

Announcement

Methodology change of the Indxx Global E-Commerce Index

New York – May 14, 2021 - Effective May 14, 2021 the following are the changes in the methodology of the Indxx Global E-Commerce Index:

- Initial Universe (Section 1.2.1)
- Security Selection Process (Section 1.3)

Below is the amended methodology which will be effective from May 14, 2021.

May 2021

INDXX GLOBAL E-COMMERCE INDEX METHODOLOGY

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1. INDXX GLOBAL E-COMMERCE INDEX

1.1 INDEX DESCRIPTION

The Indxx Global E-Commerce Index is designed to track the performance of companies that provide exposure to the internet commerce space, as defined by Indxx.

The index has a base date of May 31, 2014 with an initial value of 1,000.

The index is currently available in the following versions:

- Net Total Return (Bloomberg Ticker: MTFGENT)

1.2 CREATION OF MASTER LIST

1.2.1 Initial Universe

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

- Have their primary listing in Developed and Emerging Markets as defined by Indxx in its 'Country Classification and Investability Requirements' document.
- Have their country of listing in the following countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain, Israel, China, Sweden, Denmark, Norway, United Kingdom, United States, Canada, Japan, Singapore, Switzerland and Hong Kong.
- Not have their domicile in the following countries: Taiwan, South Korea, Australia, New Zealand, Brazil, Chile, Colombia, Mexico, Peru, India, Indonesia, Malaysia, Philippines, Thailand, Czech Republic, Egypt, Hungary, Poland, Qatar, Russian Federation, South Africa, Turkey and United Arab Emirates.
- Have a minimum total market capitalization of \$500 million.
- Have a 6-month average daily turnover of at least \$2 million for developed markets and \$1 million for emerging markets.
- Have traded for at least 90% of the total trading days over the last 3 months on their respective stock exchanges.

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 index. 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 index.
- The most liquid share class/ listing is considered for inclusion.

1.3 SECURITY SELECTION PROCESS

Based on extensive research, Indxx has defined 'Indxx Global E-Commerce' as being comprised of the following sub-themes:

Fintech	Online trading and exchanges companies.
Social Networking	Social networking service where users post and interact with messages.
E-commerce	Online shopping web sites for retail sales direct to consumers.
Payment	Making it easy for buyers to order online, irrespective of location, digital and mobile payments companies.
Online Subscription	Internet subscription service company for movies, live streaming or entertainment.
Online Marketplace	Online companies that act as a marketplace for instance online travel companies, game publishers which distribute their content digitally, etc.
Data & Analytics	Marketing to customers by e-mail or fax; search engines.

"Internet services" companies are not eligible for the index.

These sub-themes are comprised of companies in the following FactSet industries, as defined by Indxx:

Internet Software/Services	Recreational Products	Internet Retail
Other Consumer Services	Information Technology Services	Catalog/Specialty Distribution
Miscellaneous Commercial Services	Drugstore Chains	Financial Publishing/Services
Advertising/Marketing Services	Apparel/Footwear	Packaged Software
Data Processing Services	Cable/Satellite TV	Investment Banks/Brokers
Specialty Stores		

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

1.4 FINAL COMPOSITION

From the Selection List:

- The top 50 'pure-play' companies by market capitalization will be the part of the final index.

1.5 WEIGHTING

The index is weighted as follows:

- The index is a free float adjusted market capitalization weighted net total return index. The maximum weight for any single stock is 8.00%.
- If a stock exceeds the maximum weight, then, the excess weight shall be re-distributed proportionally across all other index constituents. the following step-wise capping process is followed:
 - The largest 2 stocks are capped at 8.00%.
 - The 3rd largest stock is capped at 7.00%.
 - The 4th largest stock is capped at 6.50%.
 - The 5th largest stock is capped at 6.00%.
 - The 6th largest stock is capped at 5.50%.
 - The 7th largest stock is capped at 5.00%.
 - All other stocks are capped at 4.50%.
- The aggregate weight of all the securities with their primary listing in the US is capped at 50%. The top constituents by market capitalization are kept in the portfolio to meet the above criteria and the rest are excluded.
- To keep the final number of constituents to a maximum of 50, the securities with their primary listing other than the US are added to the final portfolio in the order of highest company level market capitalization.

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 INDEX CALCULATOR

The calculator of this index is Solactive AG.

1.8 INDEX PUBLISHER

This index is published by Indxx.

1.9 INDEX EDITOR

This index is edited by Indxx.

1.10 RECONSTITUTION AND REBALANCING RULES

- The index follows an annual reconstitution and rebalancing schedule. The new portfolio becomes effective at the close of last trading day of May each year. This day is called '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 using 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.

1.11 CORPORATE ACTIONS

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

2. APPENDIX

2.1 METHODOLOGY CHANGES

Methodology changes since May 2021 are as follows:

Section	Previous Value	New Value	Effective Date
1.2.1	Listing of security should not be in Argentina, Brazil, Chile, Colombia, Egypt, Nigeria, Peru, Russia, Uruguay, Australia, Asia Pacific or NDF countries.	<ul style="list-style-type: none"> Have their country of listing in the following countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain, Israel, China, Sweden, Denmark, Norway, United Kingdom, United States, Canada, Japan, Singapore, Switzerland and Hong Kong. Not have their domicile in the following countries: Taiwan, South Korea, Australia, New Zealand, Brazil, Chile, Colombia, Mexico, Peru, India, Indonesia, Malaysia, Philippines, Thailand, Czech Republic, Egypt, Hungary, Poland, Qatar, Russian Federation, South Africa, Turkey and United Arab Emirates. 	May 14, 2021
1.3		An industry 'Specialty Stores' has been added to the list of FactSet industries.	May 14, 2021

3 DISCLAIMER

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