

## Announcement

### Methodology change of the Indxx Tourism and Leisure Index

**New York – June 28, 2021** - Effective June 28, 2021 the following are the changes in the methodology of the Indxx Tourism and Leisure Index:

- Reconstitution and Rebalancing Rules (Section 1.10)

Below is the amended methodology which will be effective from June 28, 2021.

June 2021

# INDXX TOURISM AND LEISURE INDEX METHODOLOGY

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# 1. INDXX TOURISM AND LEISURE INDEX

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## 1.1 INDEX DESCRIPTION

The Indxx Tourism and Leisure Index is designed to track the performance of the companies, listed in United States, Canada or Developed Europe, as defined by Indxx, that provide exposure to travel aggregators, flights, cruises, hotels, and holiday homes.

The index has a base date of May 29, 2015 with an initial value of 1,000.

The index is currently available in the following versions:

- 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 United States, Canada or Developed Europe (Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom).
- A minimum total market capitalization of \$500 million.
- A 6-month average daily turnover greater than or equal to \$2 million.
- 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 Index. This rule is not applicable for existing constituents. Existing constituents shall remain in the universe irrespective of their stock price.

### 1.2.4 Security Type

The following security types are eligible for inclusion:

- Common Stock
- ADR
- GDR
- DR

### 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 Tourism and Leisure as being comprised of the following sub-themes:

Sub-Theme	Description
Tourism	This consists of travel and tourism agencies that manage, plan and facilitate leisure & business travel and travel service providers, primarily providing passenger transportation.
Recreation	Companies providing leisure facilities and services to the customers outside their normal activities, like cruise lines, vacations, attractions, resorts.
E-tourism	The companies involved in online tourism and travel services to the customers like ticket bookings, hotel bookings, online reservation services.
Sports	The companies engaged in adventures, sports, racetracks, mountain biking, trekking, rock climbing, etc.
Entertainment	The companies involved in the business of providing entertainment services like concerts, movie theatres, amusement parks.
Hotel REITs	The real estate investment trusts engaged in owning, acquiring, and leasing of real estate assets to hospitality and leisure destinations.

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

Real Estate Investment Trusts	Airlines	Casinos/Gaming
Movies/Entertainment	Hotels/Resorts/Cruise lines	Real Estate Development
Other Consumer Services		

The industries and sub-themes identified through this research-based approach are subject to change at every annual reconstitution. Other than the industries mentioned above, the index can have constituents which are operating in the tourism space but not included in the specified industries.

A Company is classified as a 'Pure Play' company if it satisfies the following condition:

- The Company derives revenue greater than or equal to 50% from the above sub-themes. All companies that satisfy the criteria above are included in the 'Selection List' for the index.

## 1.4 FINAL COMPOSITION

From the Selection List:

- The top 50 'Pure Play' companies by company-level market capitalization will form the final index.
- A maximum of 3 companies from the 'Other Consumer Services' industry can be part of the final index.

## 1.5 WEIGHTING

The index is weighted as follows:

- Components are equal-weighted.

## 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 new index member list.

### 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 new index member list.

## 1.7 INDEX CALCULATOR

The calculator of this index is STOXX.

## 1.8 INDEX PUBLISHER

The index is published by Indxx.

## 1.9 INDEX EDITOR

The index is edited by Indxx

## 1.10 RECONSTITUTION AND REBALANCING RULES

- The index follows an annual reconstitution and quarterly rebalancing schedule. The reconstituted portfolio becomes effective at the close of last trading day of May each year. This day is called the 'Reconstitution Effective Day'. The rebalanced portfolio becomes effective at the close of last trading day of August, November and February each year. This day is called the 'Rebalance 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 Reconstitution Effective Day (or the Rebalance 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 Document'.

## 2. APPENDIX

### 2.1 METHODOLOGY CHANGES

Methodology changes since August 2020 are as follows:

Section	Previous Value	New Value	Effective Date (close)
1.7		The 'Index Calculator' section has been added to the methodology.	July 7, 2020
1.8		The 'Index Publisher' section has been added to the methodology.	July 7, 2020
1.9		The 'Index Editor' section has been added to the methodology.	July 7, 2020
1.1	Indxx Developed Tourism and Leisure Index.	Indxx Tourism and Leisure Index.	August 19, 2020
1.4		The clause "A maximum of 3 companies from the 'Other Consumer Services' industry can be part of the final index", has been added to the Final Composition.	August 22, 2020
1.3		The 'Other Consumer Services' industry has been added to the list of FactSet industries.	August 22, 2020
1.10	<ul style="list-style-type: none"> <li>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 the 'Effective Day.'</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The index follows an annual reconstitution and quarterly rebalancing schedule. The reconstituted portfolio becomes effective at the close of last trading day of May each year. This day is called the 'Reconstitution Effective Day'. The rebalanced portfolio becomes effective at the close of last trading day of August, November and February each year. This day is called the 'Rebalance Effective Day.'</li> <li>Weights are calculated at the close of the seventh trading day prior (six trading day prior) to the Reconstitution Effective Day (or the Rebalance Effective Day). Index shares are frozen using weights as of this day.</li> </ul>	June 28, 2021



### 3. DISCLAIMER

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