

## **Announcement**

### **Methodology change of the Indxx SuperDividend<sup>®</sup> Alternatives Index**

**New York – April 29, 2022** - Effective April 29, 2022 the following are the changes in the methodology of the Indxx SuperDividend<sup>®</sup> Alternatives Index:

- Reconstitution and Rebalancing Rules (Section 1.7)

Below is the amended methodology which will be effective from April 29, 2022.

April 2022

# INDXX SUPERDIVIDEND® ALTERNATIVES INDEX METHODOLOGY

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# 1. INDXX SUPERDIVIDEND® ALTERNATIVES INDEX

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## 1.1 INDEX DESCRIPTION

The Indxx SuperDividend® Alternatives Index seeks to provide exposure to different Alternative asset classes, with an objective of providing a diversified portfolio of assets with a low volatility and high dividend yield. The index seeks exposure to the following five asset classes:

- Infrastructure
- Global X U.S. Preferred ETF
- Global X NASDAQ 100 Covered Call ETF
- Global X Emerging Markets Bond ETF
- Global X SuperDividend REIT ETF

The index has a base date of September 30, 2011 with an initial value of 1,000.

The index is currently available in the following versions:

- Total Return (Bloomberg Ticker: IALTYT)

## 1.2 CREATION OF MASTER LIST

### 1.2.1 Initial Universe

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

- Their domicile in the United States.
- The following criteria for the Market capitalization and 6-month Average Daily Turnover are being followed:

		Market Capitalization	6-month Average Daily Turnover
Infrastructure	Infrastructure Companies	\$ 1 billion For securities which are a part of the existing portfolio - \$500 million	\$ 2 million For securities which are a part of the existing portfolio - \$1 million
	MLPs	\$ 1 billion For securities which are a part of the existing portfolio - \$500 million	\$ 2 million For securities which are a part of the existing portfolio - \$1 million
GlobalX U.S. Preferred ETF		N/A	N/A
GlobalX NASDAQ 100 Covered Call ETF		N/A	N/A
GlobalX Emerging Markets Bond ETF		N/A	N/A
GlobalX SuperDividend REIT ETF		N/A	N/A

### 1.2.2 Security Type

The following security types are eligible for inclusion:

- Common Stock
- REITs
- Closed Ended Funds
- Preferred Stocks
- MLPs

Exclusions:

- All entities that are taxed as partnerships, other than Qualified Publicly Traded Partnerships (QPTP) MLPs, are excluded from the index.

## 1.3 SECURITY SELECTION PROCESS

Based on extensive research, Indxx has defined the security selection process for the various asset classes as follows:

### **Infrastructure:**

- All the US Infrastructure companies from the universe which belong to the Infrastructure Industries as defined by Indxx satisfying the market capitalization and liquidity criteria are included in the Selection List. The top 16 securities based on highest trailing 12-month dividend yield form the selection list.
- All US companies which are structured as Master Limited Partnerships (MLPs) and satisfy the market capitalization and liquidity criteria are included to form the MLP masterlist. From this list, the top 16 securities based on highest trailing 12-month dividend yield form the selection list.

### **Global X U.S. Preferred ETF:**

- The current ETF will form the selection list.

### **GlobalX NASDAQ 100 Covered Call ETF:**

- The current ETF will form the selection list.

### **GlobalX Emerging Markets Bond ETF:**

- The current ETF will form the selection list.

### **Global X SuperDividend REIT ETF:**

- The current ETF will form the selection list.

## 1.4 FINAL COMPOSITION

From the Selection List:

### **Infrastructure:**

- **US Infrastructure:** Out of the Selection List, the top 8 by lowest volatility over the last 1 year are selected to form the final composition.
- **Master Limited Partnerships (MLPs):** Out of the Selection list, the top 8 by lowest volatility over the last 1 year are selected to form the interim list for MLPs.
- Both these interim lists are combined, and the 16 constituents are equal weighted to form the index.

### **Global X U.S. Preferred ETF:**

- The current ETF will form the final composition.

**Global X NASDAQ 100 Covered Call ETF:**

- The current ETF will form the final composition.

**Global X Emerging Markets Bonds ETF:**

- The current ETF will form the final composition.

**Global X SuperDividend REIT ETF:**

- The current ETF will form the final composition.

## 1.5 WEIGHTING

The index is weighted as follows:

- A cap of 20% weight is applied to each asset class.
- Within each Asset class, the constituents are equal weighted.

