



Creating value, more than Indices

# KRX<sup>®</sup> Indices

Investment

Growth

Innovation

Global



## NOTICE

All indices of the Korea Exchange are registered and protected under the national and international intellectual property rights. It should be noted that the use and distribution of KRX indices and KRX trademarks without the proper license is illegal. The companies wishing to issue financial instruments, of which the underlying assets are KRX indices, have to enter into an index license agreement with the KRX. Under the license agreement, the KRX grants the licensee the privilege to use the indices commercially or non-commercially

KRX assumes no responsibility for the accuracy or completeness of the data and disclaims all expressed or implied warranties in connection therewith.

KRX, as an index provider, is currently calculating index family over 133 equity and derivatives indices.

KRX published the first stock price index using price-weighted method on January 4, 1964. In 1983, reflecting the international trends, KRX Stock Market Division introduced a new market capitalization based index, KOSPI, which is still in use today. Best known for Korean blue chip index KOSPI 200, KRX maintains and calculates various index families which consist of not only Equity indices but also Thematic, Derivatives, Strategy and Fixed income indices.

KRX will further strengthen its presence in overseas markets by collaborating with S&P DJI.

## Index Directory

Equity	KRX Series	<b>Blue-chip</b> KRX 100, KRX sector* indices <small>* Autos / Semicon / Health Care / Banks / IT / Energy &amp; Chemicals / Steels / Consumer Staples / Media &amp; Telecom / Financials ex Bank / Constructions / Securities / Shipbuilding / Insurance / Transportation / Retail / Leisure</small>
	KOSPI Series	<b>Blue-chip</b> KOSPI 200, KOSPI 100, KOSPI 50, KOSPI 200 Sector* <b>Market</b> KOSPI, KOSPI Large/Mid/SmallCap, KOSPI Industry Group <small>* Constructions &amp; Machinery / Shipbuilding &amp; Transportation / Steels &amp; Materials / Energy &amp; Chemicals / IT / Financials / Consumer Staples / Consumer Discretionary</small>
	KOSDAQ Series	<b>Blue-chip</b> KOSDAQ Premier, KOSTAR <b>Market</b> KOSDAQ, KOSDAQ Large/Mid/SmallCap, Industry Group KOSDAQ Section(Prime / Venture / Standard / Growth)
	Thematics	KODI, KRX SRI, KRX SRI Eco, KRX SRI Governance, KRX Green
	Global	S&P / KRX Asia 100, S&P / KRX Exchanges
Derivatives	Futures	F-KOSPI 200, F-USDKRW, F-KTB, F-LKTB
	Options	V-KOSPI 200, C-KOSPI 200, P-KOSPI 200
Strategy	Equal Weighted	KRX 100 / KOSPI 200 / KOSPI 100 / KOSPI 50 Equal weighted
	Inverse/Leverage	F-KOSPI 200 / F-USDKRW / F-KTB / F-LKTB Inverse, KOSPI 200 Leverage
	Risk Control	KOSPI 200 Risk Control 6% / 8% / 10% / 12%
	Multi Asset	S&P / KRX Balanced Equity and Gold, KOSPI 200 DAE, KRX Balanced
	Smart Beta	KOSPI 200 Low Volatility High Dividend, KOSPI 200 Low Volatility
Fixed income		KRX-Korea Treasury Bond / KRX Bond / KTB Prime Series

## Korea Stock Market

### KOSPI market

Market for leading large-sized businesses

### KOSDAQ market

Market for venture, small and medium-sized businesses & IT industry

KOSPI Series

KRX Series

KOSDAQ Series

# Brief Descriptions

## Index Description

<b>KRX 100</b>	consists of the 100 blue chip stocks representing both KOSPI Market and KOSDAQ Market
<b>KRX Sector Indices</b>	designed to represent the leading companies in each of 17 sectors covering both KOSPI Market and KOSDAQ Market
<b>KOSPI</b>	based on all common stocks on KOSPI Market except preferred / foreign / convertible stocks, mutual funds and warrants
<b>KOSPI 200</b>	consists of the 200 blue chip stocks on KOSPI Market. KOSPI 200 has been used as the underlying index for KOSPI 200 futures and options, which have explosively grown into an internationally sought after investment vehicles, as well as a benchmark index for ETFs, index funds
<b>KOSPI 100 (50)</b>	consists of constituents that rank in the top 100(50) of KOSPI 200 in terms of market capitalization
<b>KOSPI 200 Sector</b>	As KOSPI 200 sub-indices are divided by industry sector group, 8 sector indices are calculated
<b>KOSPI LargeCap/MidCap/SmallCap</b>	As KOSPI sub-indices grouped by the size of market capitalization, the top 100 stocks are classified as "LargeCap", 101 to 300 are classified as "MidCap", and the rest are classified as "SmallCap"
<b>KOSPI Industry Group</b>	As KOSPI sub-indices divided by industry group, 22 indices are calculated
<b>KOSDAQ Composite</b>	market cap weighted index for KOSDAQ Market. KOSDAQ plays an important role both as a general indicator of price fluctuations in KOSDAQ Market and as a nation's economic indicator
<b>KOSDAQ Premier</b>	the main investable index on KOSDAQ Market. KOSDAQ consists of the 100 blue chip stocks selected by considering the market representation, financial soundness and administrative excellence
<b>KOSTAR</b>	consists of the 30 blue chip stocks on KOSDAQ Market and has been used as the underlying for KOSTAR futures
<b>KOSDAQ LargeCap/MidCap/SmallCap</b>	As KOSDAQ sub-indices grouped by the size of market capitalization, the top 100 stocks are classified as "LargeCap", 101 to 400 are classified as "MidCap", and the rest are classified as "SmallCap"
<b>KOSDAQ Industry Group</b>	As KOSDAQ sub-indices divided by industry group, 34 indices are calculated
<b>KOSDAQ Section</b>	consist all stocks on KOSDAQ Section(Prime Business / Venture Business / Standard Business / Growth Business Section)
<b>KODI</b>	consists of 50 stocks with highest score for dividend yield, dividend propensity and dividend reliability
<b>KRX SRI</b>	consists of 70 stocks selected by considering social & environmental responsibility and corporate governance
<b>KRX SRI Eco</b>	consists of 30 stocks selected by considering environmental responsibility which is one of the 3 parts of SRI evaluation
<b>KRX SRI Governance</b>	consists of 30 stocks selected by considering corporate governance responsibility which is one of the 3 parts of SRI evaluation
<b>KRX Green</b>	consists of 20 stocks that are involved in green industry such as green certified business acquired by Korea government
<b>F-KOSPI 200</b>	the index linked with the price movement of the nearest month contract listed on KOSPI 200 Futures Market
<b>F-USDKRW</b>	linked with the price movement of the nearest month contract on the US Dollar Futures Market
<b>F-KTB</b>	linked with the price movement of the nearest month contract listed on the 3-years T-bond Futures Market
<b>F-LKTB</b>	linked with the price movement of the nearest month contract listed on the 10-years T-bond Futures Market
<b>V-KOSPI 200</b>	represents the future (30-day maturity) volatility of KOSPI 200. V-KOSPI 200 is derived from the ATM (at-the-money) and OTM (out-of-the- money) prices of the nearest and second nearest month contract of KOSPI 200 Options by the calculating formula of Fair Variance Swap
<b>KOSPI 200 Leverage</b>	linked with the double-leveraged (x2) return of KOSPI 200, thus is evaluating the return of KOSPI 200 leverage ETF and funds
<b>Equal Weighted</b>	designed to give same weight to all constituents in KRX 100, KOSPI 200/100/50 and the market cap are adjusted quarterly
<b>F-KOSPI 200 Inverse</b>	linked with inverse (x-1) return of F-KOSPI 200, thus is evaluating the return of KOSPI 200 Inverse ETF and funds
<b>F-USDKRW Inverse</b>	linked with inverse (x-1) return of F-USDKRW
<b>F-KTB(LKTB) Inverse</b>	linked with inverse (x-1) return of F-KTB(F-LKTB)
<b>KOSPI 200 Covered Call</b>	linked with a synthetic investment strategy that simultaneously buys KOSPI 200 portfolio and sells KOSPI 200 call options
<b>KOSPI 200 Protective Put</b>	linked with a synthetic investment strategy that simultaneously buys KOSPI 200 portfolio and buys KOSPI 200 put options
<b>S&amp;P/KRX Balanced Equity and Gold</b>	designed to track the return of an investment strategy that combines two different asset classes, equity and gold. It is comprised of a pre-defined weight of equity exposure, as represented by KOSPI 200, and a pre-defined weight of gold exposure, as represented by S&P GSCI Gold Total Return Index
<b>KOSPI 200 Risk Control</b>	Index Series aims to track the return of an investment strategy that applies dynamic exposure to an underlying index in an attempt to control the level of volatility. The exposure to the underlying index is calculated by dividing the target level of volatility by the realized volatility of the underlying index and it ranges from 10% to 100%. The target level of volatility is 6%, 8%, 10% or 12% and the realized volatility is determined by the maximum value of the V-KOSPI 200
<b>S&amp;P/KRX Dynamic Asset Exchange</b>	calculated by KRX and owned jointly by KRX and S&P Dow Jones Indices, is designed to track the return of an investment strategy that combines two different asset classes, Korean equity and U.S. 10 year treasury note
<b>KRX Balanced Index (MOBIX, COBIX)</b>	designed to track the return of an investment strategy that combines two different asset classes, equity and bond. It is comprised of a pre-defined weight of equity exposure, as represented by the KOSPI 200, and a pre-defined weight of gold exposure, as represented by the KRX Korea Treasury Bond Total Return Index
<b>S&amp;P / KRX Asia 100</b>	consists of the 100 stocks that are prominent in 5 Asian countries (Korea, China, Hong Kong, Taiwan and Singapore)
<b>S&amp;P / KRX Exchanges</b>	consists of global exchanges that are publicly traded and meet market capitalization and trading value requirements

