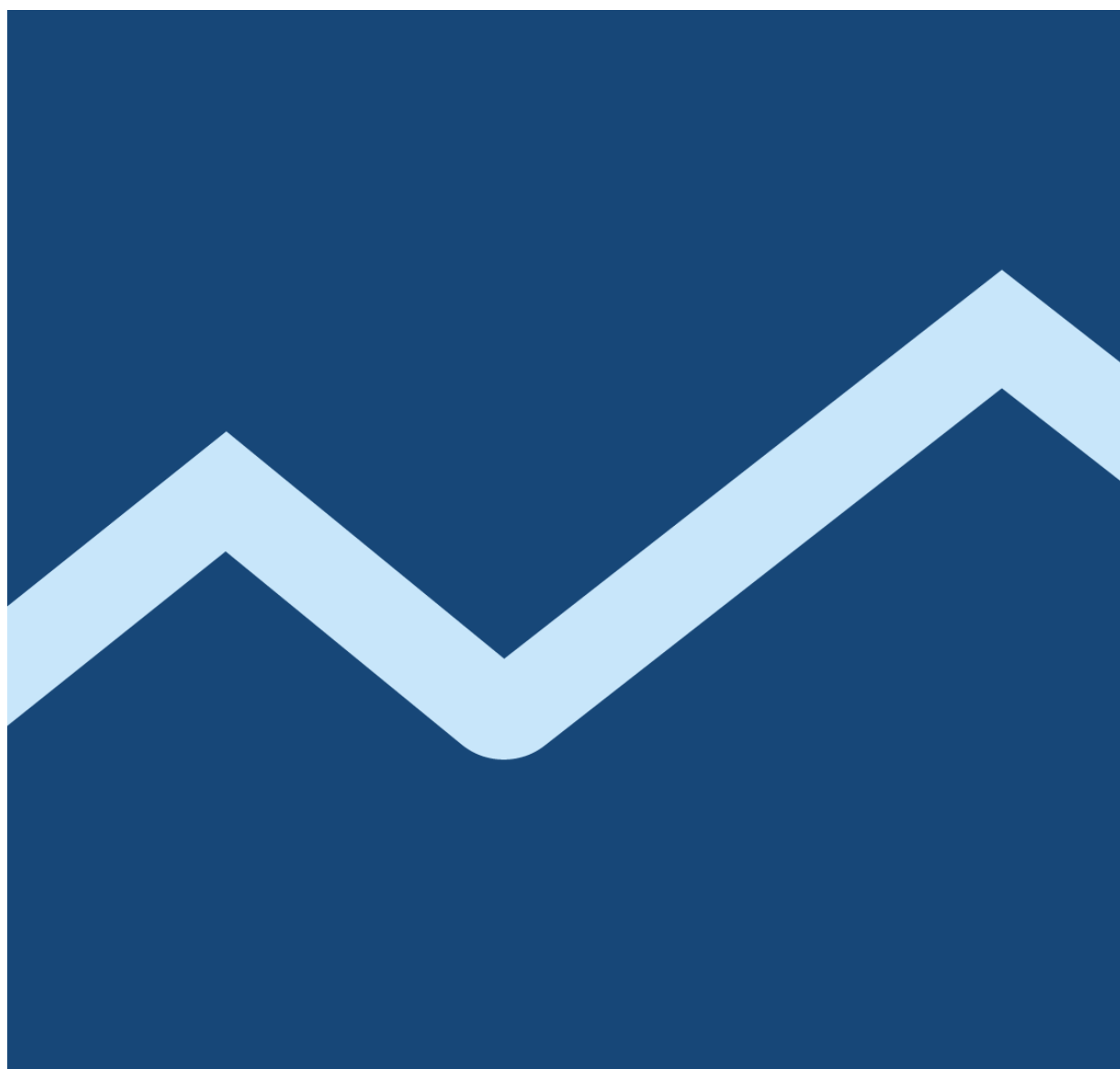


# iSTOXX® Equity Indices Methodology Guide

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# CONTENTS

|                                                                |           |                                                                  |           |
|----------------------------------------------------------------|-----------|------------------------------------------------------------------|-----------|
| <b>1. INTRODUCTION TO THE STOXX INDEX GUIDES</b>               | <b>18</b> | 4.3. ISTOXX NORTH AMERICA ESG SELECT 30 INDEX                    | 33        |
| <b>2. GENERAL PRINCIPLES</b>                                   | <b>19</b> | 4.3.1. OVERVIEW                                                  | 33        |
| 2.1. INDEX RATIONALE                                           | 19        | 4.3.2. INDEX REVIEW                                              | 33        |
| 2.2. METHODOLOGY REVIEW POLICIES                               | 19        | 4.3.3. ONGOING MAINTENANCE                                       | 34        |
| 2.3. INDEX TERMINATION POLICY                                  | 19        | 4.4. ISTOXX GLOBAL ESG SELECT 50 INDEX                           | 35        |
| 2.4. REPLACEMENT FOR INDICES WITH FIXED NUMBER OF CONSTITUENTS | 19        | 4.4.1. OVERVIEW                                                  | 35        |
| <b>3. RISK BASED INDICES</b>                                   | <b>21</b> | 4.4.2. INDEX REVIEW                                              | 35        |
| 3.1. ISTOXX LOW VARIANCE 120 INDEX                             | 21        | 4.4.3. ONGOING MAINTENANCE                                       | 37        |
| 3.1.1. OVERVIEW                                                | 21        | <b>5. ISTOXX QUALITY INCOME INDICES</b>                          | <b>38</b> |
| 3.1.2. INDEX REVIEW                                            | 21        | 5.1. ISTOXX EUROPE QUALITY INCOME UH INDEX                       | 38        |
| 3.1.3. ONGOING MAINTENANCE                                     | 22        | 5.1.1. OVERVIEW                                                  | 38        |
| 3.2. ISTOXX EUROPE LOW VARIANCE ADJUSTED BETA INDEX            | 23        | 5.1.2. INDEX REVIEW                                              | 38        |
| 3.2.1. OVERVIEW                                                | 23        | 5.1.3. ONGOING MAINTENANCE                                       | 41        |
| 3.2.2. INDEX FORMULA                                           | 24        | 5.2. ISTOXX EUROPE QUALITY INCOME INDEX                          | 42        |
| 3.2.3. INTRADAY REBALANCING                                    | 24        | 5.2.1. OVERVIEW                                                  | 42        |
| 3.3. ISTOXX EUROPE NEXT DIVIDEND LOW RISK 50 INDEX             | 26        | 5.2.2. CALCULATION FORMULA                                       | 42        |
| 3.3.1. OVERVIEW                                                | 26        | <b>6. ISTOXX MUTB INDICES</b>                                    | <b>43</b> |
| 3.3.2. INDEX REVIEW                                            | 26        | 6.1. ISTOXX MUTB QUALITY 150 INDICES                             | 43        |
| 3.3.3. ONGOING MAINTENANCE                                     | 27        | 6.1.1. OVERVIEW                                                  | 43        |
| 3.4. ISTOXX EUROPE SELECT HIGH BETA 50 INDEX                   | 28        | 6.1.2. INDEX REVIEW                                              | 43        |
| 3.4.1. OVERVIEW                                                | 28        | 6.1.3. ONGOING MAINTENANCE                                       | 45        |
| 3.4.2. INDEX REVIEW                                            | 28        | 6.2. ISTOXX MUTB GLOBAL EX AUSTRALIA QUALITY LEADERS 150 INDICES | 46        |
| 3.4.3. ONGOING MAINTENANCE                                     | 28        | 6.2.1. OVERVIEW                                                  | 46        |
| <b>4. ISTOXX ESG SELECT INDICES</b>                            | <b>29</b> | 6.2.2. INDEX REVIEW                                              | 46        |
| 4.1. ISTOXX GLOBAL ESG SELECT 100 INDEX                        | 29        | 6.2.3. ONGOING MAINTENANCE                                       | 48        |
| 4.1.1. OVERVIEW                                                | 29        | 6.3. ISTOXX MUTB JAPAN PROACTIVE LEADERS 200 INDEX               | 49        |
| 4.1.2. INDEX REVIEW                                            | 29        | 6.3.1. OVERVIEW                                                  | 49        |
| 4.1.3. ONGOING MAINTENANCE                                     | 29        | 6.3.2. INDEX REVIEW                                              | 49        |
| 4.2. ISTOXX EUROPE ESG SELECT 30 INDEX                         | 31        | 6.3.3. ONGOING MAINTENANCE                                       | 54        |
| 4.2.1. OVERVIEW                                                | 31        | 6.4. ISTOXX MUTB QUALITY DIVIDEND INDICES                        | 55        |
| 4.2.2. INDEX REVIEW                                            | 31        | 6.4.1. OVERVIEW                                                  | 55        |
| 4.2.3. ONGOING MAINTENANCE                                     | 31        | 6.4.2. INDEX REVIEW                                              | 55        |
|                                                                |           | 6.4.3. ONGOING MAINTENANCE                                       | 58        |
|                                                                |           | 6.5. ISTOXX MUTB CHINA A QUALITY AM 150 INDEX                    | 59        |
|                                                                |           | 6.5.1. OVERVIEW                                                  | 59        |
|                                                                |           | 6.5.2. INDEX REVIEW                                              | 59        |
|                                                                |           | 6.5.3. ONGOING MAINTENANCE                                       | 61        |

# CONTENTS

|                                                    |     |                                                    |     |
|----------------------------------------------------|-----|----------------------------------------------------|-----|
| 6.6. ISTOXX MUTB VALUE INDICES                     | 62  | 6.16. ISTOXX MUTB PARIS ALIGNED INDEX FAMILY       | 103 |
| 6.6.1. OVERVIEW                                    | 62  | 6.16.1. OVERVIEW                                   | 103 |
| 6.6.2. INDEX REVIEW                                | 62  | 6.16.2. INDEX REVIEW                               | 103 |
| 6.6.3. ONGOING MAINTENANCE                         | 65  | 6.16.3. ONGOING MAINTENANCE                        | 107 |
| 6.7. ISTOXX MUTB MINIMUM VARIANCE INDICES          | 67  | 6.17. ISTOXX MUTB JAPAN SEMICONDUCTOR LEADERS      |     |
| 6.7.1. OVERVIEW                                    | 67  | INDEX                                              | 108 |
| 6.7.2. INDEX REVIEW                                | 67  | 6.17.1. OVERVIEW                                   | 108 |
| 6.7.3. ONGOING MAINTENANCE                         | 68  | 6.17.2. INDEX REVIEW                               | 108 |
| 6.8. ISTOXX MUTB MOMENTUM INDICES                  | 69  | 6.17.3. ONGOING MAINTENANCE                        | 111 |
| 6.8.1. OVERVIEW                                    | 69  | 6.18. ISTOXX MUTB JAPAN QUALITY DIVIDEND GROWTH 70 |     |
| 6.8.2. INDEX REVIEW                                | 69  | INDEX                                              | 112 |
| 6.8.3. ONGOING MAINTENANCE                         | 72  | 6.18.1. OVERVIEW                                   | 112 |
| 6.9. ISTOXX MUTB ESG QUALITY 200 INDICES           | 73  | 6.18.1. INDEX REVIEW                               | 112 |
| 6.9.1. OVERVIEW                                    | 73  | 6.18.1. ONGOING MAINTENANCE                        | 114 |
| 6.9.2. INDEX REVIEW                                | 73  | 6.19. ISTOXX MUTB US PARIS ALIGNED, ISTOXX MUTB    |     |
| 6.9.3. ONGOING MAINTENANCE                         | 78  | DEVELOPED EUROPE PARIS ALIGNED AND ISTOXX          |     |
| 6.10. ISTOXX MUTB CHINA ALL SHARES AM QUALITY      |     | MUTB EURO PARIS ALIGNED INDEX                      | 115 |
| CONSUMER 50 INDEX                                  | 80  | 6.19.1. OVERVIEW                                   | 115 |
| 6.10.1. OVERVIEW                                   | 80  | 6.19.2. INDEX REVIEW                               | 115 |
| 6.10.2. INDEX REVIEW                               | 80  | 6.19.3. ONGOING MAINTENANCE                        | 119 |
| 6.10.3. ONGOING MAINTENANCE                        | 82  | 6.20. ISTOXX MUTB JAPAN INBOUND TOURISM INDEX      | 120 |
| 6.11. ISTOXX MUTB JAPAN EMPOWERING WOMEN 30 INDEX  | 83  | 6.20.1. OVERVIEW                                   | 120 |
| 6.11.1. OVERVIEW                                   | 83  | 6.20.2. INDEX REVIEW                               | 120 |
| 6.11.2. INDEX REVIEW                               | 83  | 6.20.3. ONGOING MAINTENANCE                        | 121 |
| 6.11.3. ONGOING MAINTENANCE                        | 85  | 6.21. ISTOXX MUTB EUROPE TOTAL MARKET AEROSPACE    |     |
| 6.12. ISTOXX MUTB JAPAN ESG 30 INDEX               | 86  | AND DEFENSE INDEX                                  | 123 |
| 6.12.1. OVERVIEW                                   | 86  | 6.21.1. OVERVIEW                                   | 123 |
| 6.12.2. INDEX REVIEW                               | 86  | 6.21.2. INDEX REVIEW                               | 123 |
| 6.12.3. ONGOING MAINTENANCE                        | 87  | 6.21.3. ONGOING MAINTENANCE                        | 125 |
| 6.13. ISTOXX MUTB JAPAN MARKET SHARE LEADERS INDEX | 89  | 6.22. ISTOXX MUTB EUROPE LUXURY 10 INDEX           | 126 |
| 6.13.1. OVERVIEW                                   | 89  | 6.22.1. OVERVIEW                                   | 126 |
| 6.13.2. INDEX REVIEW                               | 89  | 6.22.2. INDEX REVIEW                               | 126 |
| 6.13.3. ONGOING MAINTENANCE                        | 90  | 6.22.3. ONGOING MAINTENANCE                        | 129 |
| 6.14. ISTOXX MUTB JAPAN LOW CARBON RISK 30 INDEX   | 91  | 6.23. ISTOXX MUTB JAPAN DEFENSE INDEX              | 130 |
| 6.14.1. OVERVIEW                                   | 91  | 6.23.1. OVERVIEW                                   | 130 |
| 6.14.2. INDEX REVIEW                               | 91  | 6.23.2. INDEX REVIEW                               | 130 |
| 6.14.3. ONGOING MAINTENANCE                        | 92  | 6.23.3. ONGOING MAINTENANCE                        | 132 |
| 6.15. ISTOXX MUTB JAPAN PLATINUM CAREER 150 INDEX  | 94  | 6.24. ISTOXX MUTB US AI INFRASTRUCTURE INDEX       | 134 |
| 6.15.1. OVERVIEW                                   | 94  | 6.24.1. OVERVIEW                                   | 134 |
| 6.15.2. INDEX REVIEW                               | 94  | 6.24.2. INDEX REVIEW                               | 134 |
| 6.15.3. ONGOING MAINTENANCE                        | 101 | 6.24.3. ONGOING MAINTENANCE                        | 137 |

# CONTENTS

## 7. ISTOXX CENTENARY INDICES 138

|                                              |     |
|----------------------------------------------|-----|
| 7.1. ISTOXX EUROPE CENTENARY INDEX           | 138 |
| 7.1.1. OVERVIEW                              | 138 |
| 7.1.2. INDEX REVIEW                          | 138 |
| 7.1.3. ONGOING MAINTENANCE                   | 138 |
| 7.2. ISTOXX EUROPE CENTENARY SELECT 30 INDEX | 139 |
| 7.2.1. OVERVIEW                              | 139 |
| 7.2.2. INDEX REVIEW                          | 139 |
| 7.2.3. ONGOING MAINTENANCE                   | 140 |

## 8. ISTOXX DEMOGRAPHY INDICES 141

|                                               |     |
|-----------------------------------------------|-----|
| 8.1. ISTOXX BROAD DEMOGRAPHY INDICES          | 141 |
| 8.1.1. OVERVIEW                               | 141 |
| 8.1.2. INDEX REVIEW                           | 145 |
| 8.1.3. ONGOING MAINTENANCE                    | 145 |
| 8.2. ISTOXX EUROPE DEMOGRAPHY 50 INDEX        | 146 |
| 8.2.1. OVERVIEW                               | 146 |
| 8.2.2. INDEX REVIEW                           | 150 |
| 8.2.3. ONGOING MAINTENANCE                    | 151 |
| 8.3. ISTOXX GLOBAL DEMOGRAPHY SELECT 50 INDEX | 152 |
| 8.3.1. OVERVIEW                               | 152 |
| 8.3.2. INDEX REVIEW                           | 156 |
| 8.3.3. ONGOING MAINTENANCE                    | 157 |

## 9. ISTOXX GLOBAL TRANSITIONS INDICES 158

|                                          |     |
|------------------------------------------|-----|
| 9.1. ISTOXX GLOBAL TRANSITIONS SELECT 30 | 158 |
| 9.1.1. OVERVIEW                          | 158 |
| 9.1.2. INDEX REVIEW                      | 158 |
| 9.1.3. ONGOING MAINTENANCE               | 163 |

## 10. ISTOXX ECONOMIC GROWTH SELECT INDICES 164

|                                               |     |
|-----------------------------------------------|-----|
| 10.1. ISTOXX EUROPE ECONOMIC GROWTH SELECT 50 | 164 |
| 10.1.1. OVERVIEW                              | 164 |
| 10.1.2. INDEX REVIEW                          | 164 |
| 10.1.3. ONGOING MAINTENANCE                   | 166 |

## 11. ISTOXX HIGH DIVIDEND INDICES 167

|                                                        |     |
|--------------------------------------------------------|-----|
| 11.1. EURO ISTOXX EX FINANCIALS HIGH DIVIDEND 50 INDEX | 167 |
|--------------------------------------------------------|-----|

|                             |     |
|-----------------------------|-----|
| 11.1.1. OVERVIEW            | 167 |
| 11.1.2. INDEX REVIEW        | 167 |
| 11.1.3. ONGOING MAINTENANCE | 168 |

|                                                         |     |
|---------------------------------------------------------|-----|
| 11.2. EURO ISTOXX HIGH DIVIDEND LOW VOLATILITY 50 INDEX | 169 |
| 11.2.1. OVERVIEW                                        | 169 |
| 11.2.2. INDEX REVIEW                                    | 169 |
| 11.2.3. ONGOING MAINTENANCE                             | 170 |

## 12. EURO ISTOXX 60 EQUAL WEIGHT INDEX AND EURO ISTOXX 70 EQUAL WEIGHT INDEX 171

|                                                                               |     |
|-------------------------------------------------------------------------------|-----|
| 12.1. EURO ISTOXX 60 EQUAL WEIGHT INDEX AND EURO ISTOXX 70 EQUAL WEIGHT INDEX | 171 |
| 12.1.1. OVERVIEW                                                              | 171 |
| 12.1.2. INDEX REVIEW                                                          | 171 |
| 12.1.3. ONGOING MAINTENANCE                                                   | 171 |

## 13. ISTOXX GLOBAL WOMEN LEADERSHIP SELECT 30 INDEX 172

|                                                      |     |
|------------------------------------------------------|-----|
| 13.1. ISTOXX GLOBAL WOMEN LEADERSHIP SELECT 30 INDEX | 172 |
| 13.1.1. OVERVIEW                                     | 172 |
| 13.1.2. INDEX REVIEW                                 | 172 |
| 13.1.3. ONGOING MAINTENANCE                          | 173 |

## 14. EURO ISTOXX BANKS CAP 5% INDEX 174

|                                      |     |
|--------------------------------------|-----|
| 14.1. EURO ISTOXX BANKS CAP 5% INDEX | 174 |
| 14.1.1. OVERVIEW                     | 174 |
| 14.1.2. INDEX REVIEW                 | 174 |
| 14.1.3. ONGOING MAINTENANCE          | 174 |

## 15. ISTOXX BÖRSEN-ZEITUNG GLOBAL 600 INDEX 175

|                                              |     |
|----------------------------------------------|-----|
| 15.1. ISTOXX BÖRSEN-ZEITUNG GLOBAL 600 INDEX | 175 |
| 15.1.1. OVERVIEW                             | 175 |
| 15.1.2. INDEX REVIEW                         | 175 |
| 15.1.3. ONGOING MAINTENANCE                  | 176 |

## 16. ISTOXX DIVERSITY IMPACT SELECT INDICES 177

|                                              |     |
|----------------------------------------------|-----|
| 16.1. ISTOXX DIVERSITY IMPACT SELECT INDICES | 177 |
|----------------------------------------------|-----|



# CONTENTS

|                                                                                     |            |                                                             |            |
|-------------------------------------------------------------------------------------|------------|-------------------------------------------------------------|------------|
| 16.1.1. OVERVIEW                                                                    | 177        | ISTOXX USA PURE GROWTH INDEX & ISTOXX USA                   |            |
| 16.1.2. INDEX REVIEW                                                                | 178        | STABLE GROWTH INDEX                                         | 196        |
| 16.1.3. ONGOING MAINTENANCE                                                         | 179        | 19.2.1.1. OVERVIEW                                          | 196        |
| 16.2. ISTOXX DIVERSITY ENHANCED IMPACT SELECT INDICES                               | 180        | 19.2.1.2. INDEX REVIEW                                      | 196        |
| 16.2.1. OVERVIEW                                                                    | 180        | 19.2.1.3. ONGOING MAINTENANCE                               | 200        |
| 16.2.2. INDEX REVIEW                                                                | 180        | ISTOXX USA DYNAMIC QUALITY GROWTH INDEX                     | 200        |
| 16.2.3. ONGOING MAINTENANCE                                                         | 183        | 19.2.2.1. OVERVIEW                                          | 200        |
|                                                                                     |            | 19.2.2.2. INDEX REVIEW                                      | 200        |
|                                                                                     |            | 19.2.2.3. ONGOING MAINTENANCE                               | 202        |
| <b>17. ISTOXX EUROPE ORIGIN 100 EQUAL WEIGHT INDICES</b>                            | <b>184</b> | <b>20. ISTOXX GLOBAL INDUSTRY NEUTRAL ESG 600 INDEX</b>     | <b>203</b> |
| 17.1. ISTOXX EUROPE ORIGIN 100 EQUAL WEIGHT INDICES                                 | 184        | 20.1. ISTOXX GLOBAL INDUSTRY NEUTRAL ESG 600 INDEX          | 203        |
| 17.1.1. OVERVIEW                                                                    | 184        | 20.1.1. OVERVIEW                                            | 203        |
| 17.1.2. INDEX REVIEW                                                                | 184        | 20.1.2. INDEX REVIEW                                        | 203        |
| 17.1.3. ONGOING MAINTENANCE                                                         | 184        | 20.1.3. ONGOING MAINTENANCE                                 | 205        |
| <b>18. EURO ISTOXX 80 EQUAL WEIGHT INDEX AND EURO ISTOXX 100 EQUAL WEIGHT INDEX</b> | <b>186</b> | <b>21. EURO ISTOXX 50 ESG FOCUS INDEX</b>                   | <b>206</b> |
| 18.1. EURO ISTOXX 80 EQUAL WEIGHT INDEX AND EURO ISTOXX 100 EQUAL WEIGHT INDEX      | 186        | 21.1. EURO ISTOXX 50 ESG FOCUS INDEX                        | 206        |
| 18.1.1. OVERVIEW                                                                    | 186        | 21.1.1. OVERVIEW                                            | 206        |
| 18.1.2. INDEX REVIEW                                                                | 186        | 21.1.2. INDEX REVIEW                                        | 206        |
| 18.1.3. ONGOING MAINTENANCE                                                         | 186        | 21.1.3. ONGOING MAINTENANCE                                 | 207        |
| <b>19. ISTOXX DYNAMIC STYLE INDICES</b>                                             | <b>187</b> | <b>22. EURO ISTOXX 25 CHALLENGERS EQUAL WEIGHT INDEX</b>    | <b>208</b> |
| 19.1. ISTOXX USA DYNAMIC QUALITY VALUE INDEX                                        | 187        | 22.1. EURO ISTOXX 25 CHALLENGERS EQUAL WEIGHT INDEX         | 208        |
| 19.1.1. OVERVIEW                                                                    | 187        | 22.1.1. OVERVIEW                                            | 208        |
| ISTOXX USA PURE VALUE                                                               | 187        | 22.1.2. INDEX REVIEW                                        | 208        |
| 19.1.1.1. OVERVIEW                                                                  | 187        | 22.1.3. ONGOING MAINTENANCE                                 | 209        |
| 19.1.1.2. INDEX REVIEW                                                              | 187        |                                                             |            |
| 19.1.1.3. ONGOING MAINTENANCE                                                       | 190        | <b>23. EURO ISTOXX NEXT 30 INDEX</b>                        | <b>210</b> |
| ISTOXX USA INCOME                                                                   | 190        | 23.1. EURO ISTOXX NEXT 30 INDEX                             | 210        |
| 19.1.1.4. OVERVIEW                                                                  | 190        | 23.1.1. OVERVIEW                                            | 210        |
| 19.1.1.5. INDEX REVIEW                                                              | 190        | 23.1.2. INDEX REVIEW                                        | 210        |
| 19.1.1.6. ONGOING MAINTENANCE                                                       | 193        | 23.1.3. ONGOING MAINTENANCE                                 | 211        |
| ISTOXX USA DYNAMIC QUALITY VALUE                                                    | 194        | <b>24. ISTOXX UK 35 &amp; ISTOXX SWITZERLAND 15 INDICES</b> | <b>212</b> |
| 19.1.1.7. OVERVIEW                                                                  | 194        | 24.1. ISTOXX UK 35 & ISTOXX SWITZERLAND 15 INDICES          | 212        |
| 19.1.1.8. INDEX REVIEW                                                              | 194        | 24.1.1. OVERVIEW                                            | 212        |
| 19.1.1.9. ONGOING MAINTENANCE                                                       | 195        | 24.1.2. INDEX REVIEW                                        | 212        |
| 19.2. ISTOXX USA DYNAMIC QUALITY GROWTH INDEX                                       | 196        |                                                             |            |
| 19.2.1. OVERVIEW                                                                    | 196        |                                                             |            |

# CONTENTS

|                                                                   |            |                                                                                 |            |
|-------------------------------------------------------------------|------------|---------------------------------------------------------------------------------|------------|
| 24.1.3. ONGOING MAINTENANCE                                       | 213        | 30.1. EURO ISTOXX ENVIRONMENTAL 50 EQUAL WEIGHT INDEX                           | 225        |
| <b>25. ISTOXX DEVELOPED MARKETS B.R.A.I.N. INDEX</b>              | <b>214</b> | 30.1.1. OVERVIEW                                                                | 225        |
| 25.1. ISTOXX DEVELOPED MARKETS B.R.A.I.N. INDEX                   | 214        | 30.1.2. INDEX REVIEW                                                            | 225        |
| 25.1.1. OVERVIEW                                                  | 214        | 30.1.3. ONGOING MAINTENANCE                                                     | 226        |
| 25.1.2. INDEX REVIEW                                              | 214        | <b>31. ISTOXX DEVELOPED AND EMERGING MARKETS EX USA PK VN REAL ESTATE INDEX</b> | <b>227</b> |
| 25.1.3. ONGOING MAINTENANCE                                       | 217        | 31.1. ISTOXX DEVELOPED AND EMERGING MARKETS EX USA PK VN REAL ESTATE INDEX      | 227        |
| <b>26. ISTOXX ASIA/PACIFIC AND SOUTH KOREA TOTAL MARKET INDEX</b> | <b>218</b> | 31.1.1. OVERVIEW                                                                | 227        |
| 26.1. ISTOXX ASIA/PACIFIC AND SOUTH KOREA TOTAL MARKET INDEX      | 218        | 31.1.2. INDEX REVIEW                                                            | 227        |
| 26.1.1. OVERVIEW                                                  | 218        | 31.1.3. ONGOING MAINTENANCE                                                     | 228        |
| 26.1.2. INDEX REVIEW                                              | 218        | <b>32. ISTOXX GLOBAL ESG EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX</b>        | <b>229</b> |
| 26.1.3. ONGOING MAINTENANCE                                       | 218        | 32.1. ISTOXX GLOBAL ESG EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX             | 229        |
| <b>27. ISTOXX CHINA ALL SHARES AM INDEX</b>                       | <b>219</b> | 32.1.1. OVERVIEW                                                                | 229        |
| 27.1. ISTOXX CHINA ALL SHARES AM INDEX                            | 219        | 32.1.2. INDEX REVIEW                                                            | 229        |
| 27.1.1. OVERVIEW                                                  | 219        | 32.1.3. ONGOING MAINTENANCE                                                     | 234        |
| 27.1.2. INDEX REVIEW                                              | 219        | <b>33. ISTOXX GLOBAL LOW CARBON EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX</b> | <b>235</b> |
| 27.1.3. ONGOING MAINTENANCE                                       | 220        | 33.1. ISTOXX GLOBAL LOW CARBON EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX      | 235        |
| <b>28. EURO ISTOXX EQUAL INDUSTRY 50 EW INDEX</b>                 | <b>221</b> | 33.1.1. OVERVIEW                                                                | 235        |
| 28.1. EURO ISTOXX EQUAL INDUSTRY 50 EW INDEX                      | 221        | 33.1.2. INDEX REVIEW                                                            | 235        |
| 28.1.1. OVERVIEW                                                  | 221        | 33.1.3. ONGOING MAINTENANCE                                                     | 241        |
| 28.1.2. INDEX REVIEW                                              | 221        | <b>34. ISTOXX SINGAPORE DEVELOPED REITS INDEX</b>                               | <b>243</b> |
| 28.1.3. ONGOING MAINTENANCE                                       | 222        | 34.1. ISTOXX SINGAPORE DEVELOPED REITS INDEX                                    | 243        |
| <b>29. ISTOXX FRANCE GERMANY BENELUX 60 EQUAL WEIGHT INDEX</b>    | <b>223</b> | 34.1.1. OVERVIEW                                                                | 243        |
| 29.1. ISTOXX FRANCE GERMANY BENELUX 60 EQUAL WEIGHT INDEX         | 223        | 34.1.2. INDEX REVIEW                                                            | 243        |
| 29.1.1. OVERVIEW                                                  | 223        | 34.1.3. ONGOING MAINTENANCE                                                     | 246        |
| 29.1.2. INDEX REVIEW                                              | 223        | <b>35. EURO ISTOXX RESPONSIBILITY SCREENED SELECT 30 INDEX</b>                  | <b>247</b> |
| 29.1.3. ONGOING MAINTENANCE                                       | 224        |                                                                                 |            |
| <b>30. EURO ISTOXX ENVIRONMENTAL 50 EQUAL WEIGHT INDEX</b>        | <b>225</b> |                                                                                 |            |

