

## **METHODOLOGY BOOK FOR:**

- MSCI Europe IMI Energy Top 10 Equal Weighted Select Index**
- MSCI Europe IMI Energy Top 10 Equal Weighted Select 5% Decrement Index**
- MSCI Europe IMI Energy Top 10 Equal Weighted Select 50 Point Decrement Index**

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## 1 Introduction

The MSCI Europe IMI Energy Top 10 Equal Weighted Select Index<sup>1</sup> (the “Index”) aims to represent the performance of a set of 10 equal-weighted securities from Europe’s energy sector, with the weight of the securities with non-Euro price currency capped at 40%.

MSCI Europe IMI Energy Top 10 Equal Weighted Select 5% Decrement Index aims to represent the net performance of the Index while applying a constant markdown (‘synthetic dividend’) of 5% on an annual basis, expressed as a percentage of net performance.

MSCI Europe IMI Energy Top 10 Equal Weighted Select 50 Point Decrement Index aims to represent the performance of the underlying index, while applying a constant markdown (‘synthetic dividend’) expressed in Fixed Index Points as per the MSCI Decrement Indexes Methodology.

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<sup>1</sup> The Index is governed by a set of methodology and policy documents (“Methodology Set”), including the present index methodology document. Please refer to Appendix 1 for more details.

## 2 Constructing the Index

The Index is constructed from MSCI Europe IMI Index (the “Parent Index”).

### 2.1 Eligible Universe

The Eligible Universe includes only those securities from the Parent Index that belong to energy sector as per the Global Industry Classification Standard (GICS®)<sup>2</sup>.

### 2.2 Security Selection

From the securities in the Eligible Universe, top 10 securities are selected, ranked in descending order of their weights in the Parent Index, while ensuring the maximum number of securities selected with non-euro price currency is four<sup>3</sup>.

### 2.3 Security Weighting

At each Index Review, the securities selected for inclusion in the Index are equal-weighted.

### 2.4 Application of the MSCI Decrement Indexes Methodology

The MSCI Decrement Indexes methodology<sup>4</sup> is applied to the Index to construct the MSCI Europe IMI Energy Top 10 Equal Weighted Select 5% Decrement Index and the MSCI Europe IMI Energy Top 10 Equal Weighted Select 50 Point Decrement Index. The parameters for the decrement Index are noted in Appendix 2.

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<sup>2</sup> GICS, the global industry classification standard jointly developed by MSCI Inc. and S&P Global Market Intelligence.

<sup>3</sup> This is to ensure maximum exposure to securities with non-euro price currency is capped at 40%. In a scenario where there are less than 6 stocks in the eligible universe with euro price currency, the exposure cap of non-euro price currency securities of 40% is not applied.

<sup>4</sup> Please refer to the MSCI Decrement Indexes Methodology at <http://www.msci.com/index-methodology>.

### 3 Maintaining the Index

#### 3.1 Index Reviews

The Index is reviewed on a quarterly basis coinciding with the February, May, August, and November Index Reviews of the Parent Index.

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

#### 3.2 Daily Decrement Calculation

The performance of the MSCI Europe IMI Energy Top 10 Equal Weighted Select 5% Decrement Index and MSCI Europe IMI Energy Top 10 Equal Weighted Select 50 Point Decrement Index is computed on a daily basis using parameters detailed in Appendix 2.

#### 3.3 Ongoing Event-Related Changes

The general treatment of corporate events in the non-market capitalization weighted indexes 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.

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 Reviews only if added to the Parent Index. 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 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	<p>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</p> <p>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</p>



## 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: Methodology Set

The Indexes are governed by a set of methodology and policy documents (“Methodology Set”), including the present Index methodology document as mentioned below:

- Description of methodology set – [www.msci.com/index/methodology/latest/ReadMe](http://www.msci.com/index/methodology/latest/ReadMe)
- MSCI Corporate Events Methodology – [www.msci.com/index/methodology/latest/CE](http://www.msci.com/index/methodology/latest/CE)
- MSCI Index Calculation Methodology – [www.msci.com/index/methodology/latest/IndexCalc](http://www.msci.com/index/methodology/latest/IndexCalc)
- MSCI Index Glossary of Terms – [www.msci.com/index/methodology/latest/IndexGlossary](http://www.msci.com/index/methodology/latest/IndexGlossary)
- MSCI Index Policies – [www.msci.com/index/methodology/latest/IndexPolicy](http://www.msci.com/index/methodology/latest/IndexPolicy)
- MSCI Global Investable Market Indexes Methodology – [www.msci.com/index/methodology/latest/GIMI](http://www.msci.com/index/methodology/latest/GIMI)
- MSCI Global Industry Classification Standard (GICS) Methodology – [www.msci.com/index/methodology/latest/GICS](http://www.msci.com/index/methodology/latest/GICS)
- MSCI Decrement Indexes Methodology - [www.msci.com/index/methodology/latest/Decrement](http://www.msci.com/index/methodology/latest/Decrement)

The Methodology Set for the Indexes can also be accessed from MSCI’s webpage <https://www.msci.com/index-methodology> in the section ‘Search Methodology by Index Name or Index Code’.

## Appendix 2: Parameters used for the Decrement Indexes

	MSCI Europe IMI Energy Top 10 Equal Weighted Select 5% Decrement Index	Parameters
1	Currency of Calculation	EUR
2	Return Variant of the Index	Daily Net 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
9	Base Date	05/02/2025
10	Base Level	900

	MSCI Europe IMI Energy Top 10 Equal Weighted Select 50 Point Decrement Index	Parameters
1	Currency of Calculation	EUR
2	Return Variant of the Index	Standard Gross Daily Total Return
3	Decrement Type	Fixed Index Points
4	Decrement Application	Arithmetic
5	Decrement Value	50
6	Day-count Convention	Actual / 365
7	Index Floor	0
8	Decrement Frequency	Daily
9	Base Date	05/02/2025
10	Base Level	900



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