## 1.6 BUFFER RULES

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

### 1.6.1 Infrastructure

From the master list, the top 20 dividend yielding companies are selected and then the top 10 companies by lowest volatility form buffer lists for both MLPs and Infrastructure Companies. A security that is a part of the existing portfolio would automatically qualify for inclusion in the new portfolio, if it is a part of the buffer list.

## 1.7 RECONSTITUTION AND REBALANCING RULES

### 1.7.1 Reconstitution

- The index follows an annual reconstitution schedule. Every individual asset class is reconstituted on the last trading day of September. This day is called the 'Reconstitution Effective Day.'
- The security selection and portfolio creation process start on the close of nearest Friday falling at least one month before the effective day, called the 'Selection Day.'
- Constituents are publicly announced on the sixth trading day prior (five trading days prior) to the last trading day in September.

### 1.7.2 Rebalance

- The index follows an extraordinary quarterly rebalancing schedule if:
  - The current weight of any one of the baskets deviates by more than 3% from the weights set at the latest reconstitution, then the new weights are calculated at the close of six trading days prior to the Rebalance Effective Day.
- The rebalance is effective on the last trading day of March, June and December. This day is called the 'Rebalance Effective Day.'
- Constituents are publicly announced on the sixth trading day prior (five trading days prior) to the last trading day in March, June and December.

## 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 May 2021 are as follows:

Section	Previous Value	New Value	Effective Date (close)
1.8	The corporate action guideline table has been removed from the methodology. Please refer to the Table 1.1	The corporate action guidebook is present in the Announcements section of our website, under 'Index Documents.'	May 03, 2021
1.1	<ul style="list-style-type: none"> <li>• Infrastructure</li> <li>• Institutional Managers</li> <li>• Fixed Income</li> <li>• Global X SuperDividend REIT ETF</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure</li> <li>• Global X U.S. Preferred ETF</li> <li>• Global X NASDAQ 100 Covered Call ETF</li> <li>• Global X Emerging Markets Bond ETF</li> <li>• Global X SuperDividend REIT ETF</li> </ul>	July 02, 2021
1.2.1	<ul style="list-style-type: none"> <li>• Infrastructure</li> <li>• Institutional Managers</li> <li>• Fixed Income</li> <li>• Global X SuperDividend REIT ETF</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure</li> <li>• Global X U.S. Preferred ETF</li> <li>• Global X NASDAQ 100 Covered Call ETF</li> <li>• Global X Emerging Markets Bond ETF</li> <li>• Global X SuperDividend REIT ETF</li> </ul>	July 02, 2021
1.2.2	<p>The following security types are eligible for inclusion:</p> <ul style="list-style-type: none"> <li>• Common Stock</li> <li>• REITs</li> <li>• Closed Ended Funds</li> <li>• MLPs</li> </ul> <p>Exclusions:</p> <ul style="list-style-type: none"> <li>• All entities that are taxed as partnerships, other than Qualified Publicly Traded Partnerships (QPTP) MLPs, are excluded from the index.</li> </ul>	<p>The following security types are eligible for inclusion:</p> <ul style="list-style-type: none"> <li>• Common Stock</li> <li>• REITs</li> <li>• Closed Ended Funds</li> <li>• Preferred Stocks</li> <li>• MLPs</li> </ul> <p>Exclusions:</p> <ul style="list-style-type: none"> <li>• All entities that are taxed as partnerships, other than Qualified Publicly Traded Partnerships (QPTP) MLPs, are excluded from the index.</li> </ul>	July 02, 2021
1.3	<p>Infrastructure:</p> <ul style="list-style-type: none"> <li>• All the US Infrastructure companies from the universe which belong to the Infrastructure Industries as defined by Indxx satisfying the market capitalization and liquidity criteria are included in</li> </ul>	<p>Infrastructure:</p> <ul style="list-style-type: none"> <li>• All the US Infrastructure companies from the universe which belong to the Infrastructure Industries as defined by Indxx satisfying the market capitalization and liquidity criteria are included in the</li> </ul>	July 02, 2021