# CONTENTS

|                                                           |     |
|-----------------------------------------------------------|-----|
| 35.1. EURO ISTOXX RESPONSIBILITY SCREENED SELECT 30 INDEX | 247 |
| 35.1.1. OVERVIEW                                          | 247 |
| 35.1.2. INDEX REVIEW                                      | 247 |
| 35.1.3. ONGOING MAINTENANCE                               | 251 |

## **36. ISTOXX EUROPE RESPONSIBILITY LOW VOL 30 INDEX 252**

|                                                     |     |
|-----------------------------------------------------|-----|
| 36.1. ISTOXX EUROPE RESPONSIBILITY LOW VOL 30 INDEX | 252 |
| 36.1.1. OVERVIEW                                    | 252 |
| 36.1.2. INDEX REVIEW                                | 252 |
| 36.1.3. ONGOING MAINTENANCE                         | 258 |

## **37. ISTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX 259**

|                                                        |     |
|--------------------------------------------------------|-----|
| 37.1. ISTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX | 259 |
| 37.1.1. OVERVIEW                                       | 259 |
| 37.1.2. INDEX REVIEW                                   | 259 |
| 37.1.3. ONGOING MAINTENANCE                            | 270 |

## **38. ISTOXX ESG TREND SELECT 30 INDEX 271**

|                                               |     |
|-----------------------------------------------|-----|
| 38.1. ISTOXX GLOBAL ESG TREND SELECT 30 INDEX | 271 |
| 38.1.1. OVERVIEW                              | 271 |
| 38.1.2. INDEX REVIEW                          | 271 |
| 38.1.3. ONGOING MAINTENANCE                   | 276 |

## **39. EURO ISTOXX ESG CHOICE 50 EW INDEX 277**

|                                          |     |
|------------------------------------------|-----|
| 39.1. EURO ISTOXX ESG CHOICE 50 EW INDEX | 277 |
| 39.1.1. OVERVIEW                         | 277 |
| 39.1.2. INDEX REVIEW                     | 277 |
| 39.1.3. ONGOING MAINTENANCE              | 279 |

## **40. EURO ISTOXX ESG CORE LEADERS 50 INDEX 280**

|                                             |     |
|---------------------------------------------|-----|
| 40.1. EURO ISTOXX ESG CORE LEADERS 50 INDEX | 280 |
| 40.1.1. OVERVIEW                            | 280 |
| 40.1.2. INDEX REVIEW                        | 280 |
| 40.1.3. ONGOING MAINTENANCE                 | 282 |

## **41. EURO ISTOXX EQUAL INDUSTRY ESG 30 INDEX 283**

|                                               |     |
|-----------------------------------------------|-----|
| 41.1. EURO ISTOXX EQUAL INDUSTRY ESG 30 INDEX | 283 |
| 41.1.1. OVERVIEW                              | 283 |
| 41.1.2. INDEX REVIEW                          | 283 |
| 41.1.3. ONGOING MAINTENANCE                   | 284 |

## **42. ISTOXX GLOBAL RESPONSIBLE WASTE MANAGEMENT SELECT 30 INDEX 286**

|                                                                  |     |
|------------------------------------------------------------------|-----|
| 42.1. ISTOXX GLOBAL RESPONSIBLE WASTE MANAGEMENT SELECT 30 INDEX | 286 |
| 42.1.1. OVERVIEW                                                 | 286 |
| 42.1.2. INDEX REVIEW                                             | 286 |
| 42.1.3. ONGOING MAINTENANCE                                      | 293 |

## **43. EURO ISTOXX 50 CARBON ADAPTATION INDEX 294**

|                                              |     |
|----------------------------------------------|-----|
| 43.1. EURO ISTOXX 50 CARBON ADAPTATION INDEX | 294 |
| 43.1.1. OVERVIEW                             | 294 |
| 43.1.2. INDEX REVIEW                         | 294 |
| 43.1.3. ONGOING MAINTENANCE                  | 295 |

## **44. ISTOXX EUROPE TOTAL MARKET FOOD PRODUCERS CAPPED 30-15 INDEX 296**

|                                                                    |     |
|--------------------------------------------------------------------|-----|
| 44.1. ISTOXX EUROPE TOTAL MARKET FOOD PRODUCERS CAPPED 30-15 INDEX | 296 |
| 44.1.1. OVERVIEW                                                   | 296 |
| 44.1.2. INDEX REVIEW                                               | 296 |
| 44.1.3. ONGOING MAINTENANCE                                        | 296 |

## **45. EURO ISTOXX OCEAN CARE 40 INDEX 297**

|                                       |     |
|---------------------------------------|-----|
| 45.1. EURO ISTOXX OCEAN CARE 40 INDEX | 297 |
| 45.1.1. OVERVIEW                      | 297 |
| 45.1.2. INDEX REVIEW                  | 297 |
| 45.1.3. ONGOING MAINTENANCE           | 299 |

## **46. ISTOXX USA OCEAN CARE 40 INDEX 300**

|                                      |     |
|--------------------------------------|-----|
| 46.1. ISTOXX USA OCEAN CARE 40 INDEX | 300 |
| 46.1.1. OVERVIEW                     | 300 |
| 46.1.2. INDEX REVIEW                 | 300 |
| 46.1.3. ONGOING MAINTENANCE          | 302 |

# CONTENTS

## 47. ISTOXX GLOBAL ETHICAL SELECT 30 INDEX 304

|                                             |     |
|---------------------------------------------|-----|
| 47.1. ISTOXX GLOBAL ETHICAL SELECT 30 INDEX | 304 |
| 47.1.1. OVERVIEW                            | 304 |
| 47.1.2. INDEX REVIEW                        | 304 |
| 47.1.3. ONGOING MAINTENANCE                 | 311 |

## 48. EURO ISTOXX ESG WEIGHTED 50 INDEX 313

|                                         |     |
|-----------------------------------------|-----|
| 48.1. EURO ISTOXX ESG WEIGHTED 50 INDEX | 313 |
| 48.1.1. OVERVIEW                        | 313 |
| 48.1.2. INDEX REVIEW                    | 313 |
| 48.1.3. ONGOING MAINTENANCE             | 316 |

## 49. ISTOXX GERMANY REAL ESTATE CAPPED 20 INDEX 317

|                                                  |     |
|--------------------------------------------------|-----|
| 49.1. ISTOXX GERMANY REAL ESTATE CAPPED 20 INDEX | 317 |
| 49.1.1. OVERVIEW                                 | 317 |
| 49.1.2. INDEX REVIEW                             | 317 |
| 49.1.3. ONGOING MAINTENANCE                      | 317 |

## 50. ISTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX 318

|                                                                        |     |
|------------------------------------------------------------------------|-----|
| 50.1. ISTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX | 318 |
| 50.1.1. OVERVIEW                                                       | 318 |
| 50.1.2. INDEX REVIEW                                                   | 318 |
| 50.1.3. ONGOING MAINTENANCE                                            | 333 |

## 51. ISTOXX ITALY SMALL AND MID CAP INDEX 335

|                                            |     |
|--------------------------------------------|-----|
| 51.1. ISTOXX ITALY SMALL AND MID CAP INDEX | 335 |
| 51.1.1. OVERVIEW                           | 335 |
| 51.1.2. INDEX REVIEW                       | 335 |
| 51.1.3. ONGOING MAINTENANCE                | 335 |

## 52. ISTOXX MEGATRENDS SELECT INDICES 336

|                                                |     |
|------------------------------------------------|-----|
| 52.1. ISTOXX GLOBAL MEGATRENDS SELECT 50 INDEX | 336 |
| 52.1.1. OVERVIEW                               | 336 |
| 52.1.2. INDEX REVIEW                           | 336 |
| 52.1.3. ONGOING MAINTENANCE                    | 349 |
| 52.2. EURO ISTOXX MEGATRENDS SELECT 30 INDEX   | 351 |

|                             |     |
|-----------------------------|-----|
| 52.2.1. OVERVIEW            | 351 |
| 52.2.2. INDEX REVIEW        | 351 |
| 52.2.3. ONGOING MAINTENANCE | 360 |

## 53. ISTOXX GLOBAL 5G & NEXGEN TELECOMMUNICATION COMPONENTS INDEX 361

|                                                                    |     |
|--------------------------------------------------------------------|-----|
| 53.1. ISTOXX GLOBAL 5G & NEXGEN TELECOMMUNICATION COMPONENTS INDEX | 361 |
| 53.1.1. OVERVIEW                                                   | 361 |
| 53.1.2. INDEX REVIEW                                               | 362 |
| 53.1.3. ONGOING MAINTENANCE                                        | 364 |

## 54. ISTOXX GLOBAL PROFITABILITY SELECT 30 INDEX 365

|                                                   |     |
|---------------------------------------------------|-----|
| 54.1. ISTOXX GLOBAL PROFITABILITY SELECT 30 INDEX | 365 |
| 54.1.1. OVERVIEW                                  | 365 |
| 54.1.2. INDEX REVIEW                              | 365 |
| 54.1.3. ONGOING MAINTENANCE                       | 367 |

## 55. ISTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE HIGH DIVIDEND 30 INDEX 368

|                                                                       |     |
|-----------------------------------------------------------------------|-----|
| 55.1. ISTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE HIGH DIVIDEND 30 INDEX | 368 |
| 55.1.1. OVERVIEW                                                      | 368 |
| 55.1.2. INDEX REVIEW                                                  | 368 |
| 55.1.3. ONGOING MAINTENANCE                                           | 372 |

## 56. ISTOXX CORE EURO & GLOBAL WATER INDEX 373

|                                             |     |
|---------------------------------------------|-----|
| 56.1. ISTOXX CORE EURO & GLOBAL WATER INDEX | 373 |
| 56.1.1. OVERVIEW                            | 373 |
| 56.1.2. INDEX REVIEW                        | 373 |
| 56.1.3. ONGOING MAINTENANCE                 | 375 |

## 57. EURO ISTOXX WOMEN IN MANAGEMENT HIGH DIVIDEND 30 INDEX 377

|                                                              |     |
|--------------------------------------------------------------|-----|
| 57.1. EURO ISTOXX WOMEN IN MANAGEMENT HIGH DIVIDEND 30 INDEX | 377 |
| 57.1.1. OVERVIEW                                             | 377 |
| 57.1.2. INDEX REVIEW                                         | 377 |
| 57.1.3. ONGOING MAINTENANCE                                  | 380 |

# CONTENTS

## 58. EURO ISTOXX AMBITION CLIMAT PAB INDEX 381

|                                             |     |
|---------------------------------------------|-----|
| 58.1. EURO ISTOXX AMBITION CLIMAT PAB INDEX | 381 |
| 58.1.1. OVERVIEW                            | 381 |
| 58.1.2. INDEX REVIEW                        | 383 |
| 58.1.3. ONGOING MAINTENANCE                 | 390 |
| 58.1.4. SUMMARY                             | 391 |

## 59. ISTOXX EUROPE ESG LEADERS ADDITIONAL EXCLUSIONS SELECT 30 INDEX 393

|                                                                          |     |
|--------------------------------------------------------------------------|-----|
| 59.1. ISTOXX EUROPE ESG LEADERS ADDITIONAL<br>EXCLUSIONS SELECT 30 INDEX | 393 |
| 59.1.1. OVERVIEW                                                         | 393 |
| 59.1.2. INDEX REVIEW                                                     | 393 |
| 59.1.3. ONGOING MAINTENANCE                                              | 395 |

## 60. ISTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE 100 INDEX 396

|                                                             |     |
|-------------------------------------------------------------|-----|
| 60.1. ISTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE 100<br>INDEX | 396 |
| 60.1.1. OVERVIEW                                            | 396 |
| 60.1.2. INDEX REVIEW                                        | 396 |
| 60.1.3. ONGOING MAINTENANCE                                 | 398 |

## 61. ISTOXX EUROPE LONGEVITY SELECT 50 INDEX 399

|                                               |     |
|-----------------------------------------------|-----|
| 61.1. ISTOXX EUROPE LONGEVITY SELECT 50 INDEX | 399 |
| 61.1.1. OVERVIEW                              | 399 |
| 61.1.2. INDEX REVIEW                          | 402 |
| 61.1.3. ONGOING MAINTENANCE                   | 403 |

## 62. ISTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX 405

|                                                    |     |
|----------------------------------------------------|-----|
| 62.1. ISTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX | 405 |
| 62.1.1. OVERVIEW                                   | 405 |
| 62.1.2. INDEX REVIEW                               | 405 |
| 62.1.3. ONGOING MAINTENANCE                        | 415 |

## 63. ISTOXX GLOBAL FINTECH 30 INDEX 417

|                                      |     |
|--------------------------------------|-----|
| 63.1. ISTOXX GLOBAL FINTECH 30 INDEX | 417 |
|--------------------------------------|-----|

|                             |     |
|-----------------------------|-----|
| 63.1.1. OVERVIEW            | 417 |
| 63.1.2. INDEX REVIEW        | 417 |
| 63.1.3. ONGOING MAINTENANCE | 417 |

## 64. ISTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE LARGE 100 INDEX 419

|                                                                   |     |
|-------------------------------------------------------------------|-----|
| 64.1. ISTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE LARGE<br>100 INDEX | 419 |
| 64.1.1. OVERVIEW                                                  | 419 |
| 64.1.2. INDEX REVIEW                                              | 419 |
| 64.1.3. ONGOING MAINTENANCE                                       | 419 |

## 65. EURO ISTOXX ESG WEIGHTED ADDITIONAL EXCLUSIONS 50 INDEX 420

|                                                                  |     |
|------------------------------------------------------------------|-----|
| 65.1. EURO ISTOXX ESG WEIGHTED ADDITIONAL<br>EXCLUSIONS 50 INDEX | 420 |
| 65.1.1. OVERVIEW                                                 | 420 |
| 65.1.2. INDEX REVIEW                                             | 420 |
| 65.1.3. ONGOING MAINTENANCE                                      | 424 |

## 66. EURO ISTOXX 50 ARTIFICIAL INTELLIGENCE TILTED INDEX 425

|                                                           |     |
|-----------------------------------------------------------|-----|
| 66.1. EURO ISTOXX 50 ARTIFICIAL INTELLIGENCE TILTED INDEX | 425 |
| 66.1.1. OVERVIEW                                          | 425 |
| 66.1.2. INDEX REVIEW                                      | 425 |
| 66.1.3. ONGOING MAINTENANCE                               | 426 |

## 67. EURO ISTOXX 50 ELECTRIC VEHICLES TILTED INDEX 427

|                                                    |     |
|----------------------------------------------------|-----|
| 67.1. EURO ISTOXX 50 ELECTRIC VEHICLE TILTED INDEX | 427 |
| 67.1.1. OVERVIEW                                   | 427 |
| 67.1.2. INDEX REVIEW                               | 427 |
| 67.1.3. ONGOING MAINTENANCE                        | 428 |

## 68. EURO ISTOXX 50 SHARING ECONOMY TILTED INDEX 429

|                                                   |     |
|---------------------------------------------------|-----|
| 68.1. EURO ISTOXX 50 SHARING ECONOMY TILTED INDEX | 429 |
| 68.1.1. OVERVIEW                                  | 429 |
| 68.1.2. INDEX REVIEW                              | 429 |
| 68.1.3. ONGOING MAINTENANCE                       | 430 |

# CONTENTS

## 69. EURO ISTOXX 50 FUTURE HEALTHCARE TILTED INDEX 431

|                                                     |     |
|-----------------------------------------------------|-----|
| 69.1. EURO ISTOXX 50 FUTURE HEALTHCARE TILTED INDEX | 431 |
| 69.1.1. OVERVIEW                                    | 431 |
| 69.1.2. INDEX REVIEW                                | 431 |
| 69.1.3. ONGOING MAINTENANCE                         | 432 |

## 70. ISTOXX GLOBAL ELECTRIC VEHICLES & DRIVING TECHNOLOGY 30 INDEX 433

|                                                                     |     |
|---------------------------------------------------------------------|-----|
| 70.1. ISTOXX GLOBAL ELECTRIC VEHICLES & DRIVING TECHNOLOGY 30 INDEX | 433 |
| 70.1.1. OVERVIEW                                                    | 433 |
| 70.1.2. INDEX REVIEW                                                | 433 |
| 70.1.3. ONGOING MAINTENANCE                                         | 433 |

## 71. ISTOXX WORLD A INDICES 435

|                                   |     |
|-----------------------------------|-----|
| 71.1. ISTOXX WORLD A INDEX        | 435 |
| 71.1.1. OVERVIEW                  | 435 |
| 71.1.2. INDEX REVIEW              | 435 |
| 71.1.3. ONGOING MAINTENANCE       | 436 |
| 71.2. ISTOXX WORLD A CAPPED INDEX | 437 |
| 71.2.1. OVERVIEW                  | 437 |
| 71.2.2. INDEX REVIEW              | 437 |
| 71.2.3. ONGOING MAINTENANCE       | 438 |

## 72. EURO ISTOXX ESG PERFORMANCE 50 INDEX 439

|                                            |     |
|--------------------------------------------|-----|
| 72.1. EURO ISTOXX ESG PERFORMANCE 50 INDEX | 439 |
| 72.1.1. OVERVIEW                           | 439 |
| 72.1.2. INDEX REVIEW                       | 439 |
| 72.1.3. ONGOING MAINTENANCE                | 441 |

## 73. ISTOXX GLOBAL DEMOGRAPHIC TRENDS SELECT 50 INDEX 443

|                                                        |     |
|--------------------------------------------------------|-----|
| 73.1. ISTOXX GLOBAL DEMOGRAPHIC TRENDS SELECT 50 INDEX | 443 |
| 73.1.1. OVERVIEW                                       | 443 |
| 73.1.2. INDEX REVIEW                                   | 446 |
| 73.1.3. ONGOING MAINTENANCE                            | 447 |

## 74. ISTOXX DEVELOPED MARKETS GOLD MINERS 10 EW INDEX 448

|                                                        |     |
|--------------------------------------------------------|-----|
| 74.1. ISTOXX DEVELOPED MARKETS GOLD MINERS 10 EW INDEX | 448 |
| 74.1.1. OVERVIEW                                       | 448 |
| 74.1.2. INDEX REVIEW                                   | 448 |
| 74.1.3. ONGOING MAINTENANCE                            | 449 |

## 75. ISTOXX UNIVEST INDICES 450

|                                              |     |
|----------------------------------------------|-----|
| 75.1. ISTOXX UNIVEST WORLD INDEX             | 450 |
| 75.1.1. OVERVIEW                             | 450 |
| 75.1.2. INDEX REVIEW                         | 450 |
| 75.1.3. ONGOING MAINTENANCE                  | 451 |
| 75.2. ISTOXX UNIVEST SUSTAINABLE WORLD INDEX | 452 |
| 75.2.1. OVERVIEW                             | 452 |
| 75.2.2. INDEX REVIEW                         | 452 |
| 75.2.3. ONGOING MAINTENANCE                  | 455 |
| 75.3. ISTOXX UNIVEST EMERGING WORLD INDEX    | 457 |
| 75.3.1. OVERVIEW                             | 457 |
| 75.3.2. INDEX REVIEW                         | 457 |
| 75.3.3. ONGOING MAINTENANCE                  | 460 |
| 75.4. ISTOXX UNIVEST WORLD FACTOR INDEX      | 461 |
| 75.4.1. OVERVIEW                             | 461 |
| 75.4.2. INDEX REVIEW                         | 461 |
| 75.4.3. ONGOING MAINTENANCE                  | 464 |
| 75.5. ISTOXX UNIVEST WORLD ESG CARBON INDEX  | 465 |
| 75.5.1. OVERVIEW                             | 465 |
| 75.5.2. INDEX REVIEW                         | 465 |
| 75.5.3. ONGOING MAINTENANCE                  | 468 |
| 75.6. ISTOXX UNIVEST WORLD FACTOR ESG INDEX  | 469 |
| 75.6.1. OVERVIEW                             | 469 |
| 75.6.2. INDEX REVIEW                         | 469 |
| 75.6.3. ONGOING MAINTENANCE                  | 472 |

## 76. EURO ISTOXX 50 RECOVERY TILTED INDEX 473

|                                            |     |
|--------------------------------------------|-----|
| 76.1. EURO ISTOXX 50 RECOVERY TILTED INDEX | 473 |
| 76.1.1. OVERVIEW                           | 473 |
| 76.1.2. INDEX REVIEW                       | 473 |
| 76.1.3. ONGOING MAINTENANCE                | 475 |

# CONTENTS

## 77. ISTOXX GLOBAL ESG DIVIDEND TREND INDEX 476

|                                              |     |
|----------------------------------------------|-----|
| 77.1. ISTOXX GLOBAL ESG DIVIDEND TREND INDEX | 476 |
| 77.1.1. OVERVIEW                             | 476 |
| 77.1.2. INDEX REVIEW                         | 476 |
| 77.1.3. ONGOING MAINTENANCE                  | 480 |

## 78. ISTOXX PPF INDICES 481

|                                                         |     |
|---------------------------------------------------------|-----|
| 78.1. ISTOXX PPF RESPONSIBLE SDG INDEX                  | 481 |
| 78.1.1. OVERVIEW                                        | 481 |
| 78.1.2. INDEX REVIEW                                    | 481 |
| 78.1.3. ONGOING MAINTENANCE                             | 481 |
| 78.2. ISTOXX PPF EMERGING MARKETS INDEX                 | 482 |
| 78.2.1. OVERVIEW                                        | 482 |
| 78.2.2. INDEX REVIEW                                    | 482 |
| 78.2.3. ONGOING MAINTENANCE                             | 483 |
| 78.3. ISTOXX PPF RESPONSIBLE SDG EMERGING MARKETS INDEX | 484 |
| 78.3.1. OVERVIEW                                        | 484 |
| 78.3.2. INDEX REVIEW                                    | 484 |
| 78.3.3. ONGOING MAINTENANCE                             | 484 |

## 79. ISTOXX GLOBAL CLIMATE CHANGE ESG INDEX 485

|                                              |     |
|----------------------------------------------|-----|
| 79.1. ISTOXX GLOBAL CLIMATE CHANGE ESG INDEX | 485 |
| 79.1.1. OVERVIEW                             | 485 |
| 79.1.2. INDEX REVIEW                         | 487 |
| 79.1.3. ONGOING MAINTENANCE                  | 494 |
| 79.1.4. SUMMARY                              | 494 |

## 80. EURO ISTOXX 50 DIGITAL SECURITY TILTED INDEX 498

|                                                    |     |
|----------------------------------------------------|-----|
| 80.1. EURO ISTOXX 50 DIGITAL SECURITY TILTED INDEX | 498 |
| 80.1.1. OVERVIEW                                   | 498 |
| 80.1.2. INDEX REVIEW                               | 498 |
| 80.1.3. ONGOING MAINTENANCE                        | 499 |

## 81. EURO ISTOXX 50 BROAD INFRASTRUCTURE TILTED INDEX 500

|                                                        |     |
|--------------------------------------------------------|-----|
| 81.1. EURO ISTOXX 50 BROAD INFRASTRUCTURE TILTED INDEX | 500 |
|--------------------------------------------------------|-----|

|                             |     |
|-----------------------------|-----|
| 81.1.1. OVERVIEW            | 500 |
| 81.1.2. INDEX REVIEW        | 500 |
| 81.1.3. ONGOING MAINTENANCE | 501 |

## 82. ISTOXX ACCESS METAVERSE INDEX 502

|                                     |     |
|-------------------------------------|-----|
| 82.1. ISTOXX ACCESS METAVERSE INDEX | 502 |
| 82.1.1. OVERVIEW                    | 502 |
| 82.1.2. INDEX REVIEW                | 502 |
| 82.1.3. ONGOING MAINTENANCE         | 507 |

## 83. EURO ISTOXX SECTOR EXCLUSIONS INDEX 508

|                                           |     |
|-------------------------------------------|-----|
| 83.1. EURO ISTOXX SECTOR EXCLUSIONS INDEX | 508 |
| 83.1.1. OVERVIEW                          | 508 |
| 83.1.2. INDEX REVIEW                      | 508 |
| 83.1.3. ONGOING MAINTENANCE               | 509 |

## 84. ISTOXX WORLD MIN VOL ESG INDICES 510

|                                                    |     |
|----------------------------------------------------|-----|
| 84.1. ISTOXX WORLD MIN VOL AND MIN VOL ESG INDICES | 510 |
| ISTOXX WORLD MIN VOL INDEX                         | 510 |
| 84.1.1.1. OVERVIEW                                 | 510 |
| 84.1.1.2. INDEX REVIEW                             | 510 |
| ISTOXX WORLD MIN VOL ESG INDEX                     | 514 |
| 84.1.1.3. OVERVIEW                                 | 514 |
| 84.1.1.4. INDEX REVIEW                             | 514 |
| 84.1.1.5. ONGOING MAINTENANCE                      | 517 |
| 84.2. ISTOXX L&G DEVELOPED WORLD ESG INDEX         | 518 |
| 84.2.1. OVERVIEW                                   | 518 |
| 84.2.2. INDEX REVIEW                               | 518 |
| 84.2.3. ONGOING MAINTENANCE                        | 520 |
| 84.3. ISTOXX L&G DEVELOPED WORLD MIN VOL INDEX     | 521 |
| 84.3.1. OVERVIEW                                   | 521 |
| 84.3.2. INDEX REVIEW                               | 521 |
| 84.3.3. ONGOING MAINTENANCE                        | 522 |
| 84.4. ISTOXX L&G DEVELOPED WORLD MIN VOL ESG INDEX | 524 |
| 84.4.1. OVERVIEW                                   | 524 |
| 84.4.2. INDEX REVIEW                               | 524 |
| 84.4.3. ONGOING MAINTENANCE                        | 528 |
| 84.5. ISTOXX DEVELOPED WORLD MIN VOL INDEX         | 529 |
| 84.5.1. OVERVIEW                                   | 529 |
| 84.5.2. INDEX REVIEW                               | 529 |

# CONTENTS

|                                                                    |            |                                                                     |            |
|--------------------------------------------------------------------|------------|---------------------------------------------------------------------|------------|
| 84.5.3. ONGOING MAINTENANCE                                        | 532        | 89.1.3. ONGOING MAINTENANCE                                         | 570        |
| 84.6. ISTOXX DEVELOPED WORLD MIN VOL ESG INDEX                     | 533        | 89.2. ISTOXX GLOBAL E-SUSTAINABLE POOL INDEX                        | 571        |
| 84.6.1. OVERVIEW                                                   | 533        | 89.2.1. OVERVIEW                                                    | 571        |
| 84.6.2. INDEX REVIEW                                               | 533        | 89.2.2. INDEX REVIEW                                                | 571        |
| 84.6.3. ONGOING MAINTENANCE                                        | 536        | 89.2.3. ONGOING MAINTENANCE                                         | 572        |
| <b>85. ISTOXX EUROPE 600 IRCANTEC PAB INDEX</b>                    | <b>537</b> | 89.3. ISTOXX GLOBAL S-SUSTAINABLE POOL INDEX                        | 573        |
| 85.1. ISTOXX EUROPE 600 IRCANTEC PAB INDEX                         | 537        | 89.3.1. OVERVIEW                                                    | 573        |
| 85.1.1. OVERVIEW                                                   | 537        | 89.3.2. INDEX REVIEW                                                | 573        |
| 85.1.2. INDEX REVIEW                                               | 539        | 89.3.3. ONGOING MAINTENANCE                                         | 573        |
| 85.1.3. ONGOING MAINTENANCE                                        | 550        | <b>90. EURO ISTOXX ALH CTB INDEX</b>                                | <b>575</b> |
| <b>86. ISTOXX FAMILY OWNED ESG COMPANY INDICES</b>                 | <b>551</b> | 90.1. EURO ISTOXX ALH CTB INDEX                                     | 575        |
| 86.1. ISTOXX FAMILY OWNED ESG COMPANY INDICES                      | 551        | 90.1.1. OVERVIEW                                                    | 575        |
| 86.1.1. OVERVIEW                                                   | 551        | 90.1.2. INDEX REVIEW                                                | 575        |
| 86.1.2. INDEX REVIEW                                               | 551        | 90.1.3. ONGOING MAINTENANCE                                         | 578        |
| 86.1.3. ONGOING MAINTENANCE                                        | 554        | <b>91. ISTOXX BSG INDICES</b>                                       | <b>579</b> |
| <b>87. ISTOXX GLOBAL HEALTHCARE ESG EXCLUSIONS SELECT 30 INDEX</b> | <b>556</b> | 91.1. ISTOXX WORLD AC ALL CAP MIN VOL INDEX                         | 579        |
| 87.1. ISTOXX GLOBAL HEALTHCARE ESG EXCLUSIONS SELECT 30 INDEX      | 556        | 91.1.1. OVERVIEW                                                    | 579        |
| 87.1.1. OVERVIEW                                                   | 556        | 91.1.2. INDEX REVIEW                                                | 579        |
| 87.1.2. INDEX REVIEW                                               | 556        | 91.1.3. ONGOING MAINTENANCE                                         | 582        |
| 87.1.3. ONGOING MAINTENANCE                                        | 560        | 91.2. BSG INDEX ON ISTOXX WORLD AC ALL CAP MIN VOL EXCLUSIONS INDEX | 583        |
| <b>88. ISTOXX GLOBAL CLEAN ENERGY SELECTED 30 INDEX</b>            | <b>561</b> | 91.2.1. OVERVIEW                                                    | 583        |
| 88.1. ISTOXX GLOBAL CLEAN ENERGY SELECTED 30 INDEX                 | 561        | 91.2.2. INDEX REVIEW                                                | 583        |
| 88.1.1. OVERVIEW                                                   | 561        | 91.2.3. ONGOING MAINTENANCE                                         | 586        |
| 88.1.2. INDEX REVIEW                                               | 561        | 91.3. BSG INDEX ON ISTOXX WORLD AC ALL CAP MIN VOL CLIMATE INDEX    | 588        |
| 88.1.3. ONGOING MAINTENANCE                                        | 566        | 91.3.1. OVERVIEW                                                    | 588        |
| <b>89. ISTOXX GLOBAL SUSTAINABLE POOL INDICES</b>                  | <b>568</b> | 91.3.2. INDEX REVIEW                                                | 588        |
| 89.1. ISTOXX GLOBAL SUSTAINABLE POOL INDEX                         | 568        | 91.3.3. ONGOING MAINTENANCE                                         | 592        |
| 89.1.1. OVERVIEW                                                   | 568        | 91.4. BSG INDEX ON ISTOXX WORLD AC ALL CAP MIN VOL ESG INDEX        | 593        |
| 89.1.2. INDEX REVIEW                                               | 568        | 91.4.1. OVERVIEW                                                    | 593        |
|                                                                    |            | 91.4.2. INDEX REVIEW                                                | 593        |
|                                                                    |            | 91.4.3. ONGOING MAINTENANCE                                         | 596        |
|                                                                    |            | 91.5. BSG INDEX ON ISTOXX WORLD AC ALL CAP MIN VOL INDEX            | 597        |
|                                                                    |            | 91.5.1. OVERVIEW                                                    | 597        |
|                                                                    |            | 91.5.2. INDEX REVIEW                                                | 597        |
|                                                                    |            | 91.5.3. ONGOING MAINTENANCE                                         | 602        |



