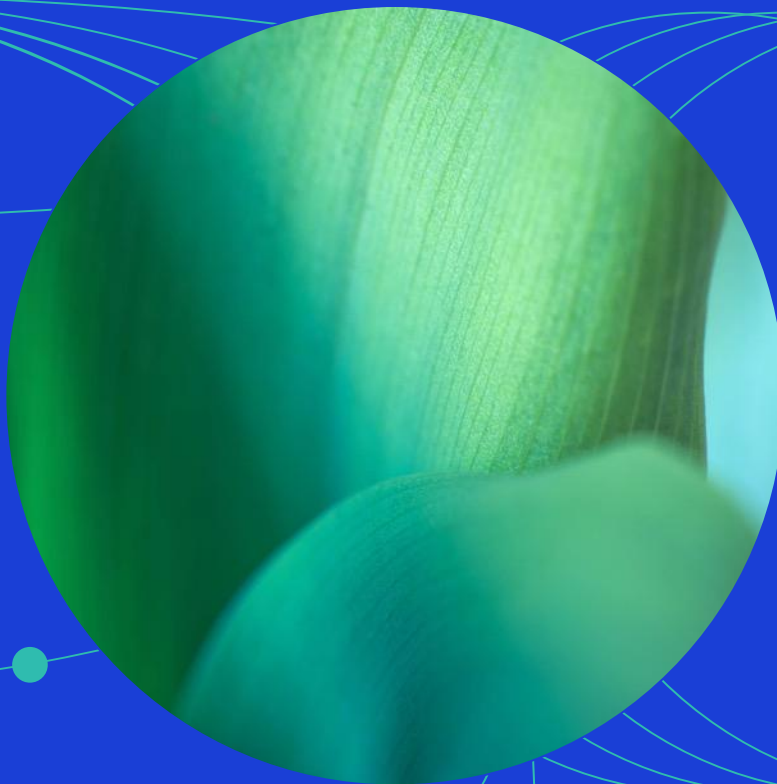




June 2026

MSCI World ex Australia Enhanced Value Top 250 Select Index Methodology



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1 Introduction

The MSCI World ex Australia Enhanced Value Top 250 Select Index (the 'Index')¹ aims to represent the performance of a set of 250 securities that exhibit relatively higher value characteristics compared to the Parent Index while excluding companies that are involved in controversial, nuclear and conventional weapons, and tobacco.

¹ The Index is governed by a set of methodology and policy documents ("Methodology Set"), including the present index methodology document. The Methodology Set for the Indexes can be accessed from MSCI's webpage <https://www.msci.com/index-methodology> in the section 'Search Methodology by Index Name or Index Code'.

The Methodology Set includes a document 'ESG Factors in Methodology' that contains the list of environmental, social, and governance factors considered, and how they are applied in the methodology (e.g., selection, weighting or exclusion). Please refer to Appendix III for more details.

2 Constructing the Index

The MSCI World ex Australia Enhanced Value Top 250 Select Index (the “Index”) is constructed from the MSCI World ex Australia Index (the “Parent Index”) in the following steps:

- 1 Eligible Universe Screening
- 2 Applying the MSCI Enhanced Value Indexes Methodology
- 3 Security Selection
- 4 Applying Sector Neutrality and Issuer Capping

2.1 Eligible Universe Screening

The Index uses MSCI Business Involvement Screening Research provided by MSCI Solutions LLC (“MSCI Solutions”)² to identify companies that are involved in the following business activities. Companies that meet the business involvement criteria are excluded from the Index. Please refer to Appendix I for details on these criteria.

- Controversial Weapons
- Nuclear Weapons
- Conventional Weapons
- Tobacco

2.2 Applying The MSCI Enhanced Value Indexes Methodology

The MSCI Enhanced Value Indexes methodology³ is applied to the securities selected from the previous step, with the exception that the securities’ weights will not be adjusted to implement sector neutrality. The securities are assigned weights in the proportion of their free float-adjusted market capitalization multiplied by their Final Value Score⁴.

2.3 Security Selection

The top 250 securities, ranked in descending order based on the weights calculated in the previous step, are then selected for inclusion in the Index.