Section	Previous Value	New Value	Effective Date (close)
	<p>the Selection List. The top 16 securities based on highest trailing 12-month dividend yield form the selection list.</p> <ul style="list-style-type: none"> <li>All US companies which are structured as Master Limited Partnerships (MLPs) and satisfy the market capitalization and liquidity criteria are included to form the MLP masterlist. From this list, the top 16 securities based on highest trailing 12-month dividend yield form the selection list.</li> </ul> <p>Institutional Managers:</p> <ul style="list-style-type: none"> <li>US companies which qualify as BDCs and Private Equity Companies that meet the market capitalization and liquidity requirements have been included in the master list for Institutional Managers. The top 30 securities based on highest trailing 12-month dividend yield form the selection list.</li> </ul> <p>Fixed Income:</p> <ul style="list-style-type: none"> <li>Closed Ended Funds (CEFs) with exposure to option writing strategies (Buy-Write CEFs): The top 10 CEFs identified by dividend yield that satisfy the market capitalization and liquidity criteria form the selection list.</li> <li>Closed Ended Funds (CEFs) with exposure to Currency Carry and Emerging Market Debt Strategies (Currency IncomeCEFs): The top 10 CEFs identified by dividend yield that satisfy the market capitalization and liquidity criteria form the selection list.</li> <li>Closed Ended Funds (CEFs) with exposure to Mortgage and Asset Backed Securities (MBS CEFs). The top 10 CEFs identified by dividend yield that</li> </ul>	<p>Selection List. The top 16 securities based on highest trailing 12-month dividend yield form the selection list.</p> <ul style="list-style-type: none"> <li>All US companies which are structured as Master Limited Partnerships (MLPs) and satisfy the market capitalization and liquidity criteria are included to form the MLP masterlist. From this list, the top 16 securities based on highest trailing 12-month dividend yield form the selection list.</li> </ul> <p>Global X U.S. Preferred ETF:</p> <ul style="list-style-type: none"> <li>The current constituents of the Global X U.S. Preferred ETF.</li> </ul> <p>GlobalX NASDAQ 100 Covered Call ETF:</p> <ul style="list-style-type: none"> <li>The current constituents of the Global X NASDAQ 100 Covered Call ETF.</li> </ul> <p>GlobalX Emerging Markets Bond ETF:</p> <ul style="list-style-type: none"> <li>The current constituents of the Global X Emerging Markets Bond ETF.</li> </ul> <p>Global X SuperDividend REIT ETF:</p> <ul style="list-style-type: none"> <li>The current constituents of the Global X SuperDividend REIT ETF.</li> </ul>	

Section	Previous Value	New Value	Effective Date (close)
	<p>satisfy the market capitalization and liquidity criteria form the selection list.</p> <p>Global X SuperDividend REIT ETF:</p> <ul style="list-style-type: none"> <li>The current constituents of the Global X SuperDividend REIT ETF.</li> </ul>		
1.4	<p>Infrastructure:</p> <ul style="list-style-type: none"> <li>US Infrastructure: Out of the Selection List, the top 8 by lowest volatility over the last 1 year are selected to form the final composition.</li> <li>Master Limited Partnerships (MLPs): Out of the Selection list, the top 8 by lowest volatility over the last 1 year are selected to form the interim list for MLPs.</li> <li>Both these interim lists are combined, and the 16 constituents are equal weighted to form the index.</li> </ul> <p>Institutional Managers:</p> <ul style="list-style-type: none"> <li>BDCs and Private Equity Companies: Out of the selection list, the top 15 by lowest volatility over the last 1 year are selected to form the final portfolio. These are equal weighted to form the index.</li> </ul> <p>Fixed Income:</p> <ul style="list-style-type: none"> <li>Closed Ended Funds (CEFs) with exposure to option writing strategies (Buy-Write CEFs): Out of the selection list, the top 5 among these, by lowest volatility are selected to form the final portfolio for Buy-Write CEFs.</li> <li>Closed Ended Funds (CEFs) with exposure to Currency Carry and Emerging Market Debt Strategies (Currency Income CEFs): Out of the selection list, the top 5 among these, by lowest volatility are selected to form the final portfolio for Currency Income CEFs.</li> </ul>	<p>Infrastructure:</p> <ul style="list-style-type: none"> <li>US Infrastructure: Out of the Selection List, the top 8 by lowest volatility over the last 1 year are selected to form the final composition.</li> <li>Master Limited Partnerships (MLPs): Out of the Selection list, the top 8 by lowest volatility over the last 1 year are selected to form the interim list for MLPs.</li> <li>Both these interim lists are combined, and the 16 constituents are equal weighted to form the index.</li> </ul> <p>Global X U.S. Preferred ETF:</p> <ul style="list-style-type: none"> <li>The current constituents of the Global X U.S. Preferred ETF.</li> </ul> <p>GlobalX NASDAQ 100 Covered Call ETF:</p> <ul style="list-style-type: none"> <li>The current constituents of the Global X NASDAQ 100 Covered Call ETF.</li> </ul> <p>GlobalX Emerging Markets Bond ETF:</p> <ul style="list-style-type: none"> <li>The current constituents of the Global X Emerging Markets Bond ETF.</li> </ul> <p>Global X SuperDividend REIT ETF:</p> <ul style="list-style-type: none"> <li>The current constituents of the Global X SuperDividend REIT ETF.</li> </ul>	July 02, 2021