# CONTENTS

|                                                                         |            |                                                                                  |            |
|-------------------------------------------------------------------------|------------|----------------------------------------------------------------------------------|------------|
| 91.6. BSG INDEX ON ISTOXX DEVELOPED WORLD SMALL<br>CAP EXCLUSIONS INDEX | 603        | 94.1.1. OVERVIEW                                                                 | 633        |
| 91.6.1. OVERVIEW                                                        | 603        | 94.1.2. INDEX REVIEW                                                             | 633        |
| 91.6.2. INDEX REVIEW                                                    | 603        | 94.1.3. ONGOING MAINTENANCE                                                      | 636        |
| 91.6.3. ONGOING MAINTENANCE                                             | 606        | 94.2. ISTOXX FINTECH 10 INDEX                                                    | 637        |
| 91.7. BSG INDEX ON ISTOXX DEVELOPED WORLD SMALL<br>CAP CLIMATE INDEX    | 608        | 94.2.1. OVERVIEW                                                                 | 637        |
| 91.7.1. OVERVIEW                                                        | 608        | 94.2.2. INDEX REVIEW                                                             | 637        |
| 91.7.2. INDEX REVIEW                                                    | 608        | 94.2.3. ONGOING MAINTENANCE                                                      | 639        |
| 91.7.3. ONGOING MAINTENANCE                                             | 612        | <b>95. ISTOXX EUROPE 600 ESG-X WATER<br/>DEPLETION TILTED INDEX</b>              | <b>641</b> |
| 91.8. BSG INDEX ON ISTOXX DEVELOPED WORLD SMALL<br>CAP ESG INDEX        | 613        | 95.1. ISTOXX EUROPE 600 ESG-X WATER DEPLETION TILTED<br>INDEX                    | 641        |
| 91.8.1. OVERVIEW                                                        | 613        | 95.1.1. OVERVIEW                                                                 | 641        |
| 91.8.2. INDEX REVIEW                                                    | 613        | 95.1.2. INDEX REVIEW                                                             | 641        |
| 91.8.3. ONGOING MAINTENANCE                                             | 616        | 95.1.3. ONGOING MAINTENANCE                                                      | 644        |
| 91.9. BSG INDEX ON ISTOXX DEVELOPED WORLD SMALL<br>CAP INDEX            | 617        | 95.2. ISTOXX WATER DEPLETION 10 INDEX                                            | 646        |
| 91.9.1. OVERVIEW                                                        | 617        | 95.2.1. OVERVIEW                                                                 | 646        |
| 91.9.2. INDEX REVIEW                                                    | 617        | 95.2.2. INDEX REVIEW                                                             | 646        |
| 91.9.3. ONGOING MAINTENANCE                                             | 622        | 95.2.3. ONGOING MAINTENANCE                                                      | 649        |
| <b>92. ISTOXX BDFG ESG INDICES</b>                                      | <b>623</b> | <b>96. ISTOXX SELECT DIVIDEND ESG FILTERED<br/>INDICES</b>                       | <b>650</b> |
| 92.1. ISTOXX BDFG ESG INDICES                                           | 623        | 96.1. ISTOXX SELECT DIVIDEND ESG FILTERED INDICES                                | 650        |
| 92.1.1. OVERVIEW                                                        | 623        | 96.1.1. OVERVIEW                                                                 | 650        |
| 92.1.2. INDEX REVIEW                                                    | 623        | 96.1.2. INDEX REVIEW                                                             | 650        |
| 92.1.3. ONGOING MAINTENANCE                                             | 624        | 96.1.3. ONGOING MAINTENANCE                                                      | 654        |
| <b>93. ISTOXX EUROPE 600 ESG-X LONGEVITY<br/>TILTED INDEX</b>           | <b>625</b> | <b>97. ISTOXX EUROPE 50 EX FINANCIALS EX BASIC<br/>MATERIALS EX ENERGY INDEX</b> | <b>655</b> |
| 93.1. ISTOXX EUROPE 600 ESG-X LONGEVITY TILTED INDEX                    | 625        | 97.1. ISTOXX EUROPE 50 EX FINANCIALS EX BASIC<br>MATERIALS EX ENERGY INDEX       | 655        |
| 93.1.1. OVERVIEW                                                        | 625        | 97.1.1. OVERVIEW                                                                 | 655        |
| 93.1.2. INDEX REVIEW                                                    | 625        | 97.1.2. INDEX REVIEW                                                             | 655        |
| 93.1.3. ONGOING MAINTENANCE                                             | 628        | 97.1.3. ONGOING MAINTENANCE                                                      | 655        |
| 93.2. ISTOXX LONGEVITY 10 INDEX                                         | 629        | <b>98. ISTOXX TRANSATLANTIC INDICES</b>                                          | <b>657</b> |
| 93.2.1. OVERVIEW                                                        | 629        | 98.1. ISTOXX TRANSATLANTIC EU 70 INDEX                                           | 657        |
| 93.2.2. INDEX REVIEW                                                    | 629        | 98.1.1. OVERVIEW                                                                 | 657        |
| 93.2.3. ONGOING MAINTENANCE                                             | 631        | 98.1.2. INDEX REVIEW                                                             | 657        |
| <b>94. ISTOXX EUROPE 600 ESG-X FINTECH TILTED<br/>INDEX</b>             | <b>633</b> | 98.1.3. ONGOING MAINTENANCE                                                      | 657        |
| 94.1. ISTOXX EUROPE 600 ESG-X FINTECH TILTED INDEX                      | 633        | 98.2. ISTOXX TRANSATLANTIC US 30 INDEX                                           | 658        |

# CONTENTS

|                                                       |     |                                                                  |     |
|-------------------------------------------------------|-----|------------------------------------------------------------------|-----|
| 98.2.1. OVERVIEW                                      | 658 | 98.13. ISTOXX TRANSATLANTIC ESG 100 INDEX                        | 679 |
| 98.2.2. INDEX REVIEW                                  | 658 | 98.13.1. OVERVIEW                                                | 679 |
| 98.2.3. ONGOING MAINTENANCE                           | 658 | 98.13.2. INDEX FORMULA                                           | 679 |
| 98.3. ISTOXX TRANSATLANTIC 100 EQUAL WEIGHT INDEX     | 659 | 98.13.3. ONGOING MAINTENANCE                                     | 679 |
| 98.3.1. OVERVIEW                                      | 659 |                                                                  |     |
| 98.3.2. INDEX FORMULA                                 | 659 | <b>99. ISTOXX GLOBAL REGIONAL ESG INDICES 680</b>                |     |
| 98.4. ISTOXX TRANSATLANTIC EU ESG 70 INDEX            | 660 | 99.1. ISTOXX NORDIC ESG DW INDEX                                 | 680 |
| 98.4.1. OVERVIEW                                      | 660 | 99.1.1. OVERVIEW                                                 | 680 |
| 98.4.2. INDEX REVIEW                                  | 660 | 99.1.2. INDEX REVIEW                                             | 680 |
| 98.4.3. ONGOING MAINTENANCE                           | 660 | 99.1.3. ONGOING MAINTENANCE                                      | 682 |
| 98.5. ISTOXX TRANSATLANTIC US ESG 30 INDEX            | 661 | 99.2. ISTOXX GLOBAL ESG REGIONAL LEG 50 INDEX                    | 683 |
| 98.5.1. OVERVIEW                                      | 661 | 99.2.1. OVERVIEW                                                 | 683 |
| 98.5.2. INDEX REVIEW                                  | 661 | 99.2.2. INDEX REVIEW                                             | 683 |
| 98.5.3. ONGOING MAINTENANCE                           | 661 | 99.2.3. ONGOING MAINTENANCE                                      | 684 |
| 98.6. ISTOXX TRANSATLANTIC ESG 100 EQUAL WEIGHT INDEX | 662 | 99.3. ISTOXX GLOBAL ESG 150 INDEX                                | 685 |
| 98.6.1. OVERVIEW                                      | 662 | 99.3.1. OVERVIEW                                                 | 685 |
| 98.6.2. INDEX FORMULA                                 | 662 | 99.3.2. INDEX FORMULA                                            | 685 |
| 98.7. ISTOXX EUROZONE MEGATRENDS ESG 30 INDEX         | 663 | 99.4. ISTOXX GLOBAL ESG INDEX IN JPY                             | 686 |
| 98.7.1. OVERVIEW                                      | 663 | 99.4.1. OVERVIEW                                                 | 686 |
| 98.7.2. INDEX REVIEW                                  | 663 | 99.4.2. INDEX REVIEW                                             | 686 |
| 98.7.3. ONGOING MAINTENANCE                           | 666 | 99.4.3. ONGOING MAINTENANCE                                      | 687 |
| 98.8. ISTOXX USA MEGATRENDS ESG 30 INDEX              | 667 | 99.5. ISTOXX GLOBAL ESG COMPOSITE 150 INDEX                      | 688 |
| 98.8.1. OVERVIEW                                      | 667 | 99.5.1. OVERVIEW                                                 | 688 |
| 98.8.2. INDEX REVIEW                                  | 667 | 99.5.2. INDEX FORMULA                                            | 688 |
| 98.8.3. ONGOING MAINTENANCE                           | 670 | 99.5.3. ONGOING MAINTENANCE                                      | 688 |
| 98.9. ISTOXX TRANSATLANTIC MEGATRENDS ESG 60 INDEX    | 671 | <b>100. ISTOXX FRANCE ESG 40 INDEX 689</b>                       |     |
| 98.9.1. OVERVIEW                                      | 671 | 100.1. ISTOXX FRANCE ESG 40 INDEX                                | 689 |
| 98.9.2. INDEX FORMULA                                 | 671 | 100.1.1. OVERVIEW                                                | 689 |
| 98.10. ISTOXX EUROZONE 50 INDEX                       | 672 | 100.1.2. INDEX REVIEW                                            | 689 |
| 98.10.1. OVERVIEW                                     | 672 | 100.1.3. ONGOING MAINTENANCE                                     | 690 |
| 98.10.2. INDEX REVIEW                                 | 672 |                                                                  |     |
| 98.10.3. ONGOING MAINTENANCE                          | 673 | <b>101. ISTOXX US ESG 100 INDEX 691</b>                          |     |
| 98.11. ISTOXX USA 100 INDEX                           | 675 | 101.1. ISTOXX US ESG 100 INDEX                                   | 691 |
| 98.11.1. OVERVIEW                                     | 675 | 101.1.1. OVERVIEW                                                | 691 |
| 98.11.2. INDEX REVIEW                                 | 675 | 101.1.2. INDEX REVIEW                                            | 691 |
| 98.11.3. ONGOING MAINTENANCE                          | 677 | 101.1.3. ONGOING MAINTENANCE                                     | 693 |
| 98.12. ISTOXX TRANSATLANTIC 150 INDEX                 | 678 | <b>102. EURO ISTOXX 50 HEALTH &amp; FITNESS TILTED INDEX 694</b> |     |
| 98.12.1. OVERVIEW                                     | 678 |                                                                  |     |
| 98.12.2. INDEX FORMULA                                | 678 |                                                                  |     |
| 98.12.3. ONGOING MAINTENANCE                          | 678 |                                                                  |     |

# CONTENTS

|                                                                     |                                                     |     |                                                                                             |                                            |     |
|---------------------------------------------------------------------|-----------------------------------------------------|-----|---------------------------------------------------------------------------------------------|--------------------------------------------|-----|
| 102.1.                                                              | EURO ISTOXX 50 HEALTH & FITNESS TILTED INDEX        | 694 | 108.1.                                                                                      | ISTOXX APG WORLD-X AND RESPONSIBLE INDICES | 711 |
| 102.1.1.                                                            | OVERVIEW                                            | 694 | 108.1.1.                                                                                    | OVERVIEW                                   | 711 |
| 102.1.2.                                                            | INDEX REVIEW                                        | 694 | 108.1.2.                                                                                    | INDEX REVIEW                               | 711 |
| 102.1.3.                                                            | ONGOING MAINTENANCE                                 | 695 | 108.1.3.                                                                                    | ONGOING MAINTENANCE                        | 716 |
| <b>103. ISTOXX SCREENED INDICES 697</b>                             |                                                     |     | <b>108.2. ISTOXX APG WORLD-X AND RESPONSIBLE MINIMUM VOLATILITY INDICES 718</b>             |                                            |     |
| 103.1.                                                              | ISTOXX SCREENED INDICES                             | 697 | 108.2.1.                                                                                    | OVERVIEW                                   | 718 |
| 103.1.1.                                                            | OVERVIEW                                            | 697 | 108.2.2.                                                                                    | INDEX REVIEW                               | 718 |
| 103.1.2.                                                            | INDEX REVIEW                                        | 697 | 108.2.3.                                                                                    | ONGOING MAINTENANCE                        | 725 |
| 103.1.3.                                                            | ONGOING MAINTENANCE                                 | 699 | <b>108.3. ISTOXX APG DEVELOPED REAL ESTATE INDEX 726</b>                                    |                                            |     |
| <b>104. ISTOXX GLOBAL SELECT DIVIDEND 100 ENHANCED INDEX 701</b>    |                                                     |     | 108.3.1.                                                                                    | OVERVIEW                                   | 726 |
| 104.1.                                                              | ISTOXX GLOBAL SELECT DIVIDEND 100 ENHANCED INDEX    | 701 | 108.3.2.                                                                                    | INDEX REVIEW                               | 726 |
| 104.1.1.                                                            | OVERVIEW                                            | 701 | 108.3.3.                                                                                    | ONGOING MAINTENANCE                        | 729 |
| 104.1.2.                                                            | INDEX REVIEW                                        | 701 | <b>108.4. ISTOXX APG DEVELOPED REAL ESTATE-X AND RESPONSIBLE INDEX 730</b>                  |                                            |     |
| 104.1.3.                                                            | ONGOING MAINTENANCE                                 | 702 | 108.4.1.                                                                                    | OVERVIEW                                   | 730 |
| <b>105. EURO ISTOXX 50 STYLE WEIGHTED INDEX 703</b>                 |                                                     |     | 108.4.2.                                                                                    | INDEX REVIEW                               | 730 |
| 105.1.                                                              | EURO ISTOXX 50 STYLE WEIGHTED INDEX                 | 703 | 108.4.3.                                                                                    | ONGOING MAINTENANCE                        | 735 |
| 105.1.1.                                                            | OVERVIEW                                            | 703 | <b>108.5. ISTOXX APG WORLD MULTI-FACTOR AND RESPONSIBLE INDICES 736</b>                     |                                            |     |
| 105.1.1.                                                            | INDEX REVIEW                                        | 703 | 108.5.1.                                                                                    | OVERVIEW                                   | 736 |
| <b>106. ISTOXX EUROPE ESG CLIMATE AWARENESS SELECT 50 INDEX 705</b> |                                                     |     | 108.5.2.                                                                                    | FACTOR DEFINATIONS                         | 736 |
| 106.1.                                                              | ISTOXX EUROPE ESG CLIMATE AWARENESS SELECT 50 INDEX | 705 | 108.5.3.                                                                                    | INDEX REVIEW                               | 738 |
| 106.1.1.                                                            | OVERVIEW                                            | 705 | 108.5.4.                                                                                    | ONGOING MAINTENANCE                        | 742 |
| 106.1.2.                                                            | INDEX REVIEW                                        | 705 | <b>108.6. ISTOXX APG EMERGING MARKETS-X AND RESPONSIBLE INDICES 744</b>                     |                                            |     |
| 106.1.3.                                                            | ONGOING MAINTENANCE                                 | 707 | 108.6.1.                                                                                    | OVERVIEW                                   | 744 |
| <b>107. ISTOXX UK ESG EQUAL WEIGHT INDEX 708</b>                    |                                                     |     | 108.6.2.                                                                                    | INDEX REVIEW                               | 744 |
| 107.1.                                                              | ISTOXX UK ESG EQUAL WEIGHT INDEX                    | 708 | 108.6.3.                                                                                    | ONGOING MAINTENANCE                        | 749 |
| 107.1.1.                                                            | OVERVIEW                                            | 708 | <b>108.7. ISTOXX APG EM RESPONSIBLE LOW CARBON EX SELECT SOE INDEX 751</b>                  |                                            |     |
| 107.1.2.                                                            | INDEX REVIEW                                        | 708 | 108.7.1.                                                                                    | OVERVIEW                                   | 751 |
| 107.1.3.                                                            | ONGOING MAINTENANCE                                 | 710 | 108.7.2.                                                                                    | INDEX REVIEW                               | 751 |
| <b>108. ISTOXX APG INDICES 711</b>                                  |                                                     |     | 108.7.3.                                                                                    | ONGOING MAINTENANCE                        | 754 |
|                                                                     |                                                     |     | <b>108.8. ISTOXX APG EM COUNTRY CAPPED INCLUSION EX SELECT SOE INDEX 756</b>                |                                            |     |
|                                                                     |                                                     |     | 108.8.1.                                                                                    | OVERVIEW                                   | 756 |
|                                                                     |                                                     |     | 108.8.2.                                                                                    | INDEX REVIEW                               | 756 |
|                                                                     |                                                     |     | 108.8.3.                                                                                    | ONGOING MAINTENANCE                        | 758 |
|                                                                     |                                                     |     | <b>108.9. ISTOXX APG WORLD-X CAPPED, ISTOXX APG WORLD RESPONSIBLE CAPPED AND ISTOXX APG</b> |                                            |     |

# CONTENTS

|                                                                        |            |                                                                              |            |
|------------------------------------------------------------------------|------------|------------------------------------------------------------------------------|------------|
| WORLD RESPONSIBLE LOW-CARBON CAPPED INDEX                              |            | 112.1. ISTOXX IQAM EUROPE CTB ESG SELECT INDEX                               |            |
| 759                                                                    |            | 787                                                                          |            |
| 108.9.1. OVERVIEW                                                      | 759        | 112.1.1. OVERVIEW                                                            | 787        |
| 108.9.2. INDEX REVIEW                                                  | 759        | 112.1.2. INDEX REVIEW                                                        | 787        |
| 108.9.3. ONGOING MAINTENANCE                                           | 763        | 112.1.3. ONGOING MAINTENANCE                                                 | 791        |
| <b>109. EURO ISTOXX 50 AEROSPACE &amp; DEFENSE TILTED INDEX</b>        | <b>765</b> | <b>113. EURO ISTOXX 50 GLOBAL AI INFRASTRUCTURE TILTED INDEX</b>             | <b>792</b> |
| 109.1. EURO ISTOXX 50 AEROSPACE & DEFENSE TILTED INDEX                 | 765        | 113.1. EURO ISTOXX 50 GLOBAL AI INFRASTRUCTURE TILTED INDEX                  | 792        |
| 109.1.1. OVERVIEW                                                      | 765        | 113.1.1. OVERVIEW                                                            | 792        |
| 109.1.2. INDEX REVIEW                                                  | 765        | 113.1.2. INDEX REVIEW                                                        | 792        |
| 109.1.3. ONGOING MAINTENANCE                                           | 768        | 113.1.3. ONGOING MAINTENANCE                                                 | 794        |
| 109.2. ISTOXX AEROSPACE & DEFENSE 10 INDEX                             | 769        | <b>114. ISTOXX EMERGING MARKETS EQUITY INDEX</b>                             | <b>795</b> |
| 109.2.1. OVERVIEW                                                      | 769        | 114.1. ISTOXX EMERGING MARKETS EQUITY INDEX                                  | 795        |
| 109.2.2. INDEX REVIEW                                                  | 769        | 114.1.1. OVERVIEW                                                            | 795        |
| 109.2.3. ONGOING MAINTENANCE                                           | 771        | 114.1.2. INDEX REVIEW: SELECTION                                             | 797        |
| <b>110. ISTOXX TRIODOS DEVELOPED MARKETS IMPACT INDICES</b>            | <b>772</b> | 114.1.3. ASSIGNMENT OF MAIN SIZE LABELS                                      | 800        |
| 110.1. ISTOXX TRIODOS DEVELOPED MARKETS IMPACT INDEX                   | 772        | 114.1.4. INDEX REVIEW                                                        | 802        |
| 110.1.1. OVERVIEW                                                      | 772        | 114.1.5. INDEX STABILITY                                                     | 806        |
| 110.1.2. INDEX REVIEW                                                  | 772        | 114.1.6. ONGOING MAINTENANCE                                                 | 806        |
| 110.1.3. ONGOING MAINTENANCE                                           | 775        | <b>115. EURO ISTOXX 50 INDUSTRIAL REVOLUTION 4.0 TILTED INDEX</b>            | <b>807</b> |
| 110.2. ISTOXX TRIODOS DEVELOPED MARKETS MID AND SMALL CAP IMPACT INDEX | 776        | 115.1. EURO ISTOXX 50 INDUSTRIAL REVOLUTION 4.0 TILTED INDEX                 | 807        |
| 110.2.1. OVERVIEW                                                      | 776        | 115.1.1. OVERVIEW                                                            | 807        |
| 110.2.2. INDEX REVIEW                                                  | 776        | 115.1.2. INDEX REVIEW                                                        | 807        |
| 110.2.3. ONGOING MAINTENANCE                                           | 779        | 115.1.3. ONGOING MAINTENANCE                                                 | 808        |
| <b>111. ISTOXX EUROPE TOTAL MARKET DEFENSE ENHANCED INDEX</b>          | <b>780</b> | <b>116. EURO ISTOXX 50 VIDEO GAMING TILTED INDEX</b>                         | <b>809</b> |
| 111.1. ISTOXX EUROPE TOTAL MARKET DEFENSE ENHANCED INDEX               | 780        | 116.1. EURO ISTOXX 50 VIDEO GAMING TILTED INDEX                              | 809        |
| 111.1.1. OVERVIEW                                                      | 780        | 116.1.1. OVERVIEW                                                            | 809        |
| 111.1.2. INDEX REVIEW                                                  | 780        | 116.1.2. INDEX REVIEW                                                        | 809        |
| 111.1.3. INTRA-QUARTER CAPPING TREATMENT                               | 784        | 116.1.3. ONGOING MAINTENANCE                                                 | 810        |
| 111.1.4. ONGOING MAINTENANCE                                           | 786        | <b>117. EURO ISTOXX 50 PRECIOUS AND INDUSTRIAL METAL MINERS TILTED INDEX</b> | <b>811</b> |
| <b>112. ISTOXX IQAM EUROPE CTB ESG SELECT INDEX</b>                    | <b>787</b> |                                                                              |            |

# CONTENTS

---

|          |                                                                     |     |
|----------|---------------------------------------------------------------------|-----|
| 117.1.   | EURO ISTOXX 50 PRECIOUS AND INDUSTRIAL<br>METAL MINERS TILTED INDEX | 811 |
| 117.1.1. | OVERVIEW                                                            | 811 |
| 117.1.2. | INDEX REVIEW                                                        | 811 |
| 117.1.3. | ONGOING MAINTENANCE                                                 | 814 |

## **118. EURO ISTOXX 50 UTILITIES TILTED INDEX 815**

---

|          |                                       |     |
|----------|---------------------------------------|-----|
| 118.1.   | EURO ISTOXX 50 UTILITIES TILTED INDEX | 815 |
| 118.1.1. | OVERVIEW                              | 815 |
| 118.1.2. | INDEX REVIEW                          | 815 |
| 118.1.3. | ONGOING MAINTENANCE                   | 816 |

## **119. EURO ISTOXX 50 BASIC RESOURCES TILTED INDEX 817**

---

|          |                                                |     |
|----------|------------------------------------------------|-----|
| 119.1.   | EURO ISTOXX 50 BASIC RESOURCES TILTED<br>INDEX | 817 |
| 119.1.1. | OVERVIEW                                       | 817 |
| 119.1.2. | INDEX REVIEW                                   | 817 |
| 119.1.3. | ONGOING MAINTENANCE                            | 818 |

## **120. CHANGES TO GUIDE BOOK 819**

---

|        |                                                              |     |
|--------|--------------------------------------------------------------|-----|
| 120.1. | HISTORY OF CHANGES TO ISTOXX® EQUITY<br>METHODOLOGY GUIDE    | 819 |
| 120.2. | HISTORY OF CHANGES TO THE FORMER<br>ISTOXX METHODOLOGY GUIDE | 821 |

# 1. INTRODUCTION TO THE STOXX INDEX GUIDES

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The STOXX index guides are separated into the following sub-sets:

- » The **STOXX Calculation guide** provides a general overview of the calculation of the STOXX equity indices, the dissemination, the index formulas and adjustments due to corporate actions
- » The **STOXX Index Methodology guide** contains the equity index specific rules regarding the construction and derivation of the portfolio based indices, the individual component selection process and weighting schemes
- » The **STOXX World Equity Index Methodology guide** contains the index specific rules regarding the construction and derivation of the STOXX World portfolio based indices, the individual component selection process and weighting schemes
- » The **STOXX Strategy Index guide** contains the formulas and description of all strategy indices
- » The **STOXX DVP Calculation guide** describes the dividend points products
- » The **STOXX Distribution Points Calculation guide** describes the distribution points products
- » The **iSTOXX Fund Indices Methodology guide** contains the index specific rules regarding the construction and derivation of the iSTOXX Fund indices, the individual component selection process and weighting schemes
- » The **iSTOXX Strategy Indices Methodology guide** contains the index specific rules regarding the construction and derivation of the iSTOXX Strategy indices, the individual component selection process and weighting schemes
- » The **iSTOXX Decrement Indices Methodology guide** contains the index specific rules regarding the construction and derivation of the iSTOXX Decrement indices, the individual component selection process and weighting schemes
- » The **iSTOXX Equity Indices Methodology guide** contains the index specific rules regarding the construction and derivation of the iSTOXX Equity indices, the individual component selection process and weighting schemes
- » The **STOXX Reference Rates guide** contains the rules and methodologies of the reference rate indices
- » The **STOXX Reference Calculations guide** provides a detailed view of definitions and formulas of the calculations as utilized in the reports, factsheets, indices and presentations produced by STOXX
- » The **Guide to Industry Classifications Used by STOXX** contains general information pertaining to industry classifications used in STOXX indices, together with any references and links to third-parties that create the data.
- » The **STOXX Eligible Market Segments guide** contains the list of stock exchanges and market segments.

All rule books are available for download on <http://www.stoxx.com/indices/rulebooks.html>

## 2. GENERAL PRINCIPLES

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### 2.1. INDEX RATIONALE

STOXX defines the index rationale as the basis for applying a certain methodology in order to achieve the index objective. STOXX performs intensive research and may conduct conversations with market participants and third parties for this purpose. STOXX discloses the index objective in every case.

### 2.2. METHODOLOGY REVIEW POLICIES

STOXX constantly monitors the execution of the index calculation rules in order to ensure the validity of the index methodology. STOXX also conducts general methodology reviews in a periodic and ad-hoc basis, to reflect economic and political changes and developments in the investment industry. As result of these activities, STOXX introduces changes to the methodology books. Material changes are notified to subscribers and the media through the usual communication channels. Clarifications of the methodology are updated in the rulebook. All changes are tracked in the section named 'Changes to the Guide Book'.

### 2.3. INDEX TERMINATION POLICY

For the termination of an index or index family for which outstanding products are present in the market to the knowledge of STOXX, a market consultation with the involved clients will be initiated by STOXX to take into account their views and concerns related to the termination or transition. A consultation period will be opened. Its duration depends on the specific issue. After the consultation period and in case of further action needed, a notification will be issued and the process defined above will be followed. In the case of a transition, STOXX will launch the alternative index and will notify of its character as a suitable replacement for an existing index whose calculation should be discontinued in the future. This notification advises clients on the alternative recommended by STOXX as replacement. The timeframe in which both indices will be calculated in parallel will be disclosed in the notification's text and will be no shorter than three months.

For the termination of an index or index family for which, to the knowledge of STOXX, no listed financial products are issued in the market, a press release notification or e-mail notification to subscribers will be communicated at least three months before coming into force. Clients or third parties with interest in the index or index family are urged to communicate as soon as possible their concerns to STOXX. Based on the feedback collected, STOXX may alter the index termination decision. For the termination of an index without financial product issued on there will be no market consultation. Changes to the original notification will be communicated in the same manner.

