

Announcement

Methodology change of the Indxx Global Aviation Index

New York – September 07, 2021 - Effective September 07, 2021 the following are the changes in the methodology of the Indxx Global Aviation Index:

- Reconstitution and Rebalancing Rules (Section 1.7)

Below is the amended methodology which will be effective from September 07, 2021.

September 2021

INDXX GLOBAL AVIATION INDEX SERIES METHODOLOGY

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1. INDXX GLOBAL AVIATION INDEX SERIES

1.1 INDEX DESCRIPTION

The Indxx Global Aviation Index Series seeks to accurately and comprehensively measure the performance of companies that provide goods and/or services towards Airline and Air Transportation Industry including air travel, aircraft manufacturing and airport operations.

The index has a base date of August 31, 2016 with an initial value of 1,000.

The index is currently available in the following version:

- Price Return
- Total Return
- Net Total Return

1.2 CREATION OF MASTER LIST

1.2.1 Initial Universe

To be eligible for inclusion in the Initial Universe, securities must have:

- Their listing in Developed and Emerging Markets as defined by Indxx in its 'Country Classification and Investability Requirements' document.
- A minimum total market capitalization of \$500 million.
- A 6-month average daily turnover greater than or equal to \$2 million and \$1 million for developed and emerging markets respectively.
- The security must have traded on 90% of the eligible trading days in the last 6 months. In case a security does not have a trading history of 6 months (only IPOs), such a security must have started trading at least 3 months before the start of the Reconstitution/Rebalancing Process and should have traded on 90% of the eligible trading days for the past 3 months.

1.2.2 Free Float

All securities must have a minimum free float equivalent to 10% of shares outstanding.

1.2.3 Maximum Price

Securities trading at a price of \$10,000 or above are ineligible for inclusion in the Series. This rule is not applicable for existing constituents. Existing constituents shall remain in the Initial universe irrespective of their stock price.

1.2.4 Security Type

The following security types are eligible for inclusion:

- Common Stock
- ADR
- GDR

1.2.5 Share Classes

- The existing share class/listing in the portfolio is retained if it satisfies all the eligibility criteria of the portfolio.
- The most liquid share class/listing is considered for inclusion.

1.3 SECURITY SELECTION PROCESS

Based on extensive research, Indxx has defined Aviation as being comprised of the following sub-themes:

Sub-Theme	Description
Airline Operators	Companies that are involved in domestic and international passenger and cargo travel by operating airplanes. It includes scheduled air carriers and does not include company providing only cargo operations.
Airport Operation and Complimentary Services	Companies involved in the management and operations of airports. Any services that help in maintaining the airport such as terminal facilities, hanger, air traffic control, fueling, and ground handling. Major revenue should be through the Aeronautical services provided by the Airport.
Aircraft Manufacturer	Companies manufacturing airplane, jets and helicopter for personal, commercial and business uses. It also includes engineering services provided towards manufacturing the Aircraft. Does not include companies offering Aircraft engine, mainframes, and spare parts.
Aero Support Services	Companies providing airfield, terminal facilities, hanger, air traffic control, fueling, inflight catering, line management and ground handling services without operating Airports. Products and services that are catering to the Aerospace industry, inclusive of training.
Aircraft Leasing Services	Companies that provide aircraft charter and leasing services.

These sub-themes are comprised of companies in the following FactSet Industries:

Aerospace & Defense	Air Freight/Couriers	Airlines
Finance/Rental/Leasing	Miscellaneous Services	Commercial Other Transportation

The industries and sub-themes identified through this research-based approach are subject to change at every annual reconstitution.

Companies are classified into the following type based on revenue:

- Pure Play:

Companies from the Master List that derive revenue greater than or equal to 50% from the above sub-themes are considered as 'pure-play' companies. These companies are included in the 'Selection List' for the index.

1.4 FINAL COMPOSITION

- The list of indices in the series and their respective final composition criteria can be referred to in the Appendix (Section 2.1).

1.5 WEIGHTING

The index is weighted as follows:

- Components are assigned equal weights.

1.6 BUFFER RULES

Buffer Rules are employed to reduce Portfolio Turnover. The following buffer rules apply:

1.6.1 Market Capitalization

A constituent shall continue to be included in the Initial Universe if its market capitalization is greater than or equal to 80% of the previously defined market capitalization limit. To illustrate, if an existing index member qualifies all other selection criteria but doesn't qualify the market capitalization criteria to the extent of 20% deviation then it will be retained in the investible universe.

1.6.2 Liquidity

A constituent shall continue to be included in the Initial Universe if its 6-month ADTV is greater than or equal to 70% of the previously defined liquidity limit. To illustrate, if an existing index member qualifies all other selection criteria but doesn't qualify liquidity criteria to the extent of 30% deviation then it will be retained in the investible universe.

1.7 RECONSTITUTION AND REBALANCING RULES

- The index series follows an annual reconstitution and rebalancing schedule. The reconstituted portfolio becomes effective at the close of last trading day of July each year. This day is called the 'Effective Day.'
- The security selection and portfolio creation process start on the close of the nearest Friday falling at least one month before the Effective Day, called the 'Selection Day.' The selection list is created based on the data as of the Selection Day.
- Weights are calculated at the close of the seventh trading day prior (six trading days prior) to the Effective Day. Index Shares are frozen using weights as of this day.

1.8 CORPORATE ACTIONS

The corporate action guidebook is present in the Announcements section of our website, under 'Index Documents.'

2.APPENDIX

2.1 INDICES

The series currently includes the following indices:

1. Indxx Global Aviation Index
 - From the selection list, all the pure play companies will form the final portfolio.
2. Indxx Global Airlines Index
 - From the selection list, all the pure play companies classified under the Airline Operators sub-theme will form the final portfolio.

2.2 METHODOLOGY CHANGES

Methodology changes since September 2021 are as follows:

Section	Previous Value	New Value	Effective Date (close)
1.7	<ul style="list-style-type: none"> • The index series follows an annual reconstitution and rebalancing schedule. The reconstituted portfolio becomes effective at the close of last trading day of August each year. This day is called the 'Effective Day'. • The security selection and portfolio creation process start on the close of the nearest Friday falling at least one month before the Effective Day, called the 'Selection Day.' The selection list is created based on the data as of the Selection Day. • Weights are calculated at the close of the seventh trading day prior (six trading days prior) to the Effective Day. Index Shares are frozen using weights as of this day. 	<ul style="list-style-type: none"> • The index series follows an annual reconstitution and rebalancing schedule. The reconstituted portfolio becomes effective at the close of last trading day of July each year. This day is called the 'Effective Day.' • The security selection and portfolio creation process start on the close of the nearest Friday falling at least one month before the Effective Day, called the 'Selection Day.' The selection list is created based on the data as of the Selection Day. • Weights are calculated at the close of the seventh trading day prior (six trading days prior) to the Effective Day. Index Shares are frozen using weights as of this day. 	Sept 07, 2021

3. DISCLAIMER

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