

Announcement

Methodology change of the Indxx US Infrastructure Index

New York – May 25, 2021 - Effective May 25, 2021 the following are the changes in the methodology of the Indxx US Infrastructure Index:

- Index Editor (Section 1.9)
- Index Committee Policy (Section 1.10)

Below is the amended methodology which will be effective from May 25, 2021.

May 2021

INDXX US INFRASTRUCTURE INDEX METHODOLOGY

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1. INDXX US INFRASTRUCTURE INDEX

1.1 INDEX DESCRIPTION

The Indxx US Infrastructure Index is designed to track the performance of US listed companies that are involved in the provision of infrastructure through engineering, design, maintenance and construction of infrastructure projects.

The index has a base date of January 29, 2016 with an initial value of 1,000.

The index is currently available in the following versions:

- NTR

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 the United States.
- A minimum total market capitalization of \$300 million.
- A 6-month average daily turnover greater than or equal to \$1 million.
- 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 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 index.
- The most liquid share class/ listing is considered for inclusion.

1.3 SECURITY SELECTION PROCESS

Based on extensive research, Indxx has defined Infrastructure as being comprised of the following sub-themes:

Table 1: Description of sub-themes

Sub-Theme	Description
<p align="center">Construction & Engineering Services</p>	<p>Companies that provide engineering, design, maintenance and construction services for large-scale infrastructure projects such as energy generation/distribution (thermal/hydro/geothermal/tidal power plant, wind/solar farm, grids, substations, switchyards), water (supply and treatment system), sewage/waste management infrastructure, transportation infrastructures (roads, highways, bridges, tunnels, rail), airports and seaports. Companies that are involved in installation, maintenance and provision of telecommunication satellite, internet connectivity setup, cell towers, data centers, broadband access setup come under this subtheme.</p> <p>Companies that manufacture large commercial airplanes, trains and ships will also be considered.</p>
<p align="center">Industrial Transportation</p>	<p>Companies that are involved in freight and cargo by truck, train, ship, aircraft etc. are considered under this subtheme.</p>

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:

- The top 100 securities by largest total market capitalization will form the portfolio.
- In case there are fewer than 100 securities in the selection list, all the securities will form the portfolio.

1.5 WEIGHTING

- Constituents 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 an annual reconstitution and rebalancing schedule. The reconstituted portfolio becomes effective at the close of last trading day of January each year. This day is called the 'Reconstitution 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 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'.

1.9 INDEX EDITOR

The index is edited by Indxx.

1.10 INDEX COMMITTEE POLICY

The Index Committee is responsible for setting policy, determining index composition, and administering the indices in accordance with the Indxx index methodology. The Index Committee reserves the right to use qualitative judgment to include, exclude, adjust, or postpone the inclusion of a stock. Continued index membership of a constituent is not necessarily subject to the guidelines provided in each of the Indxx index methodology. A stock may be considered for exclusion by the Index Committee on the basis of corporate governance, accounting policies, lack of transparency and lack of representation, despite meeting all the criteria provided in each of the Indxx index methodology.

2. APPENDIX

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"> All components are equally weighted. 	<ul style="list-style-type: none"> All components are equally weighted. The weight of each security should not exceed 25%. 	May 05, 2021
1.9		The 'Index Editor' section has been added to the methodology.	May 25, 2021
1.10		The 'Index Committee Policy' section has been added to the methodology.	May 25, 2021

3 DISCLAIMER

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