### 2.4. REPLACEMENT FOR INDICES WITH FIXED NUMBER OF CONSTITUENTS

When referred to this section the below applies only during review implementation month:

## 2. GENERAL PRINCIPLES

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During review implementation month, the published review report in combination with the selection list will be used to select a replacement. With the public announcement of the review report in the review implementation month, the highest ranked non-component from the selection list, which is not announced an addition to the affected index from the review report at the review effective date, will replace the deleted stock ("next viable replacement").

For certain replacements occurring during review month and before the rebalancing date:

- If a deleted stock was scheduled for a deletion in an (size) index at the review effective date to a lower size index or entirely, the afore-mentioned process of adding the next viable replacement applies. However, to balance the number of additions and deletions at the review effective date, the lowest ranked index component on the selection list, within the same (size) index and which was not announced a deletion from the review report, will be deleted at the review effective date.

- If a deleted stock was scheduled for an addition in an (size) index at the review effective date, the afore-mentioned process of adding the next viable replacement applies. However, to balance the number of additions and deletions at the review effective date, the highest ranked index component on the selection list, within the same (size) index and which was not announced an addition from the review report, will replace the deleted addition at the review effective date.



## 3. RISK BASED INDICES

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### 3.1. iSTOXX LOW VARIANCE 120 INDEX

#### 3.1.1. OVERVIEW

The iSTOXX Low Variance 120 (LVI) is built out of the lower volatility stocks that are constituents of the STOXX Europe 600 index. It serves as underlying for the iSTOXX Europe Low Variance Adjusted Beta.

**Universe:** The index universe are stocks in the STOXX Europe 600 index.

**Weighting scheme:** Price-weighted.

**Base value and dates:** 1000 on Dec 31, 2007

**Index types and currencies:** Net return in EUR and USD

#### 3.1.2. INDEX REVIEW

**Review frequency:** The index is reviewed monthly. The review cut-off date is the last trading day of the previous month. Changes will be implemented on the close of the third Friday and are effective the next trading day.

**Component selection:**

On the review cut-off date (RCD) for each stock  $i$  of the STOXX 600 Europe index, the average daily traded volume (ADTV) in EUR is calculated over the six month period ending on the review cut-off date.

Over the same six month period, the daily log-returns and the annualized volatilities thereof are calculated.

If the first day of the time series is not a trading day, the next trading day will be considered to start the time series and the period will consequently be shorter than 6 months.

- » All stocks with an ADTV below 3,000,000 EUR are excluded
- » The remaining stocks are ranked in ascending order by their respective volatility and the highest ranked 120 stocks are selected (e.g. 120 stocks with the lowest volatility).
- » In case the ADTV screen results in less than 120 stocks, all remaining stocks are selected for the index and the volatility criteria is omitted.

**Weighting Cap factor:** All components are equal-weighted. The weighting cap factors are published on the second Friday of each month, one week prior to monthly review implementation using Thursday's closing prices.

Weighting cap factor =  $(1,000,000,000 / \text{closing price of the stock in EUR})$ , rounded to integers.

## 3. RISK BASED INDICES

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### 3.1.3. ONGOING MAINTENANCE

**Corporate Actions and Dividends:** All corporate actions and dividends are applied according to the STOXX calculation guide.

**Replacements:** A deleted stock is not replaced immediately. The weights are distributed among the remaining constituents.

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** A spin-off is added temporarily to the index and is removed after its first trading day.

## 3. RISK BASED INDICES

### 3.2. iSTOXX EUROPE LOW VARIANCE ADJUSTED BETA INDEX

#### 3.2.1. OVERVIEW

The iSTOXX Europe Low Variance Adjusted Beta index leverages a low volatility investment, the iSTOXX Europe Low Risk Weighted 120 index, with the view to obtain a similar beta exposure as its underlying index, the STOXX Europe 600 index.

**Universe:** The index universe is the iSTOXX Low Variance 120 Net return (EUR) (LVI) index.

**Index types and currencies:** Net return in EUR

The beta of the LVI (net return EUR) which is the sensitivity of LVI log returns relative to the STOXX Europe 600 ([EU0009658210 / SXXR] – net return EUR) log returns is calculated on the trading day following each Review Cut-off Date (RCD), which is the first Friday of that month and implemented on the following rebalancing date T (which is the third Friday of that month):

$$\beta_T^{LVI} = \text{Max} \left[ \text{Min} \left( \beta_T^*; \frac{1}{\text{Exp}_{\text{OLD}}(T) - 20\%} \right); \frac{1}{\text{Exp}_{\text{OLD}}(T) + 20\%} \right]$$

Where:

$$\left\{ \begin{array}{l} \beta_T^* = \frac{\sum_{t=\text{RCD}-N(\text{RCP})+1}^{\text{RCD}} \ln(1 + r_t^{LVI}) * \ln(1 + r_t^{\text{SXXR}})}{\sum_{t=\text{RCD}-N(\text{RCP})+1}^{\text{RCD}} \ln(1 + r_t^{\text{SXXR}})^2} \\ \text{Exp}_{\text{OLD}}(T) = \text{Max} \left( 50\%; \text{Min} \left( C, \frac{1}{\beta_{T(-1)}^{LVI}} \right) \right) \end{array} \right.$$

For each trading day t, daily log returns are defined as follows:

$$r_t^i = \ln \left( \frac{IC_t^i}{IC_{t-1}^i} \right)$$

Where,

$r_t^i$  is the log return of index i between trading days t-1 and t  
 $IC_t^i$  is the Index Close of index i on trading day t

And where,

RCP is the "Review Computation Period", a six month period which ends on the review cut-off date RCD  
 N(RCP) is the number of trading days during the Review Computation Period  
 T(-1) is the rebalancing date immediately preceding T  
 C equals 200% and is the maximum leverage taken.

Any variation in  $\beta_T^{LVI}$  on a rebalancing date would therefore result in a variation of exposure of SXXLABR to LVI which is capped at 20%. In addition, the exposure of SXXLABR to LVI will always be comprised between 50% and C.

## 3. RISK BASED INDICES

### 3.2.2. INDEX FORMULA

The SXLABR is calculated as follows:

$$\begin{aligned} \text{SXLABR}_t = \text{SXLABR}_{t-1} & \left( 1 + \text{Max} \left( 50\%, \text{Min} \left( C, \frac{1}{\beta_{T(t)}^{\text{LVI}}} \right) \right) \left( \frac{\text{LVI}_t}{\text{LVI}_{t-1}} - 1 \right) \right. \\ & \left. + \left( 1 - \text{Max} \left( 50\%, \text{Min} \left( C, \frac{1}{\beta_{T(t)}^{\text{LVI}}} \right) \right) \right) \left( (\text{€STR}_{t-1} + I_{T(t)} \times \text{Spread}_{t-1}) \frac{D_{t,t-1}}{360} \right) \right) \end{aligned}$$

where,

$$\text{Spread}_{t-1} = \text{EUR012M}_{t-1} - \text{EUSWE}_{t-1}$$

and where,

|                             |                                                                                                                                                                                                      |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| $\text{SXLABR}_t$           | is the SXLABR index on trading day t. The value of the index on base date will be 1,000.                                                                                                             |
| C                           | equals 200% and is the maximum leverage taken.                                                                                                                                                       |
| $\beta_{T(t)}^{\text{LVI}}$ | is the beta of of the LVI portfolio calculated as per formula 9. T(t) is the rebalancing date immediately preceding t (included)                                                                     |
| $\text{EUR012M}_{t-1}$      | is the Euribor 12-month rate on trading day t-1, RIC code: EURIBOR= (1Y Maturity)                                                                                                                    |
| $\text{EUSWE}_{t-1}$        | is the Euro 1Y Overnight swap rate on trading day t-1, RIC code: EUREST1Y= (until Nov. 30, 2020, the Euro swap EONIA 12-month rate on trading day t-1, RIC code: EONIAINDEX (1Y Maturity), was used) |
| $\text{€STR}_{t-1}$         | is the €STR overnight rate on trading day t-1.                                                                                                                                                       |
| 360                         | is the day-count convention for the above interest rates                                                                                                                                             |
| $D_{t,t-1}$                 | is the number of calendar days between two immediate trading days t (excluded) and t-1 (included).                                                                                                   |
| $I_{T(t)}$                  | is a dummy variable calculated in respect of each rebalancing date T(t) (which is the rebalancing date immediately preceding t (included)):                                                          |
| $I_{T(t)} = 1$              | if $\beta_{T(t)}^{\text{LVI}} < 1$                                                                                                                                                                   |
| $I_{T(t)} = 0$              | if $\beta_{T(t)}^{\text{LVI}} \geq 1$                                                                                                                                                                |
| t-1                         | is the trading day immediately preceding t.                                                                                                                                                          |

### 3.2.3. INTRADAY REBALANCING

In order to account for the risk of a dramatic fall in the value of the SXLABR index due to extreme market movements, the SXLABR index also incorporates an intraday reset feature. If, at any time v during a trading Day t between 9:00 to 16:00 CET, the SXLABR loses 50% or more compared to its last closing level (such event being defined as an “Intraday Restrike Event”), then STOXX shall

### 3. RISK BASED INDICES

observe the values of the SXLABR index during the 15 minutes following time  $v$  (such period being called the "Observation Period").

The lowest value of the SXLABR during the observation time is used to simulate a new closing time called SXLABR\* with its corresponding LVI\* value at time  $v$  according to the formula below.

$$SXLABR_{t*} = SXLABR_{t-1} \left( 1 + \text{Max} \left( 50\%, \text{Min} \left( C, \frac{1}{\beta_{T(t)}^{LVI}} \right) \right) \left( \frac{LVI_{t*}}{LVI_{t-1}} - 1 \right) \right. \\ \left. + \left( 1 - \text{Max} \left( 50\%, \text{Min} \left( C, \frac{1}{\beta_{T(t)}^{LVI}} \right) \right) \right) \left( (\text{€STR}_{t-1} + I_{T(t)} \times \text{Spread}_{t-1}) \frac{D_{t,t-1}}{360} \right) \right)$$

where,

$SXLABR_{t*}$  = lowest values during the observation period

LVI\* = corresponding LVI value at the time of the lowest SXLABR value

After the observation period until the real daily close the SXLABR index will calculate using  $SXLABR_{t*}$  and LVI\* as new reference points:

$$SXLABR_{t*} \left( 1 + \text{Max} \left( 50\%, \text{Min} \left( C, \frac{1}{\beta_{T(t)}^{LVI}} \right) \right) \left( \frac{LVI_t}{LVI_{t*}} - 1 \right) \right)$$

The difference between the calculation before and after the intraday rebalancing event is that the right-hand part of the initial formula has been dropped because interest rate / financing charges have already been accounted for between the daily open and intraday rebalancing event. In the unlikely case that a second intraday rebalancing event is triggered - within the same trading day  $t$  - a new observation period is triggered and the SXLABR index will calculate again as described as above with new reference points  $SXLABR_{t*}$  and LVI\*.

## 3. RISK BASED INDICES

### 3.3. iSTOXX EUROPE NEXT DIVIDEND LOW RISK 50 INDEX

#### 3.3.1. OVERVIEW

The iSTOXX Europe Next Dividend Low Risk 50 Index monthly selects companies from the STOXX Europe 600 that will have a dividend ex-date in the next month and have historically shown low volatility. All stocks are risk-weighted.

**Universe:** The index universe is defined by the STOXX Europe 600 Index.

**Weighting Scheme:** Price-weighted with a weighting cap factor based on the inverse of the 6-month volatility.

**Base values and dates:** 100 on Jan 23, 2009.

**Index types and currencies:** Price, net return, gross return in EUR and USD.  
Price EUR: realtime, others: end-of-day

#### 3.3.2. INDEX REVIEW

**Selection List:** In a first step a liquidity filter is applied to the universe: Only companies with a 3-month average daily traded value (ADTV) greater than EUR 10mln are selected.

In a second step all remaining companies are ranked in increasing order by their 6-month volatility (using daily returns). The top third (i.e. with low volatility) is selected and builds the selection list.

**Component selection:** From that selection list the 50 highest ranked companies which are going to pay a dividend during the next review cycle are then chosen as index components. If this yields less than 50 companies, the highest ranked companies (i.e. with low volatility) which are not paying a dividend are selected to complete the index.

**Review frequency:** The reviews are conducted on a monthly basis. New compositions are implemented after the third Friday of each month. The new compositions and weighting cap factors are announced on the second Friday. The underlying data (weighting cap factors) will be based on the closing prices of Thursday.

**Weight and capping factors:** The weighting cap factors are calculated based on the inverse of the 6-month historical volatility as follows:

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

$w_i$  weight of component (i)

$\sigma_i$  historical 6-month volatility of component (i)

Weighting cap factor = weight \* (100,000,000,000 / closing price of the stock in EUR), rounded to integers

An additional cap factor of 5% per index constituent applies.

## 3. RISK BASED INDICES

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### 3.3.3. ONGOING MAINTENANCE

**Replacements:** A deleted company is not replaced.

If one company is excluded from the STOXX Europe 600 between review dates, but remains in the STOXX Global TMI, this company will not be excluded from the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 3. RISK BASED INDICES

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### 3.4. iSTOXX EUROPE SELECT HIGH BETA 50 INDEX

#### 3.4.1. OVERVIEW

The iSTOXX Europe Select High Beta 50 Index monthly selects those companies from the STOXX Europe 600 that have shown a high beta historically will have a dividend ex-date in the next month.

**Universe:** The index universe is defined by the STOXX Europe 600 Index.

**Weighting scheme:** Price-weighted with a weighting cap factor to achieve an equal weight

**Base values and dates:** 100 on Dec 23, 2002

**Index types and currencies:** Price, net return, gross return in EUR and USD.

#### 3.4.2. INDEX REVIEW

**Selection List:** In a first step a liquidity filter is applied to the universe: Only companies with a 3-month average daily traded value (ADTV) greater than EUR 25mln are selected.

In a second step all remaining companies are ranked in by their 6-month volatility (using daily returns) and the top and bottom fifth is removed. The companies left are then sorted by their 6-month beta with the EURO STOXX 50 Index and companies with a beta greater than 1.5 are removed as well. The top 125 companies by beta of the remaining companies build up the selection list.

**Component selection:** From the selection list the 50 highest ranked companies that will have a dividend ex-date in the next month are chosen as index components. If this yields less than 50 companies, the highest ranked companies (i.e. with high beta) which are not paying a dividend are selected to complete the index.

**Review frequency:** The reviews are conducted on a monthly basis. New compositions are implemented after the third Friday of each month. The new compositions and underlying data (weighting cap factors) are announced on the second Friday. The underlying data (weighting cap factors) will be based on the closing prices of Thursday.

#### 3.4.3. ONGOING MAINTENANCE

**Replacements:** A deleted company is not replaced. If one company is excluded from the STOXX Europe 600 between review dates, but remains in the STOXX Global TMI, this company will remain in the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index.

**Corporate Actions:** All component are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com).



## 4. iSTOXX ESG SELECT INDICES

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### 4.1. iSTOXX GLOBAL ESG SELECT 100 INDEX

#### 4.1.1.OVERVIEW

The index represents the top 100 companies from the STOXX Global ESG Leaders index in terms of lowest volatility and highest dividend yield.

**Universe:** The index universe are stocks from the STOXX Global ESG Leaders Index

**Weighting scheme:** Free Float Market Cap weighted with a 10% weighting capfactor per constituent

**Base values and dates:** 100 on Sep 20, 2004

**Index types and currencies:** Price, net return and gross return in EUR, GBP and USD

#### 4.1.2.INDEX REVIEW

**Selection List:** On the review cut-off date for each stock of the STOXX Global ESG Leaders Index the following factors are calculated:

- » One year historical volatility
- » Gross dividend yield<sup>1</sup>

The stocks are ranked in ascending order by their respective volatility (in EUR) and in descending order by their gross dividend yield. All stocks are then ranked according to the average rank of the two ranks previously described.

**Composition list:** The highest ranked 100 stocks are selected (i.e. smallest overall rank). In case several stocks have the same overall rank, priority is given to the stock with the lowest volatility.

**Review frequency:** The index composition is reviewed annually in September. Shares, Free Float factors and capfactors are reviewed each quarter (March, June, September, December). The cut-off date for all data is the last dissemination day of the month prior to the quarterly review month. The implementation of the reviews is in line with the STOXX Global indices.

**Weighting cap factors:** Components weights are capped quarterly at a maximum weight of 10%. Weighting cap factors are calculated using prices of Thursday prior to the second Friday of the month.

**Derived indices:** not applicable

#### 4.1.3.ONGOING MAINTENANCE

**Replacements:** Deleted companies are replaced with the highest ranked non-component from the selection list that is part of the STOXX Global ESG Leaders index. If a company is excluded from the STOXX Global ESG Leaders index between review dates, but remains in the STOXX Global Total Market index, the company will not be excluded from the index. The selection lists are created

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<sup>1</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](https://www.stoxx.com).

annually in line with the periodic index review. During review implementation month the process laid out in section 3.4. of the iSTOXX Methodology Guide will be applied.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is added temporarily and removed after its first trading day.

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## 4.2. iSTOXX EUROPE ESG SELECT 30 INDEX

### 4.2.1. OVERVIEW

The index represents the top 30 European companies from the STOXX Global ESG Leaders index in terms of lowest volatility and highest dividend yield.

**Universe:** The index universe are all European stocks from the STOXX Global ESG Leaders Index

**Weighting scheme:** Free Float Market Cap weighted with a 10% weighting cap factor per constituent

**Base values and dates:** 100 on Sep 20, 2004

**Index types and currencies:** Price, net return and gross return in EUR, GBP and USD

### 4.2.2. INDEX REVIEW

**Selection List:** On the review cut-off date for each European stock of the STOXX Global ESG Leaders Index the following factors are calculated:

- » One year historical volatility
- » Gross dividend yield<sup>2</sup>

The stocks are ranked in ascending order by their respective volatility (in EUR) and in descending order by their gross dividend yield. All stocks are then ranked according to the average rank of the two ranks previously described.

**Composition list:** The highest ranked 30 European stocks are selected (i.e. smallest overall rank). In case several stocks have the same overall rank, priority is given to the stock with the lowest volatility.

**Review frequency** the index composition is reviewed annually in September. Shares, Free Float factors and capfactors are reviewed each quarter (March, June, September, December). The cut-off date for all data is the last dissemination day of the month prior to the quarterly review month. The implementation of the reviews is in line with the STOXX Global indices.

**Weighting cap factors:** Components weights are capped quarterly at a maximum weight of 10%. Weighting cap factors are calculated using prices of the Thursday prior to the second Friday of the month.

**Derived indices:** not applicable

### 4.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are replaced with the highest ranked non-component from the selection list that is part of the STOXX Global ESG Leaders index. If a company is excluded from the STOXX Global ESG Leaders index between review dates, but remains in the STOXX Global Total Market index, the company will not be excluded from the index. The selection lists are created

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<sup>2</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](https://www.stoxx.com).

annually in line with the periodic index review. During review implementation month the process laid out in section 3.4. of the iSTOXX Methodology Guide will be applied.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is added temporarily and removed after its first trading day.

## 4.3. iSTOXX NORTH AMERICA ESG SELECT 30 INDEX

### 4.3.1.OVERVIEW

The index selects North American components from the STOXX Global ESG Leaders index based on the following main criteria: low volatility and high dividends yield

**Universe:** All the North American stocks from the STOXX Global ESG Leaders index

**Weighting scheme:** Price-weighted with a weighting cap factor according to the inverse of the 12 months historical volatility and additionally with weighting cap limit of 10% per constituent

**Base values and dates:** The following base values and dates apply: 100 as of June 21, 2004

For a complete list, please consult the data vendor code sheet on the website<sup>3</sup>. Customized solutions can be provided upon request.

**Index types and currencies:** Price, net and gross return in EUR and USD.

### 4.3.2.INDEX REVIEW

**Selection List:** On the review cut-off date, for each North American stock of the STOXX Global ESG Leaders Index, the following factors are calculated:

- » One year historical volatility in USD
- » Gross dividend yield<sup>4</sup>

The stocks are ranked in ascending order by their respective volatility and in descending order by their Gross Dividend yield. All stocks are then ranked according to the average rank of the two ranks previously described.

**Component list and selection:** Top 30 are selected (i.e. smallest overall rank).

In case several stocks have the same overall rank, priority is given to the stock with the lowest volatility.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

**Weighting and capping factors:** The weighting cap factors are calculated based on the inverse of their historical volatility. The prices are based of Thursday prior to the second Friday of the month.

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

$w_i$  weight of component (i)

<sup>3</sup>[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

<sup>4</sup> Please see STOXX Reference Calculation Guide available on stoxx.com.

$\sigma_i$  historical 12-months volatility of component (i)

Weighting cap factor = weight \* (1,000,000,000 / closing price of the stock), rounded to integers.  
Additionally, components are capped at a maximum weight of 10%.

#### 4.3.3.ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is not added permanently to the index.

## 4.4. iSTOXX GLOBAL ESG SELECT 50 INDEX

### 4.4.1. OVERVIEW

The index selects, among the Global ESG Leaders index, the top dividend payers of each region (Europe, North America, Asia/Pacific), while applying constraints on the minimum/maximum numbers of stocks per regions and industries. The selected companies are weighted according to the inverse of their 12-month historical volatility in EUR (with a minimum of 0.5% and a maximum of 4%).

**Universe:** All stocks from the STOXX Global ESG Leaders index.

**Weighting scheme:** The indices are weighted according to the inverse of the 12-month historical volatility in EUR.

**Base values and dates:** The following base values and dates apply: 100 on June 21, 2004.

**Index types and currencies:** Price, net and gross return in EUR and USD.

For a complete list please consult the data vendor code sheet on the website<sup>5</sup>. Customized solutions can be provided upon request.

### 4.4.2. INDEX REVIEW

**Selection list:** The review cutoff date of the index is the last trading day of the month preceding the review date.

The STOXX Global ESG Leaders index constituents are separated into three groups by region: Europe, Asia/Pacific and North America.

In each group, all constituents are screened in the following order:

1. Availability of 1 year of historical prices to calculate the 1-year volatility in EUR
2. 3-month Average Daily Traded Volume (ADTV) above USD 20 Mln
3. 1-year historical gross dividend yield above the regional benchmark<sup>6</sup>

The gross dividend yield of each region is calculated by subtracting the EUR 1-year price performance of the benchmark index to the EUR 1-year gross return performance:

$$\text{Gross Dividend Yield}_{\text{Region}} = 1 \text{ Year Gross Return performance}_{\text{benchmark index}} - 1 \text{ Year Price performance}_{\text{benchmark index}}$$

With the following parameters:

| Region        | Benchmark index         |
|---------------|-------------------------|
| Asia/Pacific  | STOXX Asia/Pacific 600  |
| North America | STOXX North America 600 |

<sup>5</sup>[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

<sup>6</sup> Please see STOXX Reference Calculation Guide available on stoxx.com.

## Europe

## STOXX Europe 600

If one or several parameters are not available, the company is excluded from the base universe. In each region, a minimum number of companies must pass the liquidity screening. If in any region, the minimum number of stocks is not reached, the ADTV threshold is reduced to USD 10 Mln for all regions. If it still not sufficient that the minimum number of stocks passing the liquidity screening, the ADTV threshold is decreased stepwise by 10% for all regions.

Additionally, in each region, a minimum number of companies must pass the dividend screening. If in any region, the minimum number of stocks is not reached, the dividend threshold is reduced by 20% for all regions. If it is still less than that the minimum number of stocks pass the dividend screening, the dividend threshold is decreased stepwise by 10% for all regions.

| Region        | Minimum number of stocks |
|---------------|--------------------------|
| Asia/Pacific  | 5                        |
| North America | 10                       |
| Europe        | 15                       |

All stocks that pass the screenings are ranked according to their gross dividend yield in descending order.

**Component selection:** The highest ranked 5 companies from Asia/Pacific, 10 from North America and 15 from Europe are selected. To complete the index, the next highest ranked 20 companies across all regions are selected while applying the following constraints:

- a maximum number of stocks per region as defined below,
- a maximum number of stocks per ICB industry (15).

| Region        | Maximum number of stocks |
|---------------|--------------------------|
| Asia/Pacific  | 15                       |
| North America | 30                       |
| Europe        | 35                       |

If the set of constraints prevents the methodology to select 50 stocks, the index is completed by the companies with the highest gross dividend yield that did not go through the dividend screening.

**Review frequency:** The reviews are conducted on a quarterly basis.

**Weighting cap factors:** All components are weighted according to the inverse of their 1-year historical volatility with a minimum weight of 0.5% and a maximum weight of 4%.

$$\text{Weighting cap factor} = \frac{\text{weight in percentage} \times 100,000,000,000}{\text{price in EUR}}$$



#### 4.4.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are replaced by the next one in the selection list. During review implementation month the process laid out in section 3.4. of the iSTOXX Methodology Guide will be applied.

If a company is excluded from the parent index (the STOXX Global ESG Leaders), this company should also be excluded from the index and replaced by the next one in the selection list while meeting the minimum and maximum number of constituents per region and industry. The company entering the index gets the weight of the company leaving the index.

**Fast exit:** Following the STOXX Global ESG Leaders rules.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index.

## 5. iSTOXX QUALITY INCOME INDICES

### 5.1. iSTOXX EUROPE QUALITY INCOME UH INDEX

#### 5.1.1. OVERVIEW

The iSTOXX Europe Quality Income UH Index aims to capture the performance of shares which offer attractive and sustainable dividend yields.

**Universe:** STOXX Europe 600 ex Financials. Following the introduction of the new ICB classification that separates Real Estate from Financials Industry, and in order to retain the representation of the originally intended economic reality, effective with September 2020 Review, an additional filter excluding ICB Industry Real Estate (ICB code: 35) will be applied.

**Weighting scheme:** Price weighted with a weighting cap factor to achieve an equally weighting

**Base values and dates:** 100 as of Dec 31, 2004

**Index types and currencies:** Price, net return and gross return in EUR and USD.

#### 5.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last trading day of the month preceding the rebalancing date.

At cutoff date, for each stock of the universe, a Quality Score and Balance Sheet Risk Score are calculated as following.

The quality score is defined as the number of criteria that a company meets and can range from 0 to 9:

- Return On Assets (ROA) greater than or equal to zero. The ROA is calculated as the net income before extraordinary items divided by total assets

$$ROA_{t_0} = \frac{\text{net income before extraordinary items}_{t_0}}{\text{total assets}_{t_0}}$$

- CFO ratio greater than or equal to zero. The ratio is calculated as Cash Flow from Operation (CFO) divided by total assets

$$CFO\ Ratio_{t_0} = \frac{\text{cash flow from operation}_{t_0}}{\text{total assets}_{t_0}}$$

- Accruals less than or equal to zero. Accruals are calculated as ROA minus CFO Ratio

$$Accruals_{t_0} = ROA_{t_0} - CFO\ Ratio_{t_0}$$

- Positive or zero 1-year growth in ROA (1YΔROA)

$$1Y\Delta ROA_{t_0} = ROA_{t_0} - ROA_{t_{-1}}$$

- Negative or zero 1-year growth in Leverage (1YΔLev). The Leverage is calculated as the long-term debts divided by standardized total assets

$$\text{Leverage}_{t_0} = \frac{\text{long term debts}_{t_0}}{0.5 \times \text{total assets}_{t_0} + 0.5 \times \text{total assets}_{t_{-1}}}$$

$$1Y\Delta\text{Lev}_{t_0} = \text{Leverage}_{t_0} - \text{Leverage}_{t_{-1}}$$

- Positive or zero 1-year growth in Liquidity Ratio (1YΔLR). The LR is calculated as the ratio of current assets to current liabilities (also called current ratio)

$$1Y\Delta\text{LR}_{t_0} = \text{current ratio}_{t_0} - \text{current ratio}_{t_{-1}}$$

- 1-year growth in the Number of Shares Outstanding (1YΔNBO) less than or equal to 5%.

$$1Y\Delta\text{NBO}_{t_0} = \frac{\text{number of shares outstanding}_{t_0}}{\text{number of shares outstanding}_{t_{-1}}} - 1$$

- Positive or zero 1-year growth in the Gross Operating Margin (1YΔGOM). The GOM is calculated as the ratio of Gross Incomes to Sales.

$$\text{GOM}_{t_0} = \frac{\text{gross income}_{t_0}}{\text{sales}_{t_0}}$$

$$1Y\Delta\text{GOM}_{t_0} = \text{GOM}_{t_0} - \text{GOM}_{t_{-1}}$$

- Positive or zero 1-year growth in the Asset Turnover (1YΔAT). The AT is calculated as the ratio of sales to total assets.

$$\text{AT}_{t_0} = \frac{\text{sales}_{t_0}}{\text{total assets}_{t_0}}$$

$$1Y\Delta\text{AT}_{t_0} = \text{AT}_{t_0} - \text{AT}_{t_{-1}}$$

The Balance Sheet Risk Score (or Distance to Default or DD) measures the number of standard deviations between the asset value and the default point. It is calculated as following:

$$\text{Distance to Default} = \frac{\text{assets value} - \text{default point}}{\text{asset Value} \times \text{asset Volatility}}$$

or

$$\text{Distance to Default} = \frac{\ln\left(\frac{A}{F}\right) + \left(r - \frac{\sigma_A^2}{2}\right) \times T}{\sigma_A \times \sqrt{T}}$$

with

$$E = A \times N(d_1) - e^{-rT} \times F \times N(d_2)$$

<sup>7</sup> Hereby last year's Shares Outstanding are adjusted for corporate actions such as splits.

$$\sigma_E = \frac{A}{E} \times N(d_1) \times \sigma_A$$

$$d_1 = \frac{\ln\left(\frac{A}{F}\right) + \left(r - \frac{\sigma_A^2}{2}\right) \times T}{\sigma_A \times \sqrt{T}} \text{ and } d_2 = d_1 - \sigma_A \times \sqrt{T}$$

$$F = CL + 0.5 \times LTL$$

where,

- A market value of assets,
- F default point,
- r interest rate, i.e. six-month interbank rate,
- T time to maturity assumed to be 1
- $\sigma_A$  6-months asset volatility
- E Full market capitalization
- $\sigma_E$  6-months historical volatility
- CL current liabilities
- LTL long term liabilities

Interest rate to be used is\*:

- EURIBOR 6-months

(\*Interest rates may reflect a broader universe of rates affected by changes in country classification)

If one the nine criteria of the Quality score or the Distance to Default cannot be calculated due to missing data, the company is not eligible for the selection list.