Blue-chip Index  
**KOSPI 200 Series**

---

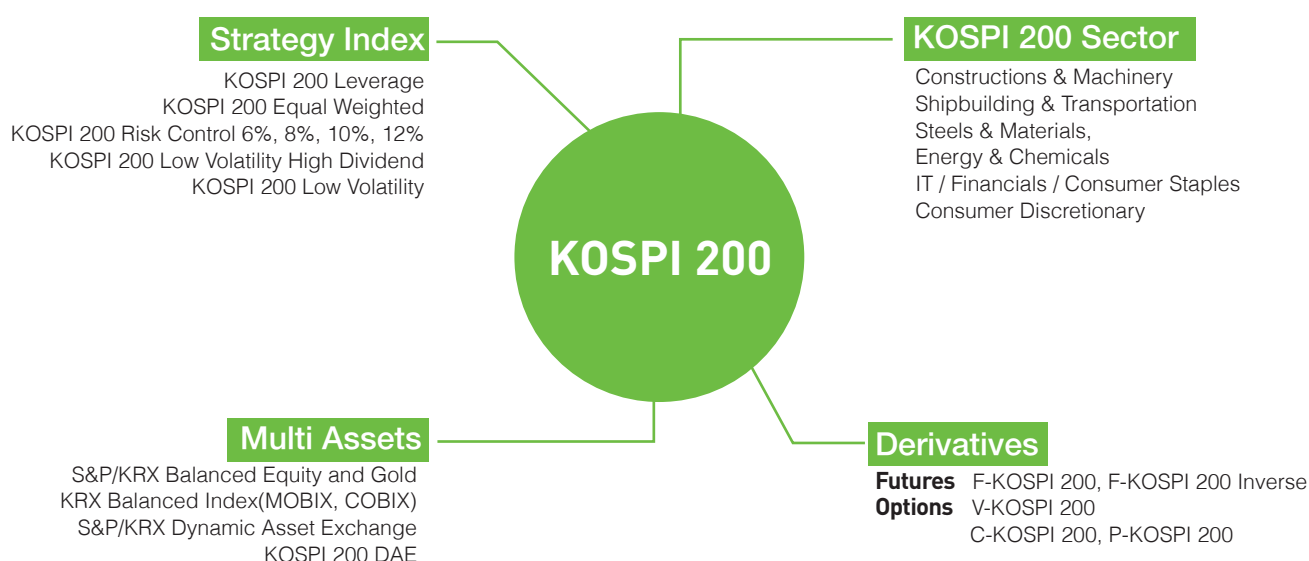


In June 1996, KOSPI 200 was introduced to prepare for the launching of the derivatives market, KOSPI 200 futures and options. KOSPI 200 consists of the 200 blue chip stocks listed on KOSPI market and covers approximately 90% of the market. Since its development, KOSPI 200 has been used as the underlying index for derivatives and benchmark for ETFs and Index Funds.

In order to meet customers needs, KRX has developed and published various kinds of indices based on KOSPI 200 such as KOSPI 200 leverage, F-KOSPI 200, KOSPI 200 Low Volatility High Dividend etc. Total number of indices related to KOSPI 200 reaches 27 and the net asset value of ETFs and Index Funds recorded \$ 16 billion in 2013.

KOSPI 200 has played a pivotal role as the premier gauge of equity market performance in South Korea. With the high liquidity of KOSPI 200 futures and options, KOSPI 200 continues to attract global investors. ETFs that track KOSPI 200 index are listed globally in a variety of exchanges including HKEX, NYSE, JPX and KRX.

## KOSPI 200 Series



## Exchange traded Products based on KOSPI 200 series

### Derivatives in 2013

#### KOSPI 200 Futures

Trading vol.	KRX(regular trading)	186,252
(Daily Average)	CME Globex	16,125
<b>Total</b>		<b>202,407</b>

\* Ranked 10th out of 244 equity index futures in 2013

#### KOSPI 200 Options

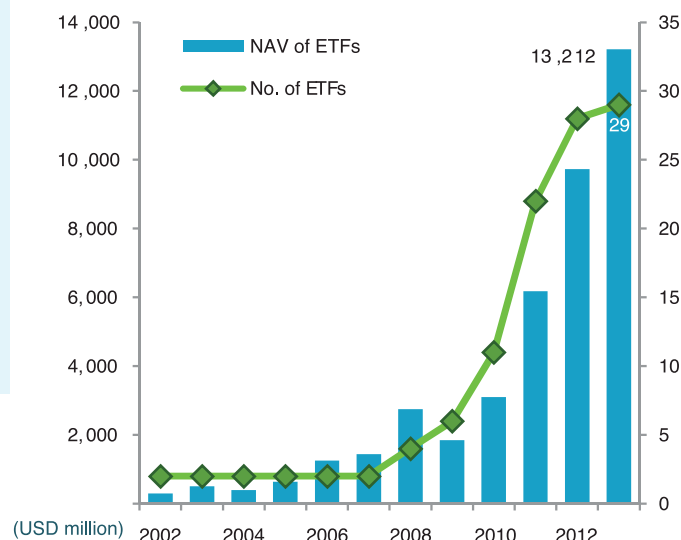
Trading vol.	Call Options	1,232,126
(Daily Average)	Put Options	1,117,916
<b>Total</b>		<b>2,350,042</b>

\* Ranked 2th out of 177 equity index options in 2013

### For Global Investors

CME Globex trading of KOSPI 200 Futures has started in November 16, 2009 and Eurex has listed Daily Futures on KOSPI 200 Options on its platform in August 30, 2010.

### ETFs listed at Korea Exchange



## Key Statistics

### KOSPI 200 Index

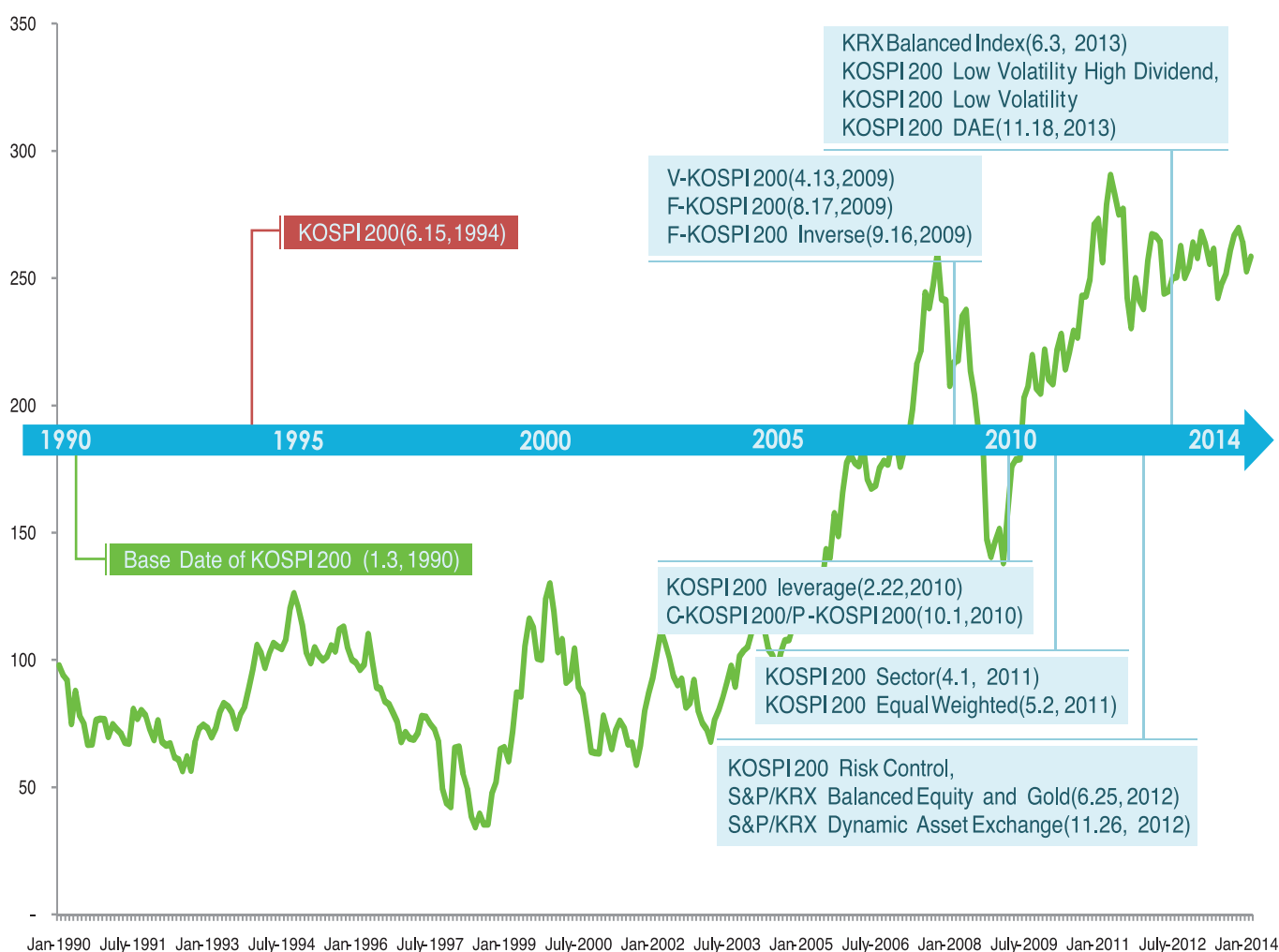
Base Date	January 3, 1990
Date Introduced	June 15, 1994
Base Value	100.00
Number of Companies	200
Adjusted Market Capitalization(USD Million)	653,414
No. of the KOSPI 200 index series	27

### ETFs and Derivatives based on KOSPI 200

Number of KOSPI 200 ETFs	12
Exchange	KRX(8), NYSE(1), HKEx(2), JPX(1)
AUM of ETFs and Index Funds(USD Million)	15,913
Derivatives	(total trading volume in 2013)
KOSPI 200 Futures	49,970,933
KOSPI 200 Options	580,460,364

(As of Dec. 30, 2013, exchange rate : 1,053.50 KRW/USD)

## Chronicle





**KOSPI 200** consists of the 200 blue chip stocks listed on KOSPI Market. The constituents are selected on the basis of such criteria as market capitalization, industry representation and trading value. KOSPI 200 covers approximately 90% of KOSPI Market. Since its development in June 1994, KOSPI 200 has been used as the underlying index for KOSPI 200 Futures and Options, which have explosively grown into an internationally sought after investment vehicles, as well as a benchmark index for ETFs, index funds and equity linked securities.

