

3 Maintaining the Index

3.1 QUARTERLY INDEX REVIEW

The MSCI China A 50 Connect Index is rebalanced on a quarterly basis, usually as of the close of the last business day of February, May, August and November, coinciding with the February, May, August and November Index Review of the MSCI Global Investable Market Indexes.

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

The rules defined in sections 2.1 to 2.3 are applicable at each quarterly index reviews. If the target number of constituents is not reached in step 2 (refer section 2.2), all the remaining securities (after Step 1) from the MSCI China A Large Cap index are included in the Index.

3.1.1 BUFFER RULES

To reduce Index turnover and enhance Index stability in the MSCI China A 50 Connect Index, buffer rules are applied for 15 securities while selecting remaining securities after the selection from each sector.

For example, 22 securities are selected based on the sector representation then for the remaining 28 securities buffers are applied between rank 13 and 43. The securities in the MSCI China A Large Cap Index, which are not selected from the sector representation, with a rank based on their free float-adjusted market capitalization at or above 13 will be added to the MSCI China A 50 Connect Index on a priority basis. The existing constituents that have a rank between 14 and 43 are then successively added until the total number of securities in the MSCI China A 50 Connect Index reaches 50. If the total number of securities is below 50 after this step, the remaining securities in the MSCI China A Large Cap Index with the highest rank are added until the number of securities in the MSCI China A 50 Connect Index reaches 50.

3.2 ONGOING EVENT RELATED CHANGES

The following section briefly describes the treatment of common corporate events within the MSCI China A 50 Connect 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 in the Index.

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 of the corresponding underlying Index.

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 of the corresponding Parent Index.

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/latest/CE>

Contact us

clientservice@msci.com

AMERICAS

Americas	1 888 588 4567 *
Atlanta	+ 1 404 551 3212
Boston	+ 1 617 532 0920
Chicago	+ 1 312 675 0545
Monterrey	+ 52 81 1253 4020
New York	+ 1 212 804 3901
San Francisco	+ 1 415 836 8800
São Paulo	+ 55 11 3706 1360
Toronto	+ 1 416 628 1007

EUROPE, MIDDLE EAST & AFRICA

Cape Town	+ 27 21 673 0100
Frankfurt	+ 49 69 133 859 00
Geneva	+ 41 22 817 9777
London	+ 44 20 7618 2222
Milan	+ 39 02 5849 0415
Paris	0800 91 59 17 *

ASIA PACIFIC

China North	10800 852 1032 *
China South	10800 152 1032 *
Hong Kong	+ 852 2844 9333
Mumbai	+ 91 22 6784 9160
Seoul	00798 8521 3392 *
Singapore	800 852 3749 *
Sydney	+ 61 2 9033 9333
Taipei	008 0112 7513 *
Thailand	0018 0015 6207 7181 *
Tokyo	+ 81 3 5290 1555

* = toll free

ABOUT MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

To learn more, please visit www.msci.com.

The process for submitting a formal index complaint can be found on the index regulation page of MSCI's website at: <https://www.msci.com/index-regulation>.

Notice and disclaimer

This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information") is the property of MSCI Inc. or its subsidiaries (collectively, "MSCI"), or MSCI's licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (collectively, with MSCI, the "Information Providers") and is provided for informational purposes only. The Information may not be modified, reverse-engineered, reproduced or disseminated in whole or in part without prior written permission from MSCI. All rights in the Information are reserved by MSCI and/or its Information Providers.

The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indexes, databases, risk models, analytics, software, or in connection with the issuing, offering, sponsoring, managing or marketing of any securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information or any other MSCI data, information, products or services.

The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited, including without limitation (as applicable), any liability for death or personal injury to the extent that such injury results from the negligence or willful default of itself, its servants, agents or sub-contractors.

Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Past performance does not guarantee future results.

The Information should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. All Information is impersonal and not tailored to the needs of any person, entity or group of persons.

None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy.

It is not possible to invest directly in an index. Exposure to an asset class or trading strategy or other category represented by an index is only available through third party investable instruments (if any) based on that index. MSCI does not issue, sponsor, endorse, market, offer, review or otherwise express any opinion regarding any fund, ETF, derivative or other security, investment, financial product or trading strategy that is based on, linked to or seeks to provide an investment return related to the performance of any MSCI index (collectively, "Index Linked Investments"). MSCI makes no assurance that any Index Linked Investments will accurately track index performance or provide positive investment returns. MSCI Inc. is not an investment adviser or fiduciary and MSCI makes no representation regarding the advisability of investing in any Index Linked Investments.

Index returns do not represent the results of actual trading of investable assets/securities. MSCI maintains and calculates indexes, but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the index or Index Linked Investments. The imposition of these fees and charges would cause the performance of an Index Linked Investment to be different than the MSCI index performance.

The Information may contain back tested data. Back-tested performance is not actual performance, but is hypothetical. There are frequently material differences between back tested performance results and actual results subsequently achieved by any investment strategy.

Constituents of MSCI equity indexes are listed companies, which are included in or excluded from the indexes according to the application of the relevant index methodologies. Accordingly, constituents in MSCI equity indexes may include MSCI Inc., clients of MSCI or suppliers to MSCI. Inclusion of a security within an MSCI index is not a recommendation by MSCI to buy, sell, or hold such security, nor is it considered to be investment advice.

Data and information produced by various affiliates of MSCI Inc., including MSCI ESG Research LLC and Barra LLC, may be used in calculating certain MSCI indexes. More information can be found in the relevant index methodologies on www.msci.com.

MSCI receives compensation in connection with licensing its indexes to third parties. MSCI Inc.'s revenue includes fees based on assets in Index Linked Investments. Information can be found in MSCI Inc.'s company filings on the Investor Relations section of www.msci.com.

MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. Except with respect to any applicable products or services from MSCI ESG Research, neither MSCI nor any of its products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and MSCI's products or services are not intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Issuers mentioned or included in any MSCI ESG Research materials may include MSCI Inc., clients of MSCI or suppliers to MSCI, and may also purchase research or other products or services from MSCI ESG Research. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body.

Any use of or access to products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, IPD and other MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and Standard & Poor's.

MIFID2/MIFIR notice: MSCI ESG Research LLC does not distribute or act as an intermediary for financial instruments or structured deposits, nor does it deal on its own account, provide execution services for others or manage client accounts. No MSCI ESG Research product or service supports, promotes or is intended to support or promote any such activity. MSCI ESG Research is an independent provider of ESG data, reports and ratings based on published methodologies and available to clients on a subscription basis. We do not provide custom or one-off ratings or recommendations of securities or other financial instruments upon request.

For information about how MSCI collects and uses personal data, please refer to our Privacy Notice at <https://www.msci.com/privacy-pledge>.