#### **Component selection:**

All current components remain in the index if they fulfil the following criteria:

- a Quality Score of 5 or better,
- a Balance Sheet Risk Score ranked within the top 60% of the selection list,
- a 12-month trailing Dividend Yield greater than 3.5%<sup>8</sup>,
- a FFMCAP of at least EUR 700 mln,
- a 6-month ADTV of at least EUR 5 mln

Companies fulfilling the following criteria are selected for being included in the index:

- a Quality Score of 7 or better,
- a Balance Sheet Risk Score ranked within the top 40% of the selection list,
- a 12-month trailing Dividend Yield greater than 4%,
- a Free-Float Market Capitalization (FFMCAP) of at least EUR 1 bln,
- a 6-month Average Daily Traded Volume (ADTV) of at least EUR 5 mln

<sup>8</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

In case less than 25 or more than 75 companies are selected for the index an Overall Quality Score is calculated as following:

$$\text{Overall Quality Score} = \text{Quality Score} + 2 \times \text{Balance Sheet Score quintile}$$

If less than 25 companies meet the above criteria the following processes are applied and a new selection list for the remaining, non-eligible companies, is produced:

1. All companies meeting the above criteria are included into the index,
2. The dividend yield threshold is decreased to 3.5%, the FFMCAP threshold is decreased to EUR 700 Mln and the ADTV threshold is decreased to EUR 5 Mln for the remaining companies on the selection list.
3. 3a. If the number of companies meeting the new criteria is less than the number of company needed to increase the number of component to 25, all these companies are included.  
3b. If the number of companies meeting the new criteria exceeds the number of company needed to increase the number of component to 25, all these companies are ranked according to their Overall Quality Score and the top companies are included till the index reaches 25 components.
4. If there are less than 25 components in the index, the thresholds are further decreased stepwise by 10% and step 3 is repeated until the index contains 25 companies.

If more than 75 companies meet the criteria,

1. All components already in the index and passing their criteria are selected,
2. All non-components passing the entry criteria are ranked according to their Overall Quality Score,
3. Non-components are added based on their Overall Quality Score until the index contains 75 components. For companies with identical Overall Quality Score, priority is given to the one with the higher dividend yield.

**Review frequency:** The reviews are conducted on a quarterly basis and implemented on the third Friday in line with the Benchmark reviews.

### 5.1.3.ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is not added permanently to the index.

## 5.2. iSTOXX EUROPE QUALITY INCOME INDEX

### 5.2.1.OVERVIEW

The iSTOXX Europe Quality Income index measures the performance of the iSTOXX Europe Quality Income UH Index while at the same time eliminating foreign currency fluctuations through hedging. The indices therefore combine the performance of the underlying index with a hypothetical, rolling investment into one-month foreign exchange forward contracts.

### 5.2.2.CALCULATION FORMULA

The currency hedged methodology follows a standard portfolio approach when hedging currency risk by writing currency forwards:

$$H\_IDX_t = H\_IDX_0 \cdot \left[ \frac{UH\_IDX_t}{UH\_IDX_0} + \sum_{c=1}^C HR_{c,0} \cdot \left( \frac{FX_{c,0}}{FF_{c,0}} - \frac{FX_{c,t}}{IFF_{c,t}} \right) \right]$$

$$IFF_{c,t} = FX_{c,t} + \left( 1 - \frac{t}{T} \right) \cdot (FF_{c,t} - FX_{c,t})$$

where:

$H\_IDX_t$  = hedged index for day  $t$   
 $UH\_IDX_t$  = unhedged reference index (in hedged currency) for day  $t$   
 $t=0$  = last calculation day of preceding month (reset date)  
 $t$  = day of index calculation / number of calendar days since  $t=0$   
 $T$  = number of calendar days in current month  
 $C$  = number of foreign currencies in the unhedged index  
 $HR_{c,t}$  = hedge ratio of currency  $c$  for day  $t$   
 $FX_{c,t}$  = spot currency rate for day  $t$   
 $FF_{c,t}$  = 1-month forward currency rate for day  $t$   
 $IFF_{c,t}$  = interpolated forward currency rate for day  $t$

The hedge ratio can be varied to arrive at index portfolios that are over- and under-hedged to varying degrees. Furthermore, it can be used to hedge multi-currency portfolios:

$$HR^c = \sum_{n=1}^{N_c} w_n$$

where:

$N_c$  = number of constituents with currency  $c$   
 $w_n$  = weight of constituent  $n$  in the reference index

## 6. iSTOXX MUTB INDICES

### 6.1. iSTOXX MUTB QUALITY 150 INDICES

#### 6.1.1.OVERVIEW

The iSTOXX MUTB Quality 150 indices select the best companies based on a combined ranking of four fundamentals ratios (return on equity, debt-to-asset, cash flow generation ability and business stability). Stocks need to fulfill minimum liquidity criteria before being added to the index.

**Universe:** The indices are derived from their benchmark index as follows. Effective up until September 2020 review, REITs, identified by ICB Sector 8670, and stocks classified as Japan on the STOXX Total Market index but incorporated outside of Japan are excluded from the universes. Effective with September 2020 review, REITs, identified by ICB 351020 and 302030, and stocks classified as Japan on the STOXX Total Market index but incorporated outside of Japan are excluded from the universes:

| Index                                       | Universe                                |
|---------------------------------------------|-----------------------------------------|
| iSTOXX MUTB Japan Quality 150               | STOXX Japan 600 ex-REITs                |
| iSTOXX MUTB Global Quality 150              | STOXX Global 1800 ex-REITs              |
| iSTOXX MUTB Global ex Japan Quality 150     | STOXX Global 1800 ex Japan ex-REITs     |
| iSTOXX MUTB Global ex Australia Quality 150 | STOXX Global 1800 ex Australia ex-REITs |

**Weighting scheme:** The indices are weighted according to free-float market capitalization with a 2% maximum capping per constituent

**Index types, currencies, base values and dates:**

| Index                                       | Versions                    | Currencies         | Base values and dates    |
|---------------------------------------------|-----------------------------|--------------------|--------------------------|
| iSTOXX MUTB Japan Quality 150               | Price, gross and net return | EUR, USD, JPY      | 100 on June 18, 2001     |
| iSTOXX MUTB Global Quality 150              | Price, gross and net return | EUR, USD, JPY, AUD | 100 on December 20, 2002 |
| iSTOXX MUTB Global ex Japan Quality 150     | Price, gross and net return | EUR, USD, JPY      | 100 on December 20, 2002 |
| iSTOXX MUTB Global ex Australia Quality 150 | Price, gross and net return | EUR, USD, AUD      | 100 on December 20, 2002 |

**Dissemination calendar:** STOXX Global calendar

#### 6.1.2.INDEX REVIEW

**Selection list:** For the three iSTOXX MUTB Global 150 indices, the universe is divided into three regions: North America, Europe and Asia/Pacific. For iSTOXX MUTB Japan Quality 150, the universe remains untouched. For all stocks in each respective universe subdivision, percentile ranks are assigned to the following four ratios, where rank 0 is the worst and rank 1 the best. For the three iSTOXX MUTB Global 150 indices also regional ranks are calculated based on the same ratios, where the respective global universe is divided into three regions: North America, Europe and Asia/Pacific. An

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additional percentile rank is assigned to liquidity for all stocks in the universe, without applying universe division into regions for any index. Only stocks with positive Shareholder's Equity, Total Assets and Net Cash Flow from Operating Activities and non-missing current Total Debt and Net Income data are eligible. Industrial stocks (all stocks excluding Financials. Effective up until September 2020 review, identified by ICB Industry Code 8000. Effective with September 2020 review, identified by ICB Industry Code 30 and 35.) need to have a positive sum of Net Property, Plant and Equipment, Inventories and Accounts Receivables to be eligible.

- » Liquidity: calculated as the three month Average Daily Traded Value (ADTV). The higher the liquidity, the higher the rank to be assigned.
- » Return on Equity (ROE): calculated as Net Income divided by Shareholder's Equity. The higher the value of the ratio, the higher the rank to be assigned.
- » Financial Health: calculated as Total Debt divided by the sum of Shareholder's Equity and Total Debt. The lower the value of the ratio, the higher the rank to be assigned.
- » Cash-Flow Generation Ability:
  - For Financial stocks (Effective up until September 2020 review, identified by ICB Industry Code 8000. Effective with September 2020 review, identified by ICB Industry Code 30 and 35.): calculated as Net Cash-Flows from Operating Activities divided by Total Assets. The higher the value of the ratio, the higher the rank.
  - For industrial stocks (all stocks excluding Financials. Effective up until September 2020 review, identified by ICB Industry Code 8000. Effective with September 2020 review, identified by ICB Industry Code 30 and 35.): calculated as Net Cash-Flows from Operating Activities divided by the sum of Net Property, Plant and Equipment, Inventories and Accounts Receivables. The higher the value of the ratio, the higher the rankThe percentile ranks from each group (financials / non-financials) form the final Cash-Flow Generation Ability rank.
- » Business Stability: calculated as the standard deviation of Net Income over the last five years divided by Shareholder's Equity. The lower the value of the ratio, the higher the rank assigned. In order to calculate this ratio, Net Income data for at least three out of five periods should be available.

For non-components a liquidity screening applies. Companies need to be ranked within the top 80% by liquidity to be eligible.

The stocks fulfilling the following screening criteria will compose the selection list. For the iSTOXX MUTB Global 150 indices, the screening is applied using the regional rankings:

- » All companies ranked by ROE between 0.5 and 1
- » All companies ranked by Financial Health, Cash-Flow Generation Ability and Business Stability between 0.05 and 1



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A composite quality score is calculated for all the stocks in the selection list using the previously calculated percentile ranks as follows. The full universe-based ranks are used for the calculation, both for iSTOXX MUTB Japan 150 and iSTOXX MUTB Global 150 indices:

$$0.4 \times \text{ROE Ranking} + 0.2 \times (\text{Financial Health ranking} + \text{Cash Flow Generation Ability ranking} + \text{Business Stability ranking})$$

**Component selection:**

All eligible companies are ranked by the composite quality score in descending order.  
For iSTOXX MUTB Japan Quality 150 index, the top 150 stocks are selected as index components.  
For the three iSTOXX MUTB Global Quality 150 indices the following rules apply:

1. For current components of the index, if its quality score is more than 95% of the quality score of the 150th stock, then it will remain in the index.
2. When the number of stocks selected above is less than 150, the remaining constituents are selected in descending order by quality score from current non-components

If the composite score is the same for two stocks at the 150<sup>th</sup> threshold, the stock with higher ROE ranking will be selected for the index. If the ROE ranking is the same, the stock with the highest free-float market capitalization will be selected.

**Review frequency:** The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is the last trading day of the month preceding the review month. The new composition of the corresponding universe effective on the Monday following the third Friday of the review month (June and December) is used as base universe.

**Weighting cap factors:** Components are capped at a maximum weight of 2% on a quarterly basis in March, June, September and December based on the close prices from the second Thursday of the rebalancing month.

### 6.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the corresponding universe, which remain in the STOXX Total Market Index are not deleted from the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is not added permanently to the index

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 6.2. iSTOXX MUTB GLOBAL EX AUSTRALIA QUALITY LEADERS 150 INDICES

### 6.2.1.OVERVIEW

The iSTOXX MUTB Global ex-Australia Quality Leaders 150 index selects the best companies from the components of the STOXX Global 1800 ex Australia index, based on a combined screening and ranking of four fundamental indicators. The indicators used are profitability, leverage, cash flow generation ability and business stability. Stocks need to fulfill minimum liquidity criteria before being added to the index.

The component selection is conducted on a semi-annual basis in June and December

**Universe:** The index is derived from the STOXX Global 1800 ex Australia Index.

**Weighting scheme:** The indices are weighted according to free-float market capitalization with a 2% maximum capping per constituent

**Base values and dates:** The following base values and dates apply:

| Index                                               | Versions                    | Currencies | Base values and dates       |
|-----------------------------------------------------|-----------------------------|------------|-----------------------------|
| iSTOXX MUTB Global ex Australia Quality Leaders 150 | Price, gross and net return | EUR        | 100 on December 20, 2002    |
|                                                     |                             | USD        | 102.69 on December 20, 2002 |
|                                                     |                             | AUD        | 183.02 on December 20, 2002 |

For a complete list please consult the data vendor code sheet on the website<sup>9</sup>. Customized solutions can be provided upon request.

**Index types and currencies:** Price, net and gross return in EUR, USD and AUD are calculated.

**Dissemination calendar:** STOXX Global calendar

### 6.2.2.INDEX REVIEW

**Selection list:** The universe is divided into three regions: North America, Europe and Asia/Pacific. For all stocks in each respective universe subdivision, percentile ranks are assigned to the following four ratios, where rank 0 is the worst and rank 1 the best. In addition, percentile ranks for the same four ratios are calculated on the full universe as well.

Only stocks with positive Shareholder's Equity, Total Assets and Net Cash Flow from Operating Activities and non-missing current Total Debt and Net Income data are eligible. Industrial stocks (all stocks excluding Financials) need to have a positive sum of Net Property, Plant and Equipment, Inventories and Accounts Receivables to be eligible for ranking.

<sup>9</sup>[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

- » Return on Equity (ROE): calculated as Net Income divided by Shareholder's Equity. The higher the value of the ratio, the higher the rank to be assigned.
- » Financial Health: calculated as Total Debt divided by the sum of Shareholder's Equity and Total Debt. The lower the value of the ratio, the higher the rank to be assigned.
- » Cash-Flow Generation Ability:
  - For Financial stocks (Effective up until September 2020 review, as identified by ICB Industry Code 8000. Effective up until September 2020 review, as identified by ICB Industry Codes 30 and 35): calculated as Net Cash-Flows from Operating Activities divided by Total Assets. The higher the value of the ratio, the higher the rank.
  - For industrial stocks (all stocks excluding Financials): calculated as Net Cash-Flows from Operating Activities divided by the sum of Net Property, Plant and Equipment, Inventories and Accounts Receivables. The higher the value of the ratio, the higher the rankThe percentile ranks from each group (financials / non-financials) form the final Cash-Flow Generation Ability rank.
- » Business Stability: calculated as the standard deviation of Net Income over the last five years divided by Shareholder's Equity. The lower the value of the ratio, the higher the rank assigned. In order to calculate this ratio, Net Income data for at least three out of five periods should be available.

An additional percentile rank is assigned to liquidity (defined below) for all stocks in the universe, without applying universe division into regions for any index.

- » Liquidity: calculated as the three-month Average Daily Traded Value (ADTV). The higher the liquidity, the higher the rank to be assigned.

For non-components a liquidity screening applies. Companies need to rank within the top 80% by liquidity rank to be eligible.

The stocks fulfilling the following screening criteria, using the regional ranking calculated above, will compose the selection list:

- » All companies ranked by ROE between 0.5 and 1
- » All companies ranked by Financial Health, Cash-Flow Generation Ability and Business Stability between 0.05 and 1

A composite quality score is calculated for all the stocks in the selection list using the percentile ranks calculated on the full universe as follows.

$$0.4 \times \text{ROE Ranking} + 0.2 \times (\text{Financial Health ranking} + \text{Cash Flow Generation Ability ranking} + \text{Business Stability ranking})$$

**Composition list:** All eligible companies are ranked by the composite quality score in descending order. The top 150 components based on the composite quality score will be considered for index composition. Additionally, the following rules will apply:

1. For current components of the index, if its quality score is more than 95% of the quality score of the 150th stock, then it will remain in the index.
2. When the number of stocks selected above is less than 150, the remaining constituents are selected in descending order by quality score from current non-components

If the composite score is the same for two stocks at the 150<sup>th</sup> threshold, the stock with higher ROE ranking will be selected for the index. If the ROE ranking is the same, the stock with the highest free-float market capitalization will be selected.

**Review frequency:** The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is the last trading day of the month preceding the review month. The new composition of the corresponding universe effective on the Monday following the third Friday of the review month (June and December) is used as base universe.

**Weighting cap factors:** Components are capped at a maximum weight of 2% on a quarterly basis in March, June, September and December based on the close prices from the second Thursday of the rebalancing month.

### 6.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the corresponding universe, which remain in the STOXX Total Market Index are not deleted from the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

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## 6.3. iSTOXX MUTB JAPAN PROACTIVE LEADERS 200 INDEX

### 6.3.1.OVERVIEW

The iSTOXX MUTB Japan Proactive Leaders 200 indices select the best companies based on a combined ranking of four fundamentals indicators (profitability, leverage, cash flow generation ability and business stability) and two capital investment factors (physical and human). Stocks need to fulfill minimum liquidity, and credit risk criteria before being added to the index. The number of companies from one ICB sector is constrained to ensure diversification.

**Universe:** The indices are derived from their benchmark, the STOXX Japan 600 index. Effective up until September 2020 review, REITs, identified by ICB Sector 8670, and stocks classified as Japan in the STOXX Total Market index, but incorporated outside of Japan are excluded from the universes. Effective with September 2020 review, REITs, identified by ICB Codes 351020 and 302030, and stocks classified as Japan in the STOXX Total Market index, but incorporated outside of Japan are excluded from the universes.

**Weighting scheme:** The indices are weighted according to free-float market capitalization with a 2% capping per constituent.

**Base values and dates:** The following base values and dates apply: 100 on Dec 22, 2008

**Index types and currencies:** Price, net return, gross return in JPY, EUR and USD

**Dissemination calendar:** STOXX Global calendar

### 6.3.2.INDEX REVIEW

**Selection list:**

On a semi-annual basis in June and December, for all stocks in the universe, two sets of percentile ranks are assigned to the following four indicators, where rank 0 is the worst and rank 1 the best. In the cases where the indicator is the same for two stocks, the larger stock by free-float market capitalization shall have the higher score. One set of ranks is calculated for the purpose of screening and a second one for the final composite score calculation. An additional percentile rank used only for screening purposes is assigned to liquidity.

- » Liquidity: calculated as the three month Average Daily Traded Value (ADTV). The higher the liquidity, the higher the rank to be assigned.
- » Return on Equity (ROE): calculated as Net Income divided by Shareholder's Equity. The higher the value of the ratio, the higher the rank to be assigned.
- » Financial Health: calculated as Total Debt divided by the sum of Shareholder's Equity and Total Debt. The lower the value of the ratio, the higher the rank to be assigned.
- » Cash-Flow Generation Ability:

- For Financial stocks (Effective up until September 2020 review, as identified by ICB Industry Code 8000. Effective with September 2020 review, as identified by ICB Industry Codes 30 and 35): calculated as Net Cash-Flows from Operating Activities divided by Total Assets. The higher the value of the ratio, the higher the rank.
  - For industrial stocks (all stocks excluding Financials): calculated as Net Cash-Flows from Operating Activities divided by the sum of Net Property, Plant and Equipment, Inventories and Accounts Receivables. The higher the value of the ratio, the higher the rank  
The percentile ranks from each group (financials / non-financials) form the final Cash-Flow Generation Ability rank.
- » Business Stability: calculated as the standard deviation of Net Income over the last five years divided by Shareholder's Equity. The lower the value of the ratio, the higher the rank assigned. In order to calculate this ratio, Net Income data for at least three out of five periods should be available.

When assigning ranks that will be used for the composite score calculation, ROE indicator for stocks with negative shareholders' equity or negative net income is assigned zero. In the same way, stocks with negative shareholders' equity are assigned a Financial Health ranking of zero.

Additionally, for all stocks in the universe physical and human capital investment factors are calculated as follows:

- » Physical capital investment factor, consisting of three sub-factors:
- Change in EX-CAPEX of the last three years (t). Calculated as follows:

$$\text{EXCAPEX}_{i,t} = \text{CAPEX}_{i,t} - \text{Depreciation}_{i,t}$$

$\text{CAPEX}_{i,t}$ : capital expenditures item of company i at t  
 $\text{Depreciation}_{i,t}$ : depreciation item of company i at t

If either "CAPEX" or "depreciation" is missing, EX-CAPEX shall not be calculated. As long as one year EX-CAPEX is available, the average of the existing values shall be calculated.

$$\overline{\text{EXCAPEX}}_{i,t} = \sum_{j=0}^2 \text{EXCAPEX}_{i,t-j} \div n$$

n: number of observation with available data in the last three years

$$\Delta \text{EXCAPEX}_{i,t}^C = \text{IF}(\overline{\text{EXCAPEX}}_{i,t} > 0, 1, 0)$$

Companies with on average higher CAPEX than Depreciation over three years are assigned a score of 1, otherwise 0. Stocks with a missing value are scored at 0.

- Change in CAPEX of the last three years (t). Calculated as follows:

As long as one year CAPEX is available, the average of the existing values shall be calculated.

$$\overline{\text{CAPEX}}_{i,t} = \sum_{j=0}^2 \text{CAPEX}_{i,t-j} \div n$$

n: number of observation with available data in the last three years

$$\Delta \text{CAPEX}_{i,t} = \text{IF}(\text{CAPEX}_{i,t} > \overline{\text{CAPEX}}_{i,t}, 1, 0)$$

Companies with the last year's CAPEX greater than the average over three years are assigned a score of 1, otherwise 0. Stocks with a missing value are scored at 0

- o Change in Research and Development (R&D). Calculated as follows:  
As long as one year R&D is available, the average of the existing values shall be calculated.

$$\overline{\text{R\&D}}_{i,t} = \sum_{j=0}^2 \text{R\&D}_{i,t-j} \div n$$

R&D<sub>i,t</sub>: research and development item of company i at t

n: number of observation with available data in the last three years

$$\Delta \text{R\&D}_{i,t} = \text{IF}(\text{R\&D}_{i,t} > \overline{\text{R\&D}}_{i,t}, 1, 0)$$

Companies with the last year's R&D greater than the average over three years are assigned a score of 1, otherwise 0. Stocks with a missing value are scored at 0

The physical capital investment factor is calculated as the average of the three sub-factors: Change in EX-CAPEX, Change in CAPEX and Change in Research and Development

- » Human capital investment factor, consisting of five sub-factors. This information is sourced from Toyo Keizai.
- o Change in number of employees of the last three years (t). Calculated as follows:  
As long as the latest year's (t) observation is available, the average of the existing values shall be calculated

$$\overline{E^C}_{i,t} = \sum_{j=0}^2 E^C_{i,t-j} \div n$$

$$\overline{E^P}_{i,t} = \sum_{j=0}^2 E^P_{i,t-j} \div n$$

E<sup>C</sup><sub>i,t</sub>: the number of employee of company i, consolidated, at t

E<sup>P</sup><sub>i,t</sub>: the number of employee of company i, parent, at t

$$\Delta E^C_{i,t} = \text{IF}(E^C_{i,t} > \overline{E^C}_{i,t}, 1, 0)$$

$$\Delta E^P_{i,t} = \text{IF}(E^P_{i,t} > \overline{E^P}_{i,t}, 1, 0)$$

If the number of employees of the company in the latest year is not available, the sub-factor's value will correspond to the change in number of employees of the parent company. Companies with the last year's number of employees greater than the average over three years are assigned a score of 1, otherwise 0

$$\Delta E_{i,t} = \text{IF}(E_{i,t}^c \neq \text{null}, \Delta E_{i,t}^c, \Delta E_{i,t}^p)$$

- o Change in average wage of the last three years (t). Calculated as follows:  
As long as one year of wage information is available, the average of the existing values shall be calculated

$$\overline{W}_{i,t} = \sum_{j=0}^2 W_{i,t-j} \div n$$

$W_{i,t}$ : the average wage of company i at t

n: number of observation with available data in the last three years

$$\Delta W_{i,t} = \text{IF}(W_{i,t} > \overline{W}_{i,t}, 1, 0)$$

Stocks with a missing value are scored at 0

- o Working environment/system, consisting of five sub-items. Calculated as follows:
  - Flextime program. If exists, then 1, else zero
  - Reduced working hours program. If exists, then 1, else zero
  - Home-working program. If exists, then 1, else zero
  - Discretionary work program. If exists, then 1, else zero
  - Change in number of paid vacation days

As long as one year observation is available, the average of the existing number of paid vacation values shall be calculated. If the sub-item could not be calculated due to missing data, the value of the sub-item will be zero

$$\overline{PV}_{i,t} = \sum_{j=0}^2 PV_{i,t-j} \div n$$

$PV_{i,t}$ : the average number of paid vacation days of company i at t

n: number of observation with available data in the last three years

$$\Delta PV_{i,t} = \text{IF}(PV_{i,t} > \overline{PV}_{i,t}, 1, 0)$$

Companies with the last years Paid Vacation Days greater than the average over three years are assigned a score of 1, otherwise 0.

The working environment/system score is calculated as the average of the five sub-items

- o Skill and motivation program, consisting of five sub-items. Calculated as follows:
  - Incentive for obtaining certifications. If exists, then 1, else zero



- Study program in Japan. If exists, then 1, else zero
- Study program abroad. If exists, then 1, else zero
- Career advancement support program. If exists, then 1, else zero
- Stock option plan. If exists, then 1, else zero

The skill and motivation program score is calculated as the average of the five sub-items

- Empowering women, consisting of three sub-items. Calculated as follows:
  - Ratio of management positions (women). If ratio is 30 or above, then 1, else if the ratio is 15 or below 30, then 0.5, else zero
  - Day care facility or allowance. If exists, then 1, else zero
  - Re-employment plan. If exists, then 1, else zero

The empowering women score is calculated as the average of the three sub-items

The human capital investment factor is calculated as the average of the five sub-factors: Change in number of employees, Change in average wage, Working environment/system, Skill and motivation program and Empowering women

Using the set of percentile ranks calculated for screening purposes, a liquidity screening applies for non-components only. Companies need to be ranked within the top 80% by liquidity to be eligible.

The stocks fulfilling the following criteria will compose the selection list. The screening is applied using the rankings calculated for screening.

- » All stocks ranked by ROE between 0.2 and 1
- » All stocks ranked by Financial Health, Cash-Flow Generation Ability and Business Stability between 0.05 and 1
- » All stocks should have a positive value for either physical or human capital investment factor

Stocks that meet one of the following conditions are considered of high credit risk and removed from the selection list.

- » Shareholder's equity is negative at least one of the recent three fiscal years
- » Either of operating income or net income is negative during all the recent three fiscal years

Stocks that meet one of the following conditions are considered of low liquidity and removed from the selection list.

- » Stocks were traded on the eligible stock exchange less than 200 days in the last year
- » The total traded value of the stock was below 100 billion yen in the last year

A composite factor is calculated for all remaining stocks in the selection list using the percentile ranks assigned for the purpose of final composite score calculation and the physical and human capital investment factors as follows:

$$\begin{aligned} &0.6 \times [0.4 \times \text{ROE Ranking} \\ &\quad + 0.2 \\ &\quad \times (\text{Financial Health ranking} + \text{Cash Flow Generation Ability ranking} \\ &\quad + \text{Business Stability ranking})] + 0.2 \times (\text{Physical investment factor} \\ &\quad + \text{Human investment factor}) \end{aligned}$$

**Component selection:**

All stocks in the selection list are ranked by the composite factor in descending order. The following selection rules apply:

- 1) For current components of the index, if its composite score is more than 95% of the composite score of the 200th stock, then it will remain in the index
- 2) When the number of stocks selected above is less than 200, the remaining constituents are selected in descending order by composite score from current non-components
- 3) If 40 stocks classified in the same sector (according to the ICB sector classification) are selected no more stocks from that sector could be added

If the composite score is the same for two stocks, the stock with the larger free-float market capitalization will be assigned the higher rank.

**Review frequency:** The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is last trading day of the month preceding the review month. The new composition of the STOXX Japan 600 Index effective on the Monday following the third Friday of the month (June and December) is used as base universe.

**Weighting cap factors:** Components are capped at a maximum weight of 2% on a semiannual basis in June and December based on the close prices of the second Thursday of the rebalancing month.

### 6.3.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the parent index, STOXX Japan 600, which remain in the STOXX Total Market Index are not deleted from the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spun-off companies are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com). Index components are deleted from all STOXX indices in case of official delisting from the eligible stock exchange or ongoing bankruptcy proceeding.

## 6.4. iSTOXX MUTB QUALITY DIVIDEND INDICES

### 6.4.1.OVERVIEW

The iSTOXX MUTB Quality Dividend indices select stocks from their respective benchmark index that comply with dividend quality, fundamental and price stability criteria. When selecting additions to the index during the periodical rebalancing, priority is given to high dividend yielding stocks. The component selection is conducted on a semi-annually basis in June and December.

**Universe:** Effective up until September 2020 review, the indices are derived from their parent indices as described below. REITs, identified by ICB Sector 8670, and stocks classified as Japanese in the STOXX Total Market index but incorporated outside of Japan are excluded from the universes. Effective with September 2020 review, the indices are derived from their parent indices as described below. REITs, identified by ICB Codes 351020 and 302030, and stocks classified as Japanese in the STOXX Total Market index but incorporated outside of Japan are excluded from the universes.

| Index                                                | Universe                                                                                                    |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| iSTOXX MUTB Asia/Pacific Quality Dividend 100        | STOXX Asia/Pacific 600 ex-REIT                                                                              |
| iSTOXX MUTB Japan Quality Dividend 100               | STOXX Japan 600 ex-REITs                                                                                    |
| iSTOXX MUTB Japan ex-Banks Quality Dividend 100      | STOXX Japan 600 ex-Banks (excluding ICB 8300. Effective with September 2020 review, ICB code 3010) ex-REITs |
| iSTOXX MUTB Global Quality Dividend 300              | STOXX Global 1800 ex-REITs                                                                                  |
| iSTOXX MUTB Global ex Japan Quality Dividend 250     | STOXX Global 1800 ex Japan ex-REITs                                                                         |
| iSTOXX MUTB Global ex Australia Quality Dividend 300 | STOXX Global 1800 ex Australia ex-REITs                                                                     |

**Weighting scheme:** The indices are price weighted based on a combined factor of the inverse of each stock's standard deviation and the dividend amount with a capping per constituent.

