

## Indxx USA Regional Banking Index

### Index Description

The Indxx USA Regional Banking Index tracks the performance of regional banks, i.e. the banks that operate within the respective local markets.

### Creation of Master List

#### *Universe*

To be eligible for inclusion in the universe, the following considerations must be fulfilled.

- The security must have its primary listing in the United States.
- Securities must have a minimum market capitalization of \$500 million and 6-month average daily turnover of at least \$2 million.
- The security 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 (e.g., 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 total 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

### Share Classes

If multiple share classes exist for a company, the most liquid share class is considered for inclusion in the portfolio.

### Security Selection

- Securities belonging to the Factset Industry 'Regional Banks' are filtered from the Universe to form the Selection List.
- All securities in the Selection List are used to construct the Indxx Banking Benchmark Index. This index equally weights all the components.

## Final Composition

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The trailing 12-month correlation of all the securities in the selection list vs the Indxx Banking Benchmark Index is then computed on the selection day. The top 50 securities with the highest correlation are selected for inclusion in the index.

## Weighting

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The index is equally weighted at the time of reconstitution.

## 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.

## Index Calculator

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The calculator of this index is **Solactive AG**.

## Index Publisher

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This index is published by **Indxx**.

## Index Editor

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This index is edited by **Indxx**.

## 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 last trading day of February each year. This day is called the 'Effective Day.'
- The security selection and index creation process start on the close of 17 trading days before the effective day, called the 'Selection Day.'
- The new portfolio of the Indxx Banking Benchmark Index, which comprises of all securities in the selection list, becomes effective at the close of the selection date with equal weights to all components.
- The final portfolio constituents for the Indxx US Regional Banking Index are shortlisted from a selection pool of all eligible securities selected based on the data as of the Selection Day.
- Weights for the constituents of the Indxx US Regional Banking Index are calculated at the close of the sixth 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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