Recently, KOSPI 200 Futures and Options has been globalized and its trading hours been expanded to attract more foreign investors. For instance, KRX introduced 24-hour trading system for KOSPI 200 Futures and Options in collaboration with CME Group and Eurex respectively.

## **Index Methodology**

### **Index Universe**

All common stocks listed on KOSPI Market are eligible for inclusion in the index. However, preferred shares, foreign stocks, convertible stocks, warrants, mutual funds, real estate investment funds, ship investment funds, administrative issues, issues of disposal sale and issues that have not been listed for more than one year shall be excluded.

### **Criteria for selection of constituents**

#### **Classification of Industry Sector**

The stocks in the index universe are classified into 8 industry sectors. All industries other than manufacturing industry are classified as the non-manufacturing industry group.

Industry sectors : Fisheries, Mining, Electricity&Gas, Construction, Service, Communication, Financial and Manufacturing

The fisheries and mining are excluded because the market capitalization of the sector is less than 1% of the total market capitalization.

#### **Market Capitalization & Industry Representation**

Constituents from the non-manufacturing industry group are firstly selected by ranking annual average daily market capitalization (hereafter referred to as "Market Cap"), while ensuring that the accumulated Market Cap of a stock is at least 70% of the total Market Cap of each industry sector. And then, the rest of constituents are chosen from manufacturing industry sector by ranking of Market Cap.

#### **Market Liquidity**

Among the stocks meeting above criteria, the stocks, of which the ranking of annual average daily trading value (hereafter referred to as "Market Liquidity") is below 85% of each industry sector, are excluded. Instead, the stocks, of which Market Cap is ranked next and Market Liquidity is over 85%, are selected.

### **Re-balancing**

#### **Regular Re-balancing**

The stocks in the index universe are reviewed once a year to ensure that adequate market capitalization and liquidity are maintained. The rebalancing reference date is after the close of the last trading day in April and the change takes effect on the next trading day after the 2nd Thursday of June (the next trading day after the day of June contracts of KOSPI 200 Futures and Options).

#### **Special Change**

Constituent stock is removed when it is judged to be disqualified as a result of being de-listed, designated as administrative issue, merged into another company, etc. Instead, stocks will be selected in ranking order from replacement list by industry sector chosen beforehand during regular rebalancing.

### **Index Calculations**

KOSPI 200 is calculated using a freefloat adjusted market capitalization weighted methodology. A base date is January 3, 1990 with a base index of 100. A real-time index is calculated every 2 second from 9:01 to 15:00 on trading day.

### **Index Committee**

Index Committee, which is composed of professors, asset managers, institutional investors, experts from corporate governance or accounting professions, etc., decides on matters relating to the calculation and management of KOSPI 200.

## Portfolio Characteristics

Number of Companies	200
Adjusted Market Capitalization (USD Million)	
Average	3,267
Largest	143,873
Smallest	77
Median	844
Top 10 Companies Market Cap share	46.26%

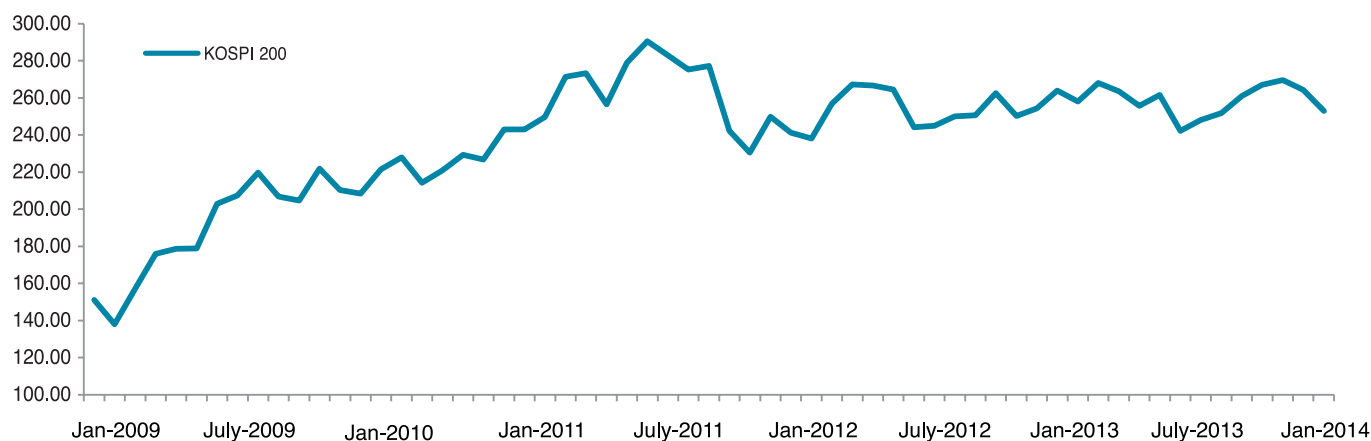
## Index Performance

Returns	3 Months	1.28 %
	6 Months	9.07 %
Annualized Returns	1 year	0.12 %
	5 years	12.54 %
	10 years	9.65 %
Annualized Risk (std dev)	1 year	11.51 %
	5 years	18.51 %
	10 years	20.19 %

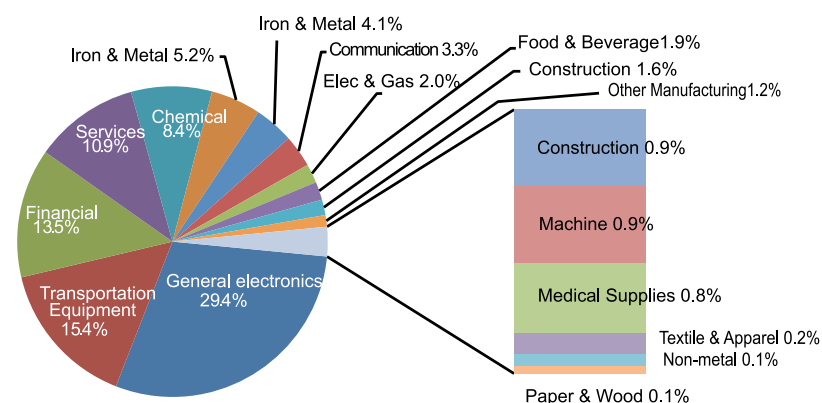
## Top 10 Companies by Weight

Company	Market Cap	Index weight	Free Floats	Industry Group
SamsungElec	143,873.77	22.02%	0.75	Manufacturing
HyundaiMtr	34,614.87	5.30%	0.70	Manufacturing
POSCO	22,967.75	5.30%	0.85	Manufacturing
NAVER	20,387.73	3.12%	0.90	Services
SK hynix	19,846.52	3.12%	0.80	Manufacturing
ShinhanGroup	19,161.53	2.93%	0.90	Financials
Mobis	18,983.67	2.91%	0.70	Manufacturing
KBFinancialGroup	14,719.68	2.25%	0.95	Financials
KiaMtr	14,030.92	2.15%	0.65	Manufacturing
LGCHEM	13,188.16	2.02%	0.70	Manufacturing

## 5 year historical performance



## KOSPI 200 Sector Weights



Sector	Market Cap.(USD Million)
Manufacturing	428,561.35
Financials	88,031.99
Services	86,820.95
Communication	26,522.45
Construction	12,922.01
Elec&Gas	10,555.55

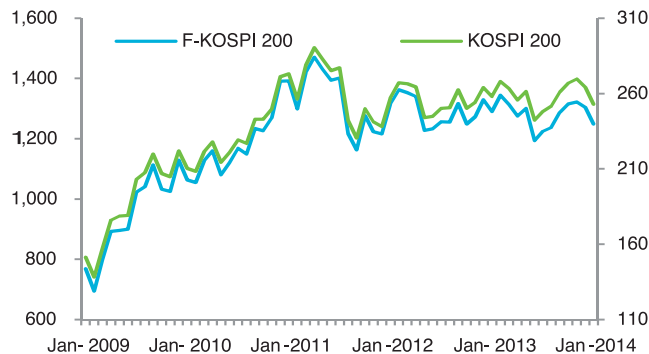
(As of Dec. 30, 2013, exchange rate : 1,053.50 KRW/USD)

## F-KOSPI 200

**F-KOSPI 200** is the index linked with the price movement of the nearest month contract listed on the KOSPI 200 Futures market and is using as the underlying index for the ETFs.