**Base values and dates:** 100 on Dec 16, 2005 for iSTOXX MUTB Asia/Pacific Quality Dividend 100; 100 on Dec 20, 2002 for all other indices

**Index types and currencies:** All index versions are calculated as price, net and gross return in EUR, USD, JPY, with exception of iSTOXX MUTB Global ex Australia Quality Dividend 300 which is calculated in AUD but not in JPY. The iSTOXX MUTB Asia/Pacific Quality Dividend 100 is also calculated in TWD

**Dissemination calendar:** STOXX Global calendar

### 6.4.2.INDEX REVIEW

**Selection list:**

On a semi-annual basis in June and December, for all stocks in the universe with a valid gross dividend yield figure (zero or higher), assign percentile ranks based on the gross dividend yield<sup>10</sup>

<sup>10</sup> WSPIT Item number 09402 - Dividend Yield – Current; Worldscope Fundamentals

where rank 0 is the worst and rank 1 the best. In the cases where the indicator is the same for two stocks, the larger stock by free-float market capitalization shall have the higher score.

Pre-select all the stocks with dividend yield percentile ranks between 0.5 and 1.

For the pre-selected stocks, calculate the following indicators and assign percentile ranks using the same logic:

- » Liquidity: calculated as the three-month Average Daily Traded Value (ADTV). The higher the liquidity, the higher the rank to be assigned.
- » Price Stability: calculated as the standard deviation of the latest 60 monthly returns in the stock's local currency. The lower the standard deviation, the higher the rank to be assigned. Stocks with less than 24 monthly returns are not ranked and are assigned a zero value.
- » Historical Return: cumulative return in the stock's local currency, for the latest 12 months. The higher the Historical Return, the higher the rank to be assigned. Stocks with less than 12 month returns are not ranked and are assigned a zero value.
- » Financial Health: calculated as Total Debt divided by the sum of Shareholder's Equity and Total Debt. The lower the value of the ratio, the higher the rank to be assigned. Stocks with negative shareholders' equity are not ranked and are assigned a 0.5 value.
- » Business Stability: calculated as the standard deviation of Net Income over the last five years' dividend by Shareholder's Equity. Data in local currency is used. The lower the value of the ratio, the higher the rank assigned. In order to calculate this ratio, Net Income data for at least three out of five periods should be available. Stocks for which the ratio cannot be calculated are not ranked and are assigned a 0.5 value.

The stocks fulfilling the following dividend quality criteria will compose the selection list.

- » All stocks ranked by Price Stability between 0.2 and 1
- » All stocks with no missing Historical Return, having an Historical Return ranking between 0.1 and 1 or having their Historical Return indicator equal or above minus 30%
- » All stocks having a combined rank of Financial Health rank (FHR) and Business Stability rank (BSR) between 0.2 and 1. The combined rank is calculated as:  $(FHR + BSR) / 2$
- » All stocks having a gross dividend yield of 30% or below
- » All stocks having the inverse of the payout ratio of 1 or above. The inverse of the payout ratio is calculated as earnings per share (EPS) divided by gross dividend per share (DPS gross). Stocks with zero or no dividend are regarded as 0.000001 dividend. Stocks with missing EPS value are assigned inverse payout ratio of 1 and are kept in the universe.
- » All stocks ranked by Liquidity between 0.05 and 1. This screening does not apply to the iSTOXX MUTB Asia/Pacific Quality Dividend 100

**Composition list:** All current constituents that are part of the universe after screening criteria are applied remain in the index. If the number of selected constituents is less than the target count for each index version, the highest stocks ranked by gross dividend yield are selected until the target count is reached.

For all indices, except of the iSTOXX MUTB Asia/Pacific Quality Dividend 100, the following rules apply in addition: If the selection count is still below the target, the remaining constituents will be selected from the highest gross dividend yield ranked which are compliant with all the dividend quality criteria except of the payout ratio screening rule, giving priority to current components over non-components. If after this the target count is yet not reach, no further additions will be performed and the index selection will remain below the target count. Stocks that are non-components of the index at the time of the selection need to be ranked within the top 80% by liquidity in order to be selected into the index.

**Review frequency:** The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is last trading day of the month preceding the review month. The new composition of the universe indices effective on the Monday following the third Friday of the month (June and December) is used as base universe.

**Weighting cap factor:** a weighting cap factor is calculated for each stock as follows

$$w^{PS}_i = \frac{\frac{1}{\text{Price Stability}_i}}{\sum_{j=1}^N \frac{1}{\text{Price Stability}_j}}$$

|                              |                                                                                                    |
|------------------------------|----------------------------------------------------------------------------------------------------|
| $w^{PS}_i$                   | = weight of stock i based on Price Stability.                                                      |
| Price Stability <sub>i</sub> | = Price Stability of stock i calculated as the standard deviation of the latest 60 monthly returns |
| N                            | = number of index components                                                                       |

$$w^{DA}_i = \frac{\text{Dividend Amount}_i}{\sum_{j=1}^N \text{Dividend Amount}_j} = \frac{\text{DPS}_i \cdot \text{Outstanding Shares}_i}{\sum_{j=1}^N \text{DPS}_j \cdot \text{Outstanding Shares}_j}$$

|                                 |                                                                                              |
|---------------------------------|----------------------------------------------------------------------------------------------|
| $w^{DA}_i$                      | weight of stock i based on Dividend Amount                                                   |
| Dividend amount <sub>i</sub>    | Dividend amount stock i                                                                      |
| DPS <sub>i</sub>                | Gross dividend per share of stock i in index currency                                        |
| Outstanding Shares <sub>i</sub> | Outstanding shares of stock i on the last trading day of the month prior to the review month |
| N                               | number of index components                                                                   |

$$w_i = \frac{w^{PS}_i + w^{DA}_i}{2} \text{ for the iSTOXX MUTB Asia/Pacific Quality Dividend 100 index}$$

$$w_i = \frac{w^{PS}_i + 2 \cdot w^{DA}_i}{3} \text{ for the rest of the indices}$$

$w_i$  = weight of stock i

Weighting cap factor = (1,000,000,000 x weight / closing price of the stock in EUR), rounded to integers.

The weighting cap factors are calculated on the second Friday of the review month, one week prior to semiannual review implementation using Thursday's closing prices.

An additional capping factor of 3% for the two Japan and the Asia/Pacific versions, and 1.5% for the three Global versions apply at the semiannual rebalancing.

#### 6.4.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the parent index which remain in the STOXX Total Market Index are not deleted from the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spun-off companies are not added permanently to the index.

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## 6.5. iSTOXX MUTB CHINA A QUALITY AM 150 INDEX

### 6.5.1.OVERVIEW

The iSTOXX MUTB China A Quality AM 150 Index selects the best companies based on a combined ranking of four fundamentals ratios (return on equity, debt-to-asset, cash flow generation ability and business stability). Stocks need to fulfill minimum liquidity criteria and additionally must be tradable on Shanghai or Shenzhen Stock Exchange before being added to the index.

**Universe:** The index is derived from its benchmark index, the STOXX China A 900 Index including only shares available to foreign investors through Northbound Trading segments of the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect programs of its parent index STOXX China A 900.

**Weighting scheme:** The indices are weighted according to free-float market capitalization with a 2% maximum capping per constituent.

**Base values and dates:** 100 on Dec 16, 2011

**Index types and currencies:** Price, gross and net return in EUR, USD and RMB are calculated

**Dissemination calendar:** STOXX Global calendar

### 6.5.2.INDEX REVIEW

**Selection list:**

For all stocks in the universe, percentile ranks are assigned to the following four ratios and liquidity, where rank 0 is the worst and rank 1 the best. In the cases where the ratio is the same for two stocks the larger stock by free-float market capitalization shall have the higher score. Only stocks with positive Shareholder's Equity, Total Assets and Net Cash Flow from Operating Activities and non-missing current Total Debt and Net Income data are eligible. Industrial stocks (all stocks excluding Financials) need to have a positive sum of Net Property, Plant and Equipment, Inventories and Accounts Receivables to be eligible.

- » Liquidity: calculated as the three-month Average Daily Traded Value (ADTV). The higher the liquidity, the higher the rank to be assigned.
- » Return on Equity (ROE): calculated as Net Income divided by Shareholder's Equity. The higher the value of the ratio, the higher the rank to be assigned.
- » Financial Health: calculated as Total Debt divided by the sum of Shareholder's Equity and Total Debt. The lower the value of the ratio, the higher the rank to be assigned.
- » Cash-Flow Generation Ability:
  - For Financial stocks (Effective up until September 2020 review, as identified by ICB Industry Code 8000.Effective with September 2020 review, as identified by ICB

- Industry Codes 30 and 35): calculated as Net Cash-Flows from Operating Activities divided by Total Assets. The higher the value of the ratio, the higher the rank.
- For industrial stocks (all stocks excluding Financials): calculated as Net Cash-Flows from Operating Activities divided by the sum of Net Property, Plant and Equipment, Inventories and Accounts Receivables. The higher the value of the ratio, the higher the rank

The percentile ranks from each group (financials / non-financials) form the final Cash-Flow Generation Ability rank.

- » Business Stability: calculated as the standard deviation of Net Income over the last five years divided by Shareholder's Equity. The lower the value of the ratio, the higher the rank assigned. In order to calculate this ratio, Net Income data for at least three out of five periods should be available.

For non-components a liquidity screening applies. Companies need to rank within the top 80% by liquidity to be eligible.

The stocks fulfilling the following screening criteria will compose the selection list:

- » All companies ranked by ROE between 0.5 and 1
- » All companies ranked by Financial Health, Cash-Flow Generation Ability and Business Stability between 0.05 and 1

A composite score is calculated for all the stocks in the selection list using the previously calculated percentile ranks as follows:

$$0.4 \times \text{ROE Ranking} + 0.2 \times (\text{Financial Health ranking} + \text{Cash Flow Generation Ability ranking} + \text{Business Stability ranking})$$

**Composition list:** All eligible companies are ranked by the composite quality score in descending order.

The following selection rules apply:

1. For a current component of the index, if its quality score is more than 95% of the quality score of the 150<sup>th</sup> stock, then it will remain in the index.
2. If the number of stocks selected above is less than 150, the remaining constituents are selected by quality score, considered in descending order, from current non-components

If the composite score is the same for two stocks at the 150<sup>th</sup> threshold, the stock with higher ROE ranking will be selected for the index. If the ROE ranking is the same, the stock with the highest free-float market capitalization will be selected.

The China A securities are monitored against their equivalent Stock Connect Securities. China Connect Securities are screened on a daily basis between the cut-off date and the review effective date.

- » If STOXX is informed 3 days before the review effective date about a China Connect Security ineligibility (not eligible to "both buy and sell") effective after the review effective date, the equivalent China A share will not be included in the index at the review effective date.



- » If STOXX is informed 2 days or 1 day before the review effective date about a China Connect Security ineligibility (not eligible to "both buy and sell") effective after the review effective date, the equivalent China A share will be deleted in line with Section 8.6.4. Delisting of the STOXX Calculation Guide.

**Review frequency:** The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is the last trading day of the month preceding the review month. The new composition of the STOXX China A 900 Index effective on the Monday following the third Friday of the review month (June and December) is used as base universe.

**Weighting cap factors:** Components are capped at a maximum weight of 2% on a quarterly basis in March, June, September and December based on the close prices from the second Thursday of the rebalancing month.

### 6.5.3.ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the parent index, STOXX China A 900, which remain in the STOXX China A Total Market Index are not deleted from the index.

**Fast exit:** The China A securities are monitored against their equivalent Stock Connect Securities. China Connect Securities are monitored on a daily basis. If there is an announcement that a China Connect Security is ineligible (not eligible to "both buy and sell") in the future, then the equivalent China A share index component is removed from the index with a two-day notice as outlined in chapter 8.6.4. of the STOXX Calculation guide.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is not added permanently to the index

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stxx.com](https://stxx.com)

## 6.6. iSTOXX MUTB VALUE INDICES

### 6.6.1. OVERVIEW

The iSTOXX MUTB Value indices select companies based on a normalized value factor which is adjusted to account for regional and industry specific biases. The value factor is captured by the ratios: book to price, earnings to price and cash-flow from operations to price. High volatility and low volume turnover rate companies are screened out.

**Universe:** The indices are derived from their parent indices as described below. Effective up until September 2020 review, REITs, identified by ICB Sector 8670, and stocks classified as Japanese in the STOXX Total Market index but incorporated outside of Japan are excluded from the universes. Effective with September 2020 review, REITs, identified by ICB codes 351020 and 302030, and stocks classified as Japanese in the STOXX Total Market index but incorporated outside of Japan are excluded from the universes..

| Index                                 | Universe                            |
|---------------------------------------|-------------------------------------|
| iSTOXX MUTB Japan Value 300           | STOXX Japan 600 ex-REITs            |
| iSTOXX MUTB Global Value 600          | STOXX Global 1800 ex-REITs          |
| iSTOXX MUTB Global ex Japan Value 600 | STOXX Global 1800 ex Japan ex-REITs |

**Weighting scheme:** The indices are price weighted based on a calculated value score and fundamental indicators.

**Base values and dates:** 100 on Dec 20, 2002

For a complete list please consult the data vendor code sheet on the website<sup>11</sup>. Customized solutions can be provided upon request.

**Index types and currencies:** Price, net and gross return in EUR, USD and JPY. iSTOXX MUTB Global Value 600 is also available in AUD.

**Dissemination calendar:** STOXX Global calendar

### 6.6.2. INDEX REVIEW

**Selection list:**

On a semi-annual basis, in June and December, percentile ranks are assigned to all stocks in each respective universe, based on the following two indicators. In the cases where the indicator takes the same value for two stocks, the larger stock by free-float market capitalization shall have the higher rank.

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<sup>11</sup>[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

- » Liquidity: calculated as the three-month Average Daily Traded Value (ADTV). The higher the liquidity, the higher the rank to be assigned.
- » Price Stability: calculated as the standard deviation of the latest 60 monthly returns in the stock's local currency. The lower the standard deviation, the higher the percentile rank assigned. Stocks with less than 24 monthly returns are not ranked and are assigned a value of 0.5.
- » Volume Turnover Rate  $i$ , calculated as:

$$\text{Volume Turnover Rate } i = \frac{\text{Liquidity } i \text{ (Calculated as the three-month ADTV)}}{\text{Market Cap } i}$$

The higher the volume turnover rate, the higher the percentile rank assigned. Stocks with no available volume turnover rate data are not ranked and are assigned a value of 0.5.

All stocks fulfilling the following criteria will compose the selection list:

- Stocks ranked by Price Stability between 0.1 and 1
- Stocks ranked by volume turnover rate between 0.1 and 1
- Stocks ranked by Liquidity between 0.05 and 1

For the stocks in the selection list, the following fundamental ratios are calculated:

- » Book to Price ratio (BPR)
- » Earnings to Price ratio (EPR)
- » Cash Flow to Price ratio (CFPR)

Normalized ratio values are then calculated for each of the three ratios and for each stock applying the following stepwise standardization procedure:

Exclude stocks with values above 10 or below -10 in any fundamental ratio.

For the remaining stocks, for each fundamental ratio (R) and based only on the fundamental data of the remaining stocks after the previous exclusion, calculate:

- Upper Bound( $z_{i \in A}$ ) =  $\text{median}(z_{i \in A}) + 4 \times \sigma(z_{i \in A})$
- Lower Bound( $z_{i \in A}$ ) =  $\text{median}(z_{i \in A}) - 4 \times \sigma(z_{i \in A})$

where:

set of stocks A:  $\{i: -10 \leq z_i \leq 10\}$

$z_{i \in A}$ : fundamental ratio values for stocks in set A

$\sigma$ : standard deviation of values of ratio R for all stocks included in set A

In a second step, exclude stocks with fundamental ratio values above Upper Bound (UB) or below Lower Bound (LB).

For the remaining stocks, for each fundamental ratio (R) and based only on the fundamental data of the remaining stocks after the previous exclusion, calculate:

$$\text{Normalized ratio, } \hat{R}_i = \max \left( \min \left( \frac{(z_{i \in B} - \text{median}(z_{i \in B}))}{\sigma(z_{i \in B})}, 4 \right), -4 \right)$$

where:

set of stocks B:  $A \setminus \{i: z_i < LB \text{ or } z_i > UB\}$

$z_{i \in B}$ : fundamental ratio values for stocks in set B

The following adjustments are applied to the calculated normalized ratios for stocks:

- with fundamental ratio values above 10 or above the Upper Bound, the normalized ratio is set to 4
- with fundamental ratio values below -10 or below the Lower Bound, the normalized ratio is set to -4
- with fundamental ratios not available, the normalized ratio is set to -4

After normalization, for each stock i, a composite value factor is calculated as an average of the three normalized fundamental ratio as follows:

$$\text{Composite value factor}_i = \frac{(\widehat{BPR}_i + \widehat{EPR}_i + \widehat{CFPR}_i)}{3}$$

After applying the screening, a region and industry adjusted composite value factor is calculated for each stock (i) as follows:

$$\hat{\alpha}_i = \text{Composite value factor}_i - \text{ave}_{k,j}$$

where:

$\hat{\alpha}_i$ : Adjusted composite value factor for stock i

Composite value factor<sub>i</sub>: composite value factor for stock i

$\text{ave}_{k,j}$ : average of the composite factor values of the stocks within a region k and an industry j. The three regions are Europe, North America and Asia-Pacific. The 10 industries are derived from the ICB Industry level (Effective with September 2020 review, 11 industries are derived ICB Industry level). For iSTOXX MUTB Japan Value 300, no regional split is applied.

#### Composition list:

At each semi-annual rebalancing, for all stocks in the selection list, calculate the value score as follows:

$$\text{value score} = \frac{1}{1 + \exp(-\hat{\alpha}_i)}$$

Stocks are ranked by value score in descending order and, in case of same ranking, priority is given to the larger stock in terms of free float. iSTOXX MUTB Japan Value 300 will include the highest ranked 300 stocks, while iSTOXX MUTB Global Value 600 and iSTOXX MUTB Global ex Japan Value 600 will include the 600 highest ranked stocks. Stocks that are non-components of the index at the time of the selection need to be ranked within the top 80% by liquidity in order to be selected into the index.

**Review frequency:** The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is the last trading day of the previous month.

**Weighting cap factor:** The weighting cap factors are calculated on a semi-annual basis in June and December using the calculated weights of each stock calculated as described below and the close prices in EUR from the Thursday prior to the second Friday of the review month as follows:

$$w_{bv,i} = \frac{\sqrt{\text{shareholder's equity}_i} * \text{value score}_i}{\sum_{i=1}^N \sqrt{\text{shareholder's equity}_i} * \text{value score}_i}$$

where:

$w_{bv,i}$ : weight of stock i based on the value score and its book value

shareholder's equity<sub>i</sub>: BPR<sub>i</sub> \* full market cap<sub>EUR</sub>

$$w_{e,i} = \frac{\sqrt{\text{net income}_i} * \text{value score}_i}{\sum_{i=1}^N \sqrt{\text{net income}_i} * \text{value score}_i}$$

where:

$w_{e,i}$ : weight of stock i based on the value score and its earnings

net income<sub>i</sub>: EPR<sub>i</sub> \* full market cap<sub>EUR</sub>

$$w_{cf,i} = \frac{\sqrt{\text{cashflow}_i} * \text{value score}_i}{\sum_{i=1}^N \sqrt{\text{cashflow}_i} * \text{value score}_i}$$

where:

$w_{cf,i}$ : weight of stock i based on the value score and its cash flow

cashflow<sub>i</sub>: CFPR<sub>i</sub> \* full market cap<sub>EUR</sub>

Each of the three weights are calculated only if the respective ratios (BPR, EPR, CFPR) have a positive value. In case the ratios are zero or negative, the weight assigned is zero. A capping of 2% applies to each of the three weights for a stock.

The final weights and weightfactors for each stock i are calculated as follows:

$$w_i = \frac{w_{bv,i} + w_{e,i} + w_{cf,i}}{3}$$

Weighting cap factor<sub>i</sub> = (1,000,000,000 x  $w_i$  / closing price<sub>i</sub>), rounded to integers.

### 6.6.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the respective parent indices, but which remain in the STOXX Total Market Index, are not deleted from the index

## 6.iSTOXX MUTB INDICES

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**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off companies are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com). Index components are deleted from all STOXX indices in case of official delisting from the eligible stock exchange or ongoing bankruptcy proceedings.

## 6.7. iSTOXX MUTB MINIMUM VARIANCE INDICES

### 6.7.1.OVERVIEW

**Universe:** The index universe of the iSTOXX MUTB Japan (Global ex Japan, Global) Minimum Variance index is defined by the parent index STOXX Japan 600 (Global 1800 ex Japan, Global 1800).

**Weighting scheme:** The indices are price weighted according to a minimum variance optimization.

**Base values and dates:** 100 on Dec 20, 2002

**Index types and currencies:** Price, net return, gross return in EUR, USD, JPY.

**Dissemination calendar:** STOXX Global calendar

### 6.7.2.INDEX REVIEW

The indices are derived from the STOXX regional benchmark indices. Axioma's second-order cone with Branch-andbound optimization process is used. The model aims to optimize the portfolio with respect to variance, while not modifying other attributes too much.

**Selection list:** STOXX Japan 600 index, STOXX Global 1800 ex Japan, and STOXX Global 1800 respectively.

**Composition list:** The Minimum Variance portfolio of the corresponding universe is derived based on the Axioma optimization model. The composition list ("selection list") is published on the Monday after the second Friday.

**Review frequency:** The reviews are conducted on a quarterly basis, in sync with the parent index.

**Weighting cap factors:** See below for detailed optimization constraints. The weighting cap factors are calculated using closing prices from the second Friday of the respective review month.

**Constraints:**

Exclusion: REITs (Effective up until September 2020 review, as identified by ICB code 8670. Effective with September 2020 review, as identified by ICB code 351020 and 302030), current non-constituents in the bottom 20% of 3-month median daily traded value (MDV) (percentile rank calculated based on full universe), stocks with 20-day MDV below JPY 50 million.

Current constituents' weights that are in the bottom 20% of 3-month MDV cannot be increased.

Single component caps (percentile ranks are calculated based on the full universe):

| Group                     | Weight cap |
|---------------------------|------------|
| 0-30% (low volatility)    | 2%         |
| 31-40%                    | 1.5%       |
| 41-80%                    | 0.5%       |
| 81-100% (high volatility) | 0%         |

with volatility calculated using 60-month monthly month-end returns in local currency, at least 36 months required.

| Group                   | Weight cap |
|-------------------------|------------|
| 0-20% (high liquidity)  | 2%         |
| 21-40%                  | 1.5%       |
| 41-80%                  | 0.8%       |
| 81-100% (low liquidity) | 0.5%       |

with liquidity defined by 3-months MDV.

Minimum holding weight: 1bp (enforced in post-processing of optimization results).

Risk factor constraints w.r.t. universe using Axioma's corresponding regional mid-horizon fundamental risk model:

- Size: +/- 1 sigma
- Value: +/- 0.1 sigma
- Short-term momentum: +/- 0.1 sigma
- Mid-term momentum: +/- 0.25 sigma
- Currency: +/- 5%

Turnover: 15% (one way)

### 6.7.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced. Deletions from the respective parent indices, but which remain in the STOXX Total Market Index, are not deleted from the index.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Mergers and takeovers:** Standard STOXX process.

**Corporate Actions:** All index components are adjusted for corporate actions. Any event is treated in the same way in all indices. Please consult the STOXX Calculation guide for the detailed treatments.



## 6.8. iSTOXX MUTB MOMENTUM INDICES

### 6.8.1. OVERVIEW

The iSTOXX MUTB Momentum Indices select companies based on a momentum score factor which is adjusted to account for market beta, size and book-to-price biases. Momentum is defined as the price movement over the prior 12 months.

**Universe:** The indices are derived from their parent indices as described below. Effective up until September 2020 review, REITs, identified by ICB Sector 8670, and stocks classified as Japanese in the STOXX Total Market index but incorporated outside of Japan are excluded from the universes. Effective with September 2020 review, REITs, identified by ICB Codes 351020 and 302030, and stocks classified as Japanese in the STOXX Total Market index but incorporated outside of Japan are excluded from the universes.

| Index                                    | Universe                            |
|------------------------------------------|-------------------------------------|
| iSTOXX MUTB Momentum Value 300           | STOXX Japan 600 ex-REITs            |
| iSTOXX MUTB Global Momentum 600          | STOXX Global 1800 ex-REITs          |
| iSTOXX MUTB Global ex Japan Momentum 600 | STOXX Global 1800 ex Japan ex-REITs |

**Weighting scheme:** The indices are price-weighted based on a calculated momentum score.

**Base values and dates:** 100 on Dec 20, 2002 for iSTOXX MUTB Japan Momentum 300 and 100 on Dec 19, 2003 for iSTOXX MUTB Global Momentum 600 and iSTOXX MUTB Global ex Japan Momentum 600.

For a complete list please consult the data vendor code sheet on the website<sup>12</sup>. Customized solutions can be provided upon request.

**Index types and currencies:** Price, net and gross return in EUR, USD and JPY.

**Dissemination calendar:** STOXX Global calendar

### 6.8.2. INDEX REVIEW

**Selection list:**

On a quarterly basis, the momentum factor is calculated for each stock after adjusting for market beta, size and book-to-price ratio.

First, the beta and alpha of each stock is calculated using the formula below:

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<sup>12</sup>[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

$$\begin{pmatrix} R_{i,t=-2} \\ \vdots \\ R_{i,t=-13} \end{pmatrix} = \beta_i \begin{pmatrix} R_{m,t=-2} \\ \vdots \\ R_{m,t=-13} \end{pmatrix} + \alpha_i + \begin{pmatrix} \varepsilon_{i,t=-2} \\ \vdots \\ \varepsilon_{i,t=-13} \end{pmatrix}$$

where

$R_i$ : the monthly local return of stock  $i$

$R_m$ : the monthly local return of the parent index (defined as the STOXX Japan 600 JPY Gross Return, STOXX Global 1800 Local Currency Gross Return, STOXX Global 1800 ex Japan Local Currency Gross Return respectively)

$\varepsilon_i$ : the market beta residual return

The monthly return is determined over the 12 months period ending one month prior to the last business day before the review month. The local return of parent index is defined as the hypothetical return of the parent index ignoring any impact from currency movements.

The 12-month momentum adjusted with market beta is defined as:

$$\beta_{adj} Mom_i = 12 * \alpha_i$$

If there are missing values, the 12-month momentum adjusted with market beta is defined as NA.

The size and price-to-book factors are calculated as:

size <sub>$i$</sub> : the natural logarithm of the total market capitalization of stock  $i$  in EUR

BPR <sub>$i$</sub> : the book value per share to price of stock  $i$

These 3 factors (12-month momentum adjusted with market beta, size and BPR) are each standardized in three iterations. At each iteration, the standardized factor is calculated as:

$$\text{standardized factor } \hat{f}_i = \frac{(f_i - ave)}{\sigma}$$

where

$f_i$ : factor value of stock  $i$

$ave$ : factor average weighted by the stocks' weights in the parent index

$\sigma$ : factor standard deviation

At each iteration, if the standardized factor is over 4 or under -4, the value is truncated at 4 or -4 respectively. If the factor for size and BPR is NA, the standardized factor is set to zero. For the 12-month momentum adjusted with market beta, the standardized factor remains as NA.

The standardized 12-month momentum adjusted with market beta factor is then regressed against the standardized size factor and standardized BPR factor, and the residual error of this regression is calculated.

$$\begin{pmatrix} \widehat{\beta_{adj} Mom}_{i=1} \\ \vdots \\ \widehat{\beta_{adj} Mom}_{i=N} \end{pmatrix} = \beta_{size} \begin{pmatrix} \widehat{size}_{i=1} \\ \vdots \\ \widehat{size}_{i=N} \end{pmatrix} + \beta_{BPR} \begin{pmatrix} \widehat{BPR}_{i=1} \\ \vdots \\ \widehat{BPR}_{i=N} \end{pmatrix} + \alpha^* + \begin{pmatrix} \varepsilon_{i=1} \\ \vdots \\ \varepsilon_{i=N} \end{pmatrix}$$

where

$\beta_{adj} \widehat{Mom}_i$  : standardized 12-month momentum adjusted with market beta factor of stock i

$\widehat{size}_i$  : standardized size factor of stock i

$\widehat{BPR}_i$  : standardized BPR of stock i

$\varepsilon_i$  : residual error

$\alpha^*$  : alpha

N : number of stocks in the parent index

The risk-factor adjusted momentum factor is defined as the residual error from the above equation:

$$adjMom_i = \varepsilon_i$$

The risk-factor adjusted momentum factor is then standardized in three iterations. At each iteration, a standardized factor is calculated as:

$$standardized\ factor\ \widehat{adjMom}_i = \frac{(adjMom_i - ave)}{\sigma}$$

where

$adjMom_i$ : the risk-factor adjusted momentum factor of stock i

$ave$ : factor average weighted by the stocks' weights in the parent index

$\sigma$  : factor standard deviation

At each iteration, if the standardized factor is over 4 or under -4, the value is truncated at 4 or -4 respectively.

The momentum score of each stock is calculated using the following formula:

$$Momentum\ Score_i = \frac{1}{1 + \exp(-2\widehat{adjMom}_i)}$$

#### Composition list:

The top 300 (Japan) and 600 (Global/Global ex Japan) stocks with the highest momentum score are selected for the respective index.