² See Section 4 for further information regarding sustainability and climate data used in the Index that MSCI Limited and MSCI Deutschland GmbH source from MSCI Solutions LLC (‘MSCI Solutions’), a separate subsidiary of MSCI Inc. MSCI Solutions is solely responsible for the creation, determination and management of such data as a provider to MSCI Limited and MSCI Deutschland GmbH. MSCI Limited and MSCI Deutschland GmbH are the benchmark administrators for the MSCI indexes.

³ Please refer to the MSCI Enhanced Value Indexes methodology at www.msci.com/index-methodology

⁴ Final Value Score calculated as per Section 2.2 of the MSCI Enhanced Value Indexes methodology

2.4 Applying Sector Neutrality and Issuer Capping

The final step in the construction of the Index is the simultaneous application of sector neutrality and issuer capping, as outlined below:

- At each Index Review, each issuer in the index will be capped at 5%.
- The weight of each sector in the Index will be adjusted so that it is equal to the weight of that sector in the Parent Index.

The mechanism for achieving the sector neutrality and issuer capping simultaneously is highlighted in Appendix II.

3 Maintaining the Index

3.1 Index Reviews

The Index is reviewed on a semi-annual basis, coinciding with the May and November Semi-Annual Index Reviews of the Parent Index. Fundamental variables as of the end of April and October are used respectively. This approach aims to capture timely updates to the Value characteristics of the companies and coincide with the rebalancing frequency of the relevant Parent Index. The pro forma index is typically announced nine business days before the effective date.

In general, MSCI uses MSCI Solutions data (including MSCI Business Involvement Screening Research) as of the end of the month preceding the Index Reviews for the rebalancing of the Index. For some securities, such data may not be published by MSCI Solutions by the end of the month preceding the Index Review. For such securities, MSCI will use ESG data published after the end of month, when available, for the rebalancing of the Index.

3.2 Buffer Rules

To reduce Index turnover and enhance index stability, buffer rules are applied as follows.

3.2.1 Security Selection Buffer

A security selection buffer of 50% is applied during the on-going index review when applying the MSCI Enhanced Value Index methodology as per Section 2.2 of this methodology book.

For example, the Index targets 350 securities during that step, the buffers are applied between rank 176 and 525. The securities in the Parent Index with a value score rank at or above 175 will be added to the Index on a priority basis. The existing constituents that have a value score rank between 176 and 525 are then successively added until the number of securities in the Index reaches 350. If the number of securities is below 350 after this step, the remaining securities in the Parent Index with the highest value score rank are added until the number of securities reaches 350.

3.2.2 Turnover Buffer

A turnover buffer of 50% is applied during the on-going index review.

For example, if the on-going rebalancing results in changing the weight of a security from $x\%$ to $y\%$, then the effective change in weight will be:

$$\text{Effective pro forma constituent weight} = x + (y - x)/2$$

The turnover buffer is not applied on deletions.

3.3 Ongoing Event-Related Changes

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. 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. There will be no additions to the Index in between Index Reviews.

Additionally, if the frequency of Index Reviews in the Parent Index is greater than the frequency of Index Reviews in the Index, the changes made to the Parent Index during intermediate Index Reviews will be neutralized in the.

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.

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.
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 pertaining to deletions that would be 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>.

4 MSCI Solutions

The Index is a product of MSCI Inc. that utilizes information such as company ratings and research produced and provided by MSCI Solutions LLC (“MSCI Solutions”), a subsidiary of MSCI Inc. In particular, the Index uses the following MSCI Sustainability and Climate product: MSCI Business Involvement Screening Research. MSCI Indexes are administered by MSCI Limited and MSCI Deutschland GmbH.

4.1 MSCI Business Involvement Screening Research

MSCI 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 Business Involvement Screening Research, please refer to <https://www.msci.com/legal/sustainability-and-climate-resources-and-disclosures>.