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	<ul style="list-style-type: none"> <li>Closed Ended Funds (CEFs) with exposure to Mortgage and Asset Backed Securities (MBS CEFs): Out of the selection list, the top 5 among these, by lowest volatility are selected to form the final portfolio for MBS CEFs.</li> </ul> Global X SuperDividend REIT ETF: <ul style="list-style-type: none"> <li>The current constituents of the Global X SuperDividend REIT ETF.</li> </ul>		
1.5	The index is weighted as follows: <ul style="list-style-type: none"> <li>Components are weighted based on their trailing 12-month volatilities and correlations for each of the asset classes.</li> <li>A risk parity weighting scheme is employed, to ensure every asset class has an equal risk weight.</li> <li>A cap of 40% weight is applied to each asset class after the risk parity weighting. Within each Asset class, the constituents are equal weighted.</li> </ul>	The index is weighted as follows: <ul style="list-style-type: none"> <li>A cap of 20% weight is applied to each asset class.</li> <li>Within each Asset class, the constituents are equal weighted.</li> </ul>	July 02, 2021
1.3	<b>Infrastructure:</b> <ul style="list-style-type: none"> <li>All the US Infrastructure companies from the universe which belong to the Infrastructure Industries as defined by Indxx satisfying the market capitalization and liquidity criteria are included in the Selection List. The top 16 securities based on highest trailing 12-month dividend yield form the selection list.</li> <li>All US companies which are structured as Master Limited Partnerships (MLPs) and satisfy the market capitalization and liquidity criteria are included to form the MLP masterlist. From this list, the top 16 securities based on highest trailing 12-month dividend yield form the selection list.</li> </ul>	<b>Infrastructure:</b> <ul style="list-style-type: none"> <li>All the US Infrastructure companies from the universe which belong to the Infrastructure Industries as defined by Indxx satisfying the market capitalization and liquidity criteria are included in the Selection List. The top 16 securities based on highest trailing 12-month dividend yield form the selection list.</li> <li>All US companies which are structured as Master Limited Partnerships (MLPs) and satisfy the market capitalization and liquidity criteria are included to form the MLP masterlist. From this list, the top 16 securities based on highest trailing 12-month dividend yield form the selection list.</li> </ul>	July 23, 2021

