

## **Indxx**

### **Country Classification and Investability Requirements**

**April 2022**

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# Country Classification

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## Introduction

Indxx has classified countries into three broad geographic regions, as detailed below:

1. Developed Markets
2. Emerging Markets
3. Frontier Markets

Developed Markets	Emerging Markets	Frontier Markets
<b>Americas</b> United States Canada	<b>Americas</b> Brazil Chile Colombia Mexico Peru	<b>Americas</b> Argentina Jamaica Trinidad & Tobago
<b>Asia Pacific</b> Australia Hong Kong Japan New Zealand Singapore South Korea Taiwan	<b>Asia Pacific</b> China India Indonesia Malaysia Philippines Thailand	<b>Asia Pacific</b> Bangladesh Sri Lanka Vietnam
<b>Europe &amp; Middle East</b> Austria Belgium Denmark Finland France Germany Ireland Israel Italy Luxembourg Netherlands Norway Portugal Spain Sweden Switzerland United Kingdom	<b>Europe &amp; Middle East &amp; Africa</b> Czech Republic Egypt Greece Hungary Poland Qatar South Africa Turkey United Arab Emirates	<b>Europe &amp; Middle East &amp; Africa</b> Bosnia Herzegovina Bulgaria Croatia Estonia Lithuania Kazakhstan Romania Serbia Slovenia Ukraine Botswana Ghana Kenya Mauritius Morocco Nigeria Tunisia Zimbabwe Bahrain Jordan Kuwait Lebanon

The country classification list is reviewed annually by the Index Committee in May each year.

Countries may be added to or deleted from each market on the basis of certain qualitative and quantitative factors.

## Indxx Regional Indices

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**Indxx Global Indices:** Indxx Global Indices are designed to track the performance of securities that have a listing in Developed and Emerging Markets, as defined by Indxx.

**Indxx Developed Market Indices:** Indxx Developed Market Indices are designed to track the performance of securities that have a listing in Developed Markets as defined by Indxx.

**Indxx Emerging Market Indices:** Indxx Emerging Market Indices are designed to track the performance of securities that have a listing in Emerging Markets as defined by Indxx.

**Indxx Frontier Market Indices:** The Indxx Frontier Market Indices are designed to track the performance of the securities that have a listing in Frontier Markets as defined by Indxx.

## Market Cap Classification

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Developed Markets		Emerging Markets		Frontier Markets	
Large cap	>= US\$10 bn	Large cap	>= US\$8 bn	Large cap	>= US\$5 bn
Mid cap	US\$2 bn to < US\$10 bn	Mid cap	US\$2 bn to < US\$8 bn	Mid cap	US\$1 bn to < US\$5 bn
Small cap	US\$500 mn to < US\$2 bn	Small cap	US\$500 mn to < US\$2 bn	Small cap	US\$100 mn to < US\$1 bn

## Liquidity Criteria

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**Developed Markets:** Minimum average daily turnover for the last 6 months should be greater than or equal to US\$ 2 mn.

**Emerging Markets:** Minimum average daily turnover for the last 6 months should be greater than or equal to US\$ 1 mn.

**Frontier Markets:** Minimum average daily turnover for the last 6 months should be greater than or equal to US\$ 0.50 mn.

## Markets and Countries under Review

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China A-Shares inclusion in an Index is subject to eligibility criteria explicitly mentioned in the methodology. The China A-share market will be reviewed for possible inclusion by the Index Committee at the next annual review.

## **Sanctions**

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External events such as trading sanctions on certain companies or securities, exchanges or countries may make it difficult or impossible for investors to access certain index constituents. Indxx will review the sanctions on case-by-case basis and, after comprehensive analysis, Indxx will take necessary measures keeping in mind the best interest of an index. Based on the type of sanctions, Indxx may delete specific securities from live indexes or block securities from possible inclusion in an index. In all cases, Indxx will make a public announcement about the new sanctions and treatment being done.

Companies/securities excluded or not considered in index constituents can be considered for inclusion in subsequent reconstitutions once respective sanctions are removed provided the security is traded for at-least 6 months after lifting the sanctions.