

## Indxx Global Longevity Thematic Index

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### Index Description

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The Indxx Global Longevity Thematic Index is designed to track the performance of companies listed in developed markets that are expected to directly or indirectly contribute to increasing the life-spans of the senior population of the world. The index provides access to companies involved in biotechnology, medical devices, pharmaceuticals, senior living facilities and specialized health care services, which respond to the needs of this demographic.

### Creation of Master list

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#### Universe

To be eligible for inclusion in the universe,

- The security should have its primary listing in developed markets as defined in our 'Country Classification and Investability Requirements' document (link [here](#)).
- The security must have minimum market capitalization of \$100 million and a 6-month average daily traded value of at least \$2 million.
- The stock 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.

#### Free Float

All securities must have a minimum free float equivalent to 10% of shares outstanding.

#### Maximum Price

Securities trading at a price of \$10,000 or above are ineligible for inclusion in the universe. This rule is not applicable for existing constituents. Existing constituents would remain in the universe irrespective of their stock price.

#### Security Type

Common Stock, ADR, GDR, REITs.

### Share Classes

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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 all other cases, the most liquid share class is considered for inclusion in the portfolio.

## Security Selection

Extensive research is undertaken to identify the industries and segments that would contribute to increasing the longevity of the senior population of the world. Indxx has identified the following four sub-themes to be the most relevant to the longevity theme:

Longevity focused Health Care Products	Pharmaceutical and biotech companies which are involved in research, development, production or manufacturing of drugs used to diagnose advanced age related diseases.
Longevity focused Health Care Services	Companies providing health care services exclusively to old age people, including companies which provide post-acute care for the senior population.
Longevity focused Medical Devices	Suppliers or manufactures of medical devices used by the senior population
Longevity focused Senior Homes	Companies operating in skilled nursing homes, senior living homes and continuing care retirement communities.

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

Biotechnology	Medical/Nursing Services	Hospital/Nursing Management
Drugstore Chains	Miscellaneous Commercial Services	Managed Health Care
Electrical Products	Pharmaceuticals: Generic	Medical Distributors
Electronic Equipment/Instruments	Pharmaceuticals: Major	Telecommunications Equipment
Electronics/Appliances	Pharmaceuticals: Other	Services to the Health Industry
Food: Specialty/Candy	Real Estate Development	Real Estate Investment Trusts
Medical Specialties		

The industries and sub-themes identified through this research based approach are subject to change at every annual reconstitution.

## Final Composition

- Companies that derive revenue greater than 50% from the above sub-themes are considered as 'pure-play' longevity companies. These are eligible for inclusion in the index.
- The top 100 pure-play longevity companies by market capitalization will form the final portfolio.

If fewer than 100 pure-play longevity companies qualify to be eligible for inclusion, all these companies would be a part of the final portfolio

## Weighting

- Security-level market capitalization is considered for calculating weights.
- A single security weight cap of 3% and minimum weight floor of 0.3% is applied. Any security which has a weight of 3% or more is allocated 3%, and any security which has a weight of 0.3% or less is allocated 0.3%.
- The balance weight is proportionately distributed among the non-capped securities
- Security-level market capitalization is considered for calculating weights.
- An industry cap of 60% is applied.

## Buffer Rules

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Buffer Rules are employed to reduce Portfolio Turnover. If an existing index constituent fulfils all the other criteria for universe creation, except market capitalization or liquidity, the following buffer rules apply:

### Market Capitalization

The constituent shall continue to be included in the universe, if its market capitalization is greater than or equal to 80% of the previously defined market capitalization limit.

### Liquidity

The constituent shall continue to be included in the universe if its 6-month ADTV is greater than or equal to 70% of the previously defined liquidity limit.

### Continued Representation in the Portfolio

Additionally, an existing index constituent shall continue to remain in the index if it is part of the top 120 companies by market cap, even if it isn't a part of the top 100 constituents.

## Reconstitution and Rebalancing Rules

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- The index follows an annual reconstitution and rebalancing schedule. The new portfolio becomes effective at the close of trading on the third Friday of April each year. This day is called the 'Effective Day.'
- The security selection and portfolio creation process starts 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 the close of the seventh trading day prior to the Effective Day. Index Shares are frozen using weights as of this day.

## Corporate Actions

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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'

## Disclaimer

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