

Indxx Global Agriculture Index

Index Description

The Indxx Global Agriculture Index is a market capitalization weighted index designed to measure the performance of companies which are directly or indirectly engaged in improving agricultural yields. The index is comprised of farmland companies and firms involved in chemicals & fertilizers, seeds, irrigation equipment, and farm machinery.

Creation of Master List

Universe

In order to be considered for inclusion in the universe,

- The security should have its primary listing in a Developed or Emerging Market country, as defined in our 'Country Classification and Investability Requirements' document (link [here](#)).
- Minimum company level market capitalization is set at \$ 1 billion.
- Minimum security level average daily turnover for the last 6 months is set at \$ 1 million.
- Minimum security level average daily turnover for each of the preceding 3 months is set at \$ 1 million.
- Minimum security level weekly turnover over the preceding 3 months is set at \$ 2.5 million.
- The security must have traded on 90% of the eligible trading days in the last 6 months.

Security Type

Common Stock, Depository Receipts, Master Limited Partnership, Preference shares.

Share Classes

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

1. If an ADR of the company exists, it is given preference over all other share classes.
2. In case of companies domiciled in China, their HK listings are considered for inclusion. If a relevant HK listing is not available, the company is ignored.
3. In all other cases, the most liquid share class is considered for inclusion in the portfolio.

Security Selection

The INDXX Global Agriculture Index targets to provide exposure to the following sub-themes that contribute to an increase in farm yield: Chemicals & Fertilizers, Seed Manufacturers, Irrigation Equipment providers and Farm Machinery companies.

In order to identify companies related to the above sub-themes, companies belonging to the below list of Factset Industries are included in the Selection List:

Food Distributors	Steel	Department Stores
Chemicals: Agricultural	Catalog/Specialty Distribution	Gas Distributors
Chemicals: Major Diversified	Food: Specialty/Candy	Recreational Products
Agricultural Commodities/Milling	Biotechnology	Miscellaneous Commercial Services
Trucks/Construction/Farm Machinery	Pharmaceuticals: Major	Aerospace & Defense
Pharmaceuticals: Other	Pharmaceuticals: Generic	Financial Conglomerates
Other Metals/Minerals	Household/Personal Care	Food Retail
Motor Vehicles	Food: Major Diversified	Electronics/Appliances
Chemicals: Specialty	Food: Meat/Fish/Dairy	Real Estate Development
Miscellaneous Manufacturing	Miscellaneous	Specialty Stores
Textiles	Beverages: Non-Alcoholic	
Forest Products	Engineering & Construction	
Industrial Specialties	Railroads	
Containers/Packaging	Oil Refining/Marketing	
Finance/Rental/Leasing	Auto Parts: OEM	
Industrial Conglomerates	Electronic Production Equipment	
Wholesale Distributors	Other Consumer Services	
Building Products	Electric Utilities	
Home Improvement Chains	Electrical Products	
Industrial Machinery	Information Technology Services	

Final Composition

From the Selection List, all those companies that generate at least 10% of their revenues from the above-mentioned sub themes are considered for inclusion in the index. Revenue numbers are obtained from company annual reports.

Weighting

The index is a market capitalization weighted total return index with a single security cap of 9.9%, and a total weight cap of 40% on all securities with weights greater than 4.5%.

Reconstitution and Rebalancing Rules

- The index follows an annual reconstitution and quarterly rebalancing schedule. The reconstituted portfolio becomes effective on the close of business on the third Friday of March each year. The rebalanced portfolio becomes effective on the close of business on the third Friday of June, September and **December each year. This day is called the 'Effective Day.'**
- During reconstitution, the portfolio creation process starts twelve trading days prior to effective day in the **month of March each year, called the 'Selection Day.'** The final portfolio constituents are selected from the Selection List, created using data as of the Selection Day.
- During reconstitution and rebalancing, weights are calculated seven trading days prior to the effective day. Index Shares are frozen using weights as of this day.
- Constituents are publicly announced four trading days prior to the effective day. This day is called the **'Announcement Day.'**

Indxx standard Corporate Actions for market cap weighted indices apply. The corporate action guidebook is present in the **Announcements** section of our website, under 'Index Documents'.

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