### Index Statistics

Base Date	Jan. 2, 2007
Date introduced	Aug. 17, 2009
Base Value	1,000.00
Returns	3 Months 1.26 %
	6 Months 9.26 %
Annualized Returns	1 year -1.95 %
	3 years -2.15 %
	5 years 10.88 %

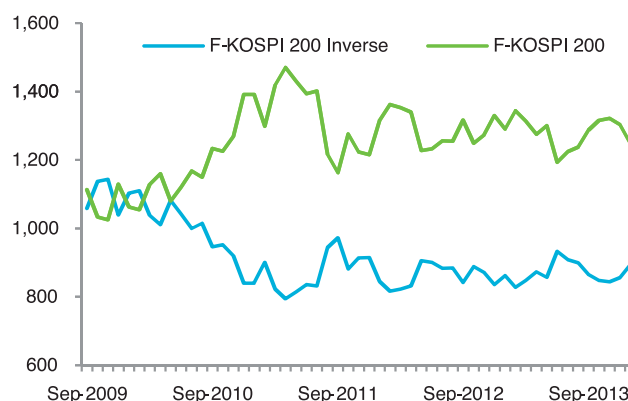


## F-KOSPI 200 Inverse

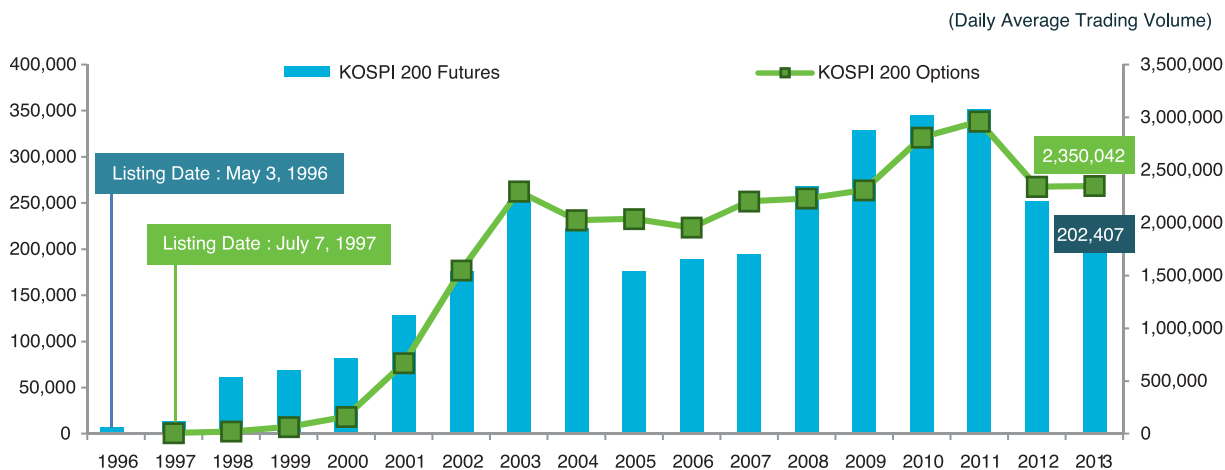
**F-KOSPI 200 Inverse** is linked with inverse (x-1) return of F-KOSPI 200, thus is evaluating the return of KOSPI 200 Inverse ETF and funds.

### Index Statistics

Base Date	Sep. 16, 2009
Date introduced	Sep. 16, 2009
Base Value	1,085.14
Returns	3 Months -1.05%
	6 Months -8.17%
Annualized Returns	1 year 2.47%
	3 years 0.66%



## Trading volume of KOSPI futures and options



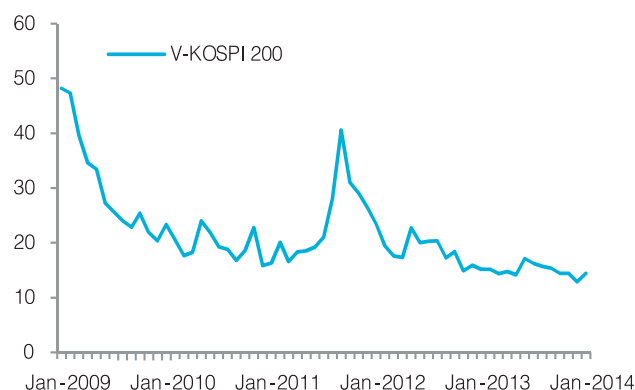
# KOSPI 200 Options series

## V-KOSPI 200

**V-KOSPI 200** (KOSPI 200 Volatility Index) represents the future (30-day maturity) volatility of KOSPI 200. V-KOSPI 200 is derived from the ATM and OTM prices of the nearest and second nearest month contract of KOSPI 200 Options by the calculating formula of Fair Variance Swap.

### Index Statistics

<b>Base Date</b>	Jan. 2, 2003
<b>Date introduced</b>	Apr. 13, 2009
<b>Base Value</b>	35.57
<b>Returns</b>	3 Months - 16.51 %
	6 Months - 24.96 %
<b>Annualized Returns</b>	1 year - 19.19 %
	3 years - 6.74 %
	5 years - 23.14 %

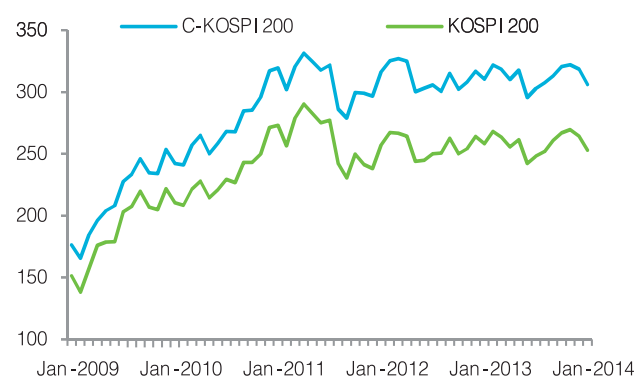


## C-KOSPI 200

**C-KOSPI 200** (KOSPI 200 Covered Call) is linked with a synthetic investment strategy that simultaneously buys KOSPI 200 portfolio and sells KOSPI 200 call options. When KOSPI 200 drops or gradually rises, excess returns are expected.

### Index Statistics

<b>Base Date</b>	Jan. 11, 2007
<b>Date introduced</b>	Oct. 1, 2010
<b>Base Value</b>	176.26
<b>Returns</b>	3 Months 1.78 %
	6 Months 7.82 %
<b>Annualized Returns</b>	1 year 0.57 %
	3 years 0.14 %

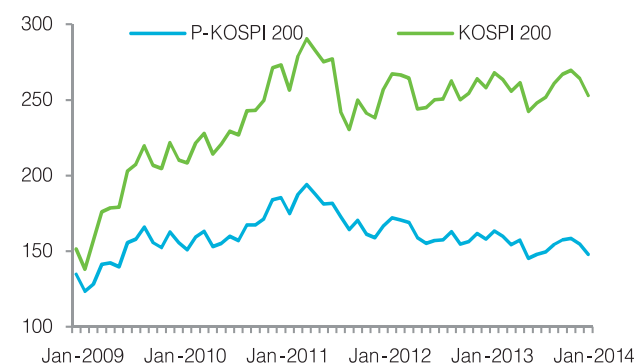


## P-KOSPI 200

**P-KOSPI 200** (KOSPI 200 Protective Put) is linked with a synthetic investment strategy that simultaneously buys KOSPI 200 portfolio and buys KOSPI 200 put options. When KOSPI 200 plunges, loss is limited (excess returns are expected).

### Index Statistics

<b>Base Date</b>	Jan. 11, 2007
<b>Date introduced</b>	Oct. 1, 2010
<b>Base Value</b>	176.26
<b>Returns</b>	3 Months 0.14 %
	6 Months 6.42 %
<b>Annualized Returns</b>	1 year - 4.33 %
	3 years - 5.62 %



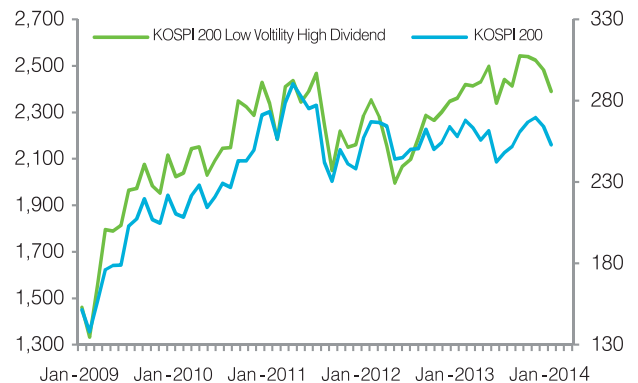
(As of Dec. 30, 2013, exchange rate : 1,053.50 KRW/USD)

## KOSPI 200 Low Volatility High Dividend

**KOSPI 200 Low Volatility High Dividend** index consists of 50 stocks with high dividend and low volatility among constituents of KOSPI 200 index.

