

## Announcement

### Methodology change of the Indxx USA Cloud Computing Index

**New York – July 30, 2021** - Effective July 30, 2021 the following are the changes in the methodology of the Indxx USA Cloud Computing Index:

- Initial Universe (Section 1.2.1)

Below is the amended methodology which will be effective from July 30, 2021.

July 2021

# INDXX USA CLOUD COMPUTING INDEX METHODOLOGY

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# 1. INDXX USA CLOUD COMPUTING INDEX

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## 1.1 INDEX DESCRIPTION

The Indxx USA Cloud Computing Index is designed to track the performance of companies that are delivering cloud computing infrastructure, platforms and services. These companies allow dynamic scaling by offering on-demand computing services such as servers, storage, network, and operating systems over the internet.

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

The index is currently available in the following versions:

For financial products tracking the index in the United States, the relevant tickers are as follows:

- Net Total Return (Bloomberg Ticker: IUCLOUN)
- Price Return (Bloomberg Ticker: IUCLoup)

For financial products tracking the index outside of the United States, the relevant ticker is:

- Net Total Return (Bloomberg Ticker: MTFFCUNT)

## 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 on US stock exchanges.
- Not have their domicile in the following countries: Australia, Brazil, Chile, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, New Zealand, Peru, Philippines, Poland, Qatar, Russian Federation, South Africa, South Korea, Taiwan, Thailand, Turkey, and United Arab Emirates.
- Have a minimum total market capitalization of \$500 million.
- Have a 6-month average daily turnover greater than or equal to \$2 million.
- 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 would remain in the initial universe irrespective of the stock price.

### 1.2.4 Security Type

The following security types are eligible for inclusion:

- Common Stock
- ADR

### 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 cloud computing as being comprised of the following sub-themes:

Infrastructure as a service	Companies that provide virtualized computing resources over the internet & the companies that host the infrastructure components. These services include shared resources like shared storage, shared servers, storage pool etc.
Platform as a service	Companies that provide hardware & software tools which are needed for the application development to users over the internet. The companies can build & supplies a resilient & optimized environment on which users can install applications & data sets.
Software as a service	Companies that are involved in licensing & delivering of software and distribution model that delivers software applications over the internet. These applications are often called as web services.

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

Computer Communications	Computer Processing Hardware	Data Processing Services
Electronic Components	Electronic Equipment/Instruments	Electronics Distributors
Financial Publishing/Services	Information Technology Services	Internet Software/Services
Packaged Software	Recreational Products	

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

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:

- All the 'pure-play' companies will form the final index.

## 1.5 WEIGHTING

The index is weighted as follows:

- Components are weighted based on their security-level free float market capitalization.
- A single security cap of 5% 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 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 the index is Solactive AG.

## 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 rebalancing schedule. The new portfolio becomes effective at the close of last trading day of March each year. This day is called the 'Effective Day.'
- The security selection and portfolio creation process start on the close of Seventeenth trading day prior (sixteen trading days prior) to 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 sixth trading day prior (five 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 October 2020 are as follows:

Section	Previous Value	New Value	Effective Date (close)
1.1	The Indxx USA Cloud Computing Index is designed to track the performance of companies that are actively trading in the cloud computing industry.	The Indxx USA Cloud Computing Index is designed to track the performance of companies that are delivering cloud computing infrastructure, platforms and services. These companies allow dynamic scaling by offering on-demand computing services such as servers, storage, network, and operating systems over the internet.	Oct 06, 2020
1.1	<p>The index is currently available in the following versions:</p> <ul style="list-style-type: none"> <li>Net Total Return (Bloomberg Ticker: MTFCCUNT)</li> </ul>	<p>The index is currently available in the following versions:</p> <p>For financial products tracking the index in the United States, the relevant tickers are as follows:</p> <ul style="list-style-type: none"> <li>Net Total Return (Bloomberg Ticker: IUCLOUN)</li> <li>Price Return (Bloomberg Ticker: IUCLoup)</li> </ul> <p>For financial products tracking the index outside of the United States, the relevant ticker is:</p> <ul style="list-style-type: none"> <li>Net Total Return (Bloomberg Ticker: MTFFCUNT)</li> </ul>	Jan 06, 2021
1.2.1		<ul style="list-style-type: none"> <li>Not have their domicile in the following countries: Australia, Brazil, Chile, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, New Zealand, Peru, Philippines, Poland, Qatar, Russian Federation, South Africa, South Korea, Taiwan, Thailand, Turkey and United Arab Emirates.</li> </ul>	July 30, 2021

### 3. DISCLAIMER

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