In order to reduce turnover, the following buffer rules are applied.

|                         | Targeted number of constituents | Upper buffer bound | Lower buffer bound |
|-------------------------|---------------------------------|--------------------|--------------------|
| Japan                   | 300                             | 210                | 390                |
| Global, Global ex-Japan | 600                             | 420                | 780                |

The top stocks up to the Upper buffer bound included in terms of momentum score are added to the respective iSTOXX MUTB Momentum index. Then, any current constituents that have a momentum score ranking from the Upper buffer bound to the Lower buffer bound included are successively added until the number of components reaches the targeted number of constituents. If the number of stocks is still below the required number, the remaining stocks with higher momentum scores are added until the targeted number of components is reached.

The weights of the constituents are calculated based on their momentum score:

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$$weight_i = \frac{Momentum\ Score_i}{\sum Momentum\ Score}$$

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last trading day of the previous month.

**Weighting cap factors:** weight \* (100,000,000,000 / closing price of the stock), rounded to integers based on the closing prices in EUR on the Thursday prior to the second Friday of the review month.

### 6.8.3.ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the respective parent indices, but which remain in the STOXX Total Market Index, are not deleted from the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off companies are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com). Index components are deleted from all STOXX indices in case of official delisting from the eligible stock exchange or ongoing bankruptcy proceedings.

## 6.9. iSTOXX MUTB ESG QUALITY 200 INDICES

### 6.9.1.OVERVIEW

The iSTOXX MUTB ESG Quality 200 indices select the best ESG companies based on a combined screening and ranking of four fundamental indicators (profitability, leverage, cash flow generation ability and business stability). The component selection is conducted on a semi-annual basis in June and December.

**Universe:** The indices are derived from their benchmark indices as follows:

| Index                                       | Universe                   |
|---------------------------------------------|----------------------------|
| iSTOXX MUTB Japan ESG Quality 200           | STOXX Japan 600            |
| iSTOXX MUTB Global ESG Quality 200          | STOXX Global 1800          |
| iSTOXX MUTB Global ex Japan ESG Quality 200 | STOXX Global ex Japan 1800 |

**Weighting scheme:** The indices are weighted according to free-float market capitalization with a 2% maximum capping per constituent and rebalanced quarterly.

**Index types, currencies, base values and dates:**

| Index                                       | Versions                    | Currencies     | Base values and dates    |
|---------------------------------------------|-----------------------------|----------------|--------------------------|
| iSTOXX MUTB Japan ESG Quality 200           | Price, gross and net return | EUR, USD, JPY  | 100 on December 17, 2010 |
| iSTOXX MUTB Global ESG Quality 200          | Price, gross and net return | EUR, USD, JPY, | 100 on December 18, 2009 |
| iSTOXX MUTB Global ex Japan ESG Quality 200 | Price, gross and net return | EUR, USD, JPY  | 100 on December 18, 2009 |

**Dissemination calendar:** STOXX Global calendar

### 6.9.2.INDEX REVIEW

**Selection list:**

A set of exclusion criteria are applied:

#### 1. Sectors:

Effective up until September 2020 review, REITs, as identified by ICB Sector 8670.

Effective with September 2020 review, Eurozone REITs, as identified by ICB Sectors 302030 and 351020.

#### 2. Country of incorporation:

Stocks classified as Japan on the STOXX Total Market index but incorporated outside of Japan

#### 3. Global Standards Screening:

STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

#### 4. Controversial Weapons:

STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium ammunition, nuclear weapons and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale of controversial weapons
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

For the remaining stocks, Quality Factors and ESG scores are calculated as follows:

#### 1. Quality Factors:

On a semi-annual basis in June and December, for all remaining stocks in each respective universe, the following quality factors are calculated and two sets of percentile ranks are assigned to the following factors below, where rank 0 is the worst and rank 1 the best. The first set of ranks is to calculate the factor composite score. Stocks with missing values are excluded from the first ranking process and then assigned a rank of 0. This first set of ranks is then ranked again to produce the second set of ranks that is used for screening. In the cases where the ratio is the same for two stocks, the larger stock by free-float market capitalization shall have the higher rank. For the two iSTOXX MUTB Global ESG 200 indices, the ranks used for screening purposes with the exception of liquidity are calculated for each regional universe subdivision: North America, Europe and Asia Pacific.

- » Liquidity: calculated as the three-month Average Daily Traded Value (ADTV). The higher the liquidity, the higher the rank to be assigned.
- » Return on Equity (ROE): calculated as Net Income divided by Shareholder's Equity. The higher the value of the ratio, the higher the rank to be assigned. Stocks with negative Shareholders' Equity or Net Income are regarded as having missing values.
- » Financial Health: calculated as Total Debt divided by the sum of Shareholder's Equity and Total Debt. The lower the value of the ratio, the higher the rank to be assigned. Stocks with negative Shareholders' Equity are regarded as having missing values.
- » Cash-Flow Generation Ability:
  - For Financial stocks (Effective until September 2020 Review, as identified by ICB Industry Code 8000. Effective with September 2020 review, as identified by ICB Industry Code 30 and 35.): calculated as Net Cash-Flows from Operating Activities divided by Total Assets. The higher the value of the ratio, the higher the rank.

- For industrial stocks (all stocks excluding Financials): calculated as Net Cash-Flows from Operating Activities divided by the sum of Net Property, Plant and Equipment, Inventories and Accounts Receivables. The higher the value of the ratio, the higher the rank

The percentile ranks from each group (financials / non-financials) form the final Cash-Flow Generation Ability rank.

- » Business Stability: calculated as the standard deviation of Net Income over the last five years divided by Shareholder's Equity. The lower the value of the ratio, the higher the rank assigned. In order to calculate this ratio, Net Income data for at least three out of five periods should be available.

## 2. ESG Scores:

Two sets of ESG Scores are calculated, the ESG Incident Score and the ESG Management Score.

### 1. ESG Incident Score:

The maximum of the KPI Scores from the following list, for which data is available (Answer Categories as provided by Sustainalytics):

| Indicator Long Name                        | Indicator Short Name |
|--------------------------------------------|----------------------|
| E.1.12 Operations Incidents                | E.1.12               |
| E.2.2 Environmental Supply Chain Incidents | E.2.2                |
| E.3.2 Product & Service Incidents          | E.3.2                |
| G.1.5 Business Ethics Incidents            | G.1.5                |
| G.2.13 Governance Incidents                | G.2.13               |
| G.3.4 Public Policy Incidents              | G.3.4                |
| S.1.7 Employee Incidents                   | S.1.7                |
| S.2.3 Social Supply Chain Incidents        | S.2.3                |
| S.3.3 Customer Incidents                   | S.3.3                |
| S.4.3 Society & Community Incidents        | S.4.3                |

Stocks with no ESG Incident Score data coverage are removed.

### 2. ESG Management Score :

Traditional sector classifications do not accurately reflect the specifics of ESG research: Sustainalytics have therefore created the concept of peer groups to classify companies that are highly similar from an ESG perspective. Sustainalytics currently classifies companies according to the following 42 peer groups:

|                     |                          |
|---------------------|--------------------------|
| Aerospace & Defense | Industrial Conglomerates |
| Auto Components     | Insurance                |
| Automobiles         | Machinery                |
| Banks               | Media                    |
| Building Products   | Oil & Gas Producers      |

|                            |                               |
|----------------------------|-------------------------------|
| Chemicals                  | Paper & Forestry              |
| Commercial Services        | Pharmaceuticals               |
| Construction & Engineering | Precious Metals               |
| Construction Materials     | Real Estate                   |
| Consumer Durables          | Refiners & Pipelines          |
| Consumer Services          | Retailing                     |
| Containers & Packaging     | Semiconductors                |
| Diversified Financials     | Software & Services           |
| Diversified Metals         | Steel                         |
| Electrical Equipment       | Technology Hardware           |
| Energy Services            | Telecommunication Services    |
| Food Products              | Textiles & Apparel            |
| Food Retailers             | Traders & Distributors        |
| Healthcare                 | Transportation                |
| Homebuilders               | Transportation Infrastructure |
| Household Products         | Utilities                     |

The peer group-adjusted KPI Score values are calculated as follows:

$$Adjusted\ KPI\ Score_i^k = KPI\ Score_i^k - \overline{KPI\ Score_j^k}$$

where:

$$KPI\ Score_i^k = \text{Value of KPI Score k for stock i}$$

$$\overline{KPI\ Score_j^k} = \text{Average value of KPI Score k in peer group j}$$

The ESG Management Score, which is used for the final composite score calculation, is calculated as the average of the peer group-adjusted KPI Scores from the following list, for which data is available (Raw Scores as provided by Sustainalytics):

| Indicator Long Name                   | Indicator Short Name |
|---------------------------------------|----------------------|
| E.1.1 Environmental Policy            | E.1.1                |
| E.1.2 Environmental Management System | E.1.2                |
| E.1.2.7 Water Intensity               | E.1.2.7              |
| E.1.3 EMS Certification               | E.1.3                |
| E.1.3.2 Hazardous Waste Management    | E.1.3.2              |
| E.1.6 Scope of GHG Reporting          | E.1.6                |
| E.1.7.0 GHG Reduction Programme       | E.1.7.0              |
| E.1.7.1 Green Logistics Programmes    | E.1.7.1              |
| E.1.8 Renewable Energy Programme      | E.1.8                |
| E.1.9 Carbon Intensity                | E.1.9                |
| E.1.10 Carbon Intensity Trend         | E.1.10               |
| E.1.11 Renewable Energy Use           | E.1.11               |



|                                               |           |
|-----------------------------------------------|-----------|
| E.2.1 Supplier Environmental Policy           | E.2.1     |
| E.2.1.1 Supplier Environmental Programmes     | E.2.1.1   |
| E.2.1.2 Supplier Environmental Certifications | E.2.1.2   |
| E.3.1.6 Eco-Design                            | E.3.1.6   |
| S.1.1 Freedom of Association Policy           | S.1.1     |
| S.1.1.1 Working Hours Policy                  | S.1.1.1   |
| S.1.2 Discrimination Policy                   | S.1.2     |
| S.1.3 Diversity Programmes                    | S.1.3     |
| S.1.5 Employee Turnover Rate                  | S.1.5     |
| S.1.6.5 Lost-Time Incident Rate Trend         | S.1.6.5   |
| S.1.6.6 Employee Fatality Rate                | S.1.6.6   |
| S.2.1 Scope of Social Supplier Standards      | S.2.1     |
| S.2.1.3 Conflict Minerals Policy              | S.2.1.3   |
| S.2.2.2.1 Supply Chain Management             | S.2.2.2.1 |
| S.3.2.1 QMS Certifications                    | S.3.2.1   |
| S.4.2.1 Human Rights Policy                   | S.4.2.1   |
| S.4.2.2 Community Involvement Programmes      | S.4.2.2   |
| G.1.1 Bribery & Corruption Policy             | G.1.1     |
| G.1.2 Whistleblower Programmes                | G.1.2     |
| G.1.4 Tax Disclosure                          | G.1.4     |
| G.2.1 ESG Reporting Standards                 | G.2.1     |
| G.2.3.3 CEO Pay Magnitude (Industry)          | G.2.3.3   |
| G.2.8.3 Board Executive Experience            | G.2.8.3   |
| G.2.5 ESG Governance                          | G.2.5     |
| G.2.6.2 Long-Term Incentive Programme         | G.2.6.2   |
| G.2.7.3 Board Gender Diversity                | G.2.7.3   |
| G.2.9.2 Board Independence                    | G.2.9.2   |
| G.2.10.3 Audit Committee Independence         | G.2.10.3  |
| G.2.12.2 Remuneration Committee Independence  | G.2.12.2  |
| G.3.1 Political Involvement Policy            | G.3.1     |

Stocks with no ESG Management Score data coverage are removed

Percentile ranks are calculated based on the ESG Management Score. In the cases where the score is the same for two stocks, the larger stock by free-float market capitalization shall have the higher percentile rank. In a second step, the final ESG Management Score ranks for each stock  $i$  are calculated as follows:

$$\max(0, ESG \text{ Weighted Score Percentile Ranking}_i - 0.5) \times 2$$

where:

$ESG \text{ Weighted Score Percentile Ranking}_i$  = percentile ranks calculated based on the ESG Management Score

Finally, using the set of percentile ranks calculated for screening purposes, a liquidity screening applies for non-components only. Companies need to rank within the top 80% by liquidity to be eligible.

The stocks fulfilling the following screening criteria will compose the selection list. For the 2 iSTOXX MUTB Global ESG Quality 200 indices, the screening is applied using the regional rankings:

- » All companies ranked by ROE between 0.3 and 1
- » All companies ranked by Financial Health, Cash-Flow Generation Ability and Business Stability between 0.05 and 1
- » All companies that have an ESG Incident Score of 3 or below

A composite score is calculated for all remaining stocks in the selection list using the percentile ranks assigned for the purpose of final composite score calculation and the final ESG Score rank as follows:

$$\text{Average}(\text{ROE ranking}, (\text{Financial Health ranking} + \text{Cash Flow Generation Ability ranking} + \text{Business Stability ranking})/3, \text{final ESG Score ranking})$$

**Component selection:**

All stocks in the selection list are ranked by the composite score in descending order. The following selection rules apply:

1. For current components of the index, if its composite score is more than 95% of the composite score of the 200th stock, then it will remain in the index
2. When the number of stocks selected above is less than 200, the remaining constituents are selected in descending order by composite score from current non-components

If the composite score is the same for two stocks, the stock with the larger free-float market capitalization will be assigned the higher rank.

**Review frequency:**

The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is the last dissemination day of the month preceding the review month. The composition of the respective universe index effective on the dissemination day following the third Friday of the review month is used as base universe.

**Weighting cap factors:**

Components weights are based on free-float market capitalization capped at a maximum weight of 2% on a quarterly basis in March, June, September and December based on the close prices of the dissemination day preceding the second Friday of the rebalancing month.

### 6.9.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the respective parent indices, but which remain in the STOXX Total Market Index, are not deleted from the index.

## 6.iSTOXX MUTB INDICES

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**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spun-off companies are not added permanently to the index.

**Corporate Actions:** All component are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com). Index components are deleted from all STOXX indices in case of official delisting from the eligible stock exchange or ongoing bankruptcy proceeding.

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## 6.10. iSTOXX MUTB CHINA ALL SHARES AM QUALITY CONSUMER 50 INDEX

### 6.10.1. OVERVIEW

The iSTOXX MUTB China All Shares AM Quality Consumer 50 Index aims to capture the performance of quality healthcare companies with high profitability, low leverage and sustainable cash flows within the broader China universe. The component selection is based on a combined ranking of four fundamental ratios (return on equity, debt-to-capital, cash flow generation ability and business stability).

**Universe:** Consumer goods and services companies (Effective up until September 2020 review, ICB Industry Codes 3000 and 5000. Effective with September 2020 review, ICB Industry Codes 40 and 45.) within iSTOXX China All Shares AM (Accessible Market) Index.

**Weighting scheme:** The indices are weighted according to free float market capitalisation capped at 5%

**Base values and dates:** The following base values and dates apply: 100 on Dec 21, 2012

For a complete list please consult the data vendor code sheet on the website<sup>13</sup>. Customized solutions can be provided upon request.

**Index types and currencies:** Price, net and gross return in EUR, USD, KRW, HKD, JPY and CNY

**Dissemination calendar:** STOXX Global calendar

### 6.10.2. INDEX REVIEW

**Selection list:**

Companies are selected from within the Consumer Goods and Consumer Services (Effective up until September 2020 review, ICB Industry Codes 3000 and 5000. Effective with September 2020 review, ICB Industry Codes 40 and 45.) in the iSTOXX China All Shares AM Index universe. Percentile ranks are assigned to the following ratios, where rank 0 is the worst and rank 1 the best. In the cases where the ratio is the same for two stocks the larger stock by free-float market capitalisation shall have the higher score. Only stocks with positive Shareholder's Equity, Total Assets and Net Cash Flow from Operating Activities and non-missing current Total Debt and Net Income data are eligible. Industrial stocks need to have a positive sum of Net Property, Plant and Equipment, Inventories and Accounts Receivables to be eligible.

» Return on Equity (ROE): calculated as Net Income divided by Shareholder's Equity. The higher the value of the ratio, the higher the rank to be assigned.

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<sup>13</sup>[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

» Financial Health: calculated as Total Debt divided by the sum of Shareholder's Equity and Total Debt. The lower the value of the ratio, the higher the rank to be assigned.

» Cash-Flow Generation Ability: calculated as Net Cash-Flows from Operating Activities divided by the sum of Net Property, Plant and Equipment, Inventories and Accounts Receivables. The higher the value of the ratio, the higher the rank to be assigned.

» Business Stability: calculated as the standard deviation of Net Income over the last five years, divided by the latest Shareholder's Equity. The lower the value of the ratio, the higher the rank assigned. In order to calculate this ratio, Net Income data for at least three out of five periods should be available.

Using the set of percentile ranks calculated for screening purposes, a liquidity screening applies for non-components only. Companies need to be ranked within the top 80% by liquidity to be eligible. The stocks that belong in the top 95% of all the 4 fundamental ratios are eligible in the selection list.

A composite quality score is calculated for all the stocks in the selection list using the percentile ranks calculated on the full universe as follows:

$0.4 \times \text{ROE Ranking} + 0.2 \times (\text{Financial Health ranking} + \text{Cash Flow Generation Ability ranking} + \text{Business Stability ranking})$

If the composite score is the same for two stocks at the 50th threshold, the stock with higher ROE ranking will be selected for the index. If the ROE ranking is the same, the stock with the highest free-float market capitalisation will be selected.

**Composition list:** The top 50 components with the highest composite quality score are selected into the index.

The China A securities are monitored against their equivalent Stock Connect Securities. China Connect Securities are screened on a daily basis between the cut-off date and the review effective date.

- » If STOXX is informed 3 days before the review effective date about a China Connect Security ineligibility (not eligible to "both buy and sell") effective after the review effective date, the equivalent China A share will not be included in the index at the review effective date.
- » If STOXX is informed 2 days or 1 day before the review effective date about a China Connect Security ineligibility (not eligible to "both buy and sell") effective after the review effective date, the equivalent China A share will be deleted in line with Section 8.6.4. Delisting of the STOXX Calculation Guide.

**Review frequency:** The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is the last business day of the month prior to the review month. The composition of the corresponding universe effective on the Monday following the third Friday of the review month is used as the base universe.

**Weighting cap factors:** Components are capped at a maximum weight of 5% on a quarterly basis. Weighting cap factors are based on the close prices of the Thursday prior to the second Friday of the rebalancing month.

### 6.10.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the respective parent indices, but which remain in the STOXX Total Market Index and the STOXX China Total Market Indices, are not deleted from the index.

**Fast exit:** The China A securities are monitored against their equivalent Stock Connect Securities. China Connect Securities are monitored on a daily basis. If there is an announcement that a China Connect Security is ineligible (not eligible to “both buy and sell”) in the future, then the equivalent China A share index component is removed from the index with a two-day notice as outlined in chapter 8.6.4. of the STOXX Calculation guide.

**Fast entry:** Not applicable.

**Spin-offs:** Spun-off companies are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com).

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## 6.11. iSTOXX MUTB JAPAN EMPOWERING WOMEN 30 INDEX

### 6.11.1. OVERVIEW

The constituents of the iSTOXX MUTB Japan Empowering Women 30 Index are selected from the iSTOXX MUTB Japan Quality 150 Index. The securities in the underlying index are screened for four indicators: ratio of women in management positions, ratio of women officer positions, day-care facilities and allowances and re-employment plan for employees that were out of work due to pregnancy, childcare, relocation and other reasons. An empowering women score is calculated from these four indicators. The iSTOXX MUTB Japan Empowering Women 30 Index selects 30 securities with the highest empowering women score from the iSTOXX MUTB Japan Quality 150 Index. In cases where more than one company has the same empowering women score at the 30<sup>th</sup> threshold, preference is given to the company with the highest composite quality score, as calculated for the iSTOXX MUTB Japan Quality 150 Index constituents.

**Universe:** The index universe is defined by all the stocks included in the iSTOXX MUTB Japan Quality 150 Index, as observed on the review effective date.

**Weighting scheme:** The index is price-weighted with weighting cap factors to achieve equal-weight

**Base values and dates:** 100 on June 20, 2008

**Index types and currencies:** Price, net and gross return in EUR, USD and JPY

**Dissemination calendar:** STOXX Global calendar

### 6.11.2. INDEX REVIEW

**Selection list:**

The iSTOXX MUTB Japan Quality 150 Index, as observed on the review effective dates defines the index universe. A composite empowering women score is calculated for all of the stocks in the selection list from the following four indicators sourced from Toyo Keizai:

- » Ratio of management positions (women): each security is assigned a score of one if ratio is 30 or above, and a score of 0.5 if ratio is 15 or above but falls below 30. Otherwise, a zero score is assigned
- » Ratio of officer positions (women): if the ratio is five or more, the company is assigned a score of one; if the ratio is 2.5 or above, but below 5, the company is assigned a score of 0.5. Otherwise, a zero score is assigned
- » Day-care facility allowance: if a company provides these services, it receives a score of 1, otherwise 0
- » Re-employment plan: if a company has re-employment plans, it receives a score of 1, otherwise 0

The empowering women score is the sum of these four sub-items.

**Composition list:**

Effective up until September 2020 review, the securities in the selection list are allocated to one of the following industry groups based on their ICB classifications:

| Grouping           | ICB codes                         |
|--------------------|-----------------------------------|
| Oil & Gas          | Industry 1                        |
| Basic Materials    | Industry 1000                     |
| Industrials        | Industry 2000                     |
| Consumer Goods     | Industry 3000                     |
| Health Care        | Industry 4000                     |
| Consumer Services  | Industry 5000                     |
| Telecommunications | Industry 6000                     |
| Utilities          | Industry 7000                     |
| Financials         | Supersectors 8300, 8500, and 8700 |
| Real Estate        | Supersector 8600                  |
| Technology         | Industry 9000                     |

Effective with September 2020 review, the securities in the selection list are allocated to one of the following industry groups based their ICB classifications:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Energy                 | Industry 60 |
| Basic Materials        | Industry 55 |
| Industrials            | Industry 50 |
| Consumer Staples       | Industry 45 |
| Healthcare             | Industry 20 |
| Consumer Discretionary | Industry 40 |
| Telecommunications     | Industry 15 |
| Utilities              | Industry 65 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Technology             | Industry 10 |

All eligible companies are then ranked in descending order of their empowering women scores. In the instances where more than one company has the same empowering women score for a given cut-off date, preference is given to the company with the highest composite quality score (same cut-off date), as calculated for the iSTOXX MUTB Quality Japan 150 Index constituents. Further information on the quality score can be found in the [iSTOXX Methodology Guide](#).

The top 30 ranking companies are selected, with a maximum of 10 companies coming from each of the 11 industrial groupings.

#### Review frequency:

The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is the last trading day of the month preceding the review month. The new composition of the iSTOXX MUTB Japan Quality 150 Index effective on the Monday following the third Friday of the review month (June and December) is used as the base universe.



**Weighting cap factors:**

All components are equal weighted on a quarterly basis in March, June, September and December.

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 6.11.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

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## 6.12. iSTOXX MUTB JAPAN ESG 30 INDEX

### 6.12.1. OVERVIEW

The constituents of the iSTOXX MUTB Japan ESG 30 Index are selected from the iSTOXX MUTB Japan Quality 150 Index. Companies that are non-compliant with the Global Standards Screening (GSS) or are involved in Controversial Weapons activities, as identified by Sustainalytics, are not eligible for selection. The iSTOXX MUTB Japan ESG 30 Index selects 30 securities with the best ESG Risk Rating scores from the eligible securities in the iSTOXX MUTB Japan Quality 150 Index. In cases where more than one company has the same ESG Risk Rating score at the 30<sup>th</sup> threshold, preference is given to the company with the highest composite quality score, as calculated for the iSTOXX MUTB Japan Quality 150 Index constituents.

**Universe:** The index universe is defined by all the stocks included in the iSTOXX MUTB Japan Quality 150 Index, as observed on the review effective date.

**Weighting scheme:** The index is price-weighted with weighting cap factors to achieve equal-weight

**Base values and dates:** 100 on June 23, 2014

**Index types and currencies:** Price, net and gross return in EUR, USD and JPY

**Dissemination calendar:** STOXX Global calendar

### 6.12.2. INDEX REVIEW

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date, a set of exclusionary criteria are applied on the iSTOXX MUTB Japan Quality 150 Index.

**Global Standards Screening:**

STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

**Controversial Weapons:**

STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

The remaining securities in the iSTOXX MUTB Japan Quality 150 Index are then screened for ESG Risk Rating scores, as provided by Sustainalytics. If a security does not have a score, it will not be considered for selection.

The eligible securities are allocated to one of the following industry groups based their ICB classifications:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Technology             | Industry 10 |
| Telecommunications     | Industry 15 |
| Health Care            | Industry 20 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Consumer Discretionary | Industry 40 |
| Consumer Staples       | Industry 45 |
| Industrials            | Industry 50 |
| Basic Materials        | Industry 55 |
| Energy                 | Industry 60 |
| Utilities              | Industry 65 |

The companies are then ranked in ascending order of their ESG Risk Rating scores (low score implies good ESG Risk Rating performance). In the instances where more than one company has the same ESG Risk Rating score for a given cut-off date, preference is given to the company with the highest composite quality score (same cut-off date), as calculated for the iSTOXX MUTB Quality Japan 150 Index constituents. Further information on the quality score can be found in the [iSTOXX Methodology Guide](#).

The top 30 companies with the lowest ESG Risk Rating are selected, with a maximum of 10 companies coming from each of the 11 industrial groupings.

#### Review frequency:

The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is the last trading day of the month preceding the review month. The new composition of the iSTOXX MUTB Japan Quality 150 Index effective on the Monday following the third Friday of the review month (June and December) is used as the base universe.

#### Weighting cap factors:

All components are equal weighted on a quarterly basis in March, June, September and December.

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 6.12.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

## 6.iSTOXX MUTB INDICES

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**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 6.13. iSTOXX MUTB JAPAN MARKET SHARE LEADERS INDEX

### 6.13.1. OVERVIEW

The iSTOXX MUTB Japan Market Share Leaders Index tracks the performance of at least 30 Japanese securities that have prominent positions in their area of operations. The securities are selected from the STOXX Japan 600 index, excluding REITs.

FactSet Revere (RBICS) data is used to identify revenue exposure and market presence, helping select companies that are market share leaders.

**Universe:** The index universe is defined by all the stocks in the STOXX Japan 600 Index and excluding REITs, identified by ICB codes 302030 and 351020.

**Weighting scheme:** The index is price-weighted with weighting cap factors to achieve equal-weight

**Base values and dates:** 100 on June 22, 2015

**Index types and currencies:** Price, net and gross return in EUR, USD and JPY

**Dissemination calendar:** STOXX Global calendar

### 6.13.2. INDEX REVIEW

The STOXX Japan 600 Index, as observed on the review effective dates defines the index universe. Securities identified as REITs, ICB codes 302030 and 351020, are not eligible for selection. Market Share Score (MSS) is calculated for the eligible securities to identify those with large market share in Japan.

To obtain the MSS scores, the constituents of the STOXX Japan Total Market Index are screened for their absolute revenues, and their FactSet Revere (RBICS) Level 6 exposures. In case a company is present with multiple sharelines or listings in the index, only the most liquid share is eligible for selection and used for the MSS calculations.

For each of the remaining securities in the STOXX Japan TMI, aggregated Level 4 revenue exposures are obtained from the granular Level 6 sectors by summing over the Level 6 sector exposures that belong to the same Level 4 sectors. Absolute revenue for each company  $i$  coming from each L4 sector  $s$ ,  $S_{i,s}$ , is calculated:

$$S_{i,s} = L4 \text{ revenue exposure}_{i,s} \times Total \text{ Revenue}_i$$

The market share of each company  $i$  in each sector  $s$ ,  $Market \text{ Share}_{i,s}$ , is obtained as follows:

$$Market \text{ Share}_{i,s} = \frac{S_{i,s}}{\sum_{j=1}^N S_{j,s}}$$

A unique overall  $Market \text{ Share Score}_i$  is then calculated for the securities as follows:

$$Market \text{ Share Score}_i = \frac{\sum_{s=1}^{Sector} Market \text{ Share}_{i,s} * S_{i,s}}{\sum_{s=1}^{Sector} S_{i,s}}$$

Where:

i            company i  
s            sector s  
N            number of securities in the STOXX Japan TMI with data  
Sector      number of L4 sectors company i has exposure to

The Market Share Score (MSS) is mapped to the eligible securities, STOXX Japan 600 ex REITs. The companies are then ranked in descending order of their MSS scores. In the instances where more than one company has the same MSS score for a given cut-off date, preference is given to the company with the largest free float market capitalization. All companies with MSS score of 50% or higher are selected. If the number of constituents that meet this criterion is below 30, then 30 stocks with the highest MSS values will be selected.

#### **Review frequency:**

The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is the last trading day of the month preceding the review month. The new composition of the STOXX Japan 600 Index effective on the Monday following the third Friday of the review month (June and December) is used as the base universe.

#### **Weighting cap factors:**

All components are equal weighted on a quarterly basis in March, June, September and December.

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### **6.13.3. ONGOING MAINTENANCE**

**Replacements:** Deleted companies are not replaced in the index. Deletions from the parent index, STOXX Japan 600 Index, which remain in the STOXX Global Total Market Index are not deleted from the index.

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

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## 6.14. iSTOXX MUTB JAPAN LOW CARBON RISK 30 INDEX

### 6.14.1. OVERVIEW

The constituents of the iSTOXX MUTB Japan Low Carbon Risk 30 Index are selected from the iSTOXX MUTB Japan Quality 150 Index. Companies that are non-compliant with the Global Standards Screening (GSS) or are involved in Controversial Weapons activities, as identified by Sustainalytics, are not eligible. The iSTOXX MUTB Japan Low Carbon Risk 30 Index selects 30 securities with the best (lowest) Carbon Risk Rating scores from the eligible securities in the iSTOXX MUTB Japan Quality 150 Index. In cases where more than one company has the same Carbon Risk Rating score at the 30th threshold, preference is given to the company with the highest composite quality score, as calculated for the iSTOXX MUTB Japan Quality 150 Index constituents.