### Index Statistics

<b>Base Date</b>	Jan. 3, 2005	
<b>Date introduced</b>	Nov. 18, 2013	
<b>Base Value</b>	1,000.00	
<b>Returns</b>	3 Months	- 2.41 %
	6 Months	6.12 %
<b>Annualized Returns</b>	1 year	5.74 %
	3 years	0.73 %
	5 years	11.77 %



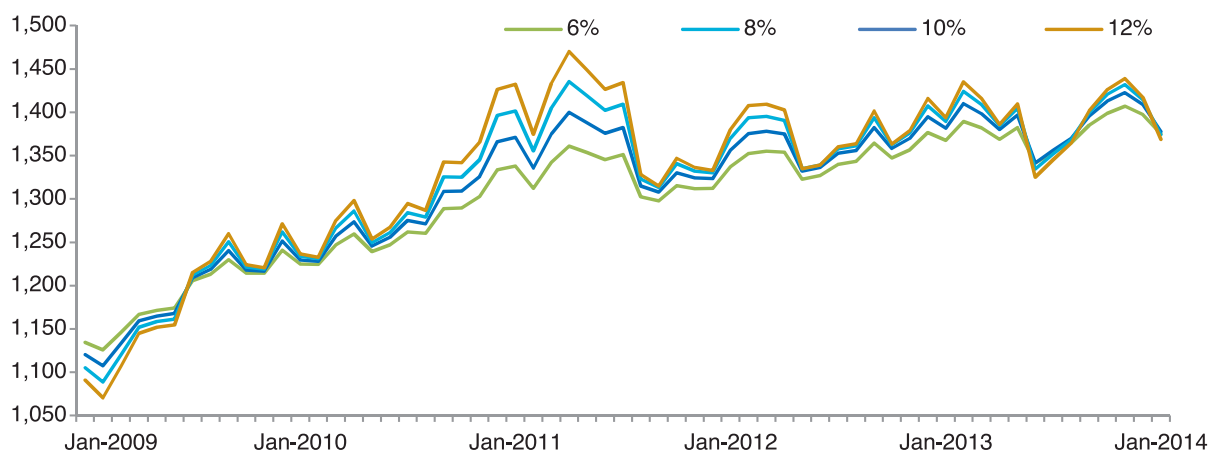
## KOSPI 200 Risk Control

**KOSPI 200 Risk Control** series aims to track the return of an investment strategy that applies dynamic exposure to an underlying index in an attempt to control the level of volatility. The exposure to the underlying index is calculated by dividing the target level of volatility by the realized volatility of the underlying index and it ranges from 10% to 100%. The target level of volatility is 6%, 8%, 10% or 12% and the realized volatility is determined by the maximum value of the V-KOSPI 200.

### Index Statistics

<b>Target Level</b>		<b>6 %</b>	<b>8 %</b>	<b>10 %</b>	<b>12 %</b>
<b>Base Date</b>	Jan. 2, 2006				
<b>Date introduced</b>	June 25, 2012				
<b>Base Value</b>	1,000.00				
<b>Returns</b>	3 Months	0.89%	0.93%	1.04%	1.07%
	6 Months	4.15%	5.01%	5.97%	6.92%
<b>Annualized Returns</b>	1 year	1.52%	0.98%	0.50%	0.07%
	3 years	3.19%	3.16%	3.12%	3.10%
	5 years	1.57%	1.03%	0.43%	-0.22%

### 5 year Historical Performance

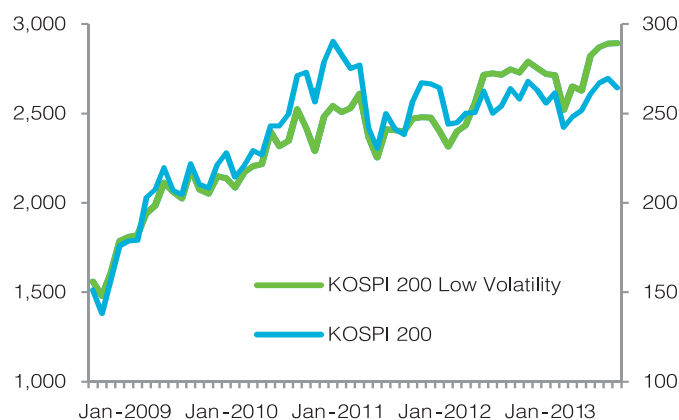


## KOSPI 200 Low Volatility

**KOSPI 200 Low Volatility** index consists of 50 stocks with low volatility among constituents of KOSPI 200 index.

### Index Statistics

<b>Base Date</b>	Jan. 3, 2005	
<b>Date introduced</b>	Nov. 18, 2013	
<b>Base Value</b>	1,000.00	
<b>Returns</b>	3 Months	2.52%
	6 Months	14.88%
<b>Annualized Returns</b>	1 year	5.32%
	3 years	4.65%
	5 years	12.27%

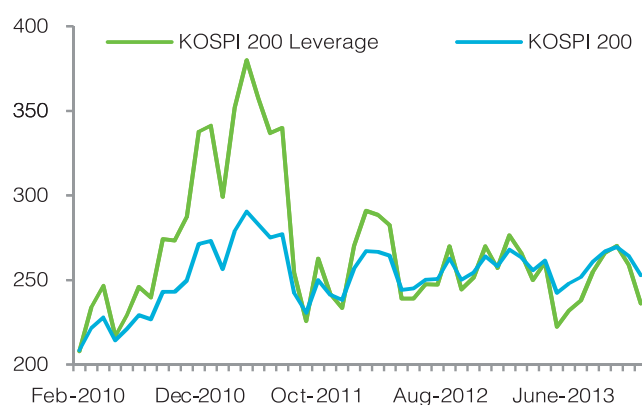


## KOSPI 200 Leverage

**KOSPI 200 Leverage** is the index linked with the return double that of the KOSPI 200 index, serving as investment base index to evaluate the operability of investment instruments such as KOSPI 200 leverage ETF, fund and others.

### Index Statistics

<b>Base Date</b>	Feb. 22, 2010	
<b>Date introduced</b>	Feb. 22, 2010	
<b>Base Value</b>	217.81	
<b>Returns</b>	3 Months	1.55 %
	6 Months	16.43 %
<b>Annualized Returns</b>	1 year	- 4.15 %
	3 years	- 8.50 %

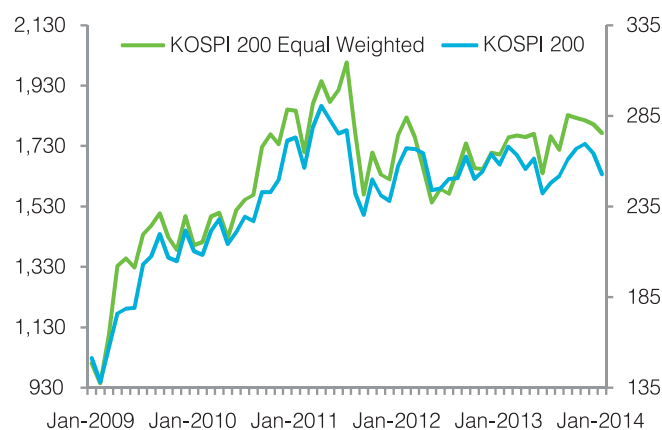


## KOSPI 200 Equal Weighted

**KOSPI 200 Equal Weighted** is designed to give same weight to all constituents in KOSPI 200 and the market cap are adjusted quarterly.

### Index Statistics

<b>Base Date</b>	Jan. 2, 2009	
<b>Date introduced</b>	May 2, 2011	
<b>Base Value</b>	1,000.00	
<b>Returns</b>	3 Months	- 1.70 %
	6 Months	9.93 %
<b>Annualized Returns</b>	1 year	5.49 %
	3 years	- 0.90 %
	5 years	12.50 %



(As of Dec. 30, 2013, exchange rate : 1,053.50 KRW/USD)

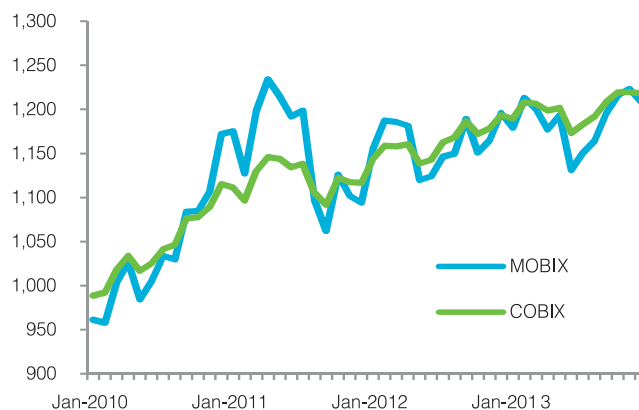
## KRX Balanced Index

**KRX Balanced Index** is designed to track the return of an investment strategy that combines two different asset classes, equity and bond. It is comprised of a pre-defined weight of equity exposure, as represented by the KOSPI 200, and a pre-defined weight of bond exposure, as represented by the KRX Korea Treasury Bond Total Return Index.

\* MOBIX(equity 70%, bond 30%), COBIX(equity 70%, bond 30%)

### Index Statistics

<b>Base Date</b>	Jan. 4, 2010		
<b>Date introduced</b>	June 3, 2013		
<b>Base Value</b>	1,000.00		
		MOBIX	COBIX
<b>Returns</b>	3 Months	2.52 %	0.81 %
	6 Months	14.88 %	3.85 %
<b>Annualized Returns</b>	1 year	5.32 %	2.09 %
	2 years	4.65 %	4.46 %
	3 years	12.27 %	2.99 %

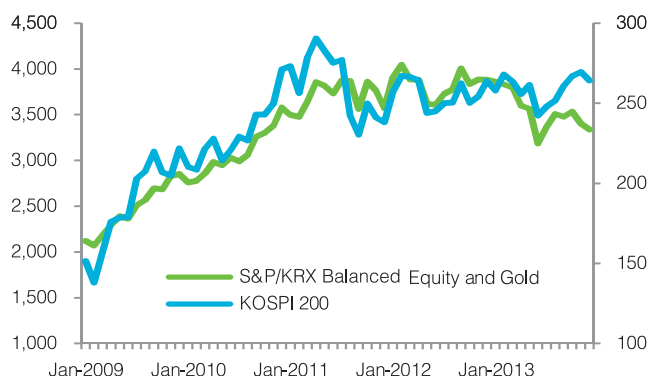


## S&P/KRX Balanced Equity and Gold

**S&P/KRX Balanced Equity and Gold** is designed to track the return of an investment strategy that combines two different asset classes, equity and gold. It is comprised of a pre-defined weight of equity exposure, as represented by KOSPI 200, and a pre-defined weight of gold exposure, as represented by S&P GSCI Gold Total Return Index.