Appendix I: ESG Screening Criteria

Companies, whose activities meet the following criteria, as determined by MSCI Solutions, are excluded from the MSCI World ex Australia Enhanced Value Top 250 Select Index:

- **Controversial Weapons**

- All companies with any tie to Controversial Weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), as defined by the methodology of the MSCI Global Ex-Controversial Weapons Indexes available at <https://www.msci.com/index/methodology/latest/XCW>

- **Nuclear Weapons**

- All companies that manufacture nuclear warheads and/or whole nuclear missiles
- All companies that manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles)
- All companies that manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons
- All companies that provide auxiliary services related to nuclear weapons
- All companies that manufacture components that were not developed or not significantly modified for exclusive use in nuclear weapons (warheads and missiles) but can be used in nuclear weapons
- All companies that manufacture or assemble delivery platforms that were not developed or not significantly modified for the exclusive delivery of nuclear weapons but have the capability to deliver nuclear weapons
- All companies that manufacture components for nuclear-exclusive delivery platforms

- **Conventional Weapons**

- All companies deriving 5% or more revenue from the production of conventional weapons and components
- All companies deriving 15% or more aggregate revenue from weapons systems, components, and support systems and services

- **Tobacco**

- All companies classified as a “Producer”
- All companies deriving 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products

Appendix II: Capping Mechanism

The Index deploys a multi-tiered capping framework which aims to achieve diversification and limit concentration risk at both the issuer and sector levels. The mechanism is summarized as follows:

Parameters for Capping

- The maximum weight of any single issuer is capped at 5%.
- GICS Sector weights are constrained to match their weights in the MSCI World ex Australia Index (the "Parent Index").

Initial Relaxation Parameters

- For each sector, if the aggregated upper bound weight of all the issuers within that sector is lower than the sector lower bound weight constraint, then the lower bound weight of that sector is relaxed to the aggregated upper bound weight of all the issuers within that sector.

Capping Methodology

The capping mechanism is applied iteratively with the following steps:

- First find the most violating constraint from all the given constraints (sector minimum bound, sector maximum bound and issuer maximum bound).
- For each group (for example, Energy sector) within all the constraints, the deviation ratio is calculated based on:
 - Ratio of current value (for example, issuer 'A' weight in the Index) to upper bound (for example, 5%), in case of upper bound constraint.
 - Ratio of lower bound value (for example, Energy sector lower bound value) to current value (for example, Energy sector weight in the Index), in case of lower bound constraint.
- The most violating constraint is the maximum of all the deviation ratios.
- The most violating constraint is adjusted first to the respective bound value.
- The excess weight (difference between current value to the respective bound value) is distributed proportionally to all the other constituents.

The iterative process is repeated until the maximum Deviation Ratio ≤ 1 (rounded to five decimal places) or it has reached a maximum of 5000 iterations where the capping steps will return the solution found till this iteration step.

Appendix III: Methodology Set

The Index is governed by a set of methodology and policy documents ("Methodology Set"), including the present index methodology document as mentioned below:

- Description of methodology set –
<https://www.msci.com/index/methodology/latest/ReadMe>
- MSCI Corporate Events Methodology –
<https://www.msci.com/index/methodology/latest/CE>
- MSCI Fundamental Data Methodology –
<https://www.msci.com/index/methodology/latest/FundData>
- MSCI Index Calculation Methodology –
<https://www.msci.com/index/methodology/latest/IndexCalc>
- MSCI Index Glossary of Terms –
<https://www.msci.com/index/methodology/latest/IndexGlossary>
- MSCI Index Policies –
<https://www.msci.com/index/methodology/latest/IndexPolicy>
- MSCI Global Industry Classification Standard (GICS) Methodology –
<https://www.msci.com/index/methodology/latest/GICS>
- MSCI Global Investable Market Indexes Methodology –
<https://www.msci.com/index/methodology/latest/GIMI>
- MSCI Enhanced Value Indexes Methodology –
<https://www.msci.com/index/methodology/latest/EV>
- ESG Factors In Methodology*

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'.

* 'ESG Factors in Methodology' contains the list of environmental, social, and governance factors considered, and how they are applied in the methodology (e.g., selection, weighting or exclusion). It can be accessed in the Methodology Set as described above.

Appendix IV: Changes to this Document

The following sections have been modified as of June 2026:

Section 2.4: Sector Neutrality and Issuer Capping

- Updated to implement 5% Issuer Capping and Sector Neutrality

Appendix II: Capping Mechanism

- Appendix added, including details regarding issuer capping and sector neutrality.

Appendix III: Methodology Set

- Appendix added providing details of methodology sets.

Appendix IV: Changes to this Document:

- Appendix added providing details of historical changes to this document.

Section 4: MSCI Solutions

- Updated references to research provider from "MSCI ESG Research" to "MSCI Solutions LLC" due to the name change of the entity.

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