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GLOBAL X METaverse INDEX METHODOLOGY

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1. GLOBAL X METAVERSE INDEX

1.1 INDEX DESCRIPTION

The Global X Metaverse Index is intended to delineate the performance of exchange listed companies that have business operations in the provision of metaverse technologies.

The index is currently available in the following versions:

- Total Return (Bloomberg Ticker: IVRT)
- Price Return (Bloomberg Ticker: IVRP)
- Net Total Return (Bloomberg Ticker: IVR)

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 Developed and Emerging Markets according to the Indxx Country Classification and Investability Requirements document, excluding India and Russia.
- A minimum total market capitalization of \$200 million.
- A 6-month average daily turnover greater than or equal to \$2 million
 - In case of a Significant IPO, a security must have an average daily turnover greater than or equal to \$2 million since the IPO launch date.
- Traded for at least 90% of the total trading days for the last 6 months in its respective stock exchange.
 - In case a security does not have a trading history of 6 months (only IPOs), to be considered for inclusion, in case of Significant IPOs, the IPO must have been listed at least 10 calendar days prior to the 'Selection Date', and in the case of other IPOs, 3 calendar months prior to the 'Selection Day'.
 - Additionally, unless the security is a Significant IPO, the security must have traded on 90% of the eligible trading days for the 3 months preceding the 'Selection Day' (this requirement shall not apply to Significant IPOs).
 - An IPO is considered to be a "Significant IPO" if its company level total market capitalization is greater than the company level total market capitalization of at least 50% of the on-going index constituents as of previous 'Reconstitution Selection Day'.

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
- GDR
- DR

1.2.5 Share Classes

If multiple share classes exist for a company, the following preference order is followed:

- 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

An extensive research is undertaken with a focus on identifying the sub-themes that are most reflective of the Metaverse theme. The identified sub-themes are described as follows:

Table 1: Description of sub-themes

Sub-Theme	Description
Augmented/Virtual/Mixed Reality and Spatial Computing	Companies involved in the development of hardware and software that allow users to experience or interact with extended digital realities, including fully immersive simulated virtual experience (“Virtual Reality”), real-world environments that are enhanced by computer generated information (“Augmented Reality”), and hybridized displays that represent both physical and virtual worlds, providing users the ability to experience and interact with both simultaneously (“Mixed Reality”). Such technologies can simulate or relay visual, audio, haptic, or movement-driven information, among others.
Creator Platforms	Companies involved in the development of immersive digital platforms that enable users to create, share, and consume content and digital goods, including social networking, online video games/video game engines and esports, live streaming, digital live events, and other media content in three dimensional simulations, environments or worlds.
Creator Economy	Companies involved in the development of infrastructure and applications that involve digital payment services for the metaverse, including cryptocurrency payments, blockchain technologies, decentralized finance solutions, the creation and distribution of Non-Fungible Tokens (“NFTs”), and digital asset payment gateways.
Digital Infrastructure/Hardware	Companies that produce semiconductors, cloud computing technology (including edge computing and cloud computing security), and 5G infrastructure that are utilized for digital media consumption and/or in the development and maintenance of metaverse and related devices.

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

Companies involved in business activities associated with these sub-themes are further classified into the below categories:

- Pure Play Metaverse Leaders - Companies that derive greater than or equal to 50% of revenues from the sub-themes listed above.
- Pre-Revenue Metaverse Leaders - Companies that have primary business operations in the sub-themes listed above but do not currently generate revenues.
- Diversified Metaverse Leaders - Companies that derive greater than 0% but less than 50% of revenues from the sub-themes listed above.

1.4 FINAL COMPOSITION

- All Pure-Play and Pre-Revenue Metaverse Leaders together are ranked by total market capitalization.
- All Diversified Metaverse Leaders are ranked by market capitalization.
- All eligible Pure-Play and Pre-Revenue Metaverse Leaders are included as index components, up to a limit of 30 index components.
- All eligible Diversified Metaverse Leaders are included as index components, up to a limit of 10 index components.
- If fewer than 40 companies qualify for inclusion in the Index, then all the constituents will be included as index components, subject to the above limits.

1.5 WEIGHTING

- Index components are weighted according to their security-level market capitalization, subject to the following constraints:
 - The maximum weight of an index component is 6%
 - The minimum weight of an index component is 0.30%.
 - The aggregate weight of the index components weighted above 4.5% is capped at 40%. The remaining index components are capped at 4.5%.
 - The aggregate weight of Pre-Revenue and Diversified Metaverse leaders cannot exceed 15% of the index weight, and the maximum weight of a Pre-Revenue or Diversified Metaverse Leader is 4%.

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 investible universe.

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 rebalancing schedule. The reconstituted portfolio becomes effective at the close of last trading day of May and November. 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 each Reconstitution Effective Day, called the 'Selection Day.' The selection list is created based on the data as of each Selection Day.
- Weights are calculated at the close of the Seventh trading day prior to the Reconstitution Effective Day. Index Shares are frozen using weights as of this day.

1.8 SEMI ANNUAL REVIEW

- The index follows a semi-annual review of the aggregate weight of Diversified Metaverse Leaders. The aggregate weight of Diversified Metaverse Leaders is reviewed 10 trading days prior to the last trading days of February and August (the "Review Effective Day").
- If the Index Administrator determines that the aggregate index weight of Diversified Metaverse Leaders is greater than 20%, the aggregate index weight of the Diversified Metaverse Leaders is capped at 18%.
- Here, the excess weight is redistributed proportionally from Diversified Metaverse Leaders exceeding an index weight of 0.3%. If these companies would drop below an index weight of 0.3% in the redistribution, they are floored at 0.3%.
- If the aggregate index weight of Pure Play and Pre-Revenue Metaverse Leaders weighted above 4.5% is below 40%, the excess weight is redistributed proportionally to the Pure Play and Pre-Revenue Metaverse Leaders that are weighted below 6% up to a maximum of 6% for each company. Here, the final aggregate weight of the Pure Play and Pre-Revenue Metaverse Leaders weighted above 4.5% is capped at 40%. The remaining companies are capped at 4.5%.
- If the aggregate weight of Pure Play and Pre-Revenue Metaverse Leaders weighted above 4.5% is above 40%, the excess weight is redistributed proportionally to the Pure Play and Pre-Revenue Metaverse Leaders that are weighted below 4.5% up to a maximum of 4.5% for each company.
- If a reweighting is necessary, weights are calculated at the close of the seventh trading day prior to the Review Effective Day. Index Shares are frozen using weights as of this day

1.9 INDEX COMMITTEE POLICY

The Index Committee is responsible for setting policy, determining index composition, and administering the index in accordance with the 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 the 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 the index methodology

1.10 CORPORATE ACTIONS

The corporate action guidebook is present in the Announcements section of the Indxx website, under 'Index Documents'.