### Index Statistics

<b>Base Date</b>	Jan. 4, 2000	
<b>Date introduced</b>	June 25, 2012	
<b>Base Value</b>	1,000.00	
<b>Returns</b>	3 Months	- 4.06 %
	6 Months	4.74 %
<b>Annualized Returns</b>	1 year	-14.08 %
	3 years	- 2.31 %



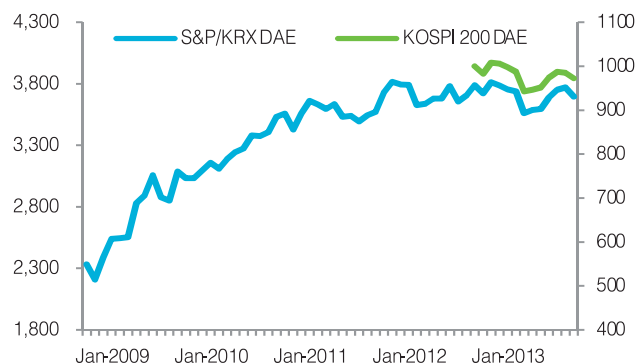
## Dynamic Asset Exchange

**KOSPI 200 DAE and S&P/KRX DAE** are designed to track the return of an investment strategy that combines two different asset classes, KOSPI 200 and 10 year Treasury bond.

\* KOSPI 200 DAE(KOSPI 200 & 10 year KTB), S&P/KRX DAE(KOSPI 200 & U.S. 10 year treasury note)

### Index Statistics

	KOSPI 200 DAE	S&P/KRX DAE
<b>Base Date</b>	Jan. 2, 2013	Jan. 2, 2002
<b>Date introduced</b>	Nov. 18, 2013	Nov. 26, 2012
<b>Base Value</b>	1,000.00	1,000.00
<b>Returns</b>	3 Months	- 0.16 %
	6 Months	3.07 %
<b>Annualized Returns</b>	1 year	- 2.78 %
	3 years	-
	5 years	9.26 %





# KOSPI 200 Sector series

As KOSPI 200 sub-indices are divided by industry sector group, 8 sector indices are calculated.

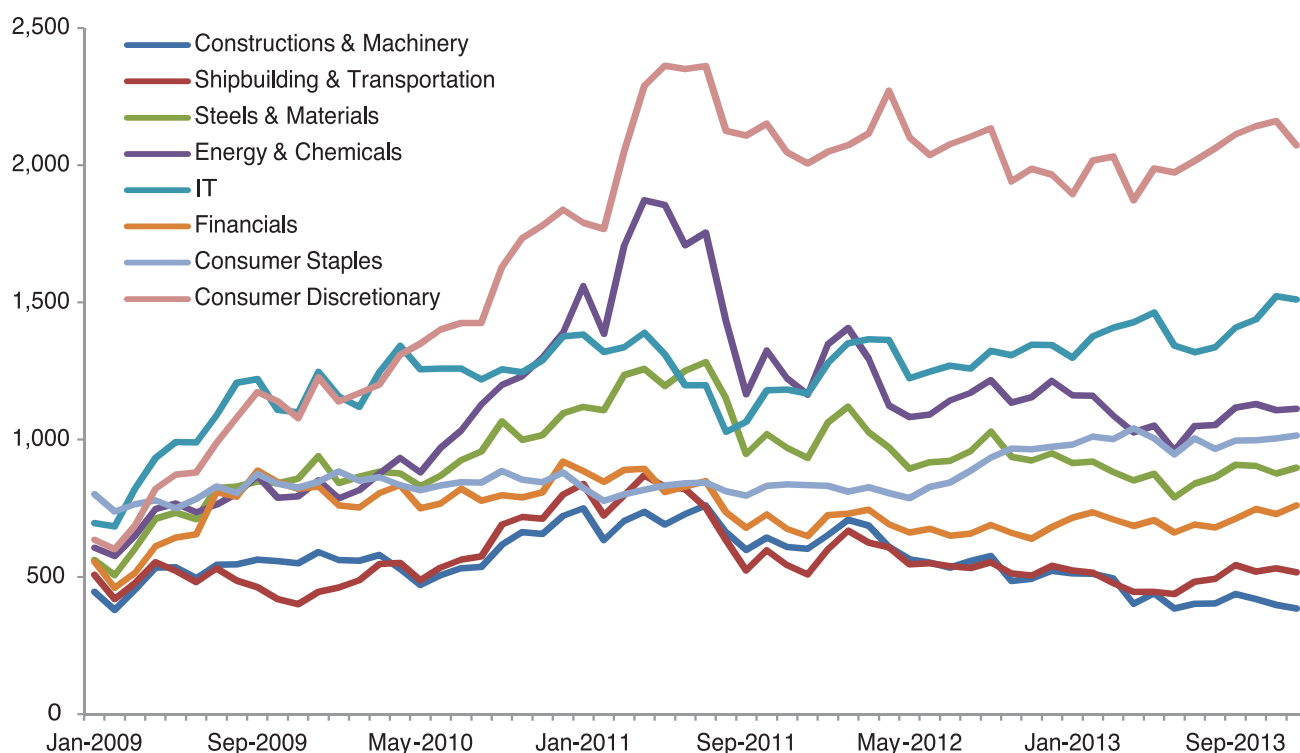
\*Constructions & Machinery, Consumer Discretionary, Consumer Staples, Energy & Chemicals, Financials, IT, Shipbuilding & Transportation, Steels & Materials

## KOSPI 200 Sectors

### Index Statistics

Base Date Jan. 2, 2008		Date introduced April 1, 2011		Base Value 1,000.00	
		Constructions & Machinery	Consumer Discretionary	Consumer Staples	Shipbuilding & Transportation
Returns	3 Months	- 12.09 %	- 1.86 %	1.80 %	-4.85 %
	6 Months	- 0.18 %	5.03 %	7.18 %	18.19 %
Annualized Returns	1 year	- 26.39 %	5.43 %	4.17 %	- 4.30 %
	3 years	- 18.96 %	4.08 %	4.84 %	- 13.55 %
	5 years	- 1.41 %	27.77 %	4.30 %	1.72 %
		Energy & Chemicals	Financials	Steels & Materials	IT
Returns	3 Months	- 0.39 %	6.83 %	- 1.13 %	7.40 %
	6 Months	15.87 %	15.00 %	13.80 %	12.96 %
Annualized Returns	1 year	- 8.41 %	11.75 %	- 5.52 %	12.37 %
	3 years	-7.16 %	- 6.15 %	- 6.39 %	6.16 %
	5 years	14.09 %	7.64 %	9.18 %	18.44 %

### 5 year Historical Performance



(As of Dec. 30, 2013, exchange rate : 1,053.50 KRW/USD)



# **KRX 100 KOSDAQ Premier Derivatives**

---



After the establishment of Korea Exchange(KRX) through the market consolidation in 2005, KRX 100 is the first index that KRX has developed and introduced to reflect the purpose of the market integration.

**KRX 100** consists of 100 blue chip stocks from both KOSPI Market and KOSDAQ Market, so it truly represents the stock market of KRX. The constituents are selected on the basis of such criteria as market capitalization, market liquidity as well as various financial standards.

## Index Methodology

### Index Universe

All common stocks listed on KOSPI Market or KOSDAQ Market are eligible for inclusion in the index. However, preferred shares, foreign stocks, convertible stocks, warrants, mutual funds, real estate investment funds, ship investment funds, administrative issues, issues of disposal sale and issues that have not been listed for more than three years shall be excluded.

### Criteria for selection of constituents

#### Classification of Industry Sector

The stocks in the index universe are classified into 26 industry sectors and top two stocks in terms of overall score in each industry sector are selected firstly. Rest of the constituents are selected in the order of the overall score disregarding the industry sectors.

Top one stock is selected in the industry sector of which the market capitalization is less than 1% of the total market capitalization.

#### Market Capitalization & Liquidity

Market Capitalization & Market Liquidity of stocks in the index universe must be within the top 25% and top 20% respectively.

#### Financial Soundness & Free-float Rate

Stocks in the universe must have positive ROE(Return On Equity) figures and more than 15% Free-float Rate.

#### Score Calculation

Stocks meeting above criteria are scored by Market Capitalization (60%), ROE (20%) and Reserve Ratio (20%).

### Re-balancing

#### Regular Re-balancing

The stocks in the index universe are reviewed annually to ensure that adequate market capitalization and liquidity are maintained. The re-balancing reference date is after the close of the last trading day in April and the change takes effect on the next trading day after the 2nd Thursday of June (the next trading day after the day of June contracts of KOSPI 200 Futures and Options).

#### Special Change

Constituent stock is removed when it is judged to be disqualified as a result of being de-listed, designated as an administrative issue, merged into another company and etc. Instead, stocks will be selected in ranking order from replacement list by industry sector chosen beforehand during regular re-balancing.

### Index Calculations

KRX 100 is calculated using a free-float adjusted market capitalization weighted methodology with 15% cap on each constituents. The base date is January 2, 2001 with the base index of 1,000. The index is calculated every 2 seconds on a real time basis from 9:01 to 15:00 of trading day.

### Index Committee

Index Committee, which is composed of professors, asset managers, institutional investors, experts from corporate governance or accounting professions, decides on matters relating to the calculation and management of KRX 100.