Section	Previous Value	New Value	Effective Date (close)
	<p><b>Global X U.S. Preferred ETF:</b></p> <ul style="list-style-type: none"> <li>The current constituents of the Global X U.S. Preferred ETF.</li> </ul> <p><b>GlobalX NASDAQ 100 Covered Call ETF:</b></p> <ul style="list-style-type: none"> <li>The current constituents of the Global X NASDAQ 100 Covered Call ETF.</li> </ul> <p><b>GlobalX Emerging Markets Bond ETF:</b></p> <ul style="list-style-type: none"> <li>The current constituents of the Global X Emerging Markets Bond ETF.</li> </ul> <p><b>Global X SuperDividend REIT ETF:</b></p> <ul style="list-style-type: none"> <li>The current constituents of the Global X SuperDividend REIT ETF.</li> </ul>	<p><b>Global X U.S. Preferred ETF:</b></p> <ul style="list-style-type: none"> <li>The current ETF will form the selection list.</li> </ul> <p><b>GlobalX NASDAQ 100 Covered Call ETF:</b></p> <ul style="list-style-type: none"> <li>The current ETF will form the selection list.</li> </ul> <p><b>GlobalX Emerging Markets Bond ETF:</b></p> <ul style="list-style-type: none"> <li>The current ETF will form the selection list.</li> </ul> <p><b>Global X SuperDividend REIT ETF:</b></p> <ul style="list-style-type: none"> <li>The current ETF will form the selection list.</li> </ul>	
1.4	<p><b>Infrastructure:</b></p> <ul style="list-style-type: none"> <li><b>US Infrastructure:</b> Out of the Selection List, the top 8 by lowest volatility over the last 1 year are selected to form the final composition.</li> <li><b>Master Limited Partnerships (MLPs):</b> Out of the Selection list, the top 8 by lowest volatility over the last 1 year are selected to form the interim list for MLPs.</li> <li>Both these interim lists are combined, and the 16 constituents are equal weighted to form the index.</li> </ul> <p><b>Global X U.S. Preferred ETF:</b></p> <ul style="list-style-type: none"> <li>The current constituents of the Global X U.S. Preferred ETF.</li> </ul> <p><b>Global X NASDAQ 100 Covered Call ETF:</b></p> <ul style="list-style-type: none"> <li>The current constituents of Global X NASDAQ 100 Covered Call ETF.</li> </ul>	<p><b>Infrastructure:</b></p> <ul style="list-style-type: none"> <li><b>US Infrastructure:</b> Out of the Selection List, the top 8 by lowest volatility over the last 1 year are selected to form the final composition.</li> <li><b>Master Limited Partnerships (MLPs):</b> Out of the Selection list, the top 8 by lowest volatility over the last 1 year are selected to form the interim list for MLPs.</li> <li>Both these interim lists are combined, and the 16 constituents are equal weighted to form the index.</li> </ul> <p><b>Global X U.S. Preferred ETF:</b></p> <ul style="list-style-type: none"> <li>The current ETF will form the final composition.</li> </ul> <p><b>Global X NASDAQ 100 Covered Call ETF:</b></p> <ul style="list-style-type: none"> <li>The current ETF will form the final composition.</li> </ul> <p><b>Global X Emerging Markets Bonds ETF:</b></p> <ul style="list-style-type: none"> <li>The current ETF will form the final composition.</li> </ul>	July 23, 2021

Section	Previous Value	New Value	Effective Date (close)
	<p><b>Global X Emerging Markets Bonds ETF:</b></p> <ul style="list-style-type: none"> <li>The current constituents of the Global X Emerging Markets Bonds ETF.</li> </ul> <p><b>Global X SuperDividend REIT ETF:</b></p> <ul style="list-style-type: none"> <li>The current constituents of the Global X SuperDividend REIT ETF.</li> </ul>	<p><b>Global X SuperDividend REIT ETF:</b></p> <ul style="list-style-type: none"> <li>The current ETF will form the final composition.</li> </ul>	
1.7.1	<ul style="list-style-type: none"> <li>The security selection and portfolio creation process start on the close of nearest Friday falling at least one month before the effective day, called the 'Selection Day.' Target weights are also calculated on the selection day based on the risk parity weighting scheme.</li> </ul>	<ul style="list-style-type: none"> <li>The security selection and portfolio creation process start on the close of nearest Friday falling at least one month before the effective day, called the 'Selection Day.' Target weights are also calculated on the selection day based on the weighting scheme.</li> </ul>	July 23, 2021
1.7.1	<ul style="list-style-type: none"> <li>The index follows an annual reconstitution schedule. Every individual asset class is reconstituted on the last three trading days of September. These days are called the 'Reconstitution Effective Days.'</li> <li>The security selection and portfolio creation process start on the close of nearest Friday falling at least one month before the effective day, called the 'Selection Day.' Target weights are also calculated on the selection day based on the weighting scheme.</li> <li>A 3-day rolling rebalance schedule is employed, and it targets the weights calculated on the weight calculation day over the three Reconstitution Effective Days.</li> <li>Constituents are publicly announced on the sixth trading day prior (five trading days prior) to the last trading day in September.</li> </ul>	<ul style="list-style-type: none"> <li>The index follows an annual reconstitution schedule. Every individual asset class is reconstituted on the last trading day of September. This day is called the 'Reconstitution Effective Day.'</li> <li>The security selection and portfolio creation process start on the close of nearest Friday falling at least one month before the effective day, called the 'Selection Day.'</li> <li>Constituents are publicly announced on the sixth trading day prior (five trading days prior) to the last trading day in September.</li> </ul>	April 29, 2022
1.7.2	<ul style="list-style-type: none"> <li>The index follows a quarterly rebalancing schedule. The rebalance is effective on the last</li> </ul>	<ul style="list-style-type: none"> <li>The index follows an extraordinary quarterly rebalancing schedule if:</li> </ul>	April 29, 2022

