

Indxx Global Aerospace & Defense Index

Index Description

The Indxx Global Aerospace & Defense Index is a Net Total Return Index which measures the performance of most actively traded stocks in aerospace and defense sector.

Creation of Master list

Universe

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

- Securities must have its primary listing in one of these countries: Australia, Austria, Belgium, Hong Kong, United States, Canada, Denmark, France, Germany, Greece, Italy, Japan, Norway, Poland, Sweden, United Kingdom, Switzerland, Spain, Israel
- Securities must have a minimum market capitalization of \$500 million and 6-month average daily turnover of at least \$2 million.
- Securities must have traded on 90% of the eligible trading days over the last 6 months in their respective stock exchanges.

Free Float

All constituents 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

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

Security Selection

All the companies from the universe which belong to the below mentioned FactSet Industries are included in the Selection List:

Aerospace & Defense

Final Composition

- Top 50 companies with the highest market capitalization will become a part of the final portfolio.

Weighting

This index is a free float adjusted market capitalization weighted total return index. The weighting methodology is as follows:

- For the initial weighting, each component is capped at the maximum weight of 4.50%.
- The weights of components that are domiciled in US are capped at 40%.
- The excess weight is redistributed across all other components in the index on a proportional basis to get the final weights. Even the components that were initially capped at 4.5% in the first step would be considered for this proportional weight redistribution.
- The maximum weight cap limit for the components after the redistribution is 20%.

Buffer Rules

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

The calculator of this index is Solactive AG.

Index Publisher

This index is published by Indxx.

Index Editor

This index is edited by Indxx.

Reconstitution and Rebalancing Rules

- The index follows an annual reconstitution and rebalancing schedule. The new portfolio becomes effective at the close of last trading day of August each year. This day is called the 'Effective day'.
- The security selection and index creation process starts at the close of 17 trading days before the effective day, called the 'Selection Day.' The selection list is created using the data as of this day.

- Weights 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. This day is called the 'freeze day'.

Corporate Actions

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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