## Portfolio Characteristics

Number of Companies	100
Adjusted Market Capitalization (USD Million)	
Average	5,384
Largest	69,706
Smallest	109
Median	2,477
Top 10 Companies Market Cap share	46.01%

## Index Performance

Returns	3 Months	1.91 %
	6 Months	10.37 %
Annualized Returns	1 year	2.15 %
	5 years	12.20 %
	10 years	5.64 %
Annualized Risk (std dev)	1 year	11.13 %
	5 years	15.36 %
	10 years	19.33 %

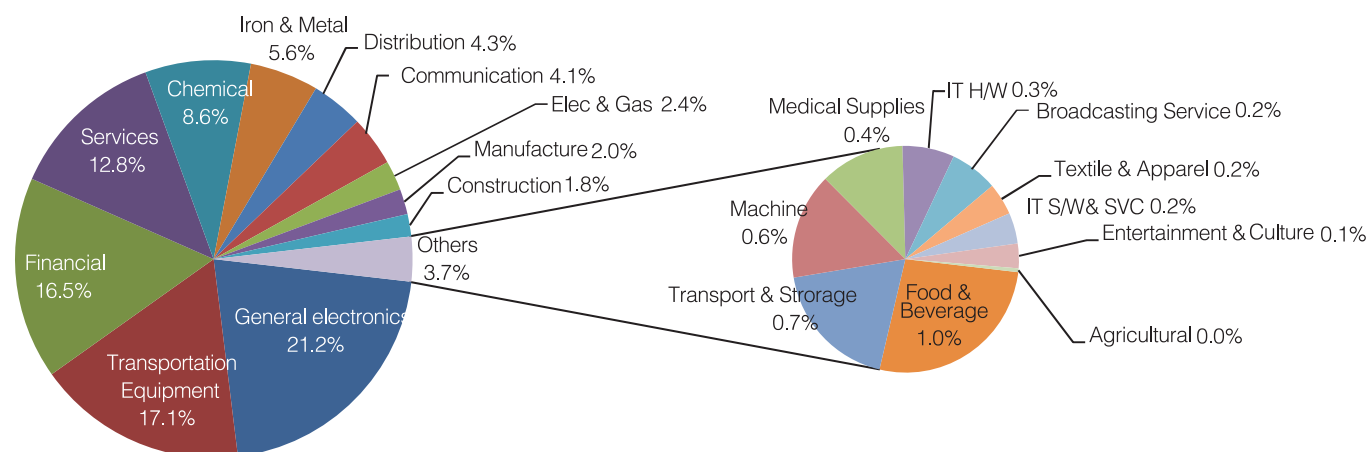
## Top 10 Companies by Weight

Company	Market Cap	Index weight	Free Floats	Industry Group
SamsungElec	69,706.84	12.95%	0.75	Communication Equipment
HyundaiMtr	34,614.88	6.43 %	0.70	Transportation Equipment
POSCO	22,967.75	4.27 %	0.85	Iron & Metal
NAVER	20,387.74	3.79 %	0.90	Software
SK hynix	19,846.53	3.69 %	0.80	IT Part
ShinhanGroup	19,161.53	3.56 %	0.90	Other Financial
Mobis	18,983.67	3.53 %	0.70	Transportation Equipment
KBFinancialGroup	14,719.69	2.73 %	0.95	Other Financial
KiaMtr	14,030.92	2.61 %	0.65	Transportation Equipment
LGCHEM	13,188.17	2.45 %	0.70	Chemicals

## 5 year historical performance



## KRX 100 Sector Weights



(As of Dec. 30, 2013, exchange rate : 1,053.50 KRW/USD)

**KOSDAQ Premier** consists of 100 representative stocks listed on KOSDAQ Market. The constituents are selected on the basis of such criteria as market capitalization, market liquidity and financial soundness and administrative excellence.

KOSDAQ Premier accounts for approximately 40% of KOSDAQ Market. Comparing with KOSTAR index, to improve the market representativeness, constituents number is increased from 30 to 100 and to provide more opportunities to invest into blue chip stocks of KOSDAQ Market, more enhanced financial and managerial standards are applied.

## Index Methodology

### Index Universe

All common stocks listed on KOSDAQ Market are eligible for inclusion in the index. However, preferred shares, foreign stocks, convertible stocks, warrants, mutual funds, real estate investment funds, ship investment funds, administrative issues, issues of disposal sale and issues that have not been listed for more than six months shall be excluded.

### Criteria for selection of constituents

#### Market Capitalization

Constituents within the index universe are selected by ranking 6 months average daily market capitalization while ensuring below criteria.

#### Market Liquidity

Constituents must be within the top 70% stocks in the average daily value traded for the preceding six months.

#### Financial Soundness & Free-float Rate

The capital of the stocks must not be impaired and continuing profit must have been achieved at least twice in recent three years and ROE (Return On Equity) and sales are more than 5% and KRW 50 billion respectively.

#### Administrative Excellence

Stocks have been designated as an insincere disclosure company or reviewed as a candidate of delisting companies and changed the biggest shareholder more than three times over the recent two years are excluded.

### Re-balancing

#### Regular Re-balancing

The stocks in the index universe are reviewed annually to ensure that adequate market capitalization and liquidity are maintained. The rebalancing takes effect on the next trading day after the 2nd Thursday of June.

#### Intermediate Change

Intermediate change is applied to reflect changes of the market and to include newly listed or merged companies in the index quickly. The change takes effect on the next trading day after the 2nd Thursday of December.

#### Special Change

Constituent stock is removed when it is judged to be disqualified as a result of being de-listed, designated as an administrative issue, merged into another company and etc. Instead, stocks will be selected in ranking order from replacement list chosen beforehand during regular re-balancing.

### Index Calculations

KOSDAQ Premier is calculated using a free-float adjusted market capitalization weighted methodology with 15% cap on each constituents. The base date is January 2, 2009 with the base index of 1,000. The index is calculated every 10 seconds on a real time basis from 9:01 to 15:00 of trading day.

## Portfolio Characteristics

Number of Companies	100
Adjusted Market Capitalization (USD Million)	
Average	275
Largest	2,748
Smallest	53
Median	179
Top 10 Companies Market Cap share	39.32 %

## Index Performance

Returns	3 Months	- 5.97 %
	6 Months	- 1.79 %
Annualized Returns	1 year	1.55 %
	5 years	0.22 %
	10 years	8.55 %
Annualized Risk (std dev)	1 year	18.15 %
	5 years	17.02 %
	10 years	20.07 %

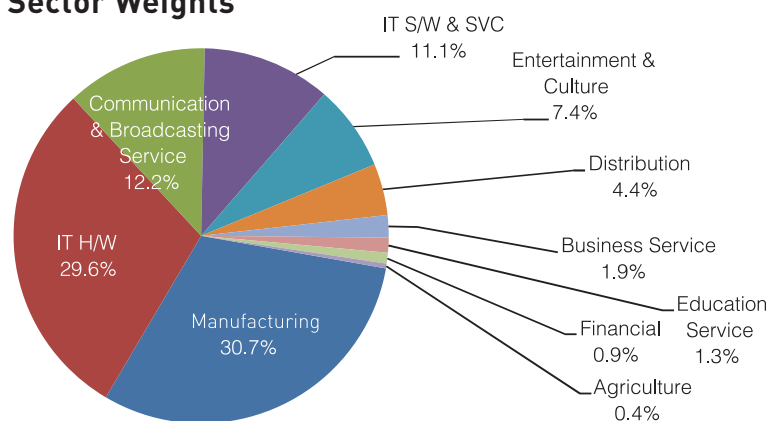
## Top 10 Companies by Weight

Company	Market Cap	Index weight	Free Floats	Industry Group
Celtrion	2,447.69	8.91 %	0.65	Manufacturing
SSC	1,453.34	5.29 %	0.65	IT H/W
CJOS	1,344.33	4.89 %	0.55	Communication & Broadcasting Service
GSHS	1,339.09	4.88 %	0.70	Communication & Broadcasting Service
Paradise	913.31	3.33 %	0.40	Entertainment & Culture
Daum	864.97	3.15 %	0.80	IT S/W & SVC
S.M.	693.04	2.52 %	0.80	Entertainment & Culture
CJ E&M	672.80	2.45 %	0.60	Communication & Broadcasting Service
Dongsuh	558.12	2.03 %	0.35	Distribution
PARTRON	512.77	1.87 %	0.70	IT H/W

## 5 year historical performance



## Sector Weights



Sector	Market Cap.(USD Million)
Manufacturing	8,430.64
IT H/W	8,133.86
Communication & Broadcasting Service	3,356.24
IT S/W & SVC	3,049.32
Entertainment & Culture	2,025.66
Distribution	1,220.59
Business Service	533.17

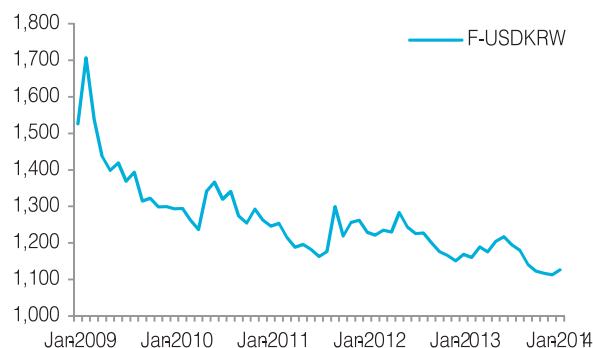
(As of Dec. 30, 2013, exchange rate : 1,053.50 KRW/USD)

## F-USDKRW

**F-USDKRW** is linked with the price movement of the nearest month contract on the US Dollar Futures Market.

### Index Statistics

Base Date		Jan. 2, 2007
Date introduced		Jan. 8, 2010
Base Value		1,000.00
Returns	3 Months	- 2.46 %
	6 Months	- 8.64 %
Annualized Returns	1 year	- 3.38 %
	3 years	- 4.15 %
	5 years	- 5.39 %

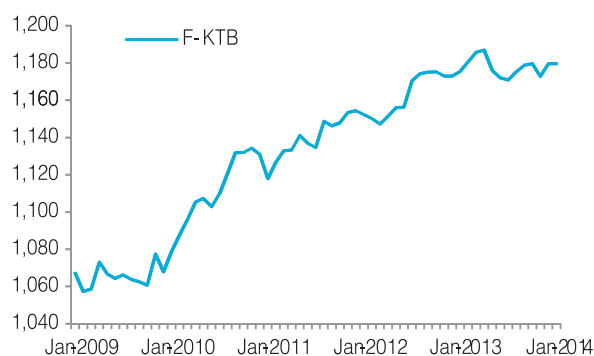


## F-KTB

**F-KTB index** is linked with the price movement of the nearest month contract listed on the 3-years T-bond Futures Market.