	<p>three trading days of March, June and December. These days are called the 'Rebalance Effective Days.'</p> <ul style="list-style-type: none"> <li>• Every individual asset class is rebalanced, if the current weight of any one of the baskets deviates from the target weight by more than 3% then the new target weights are calculated six trading days prior to the last Rebalance Effective Day.</li> <li>• A 3-day rolling rebalance schedule is employed, and it targets the weights calculated on the weight calculation day over the three Rebalance Effective Days.</li> <li>• Constituents are publicly announced on the sixth trading day prior (five trading days prior) to the last trading day in March, June and December.</li> </ul>	<ul style="list-style-type: none"> <li>• The current weight of any one of the baskets deviates by more than 3% from the weights set at the latest reconstitution, then the new weights are calculated at the close of six trading days prior to the Rebalance Effective Day.</li> <li>• The rebalance is effective on the last trading day of March, June and December. This day is called the 'Rebalance Effective Day.'</li> <li>• Constituents are publicly announced on the sixth trading day prior (five trading days prior) to the last trading day in March, June and December.</li> </ul>	
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**Table 1.1**

<b>Corporate Action</b>	<b>Description</b>	<b>Treatment</b>	<b>Adjustment</b>
Company addition and deletion	In case a constituent is added, removed or replaced with another constituent in the Index.	Replacement: The new company will be added to the index using the weight of the company being removed. Addition/ Deletion only	Index Adjustment  Index Adjustment
Stock Split	A stock split is a decision by the company's board of directors to increase the number of shares that are outstanding by issuing more shares to current shareholders. After a split, the stock price will be reduced since the number of shares outstanding has increased.	Stock splits will be adjusted for on the ex- date. The number of shares will increase times the adjustment factor for the split.	No Index adjustment is required since the share count and price changes are offsetting.
Rights Issue	Rights Issue gives existing shareholders the right to purchase a proportional number of new shares at a discount to the market price on a stated future date. The rights issued to a shareholder have a value, thus compensating current shareholders for the future dilution of their existing shares' value.	The company remains in the index at the same weight. The following price adjustment is made: Price of the parent company – (the Price of Rights offering /Rights Ratio). The index committee will decide whether to participate in the right issue or not. If the subscription price is greater than or equal to the stock closing price, Indxx would not participate in the rights issue.	No Index Adjustment
Spin-Off	Spin off is the creation of an independent company through the sale or distribution of new shares of an existing business/division of a parent company.	The company remains in the index at the same weight. The following price adjustment is made: Price of the Parent Company minus (the Price of Spin-off company/Share Exchange Ratio).	No Index Adjustment
Delisting	Delisting refers to the practice of removing the stock of a company from a stock exchange so that investors can no longer trade shares of the stock on that exchange.	The security would be removed from the index, and the invested amount in the delisted security will be reinvested into the index.	Index Adjustment
Acquisition	A corporate action in which a company buys most, if not all, of the target company's ownership stakes in order to assume control of the target firm.	The Target company would be removed from the index and the invested amount in the acquired security will be reinvested into the index.	Index Adjustment

Corporate Action	Description	Treatment	Adjustment
Merger	Merger is the combination of two or more companies, generally by offering the stockholders of one company securities in the acquiring company in exchange for the surrender of their stock.	<p>The Target company is removed from the Index.</p> <p>The Target company is replaced with the Surviving company.</p>	<p>Index Adjustment</p> <p>Index Adjustment</p>
Bankruptcy	Bankruptcy is a legal proceeding involving a person or business that is unable to repay outstanding debts.	The security would be removed from the index, and the invested amount in the acquired security will be reinvested into the index.	Index Adjustment
Temporary Delisting / Prolonged Trading Suspension	A temporary delisting/trading suspension occurs when a security stops trading on the stock exchange for a certain time period. This usually occurs when a publicly-traded company is going to release significant news about itself.	The security would be removed from the index based on the Index Committee's decision and the invested amount in the acquired security will be reinvested into the index.	Index Adjustment
Special Dividends	When a company pays a special dividend, the share price of the company declines by the amount of the dividend.	The respective stock is adjusted to reflect a fall in the price of the company paying the special dividend.	No index adjustment is required since the share count and price changes are offsetting.
Bonus Issue of Shares	A bonus share is a free share of stock given to current/existing shareholders in a company, based upon the number of shares owned by them.	The issue of bonus shares increases the total number of shares issued and owned, it does not increase the value of the company. The ratio of number of shares held by each shareholder remains constant.	No Index Adjustment is required since the share count and price changes are offsetting.



### 3. DISCLAIMER

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