

## Announcement

### Methodology change of the Indxx US Vegan Index

**New York – March 02, 2022** – Effective March 02, 2022 the following are the changes in the methodology of the Indxx US Vegan Index:

- Security Selection Process (Section 1.3)

Below is the amended methodology which will be effective from March 02, 2022.

March 2022

# INDXX US VEGAN INDEX METHODOLOGY

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# 1. INDXX US VEGAN INDEX

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## 1.1 INDEX DESCRIPTION

The Indxx US Vegan Index is designed to track the performance of companies that provide exposure to companies focusing on vegan products.

The index is derived from 'Indxx Vegan Index'. The sections, 1.2 and 1.3, correspond to the Indxx Vegan Index.

The index has a base date of March 30, 2018 with an initial value of 1,000.

The index is currently available in the following versions:

- 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 primary listing in a Developed Market and Emerging Market as defined by Indxx in its 'Country Classification and Investability Requirements' document.
- A minimum market capitalization of \$500 million.
- A 6-month average daily turnover greater than or equal to \$1 million for emerging markets and greater than or equal to \$2 million for developed markets.
- 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

### 1.2.5 Share Classes

If multiple share classes exist for a company, then the most liquid share class is considered for inclusion in the portfolio.

## 1.3 SECURITY SELECTION PROCESS

The security selection process begins with companies in the following FactSet Industries:

Household/Personal Care	Agricultural Commodities/Milling
Restaurants	Food: Major Diversified
Biotechnology	Internet Retail
Food: Specialty/Candy	Food: Meat/Fish/Dairy
Beverages: Non-Alcoholic	Food Distributors
Pharmaceuticals: Other	

The top ten companies by 6-month average daily turnover from each FactSet Industry are researched to determine their eligibility for inclusion in the index. A company that has any business related to products and services focused on vegan concept is considered eligible.

## 1.4 FINAL COMPOSITION

From the Selection List:

- The securities in the final composition of the Indxx Vegan Index and listed on the US Stock Exchanges, will form the final index.

## 1.5 WEIGHTING

The index is weighted as follows:

- The index is equally weighted at the time of reconstitution and rebalancing.

## 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.

### 1.6.1 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 RECONSTITUTION AND REBALANCING RULES

- The index follows a semi-annual reconstitution and rebalancing schedule. The new portfolio becomes effective at the close of last trading day of March and September each year. This day is called the '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 six trading days prior to the Effective Day. Index Shares are frozen using weights as of this day.

## 1.8 CORPORATE ACTIONS

Indxx standard Corporate Actions for equal capitalization weighted indices apply. 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 March 2022 are as follows:

Section	Previous Value	New Value	Effective Date (close)
1.3		New Industry Added- Pharmaceuticals: Other	March 02, 2022

### 3. DISCLAIMER

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