

## Announcement

### Methodology change of the Indxx US Clean Energy Tech Index

**New York – May 05, 2021** – Effective May 05, 2021 the following are the changes in the methodology of Indxx US Clean Energy Tech Index:

- Weighting (Section 1.5)

Below is the amended methodology which will be effective from May 05, 2021.

May 2021

# INDXX US CLEAN ENERGY TECH INDEX METHODOLOGY

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# 1. INDXX US CLEAN ENERGY TECH INDEX

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## 1.1 INDEX DESCRIPTION

The Indxx US Clean Energy Tech Index seeks to accurately and comprehensively measure the performance of companies that provide goods and/or services towards clean energy and related technologies that enable clean and/or low-carbon emissions.

The index has a base date of March 31, 2016 with an initial value of 1,000.

The index is currently available in the following version:

- Price Return
- Total Return
- 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 is in United States.
- A minimum total market capitalization of \$150 million.
- A 6-month average daily turnover greater than or equal to \$1 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 Series. 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

### 1.2.5 Share Classes

- The existing share class/listing in the portfolio is retained if it satisfies all the eligibility criteria of the portfolio.
- The most liquid share class/listing is considered for inclusion.

### 1.3 SECURITY SELECTION PROCESS

Based on extensive research, Indxx has defined US Clean Energy Tech as being comprised of the following sub-themes:

Sub-Theme	Description
Renewable Energy	Companies that are involved in producing, distributing or providing infrastructure required for the generation of solar power, geothermal power, hydro power, wind power, etc.
Advanced Components	This category includes companies that develop electric components and materials aimed to provide efficient energy solutions. Materials such as silicon, lithium, superconductors, and LED.
Smart Energy	Companies that are involved in providing an electric powered grid system that can intelligently integrate the actions of all connected users ranging from power generators to electricity consumers to those that both produce and consume electricity to efficiently deliver sustainable, economic, and secure electricity supplies. It also includes smart meters, energy management systems and smart grid.
Storage Cells/Batteries	Companies that are dealing in the production and distribution of advanced batteries, lithium-ion batteries and/or fuel cells for stationary, portable, and transportation applications.
Energy Conscious	Companies that offer technology, solutions and processes that enable clean-energy and low-carbon emissions. This also includes companies that offer solutions/components for power controls, switching, and conversion.
Smart Vehicle	Companies that manufacture and sell electric vehicles, hybrid drivetrains and hydrogen/fuel cell vehicles. Includes companies that provide electric charging infrastructure and parts for electric vehicles.

Companies involved in business activities associated with these sub-themes will be eligible for inclusion. Eligible companies deriving a minimum of 50% of their total revenue from these sub-themes will form the selection list.

The sub-themes identified through this research-based approach are subject to change at the time of the reconstitution.

### 1.4 FINAL COMPOSITION

From the selection list:

- Top 50 'Pure-Play' companies by largest market capitalization will form the final index.
- If fewer than 50 companies qualify inclusion in the index, all of the qualifying 'Pure-Play' companies will comprise the index.

### 1.5 WEIGHTING

The index is weighted as follows:

- Components are assigned Equal Weights.
- The weight of each security should not exceed 25%.

## 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 within the extent of a 20% deviation from the previously defined market capitalization limits. To illustrate, if an existing index member qualifies all other selection criteria but doesn't qualify the market capitalization criteria, it will be retained in the new index member list as long as its market capitalization is greater than or equal to 80% of the minimum market capitalization requirement, or lesser than or equal to 120% of the maximum market capitalization requirement wherever applicable.

### 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 RECONSTITUTION AND REBALANCING RULES

- The index follows a semi-annual reconstitution and quarterly rebalancing schedule. The reconstituted portfolio becomes effective at the close of last trading day of March and September each year. This day is called the 'Reconstitution Effective Day'. The rebalanced portfolio becomes effective at the close of last trading day of June and December 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 days prior) to the Reconstitution Effective Day (or the Rebalance 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

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### 2.1 METHODOLOGY CHANGES

Methodology changes since May 2021 are as follows:

Section	Previous Value	New Value	Effective Date
1.5	<ul style="list-style-type: none"><li>All components are equally weighted.</li></ul>	<ul style="list-style-type: none"><li>All components are equally weighted.</li><li>The weight of each security should not exceed 25%.</li></ul>	May 05, 2021

### 3 DISCLAIMER

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