### Index Statistics

Base Date		Jan. 2, 2008
Date introduced		July 8, 2011
Base Value		1,000.00
Returns	3 Months	0.07 %
	6 Months	0.65 %
Annualized Returns	1 year	0.57 %
	3 years	1.41 %
	5 years	1.99 %

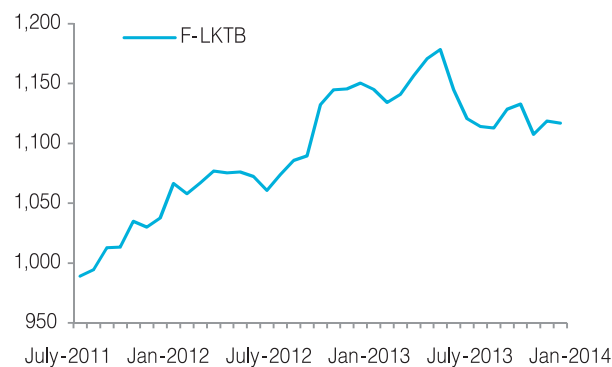


## F-LKTB

**F-LKTB index** is linked with the price movement of the nearest month contract listed on the 10-years T-bond Futures Market.

### Index Statistics

Base Date		Jan. 3, 2011
Date introduced		Oct. 24, 2011
Base Value		1,000.00
Returns	3 Months	- 0.88 %
	6 Months	- 0.19 %
Annualized Returns	1 year	- 1.38 %
	2 years	1.99 %
	3 years	3.81 %



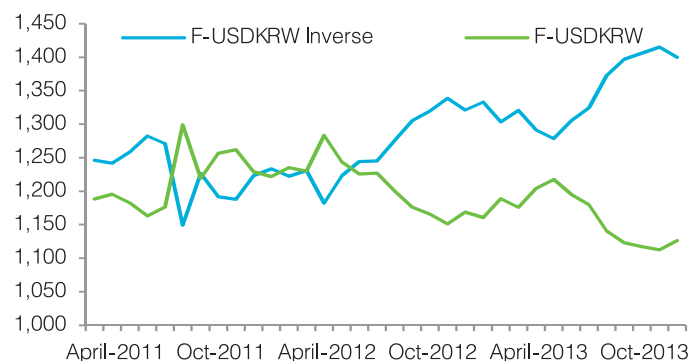
# Currency & Fixed income series

## F-USDKRW Inverse

**F-USDKRW Inverse** is linked with inverse (x-1) return of F-USDKRW.

### Index Statistics

<b>Base Date</b>	April 1, 2011	
<b>Date introduced</b>	April 1, 2011	
<b>Base Value</b>	1,220.58	
<b>Returns</b>	3 Months	3.12 %
	6 Months	10.67 %
<b>Annualized Returns</b>	1 year	5.70 %
	2 years	9.14 %

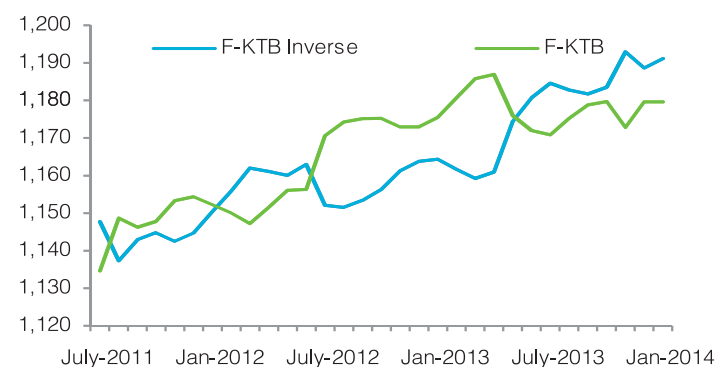


## F-KTB Inverse

**F-KTB Inverse** is linked with inverse (x-1) return of F-KTB Market.

### Index Statistics

<b>Base Date</b>	July 18, 2011	
<b>Date introduced</b>	July 18, 2011	
<b>Base Value</b>	1,440.29	
<b>Returns</b>	3 Months	0.58 %
	6 Months	0.67 %
<b>Annualized Returns</b>	1 year	2.13 %
	2 years	1.90 %

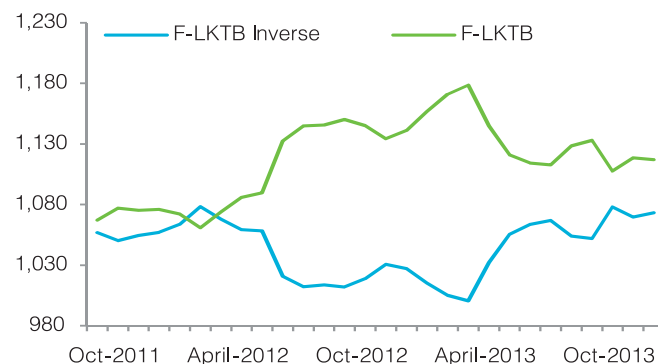


## F-LKTB Inverse

**F-LKTB Inverse** is linked with inverse (x-1) return of F-LKTB.

### Index Statistics

<b>Base Date</b>	Oct. 24, 2011	
<b>Date introduced</b>	Oct. 24, 2011	
<b>Base Value</b>	1,063.46	
<b>Returns</b>	3 Months	1.49 %
	6 Months	1.33 %
<b>Annualized Returns</b>	1 year	3.78 %
	2 years	0.72 %



(As of Dec. 30, 2013, exchange rate : 1,053.50 KRW/USD)



# KRX INDEX LICENSING

## Introduction

Since the production and publication of its first stock price index in 1964, the KRX has been providing various types of indexes to date. They are often used to develop index funds, ETFs, ELS or other structured products. Especially, KOSPI 200, the underlying index of some well-known derivatives products of the KRX, has been used by many financial firms to develop index-linked products. Before developing and distributing the KRX index-linked products, the financial firms are required to obtain the index license from the KRX. Along with the growth of KRX market and improved performance of KRX- listed companies, the interest in obtaining the KRX index license has been on the rise.

## Licensing Policy

To develop, distribute and manage funds or structured products based on the KRX indexes, it is necessary to obtain the index license from the KRX, but the index license is not required to use the KRX indexes as a benchmark. The KRX does not grant any institution an exclusive right to use the KRX indexes in any specific region or country.

## Types of Indices

The KRX indexes are categorized into four types. They are Investable Indexes, Global Indexes, Market Indexes and Customized Indexes. Investable Indexes are such indexes as KOSPI 200 and KRX 100 which are designed to be used primarily as the underlying asset of financial products. Global Indexes are S&P / KRX Exchanges and Asia 100, which were developed in collaboration with S&P. Market Indexes are those being used largely as the indicator of overall performance or movement of the stock market such as KOSPI and KOSDAQ Composite. The KRX will continue to provide market and investable indexes to serve the needs of the financial communities worldwide.

## License Privileges

The licensee may use the KRX indexes and KRX trademarks for the following purposes:

- To develop, distribute and trade the financial products based on the KRX indexes
- To market and promote the financial products based on the KRX indexes

## License Fee

The total license fee is determined by taking into consideration the size of financial products based on KRX indexes and it consists of two parts, i.e., the basic fee and the variable fee. The type of indexes, type of financial products developed and listing status etc. are also taken into the consideration in determining the license fee.

## Term of License

The index license is valid for one ( 1 ) year from the date the agreement is signed and may be renewed for additional year. In case of not intending to renew the license agreement, the concerned party is required to inform the other party of its intention to terminate the agreement at least thirty (30) days before the expiry date of the agreement.

## Termination of Agreement

The license agreement can be terminated in case of the breach of agreement by either party, licensee's election to cease using the license and the impairment of KRX's ability to license due to the change in the legislation or regulation. In any of these cases, the concerned party must notify the other party in writing in advance.

To contact the KRX and inquire about the Index License

To clarify the KRX Licensing Policies

To finalize the Fee Schedule

To enter into the license Agreement with the KRX

To pay the Basic Fee

To submit the annual report on License Usage

To pay the Variable Fee

Renew  
the Agreement

Change  
the Fee Schedule

Terminate  
the Agreement

## Cooperation with Index Providers

The KRX is acting as the exclusive Sales Agent for CSI in Korea. As a Sales Agent for the CSI, the KRX introduce the CSI indexes to the potential users in Korea, so that the CSI may enter into the license agreement with the customer in Korea. In addition, the KRX cooperates with S&P in developing and marketing of several indexes.



**Tel** +82.51.662.2361~2366 **Fax** + 82.51.662.2369 **www.krx.co.kr**  
134, Jaseong-ro, Dong-gu, Busan, 601-720, Republic of Korea