**Universe:** The index universe is defined by all the stocks included in the iSTOXX MUTB Japan Quality 150 Index, as observed on the review effective date.

**Weighting scheme:** The index is price-weighted with weighting cap factors to achieve equal-weight

**Base values and dates:** 100 on June 23, 2014

**Index types and currencies:** Price, net and gross return in EUR, USD and JPY

**Dissemination calendar:** STOXX Global calendar

### 6.14.2. INDEX REVIEW

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date, a set of exclusionary criteria are applied on the iSTOXX MUTB Japan Quality 150 Index.

**Global Standards Screening:**

STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

**Controversial Weapons:**

STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

The remaining securities in the iSTOXX MUTB Japan Quality 150 Index are then screened for Carbon Risk Rating scores, as provided by Sustainalytics. If a security does not have a score, it will not be considered for selection.

The eligible securities are allocated to one of the following industry groups based their ICB classifications:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Technology             | Industry 10 |
| Telecommunications     | Industry 15 |
| Health Care            | Industry 20 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Consumer Discretionary | Industry 40 |
| Consumer Staples       | Industry 45 |
| Industrials            | Industry 50 |
| Basic Materials        | Industry 55 |
| Energy                 | Industry 60 |
| Utilities              | Industry 65 |

The companies are then ranked in ascending order of their Carbon Risk Rating scores (low score implies good Carbon Risk Rating performance). In the instances where more than one company has the same Carbon Risk Rating score for a given cut-off date, preference is given to the company with the highest composite quality score (same cut-off date), as calculated for the iSTOXX MUTB Quality Japan 150 Index constituents. Further information on the quality score can be found in the [iSTOXX Methodology Guide](#).

The top 30 companies with the lowest Carbon Risk Rating are selected, with a maximum of 10 companies coming from each of the 11 industrial groupings.

#### Review frequency:

The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is the last trading day of the month preceding the review month. The new composition of the iSTOXX MUTB Japan Quality 150 Index effective on the Monday following the third Friday of the review month (June and December) is used as the base universe.

#### Weighting cap factors:

All components are equal weighted on a quarterly basis in March, June, September and December.

Weighting cap factors are based on the closing prices in EUR (pi) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 6.14.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced



## 6.iSTOXX MUTB INDICES

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**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

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## 6.15. iSTOXX MUTB JAPAN PLATINUM CAREER 150 INDEX

### 6.15.1. OVERVIEW

The iSTOXX MUTB Japan Platinum Career 150 Index tracks the performance of 150 Japanese companies that actively contribute to employee career development. The index selects companies with the highest platinum career score from the STOXX Japan 600 index constituents excluding REITs. Each company is evaluated on three aspects: long term view, active learning and social contribution. Platinum career score is calculated from the three sub scores assigned to each company for those three aspects. A filtering based on composite quality score that is derived from four fundamental ratios (return on equity, debt-to-capital, cash flow generation ability and business stability) is applied. Stocks need to fulfil minimum liquidity criteria before being added to the index. The index constituents are weighted according to the product of free float market capitalization and platinum career score with a capping of 2% weight.

**Universe:** The index is derived from its benchmark index, the STOXX Japan 600 index excluding constituents identified as REITs. REITs are identified by ICB Sector 8670 effective up until September 2020 review and by ICB 351020 and 302030 effective with September 2020 review.

**Weighting scheme:** The indices are price-weighted according to the product of free float market capitalization weight and the platinum career score with a 2% maximum capping per constituent.

**Base values and dates:** 100 on Mar 19, 2012

For a complete list please consult the data vendor code sheet on the website<sup>14</sup>. Customized solutions can be provided upon request.

**Index types and currencies:** Price, net and gross return in EUR and USD and JPY

**Dissemination calendar:** STOXX Global calendar

### 6.15.2. INDEX REVIEW

#### Selection list:

On an annual basis in March, the following 3 sub scores are calculated for all the stocks in the universe:

1. Long Term View Score
2. Active Learning Score
3. Social Contribution Score

The data source is CSR data provided by Toyo Keizai. Each sub score above is calculated as the average of a set of sub items. For any sub item, if the values for all the KPIs specified in its calculation

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<sup>14</sup> [www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

are not available for the STOXX Japan 600 ex-REITs universe, then this sub item is excluded from the calculation of the respective sub score.

- » Long Term View Score (25 sub items but the divisor is 26 due to the score for 14. Retirement age for full time employee)
  1. Ratio of acquiring paid leaves (Last FY) [A00244]  
If ratio  $\geq 70$  then 1, else 0
  2. Change in No. of people taking childcare leave from Last FY but one to Last FY  
If  $([A00347] - [A00346]) \geq 0$  and  $[A00347] > 0$  then 1, else 0
  3. Change in No. of men people taking childcare leave from Last FY but one to Last FY  
If  $([A00353] - [A00352]) \geq 0$  and  $[A00353] > 0$  then 1, else 0
  4. Change in No. of people taking elderly care from Last FY but one to Last FY  
If  $([A00383] - [A00382]) \geq 0$  and  $[A00383] > 0$  then 1, else 0
  5. Support for work life balance  
[A00388], [A00389], [A00390], [A00391], [A00392], [A00393], [A00394]  
If each value is 1, then 0.15, else 0.  
[A00397] If value is not null, then 0.15, else 0.  
The final value is the minimum of 1 and the summation of the eight scores.
  6. Flexibility for work style  
[A00275], [A00277], [A00279], [A00281], [A00283], [A00285], [A00287], [A00289],  
[A00291], [A00293], [A00295]  
Effective up until 2018 review, if each value is 1 then 0.15, else 0.  
Effective with 2018 review, if each value is 1 then 0.1, else 0.  
The final value is the minimum of 1 and the summation of the eleven scores.  
Effective with 2023 review, [A00279] is no longer available. For the remaining ten KPIs,  
if each value is 1 then 0.1, else 0. The final value is the summation of the remaining  
ten scores.
  7. Re-employment and extension of retirement age until 65 years old [A00213]  
If value=1 then 1, else if value=2 then 0.5, else 0.
  8. Ave. overtime hours and allowance  
[A00174] If value  $\leq 10$  then 0.5, else if  $10 < \text{value} \leq 20$  then 0.3, else if  $20 < \text{value} \leq 30$  then 0.1, else 0.  
[A00176] If value  $\geq 100000$ , then 0.5, else if  $50000 \leq \text{value} < 100000$  then 0.3, else if  
 $30000 \leq \text{value} < 50000$  then 0.1, else 0.  
The final score is the summation of both scores.
  9. Ave. wage (30 years old) [A00168]  
If value  $\geq 500000$  then 1, else if  $400000 \leq \text{value} < 500000$  then 0.8, else if  $300000 \leq \text{value} < 400000$  then 0.6, else if  $250000 \leq \text{value} < 300000$  then 0.4, else if  $200000 \leq \text{value} < 250000$  then 0.2, else 0.
  10. Total working hours per year [A00172]

If value  $\leq 1700$  then 1, else if  $1700 < \text{value} \leq 1800$  then 0.8, else if  $1800 < \text{value} \leq 1900$  then 0.6, else if  $1900 < \text{value} \leq 2000$  then 0.4, else if  $2000 < \text{value} \leq 2200$  then 0.2, else 0.

11. Establishment of internal and external whistle-blower hotlines  
[A00608] If value is 1 then 0.5, else 0.  
[A00610] If value is 1 then 0.5, else 0.  
The final score is a summation of both scores.
12. Establishment of rules on protection for whistle-blower [A00612]  
If value is 1 then 1, else 0.
13. Age limit system for managerial personnel  
[A01105] If value is 2 or 3 then 1, else if [A01107] is 1 then 1, else if [A01107] is 2 or 3 then 0.5, else 0.
14. Retirement age for full time employee  
First score:[A01109] is 2 or [A01110]  $> 60$  then 1, else 0.  
Second score: [A01111], [A01113], [A01114], [A01116], [A01117], [A01118], [A01119], [A01121]  
Effective with 2024 review, [A01121] is no longer available. For the remaining seven KPIs, if each value is 1 then 0.25, else 0.  
[A01112] if value  $\geq 66$  then 0.25, else 0. Second score is the minimum of 1 and the summation of the nine (eight effective with 2024 review) scores. The final score is the minimum of 2 and the summation of the two scores- First score and Second score.
15. Multiple Career path system [A01094]  
If value is 1 then 1, else 0.
16. Measures for Mental Health [A00258]  
If value is not null then 1, else 0.
17. The ratio for No. of graduate recruits in this year to three years ago [A00271]/[A00268]  
If ratio  $\geq 0.85$  then 1, if  $0.75 \leq \text{ratio} < 0.85$  then 0.5, else 0.
18. Ratio of childcare leave reinstatement (Last FY) [A00371]  
If ratio  $\geq 95$  then 1, else if  $80 \leq \text{ratio} < 95$  then 0.5, else 0.
19. Measures regarding human right due diligence [A00426]  
If value is 1 then 1, else 0
20. Systems of the skill up and growth for young employee  
[A01096], [A01097], [A01098], [A01099], [A01100], [A01101], [A01102], [A01103] if each value is 1 then 0.25, else 0.  
The final score is the minimum of 1 and the summation of the eight scores.
21. Remote work system [A01123]  
If value is 1 then 1, else 0.
22. Recruitment system for job change employees [A01170]

If value is 1 then 1, else if value is 2 or 3 then 0.5, else 0.

23. Notable work-life balance support systems and its situation of utilization [A00397]  
If value is not null then 1, else 0.

24. Measures regarding respect for human rights, elimination of discrimination [A00428]  
If value is not null then 1, else 0.

25. Implementation of protection for power harassment [A01207]  
If value is 1 then 1, else 0.

» Active Learning Score (14 sub items)

1. Support systems for Career development  
[A00306], [A00308], [A00310], [A00312], [A00314], [A00316], [A00318], [A00320],  
[A00322] if each value is 1 then 0.1, else 0.  
[A00327], [A00329], [A00331] if each value is not null then 0.1, else 0.  
The final score is the minimum of 1 and the summation of the twelve scores.
2. Standards for skill and performance evaluation [A00437]  
If value is 1 then 1, else 0.
3. Disclosure of skill and performance evaluation results to the relevant employee  
[A00439]  
If value is 1 then 1, else 0.
4. Select training  
[A01195] if value is 1 then 0.25, else 0.  
[A01197] if value is 1 then 0.25, else if value is 4 then 0.75, else if value is 2 or 3 then  
0.5, else 0.  
The final score is the summation of both scores.
5. Training cost per person [A01198]  
If value  $\geq 100000$ , then 1, if  $50000 \leq \text{value} < 100000$ , then 0.5, if  $0 < \text{value} < 50000$ , then  
0.2, else 0.
6. Career training  
[A01174] If value is 1 then 0.5, else 0.  
[A01176] If value is 1 then 0.5, else 0.  
The final score is the summation of both scores.
7. Career consultation  
[A01178] If value is 1 then 0.5, if value is 2, then 0.25, else 0.  
[A01181] or [A01182] value is 1 then 0.5, else 0.  
The final score is the summation of both scores.
8. Support system for employees who challenge themselves  
[A01188] if each value is 1 then 0.5, else 0.

[A01189], [A01190], [A01191], [A01192], [A01193] if each value is 1 then 0.25, else 0.  
The final score is the minimum of 1 and the summation of the six scores.

9. Internal evaluation system for external qualification  
[A01199], [A01200], [A01201], [A01202], [A01203], [A01204], [A01205] if each value is 1 then 0.25, else 0.  
The final score is the minimum of 1 and the summation of the seven scores.
10. Promotion of a non-regular employees to permanent employees [A01007]  
If value is not null then 1, else 0.
11. Presentation of Career map and path [A01172]  
If value is 1 then 1, else if value is 3 or 4 then 0.5, else 0.
12. Disclosure of required skills by department [A01186]  
If value is 1 then 1, else 0.
13. Side-business [A01147]  
If value is 1 then 1, else 0
14. Training hours per person [A01260]  
If value >0 then 1, else 0.

» Social Contribution Score (14 sub items)

1. Leave system for volunteer activities [A00516]  
If value is 1 then 1, else 0.
2. Furlough system for volunteer activities [A00520] and System concerning participation in Japan Overseas Cooperation Volunteers (JOCV) [A00524]  
If each value is 1 then 0.5, else 0.  
The final score is the summation of both scores.
3. Definition of the materiality of activities [A00457]  
If value is 1 then 1, else 0.
4. Management philosophy raising medium to long term corporate value [A00455]  
If value is 1 then 1, else 0.
5. Record of participation in local communities [A00705]  
If value is not null then 1, else 0.
6. Record of educational and academic support activities  
[A00706] If value is not null then 0.34, else 0.  
[A00707] If value is not null then 0.34, else 0.  
[A00708] If value is not null then 0.34, else 0.  
The final score is the minimum of 1 and the summation of the three scores.
7. Implementation of pro bono support measures [A00735]  
If value is 1 then 1, else 0.

8. Creating Shared Value (CSV) measures [A00709]  
If value is 1 then 1, else 0.
9. Sustainable Development Goals (SDGs):  
[A00719] If value is 1 then 0.34, else 0.  
[A01042] If value is 1 then 0.34, else 0.  
if the summation from [A01015] to [A01031] >9 then 0.34, else 0.  
The final score is the minimum of 1 and the summation of the three scores.
10. Matching gift system [A00528]  
If value is 1 then 1, else 0.
11. Collaboration with NPOs and NGOs in conjunction with CSR activities [A00530]  
If value is 1 then 1, else if value is 3 or 4 then 0.5, else 0.
12. Specific examples of overseas activities (Including CSR activities) [A00721]  
If value is not null then 1, else 0.
13. Measures of enhancing interest of employees in the social problem-solving [A01049]  
If value is 1 then 1, else 0.
14. Implementation of social contribution and activity through the business [A01209]  
If value is 1 then 1, if value is 2 or 3 then 0.5, else 0.

Additionally, a percentile rank is assigned to liquidity (defined below) for all stocks in the universe, where rank 0 is the worst and rank 1 is the best.

- » **Liquidity:** calculated as the three-month Average Daily Traded Value (ADTV). The higher the liquidity, the higher the rank to be assigned.

Stocks with score below 0.2 for any of the 3 sub scores are not eligible for selection. A composite Platinum Career Score is calculated for all the remaining stocks as follows:

|                         |                                                                                                                   |
|-------------------------|-------------------------------------------------------------------------------------------------------------------|
| Platinum Career Score = | $0.5 * \text{Long Term View Score} + 0.3 * \text{Active Learning Score} + 0.2 * \text{Social Contribution Score}$ |
|-------------------------|-------------------------------------------------------------------------------------------------------------------|

For the remaining stocks after the filtering based on the 3 sub scores, percentile ranks are assigned to the following four ratios, where rank 0 is the worst and rank 1 is the best. Stocks with missing values are excluded from the ranking process and then assigned a rank of 0.

- » **Return on Equity (ROE):** calculated as Net Income divided by Shareholder's Equity. The higher the value of the ratio, the higher the rank to be assigned. Stocks with negative Shareholders' Equity or Net Income are regarded as having missing values.
- » **Financial Health:** calculated as Total Debt divided by the sum of Shareholder's Equity and Total Debt. The lower the value of the ratio, the higher the rank to be assigned. Stocks with negative Shareholders' Equity are regarded as having missing values.

» **Cash-Flow Generation Ability:**

- For Financial stocks (Effective up until September 2020 review, identified by ICB Industry Code 8000.Effective with September 2020 review, identified by ICB Industry Code 30 and 35.): calculated as Net Cash-Flows from Operating Activities divided by Total Assets. The higher the value of the ratio, the higher the rank. Stocks with negative Total Assets are regarded as having missing values.
- For industrial stocks (all stocks excluding Financials. Effective up until September 2020 review, identified by ICB Industry Code 8000.Effective with September 2020 review, identified by ICB Industry Code 30 and 35.): calculated as Net Cash-Flows from Operating Activities divided by the sum of Net Property, Plant and Equipment, Inventories and Accounts Receivables. The higher the value of the ratio, the higher the rank. Stocks with negative sum of Net Property, Plant and Equipment, Inventories and Accounts Receivables are regarded as having missing values

The percentile ranks from each group (financials / non-financials) form the final Cash-Flow Generation Ability rank.

- » **Business Stability:** calculated as the standard deviation of Net Income over the last five years divided by Shareholder's Equity. The lower the value of the ratio, the higher the rank assigned. In order to calculate this ratio, Net Income data for at least three out of five periods should be available. Stocks with negative Shareholders' Equity are regarded as having missing values.

A composite quality score is calculated for all the remaining stocks using the previously calculated percentile ranks as follows:

$0.4 \times \text{ROE ranking} + 0.2 \times (\text{Financial Health ranking} + \text{Cash Flow Generation Ability ranking} + \text{Business Stability ranking})$

The percentile ranks based on the composite quality score are then calculated for all the remaining stocks, where rank 0 is the worst and rank 1 the best.

**Component selection:**

Stocks with percentile ranks of composite quality score below a certain threshold are removed from the selection list, and the following rules are applied. The threshold is set to 0.2 at the beginning. All eligible stocks are ranked by their Platinum Career scores in descending order.

1. For a current component of the index, if its Platinum Career score is more than 95% of the Platinum Career score of the 150th stock in the selection list, then it will remain in the index.



2. If the number of stocks selected above is less than 150, the remaining constituents are selected by Platinum Career score, considered in descending order, from current non-components. For non-components a liquidity screening applies. Companies need to have a percentile rank of liquidity that is greater than or equal to 0.2.

If the Platinum Career score is the same for multiple stocks at the 150<sup>th</sup> threshold, the stock with the highest free-float market capitalization will be selected.

If the number of stocks in the selection list or the number of stocks selected as index components is below 150, the process is repeated by reducing the threshold by 0.05 until it reaches 0.1. If the number of stocks selected is still below 150 when using threshold 0.1, the stocks selected are the final index components (<150).

**Review frequency:** The index composition is reviewed annually in March. The review cut-off date is the last trading day of the preceding February.

**Weighting cap factors:** The weighting cap factors are calculated on a quarterly basis (March, June, September and December). The target weights of the final index constituents are calculated as follows:

$$w_i = \frac{PC_i \times \text{ffmcap}_i}{\sum_{i=1}^m PC_i \times \text{ffmcap}_i}$$

Where:

$PC_i$  = Platinum Career score of company i, calculated annually in March.

$\text{ffmcap}_i$  = free float market capitalization of company i, calculated using close price in EUR on the Thursday preceding the second Friday of the month.

$m$  = number of companies in the final index

A capping of 2% is then applied to the target weights via an iterative process to derive the capped target weights of the final index constituents. The capped target weight of company i is denoted as  $cw_i$ .

The weighting cap factors are then calculated using the capped target weights and the closing price in EUR from Thursday prior to the second Friday of the review month, as follows:

Weighting cap factor  $i$  =  $(1,000,000,000 \times cw_i / \text{closing price } i)$ , rounded to integers

### 6.15.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from STOXX Japan 600 index, which remain in the STOXX Total Market index are not deleted from the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is not added permanently to the index

## 6.iSTOXX MUTB INDICES

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**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 6.16. iSTOXX MUTB PARIS ALIGNED INDEX FAMILY

### 6.16.1. OVERVIEW

The MUTB Paris Aligned Index Family is designed to help investors shift towards a low-carbon economy that are based on a liquid securities selection from its parent index.

Companies identified as non-compliant according to their Global Standards Screening (GSS) assessment or that are involved in Very Severe ESG Controversies or Controversial Weapons or Tobacco Production, are not eligible for selection. Securities that generate revenues above a certain threshold from coal, oil and gas exploration or processing activities, or from fossil fuel-based power generation are not considered for selection.

Furthermore, companies that ISS ESG assesses to have Significant Obstruction in the UN SDGs 12,13,14 and 15 are excluded from the selection universe.

**Universe:** The parent indexes are as observed on the review effective date.

| Index                                     | Parent Index               |
|-------------------------------------------|----------------------------|
| iSTOXX MUTB Japan Paris Aligned           | STOXX Japan 600            |
| iSTOXX MUTB Global Paris Aligned          | STOXX Global 1800          |
| iSTOXX MUTB Global ex-Japan Paris Aligned | STOXX Global 1800 ex Japan |

**Weighting scheme:** The indices are weighted according to an optimization model that minimizes its exposure to a risk score consisting of four sustainable terms subject to constraints.

**Base values and dates:** 100 and 19th November 2018

**Index types and currencies:** Price, Net, and Gross return in JPY, USD, and EUR

**Dissemination Calendar:** STOXX Global Calendar for iSTOXX MUTB Japan Paris Aligned Index, iSTOXX MUTB Global Paris Aligned Index and iSTOXX MUTB Global ex-Japan Paris Aligned Index.

### 6.16.2. INDEX REVIEW

#### Selection list:

The portfolio construction is performed using Axioma's portfolio optimization software and Axioma Risk Models. The objective minimizes its exposure to a risk score consisting of four sustainable terms. A brief description and motivation for the different sustainable terms in the objective function is given below:

- 1) **Physical Risk Score:** Risk resulting from physical impacts of climate change. It is given by the average of Acute Physical risk and Chronic Physical risk as defined by ISS, where:

- a. Acute Physical risk is driven by specific weather events such as wildfires, storms, and floods.
  - b. Chronic physical risk is driven by longer-term shifts in weather patterns, such as rising sea levels and increasing mean temperatures.
- 2) **Decrement Plan Computation Score:** Measures the annualized emissions reduction percentage calculated from ISS referencing data from both current and 2050 forecasts.
- 3) **Carbon Risk Overall Score:** This score is taken from Sustainalytics and captures the following:
  - a. Risk impacting company finances and reputation arising from the transition to a low carbon environment.
  - b. Transition risk includes Legal and regulatory, technology, market, and reputation risk.
- 4) **Level Involvement Score:** Sustainalytics score that indicates how effective companies are in decarbonization solutions. This score varies from 0 to 5 with 5 indicating companies with the most effective decarbonization solution. The score is calculated by mapping the Sustainalytics Climate Action % revenues field to a Carbon Solutions Level of involvement as follows:
  - a. 0% -> 0
  - b. 0.01-4.9%->1
  - c. 5-9.9%->2
  - d. 10-24.9%->3
  - e. 25-49.9%->4
  - f. 50-100% -> 5.

The Level Involvement score is standardized and winsorized as described below. Only assets whose Level Involvement scores were  $\geq 5$  before standardization and winsorization are considered in the final score. The optimized portfolio maximizes its overall exposure to Level Involvement Score and it appears in the objective with a negative multiplier.

The four terms in the objective are standardized and then winsorized at  $\pm 4$  standard deviations. The overall objective term is again standardized before use.

A discussion of the exclusionary criteria applied to the parent universe is now in order:

#### Global Standards Screening:

STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

#### Controversial Weapons:

STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company.

#### Controversy Ratings:

STOXX will exclude companies that Sustainalytics identifies to have a Controversy Rating of Category 5 (Severe).

Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest Event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.

#### Tobacco:

STOXX will exclude companies that ISS ESG identifies to be Tobacco Producers (0% revenue threshold).

#### UN SDGs:

The ISS ESG SDG Impact Rating identifies companies' positive and negative impact towards the UN Sustainable Development Goals (UN SDGs) across three pillars: Product & Services, Operations and Controversies. STOXX will use the dataset to minimize index exposure to obstructions in the 4 environmental related UN SDGs, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action, SDG 14 Life Below Water and SDG 15 Life On Land., by screening out companies identified to have significant obstruction in these areas.

#### Fossil Fuel Activity:

Percentage of revenues from fossil fuel production, including extraction, power generation, and processing and refining: this looks at companies' revenue share in fossil fuels, including coal, oil and gas. Total involvement in the generation of electrical power sourced from coal, oil, natural gas and fossil fuels.

The investable universe is subject to the following constraints to ensure diversification and control for unintended systematic exposures, turnover, and tradability.

|                            |                                                                                                                                                        |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Active Industry Bounds     | +/-5% ICB Industries (Level 1)                                                                                                                         |
| Active Country Bounds      | +/- 5% (STOXX Country). For small-weighted countries in the parent index, the countries' active weights are limited by (doubled) their parent weights. |
| Active Style Exposures     | +/- 0.25 std to Axioma Risk Model Style Factors                                                                                                        |
| Active NACE Exposure       | Aggregate Active weights of 'High Climate Impact' Sectors' at least 0                                                                                  |
| Asset Bounds               | +/-0.5%. For small-weighted assets in the parent index, the active weights are limited by 5x their parent weights.                                     |
| Turnover                   | 20% (one-way) per annum                                                                                                                                |
| Green/Brown Ratio          | The total percentage of revenues from green vs brown sources is at least four times that of the underlying benchmarks' green to brown revenue sources  |
| Carbon Intensity Reduction | 7% year-on-year self-decarbonization per annum relative                                                                                                |

|  |                                                     |
|--|-----------------------------------------------------|
|  | to previous period subject to any inflation in EVIC |
|--|-----------------------------------------------------|

A brief description of the portfolio exclusions, constraints and data elements is given below:

**Asset Holding Limits:** For assets weight in the Parent Index  $\leq 0.1\%$ , the weight of those asset in the index should be  $\pm 5$  times the parent weights. Otherwise, the asset weight in the index should be  $\pm 0.5\%$  of the Parent Index.

**Active Industry Weights:** The percentage exposure to each ICB Industry must be within  $\pm 5\%$  of the Parent Index.

**Active Country Weights:** For country weights in the parent index less than or equal to  $2.5\%$ , the countries' active weights are limited by double their parent weights. Otherwise, it must be within  $\pm 5\%$  of the Parent Index. Each company's country assignment is based on the STOXX Country classification.

**Active NACE Weights:** The aggregate active weight of nine impact sectors with NACE section codes A, B, C, D, E, F, G, H, L should be non-negative.

**Active Style Weights:** The percentage exposure to each risk model style factors must be within  $\pm 25\%$  of the Parent Index.

**Maximum Turnover:** The MUTB PAB index has a one-way turnover limit of  $10\%$  for each semi-annual rebalance.

**Carbon Intensity Reduction:** The weighted inflation adjusted carbon intensity should be within  $0.999$  and  $1$  of  $\bar{I}_t$  where  $\bar{I}_t$  is the minimum of  $50\%$  of the carbon intensity of the parent index or a  $7\%$  reduction from the previous period's carbon intensity exposure, adjusted by inflation of EVIC.

- Security level carbon intensity data is defined as (Scope 1+2+3 emissions from ISS ESG) / Enterprise value including cash in EUR (EVIC))
- Carbon intensity of previous period is adjusted by an inflation factor which is the maximum of either Inflation of EVIC or  $1$ .
  - o  $(1-0.07)^{0.5} \times (\text{WACI of previous period MUTB Paris Aligned Index}) / (\text{Inflation adjustment factor})$

**Green/Brown Ratio:** The Green revenue share to Brown revenue share ratio is at least four times that of the underlying benchmarks' green to brown revenue shares.

$$\frac{\sum_{i=1}^n w_{i,t} G_{i,t}}{\sum_{i=1}^n w_{i,t} B_{i,t}} \geq 4 \left( \frac{\sum_{i=1}^n w_{i,t}^{\text{univ}} G_{i,t}}{\sum_{i=1}^n w_{i,t}^{\text{univ}} B_{i,t}} \right)$$

$G_{i,t}$  = Percentage of revenue from green sources at time  $t$

$B_{i,t}$  = Percentage of revenue from brown sources at time  $t$

**Axioma Risk Model:** The use of Axioma Risk model changes with that of the parent index as below:

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iSTOXX MUTB Global Paris Aligned Index and iSTOXX MUTB Global ex-Japan Paris Aligned Index use the Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

iSTOXX MUTB Japan Paris Aligned Index use the Axioma Japan Medium Horizon Fundamental Factor Risk Model with base currency JPY.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the Maximum Turnover constraint is relaxed by 1% increments until 20% one-way turnover limit is reached.

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the period will not take place.

**Review frequency:** The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is the last dissemination day of the month preceding the review month.

**Weighting cap factors:** The weighting cap factors are calculated based on closing prices in EUR from the second Friday of the review month. Weighting cap factor =  $(1,000,000,000 / \text{closing prices of the stock in EUR})$ , rounded to the nearest integer. The review cut-off date for Axioma data is the second Friday of the review month.

### 6.16.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e., at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

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## 6.17. iSTOXX MUTB JAPAN SEMICONDUCTOR LEADERS INDEX

### 6.17.1. OVERVIEW

The iSTOXX MUTB Japan Semiconductor Leaders Index is comprised of companies with exposure to the Japanese semiconductor industry through direct revenue.

Revere (RBICS) Revenue dataset allow detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with exposure to the Japanese semiconductor industry.

**Universe:** The index universe is defined by all the stocks in the STOXX Japan 600 Index and excluding REITs, identified by ICB codes 30203000, 30203010, 30203020, 35102000, 35102010, 35102015, 35102020, 35102025, 35102030, 35102040, 35102045, 35102050, 35102060, 35102070.

**Weighting scheme:** The index is price-weighted with weighting cap factors based on free-float market capitalization adjusted by revenue exposure and individual capping.

**Base values and dates:** 1000 on June 18, 2018

**Index types and currencies:** Price, net and gross return in EUR, JPY and USD

**Dissemination calendar:** STOXX Global calendar

### 6.17.2. INDEX REVIEW

The index constituents are selected according to the following steps from the starting universe:

- 1) **Category 1:** Select up to 50 companies, prioritizing those with the highest aggregate revenue generated within the sectors associated from the 1st category, if two or more companies have the same aggregate revenue exposure, then their free float market capitalization is used as a tie-breaker. