

Announcement

Methodology change of the Indxx Global Longevity Thematic Index

New York – March 26, 2021 – It has been decided to change the name of Indxx Global Longevity Thematic Index to Indxx Aging Population Thematic Index. Effective April 09, 2021 the following are the changes in the methodology of the Indxx Global Longevity Thematic Index:

- Index Description (Section 1.1)
- Security Selection Process (Section 1.3)

Below is the amended methodology which will be effective from April 09, 2021.

April 2021

INDXX AGING POPULATION THEMATIC INDEX METHODOLOGY

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1. INDXX AGING POPULATION THEMATIC INDEX

1.1 INDEX DESCRIPTION

The Indxx Aging Population Thematic Index is designed to track the performance of companies listed in developed markets that are expected to directly or indirectly contribute to increasing the life-spans of the aging population of the world. The index provides access to companies involved in biotechnology, medical devices, pharmaceuticals, senior living facilities and specialized health care services, which respond to the needs of this demographic.

The index has a base date of April 16, 2010 with an initial value of 1,000.

The index is currently available in the following versions:

- Net Total Return (Bloomberg Ticker: ILNGRNT)
- Total Return (Bloomberg Ticker: ILNGR)

1.2 CREATION OF MASTER LIST

1.2.1 Initial Universe

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

- Their country of listing in a Developed Market. Developed Markets are 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.
 - In case of a Significant IPO, a security must have an average daily turnover greater than or equal to \$2 million since the IPO launch date.
- 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), to be considered for inclusion, in case of Significant IPOs, the IPO must have been listed at least 10 calendar days prior to the 'Selection Date', and in the case of other IPOs, 3 calendar months prior to the 'Selection Day'.
 - Additionally, unless the security is a Significant IPO, the security must have traded on 90% of the eligible trading days for the 3 months preceding the 'Selection Day' (this requirement shall not apply to Significant IPOs).
 - An IPO is considered to be a "Significant IPO" if its company level total market capitalization is greater than the company level total market capitalization of at least 50% of the on-going index constituents as of previous 'Reconstitution Selection Day'.

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
- REIT's

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.
- If an ADR of the company exists, it is given preference over all other share classes.
- The most liquid share class/listing is considered for inclusion.

1.3 SECURITY SELECTION PROCESS

Identification of key industries that contribute to increasing the life-span of the aging population of the world through fundamental research. The industries identified through this research-based approach are subject to change at every annual reconstitution.

Indxx has defined Aging Population as being comprised of the following sub-themes:

Sub-Theme	Description
Aging Population focused Health Care Products	Pharmaceutical and biotech companies which are involved in research, development, production or manufacturing of drugs used to diagnose advanced age-related diseases.
Aging Population focused Health Care Services	These are companies providing health care services exclusively to old age people, including companies which provide post-acute care for the aging population.
Aging Population focused Medical Devices	Suppliers or manufactures of medical devices used by the aging population.
Aging Population focused Senior Homes	These are companies operating in skilled nursing homes, senior living homes and continuing care retirement communities.

Only those companies that derive a significant portion of the revenues from the above industries or have stated their primary business to be the provision of products or services that cater to the aging population, are categorized as pure-play companies, and are eligible for inclusion in the index. Wherever segmental revenue of a company is not directly available, all the drugs catering the needs of the aged population will be collectively added and included. If the collectively mentioned revenue is greater than 50%, then it would be categorized as pure-play companies and as Quasi play if it is greater than 10% and less than 50%.

1.4 FINAL COMPOSITION

From the Selection List:

- The top 100 pure-play companies by market capitalization will form the final portfolio. If fewer than 100 pure-play companies qualify to be eligible for inclusion, all these companies would be a part of the final portfolio.

1.5 WEIGHTING

The index is weighted as follows:

- The Index is modified market cap-weighted at the time of reconstitution. A single security weight cap of 3% and single security floor of 0.3% is applied.
- Any security which has a weight of 3% or more is allocated 3%, and any security which has a weight of 0.3% or less is allocated 0.3%.
- The balance weight is proportionately distributed among the remaining securities while retaining the 3% and 0.3% weight limits.
- Security-level market capitalization is considered for calculating weights.
- An industry cap of 60% is applied.

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.

1.6.3 Continued Representation in the Portfolio

Additionally, an existing index constituent shall continue to remain in the index if it is part of top 120 companies by market cap, even if it isn't a part of the top 100 constituents.

1.7 RECONSTITUTION AND REBALANCING RULES

- The index follows an annual reconstitution and rebalancing schedule. The new portfolio becomes effective at the close of trading on the third Friday of April 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 day 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 METHODOLOGY CHANGES

Methodology changes since November 2020 are as follows:

Section	Previous Value	New Value	Effective Date (close)
1.2.1	<ul style="list-style-type: none"> A 6-month average daily turnover greater than or equal to \$2 million. 	<ul style="list-style-type: none"> A 6-month average daily turnover greater than or equal to \$2 million. <ul style="list-style-type: none"> In case of a Significant IPO, a security must have an average daily turnover greater than or equal to \$2 million since the IPO launch date. 	Nov 30, 2020
	<ul style="list-style-type: none"> Traded on 90% of the eligible trading days in the last 6 months. <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Traded on 90% of the eligible trading days in the last 6 months. <ul style="list-style-type: none"> In case a security does not have a trading history of 6 months (only IPOs), to be considered for inclusion, in case of Significant IPOs, the IPO must have been listed at least 10 calendar days prior to the 'Selection Date', and in the case of other IPOs, 3 calendar months prior to the 'Selection Day'. Additionally, unless the security is a Significant IPO, the security must have traded on 90% of the eligible trading days for the 3 months preceding the 'Selection Day' (this requirement shall not apply to Significant IPOs). An IPO is considered to be a "Significant IPO" if its company level total market capitalization is greater than the company level total market capitalization of at least 50% of the on-going index constituents as of previous 'Reconstitution Selection Day'. 	
1.1	Indxx Global Longevity Thematic Index	Indxx Aging Population Thematic Index	Apr 09, 2021
1.1	The Indxx Global Longevity Thematic Index is designed to track the performance of companies listed in developed markets that are expected to directly or indirectly contribute to increasing the life-spans of the senior population of the world.	The Indxx Aging Population Thematic Index is designed to track the performance of companies listed in developed markets that are expected to directly or indirectly contribute to increasing the life-spans of the aging population of the world.	Apr 09, 2021

Section	Previous Value	New Value	Effective Date (close)
1.3		The term 'Longevity' has been replaced with 'Aging Population'.	Apr 09, 2021

3. DISCLAIMER

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