

MSCI ACWI IMI TIMBER SELECT CAPPED INDEX METHODOLOGY

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CONTENTS

- 1 Introduction 3
- 2 MSCI ACWI IMI Timber Select Capped Index Construction 4
 - 2.1 Security Selection 4
 - 2.2 Security Weighting 4
 - 2.2.1 Maximum Issuer Weight Capping4
- 3 Maintenance of the MSCI ACWI IMI Timber Select Capped Index5
 - 3.1 Quarterly Index reviews 5
 - 3.2 Ongoing Event-Related Changes 5

1 INTRODUCTION

The MSCI ACWI IMI Timber Select Capped Index, based on the MSCI ACWI Investable Market Index (IMI) (the “Parent Index”), is designed to reflect the performance of those stocks in the Parent Index that are engaged in the ownership and management of forests and timberlands and production of finished products which use timber as raw material. For example, the index includes companies engaged in the production of forest products, paper products and paper packaging products.

2 MSCI ACWI IMI TIMBER SELECT CAPPED INDEX CONSTRUCTION

2.1 SECURITY SELECTION

The MSCI ACWI IMI Timber Select Capped Index includes stocks from the Parent Index that belong to the following GICS® subindustries

- Forest Products (GICS® Code - 15105010)
- Paper Products (GICS® Code - 15105020)
- Paper Packaging (GICS® Code - 15103020)
- Specialized REITS (GICS® Code - 40402070) - Only those stocks which are classified as 'Timber' REITS.

2.2 SECURITY WEIGHTING

All included securities are included at their free-float market capitalization adjusted weight.

2.2.1 MAXIMUM ISSUER WEIGHT CAPPING

The maximum Issuer weight in the index is capped at 5%.

3 MAINTENANCE OF THE MSCI ACWI IMI TIMBER SELECT CAPPED INDEX

3.1 QUARTERLY INDEX REVIEWS

The MSCI ACWI IMI Timber Select Capped Index is reviewed on a quarterly basis to coincide with the February and August Quarterly Index Reviews and the May and November Semi-Annual Index Reviews of the Parent Index.

During the Semi-Annual and Quarterly Index Reviews, changes in the Parent Index impact the MSCI ACWI IMI Timber Select Capped Index as follows:

- Existing constituents of MSCI ACWI IMI Timber Select Capped Index that are deleted from the Parent Index are also deleted from the MSCI ACWI IMI Timber Select Capped Index.
- Companies that are added to the Parent Index as part of the Index Review or that have been added to the Parent index since the previous Index Review and satisfy the eligibility criteria specified in Section 2.1 are added to the MSCI ACWI IMI Timber Select Capped Index.

The maximum issuer weight is capped at 5% at each Quarterly Index Review.

The pro forma MSCI ACWI IMI Timber Select Capped Index is in general announced nine business days before the effective date.

3.2 ONGOING EVENT-RELATED CHANGES

Ongoing event-related changes in the Parent Index are reflected in the MSCI ACWI IMI Timber Select Capped Index at the time of the implementation of the event in the Parent Index:

- Existing constituents of the MSCI ACWI IMI Timber Select Capped Index that are deleted from the Parent Index are also deleted from the MSCI ACWI IMI Timber Select Capped Index.
- Any new additions to the Parent index are only considered for addition to the MSCI ACWI IMI Timber Select Capped Index at the next Quarterly Index Review. The exceptions are any spun-off and converted securities, which are added to the MSCI ACWI IMI Timber Select Capped Index at the time of the event.

- Changes in the Foreign Inclusion Factors (FIF) and Number of Shares (NOS) for securities in the Parent Index are also applied to the securities included in the MSCI ACWI IMI Timber Select Capped Index.

For more information on the implementation of corporate events in the MSCI Global Investable Market Indexes, please refer to Section 3.3 of the MSCI Global Investable Market Indexes methodology book available at www.msci.com.

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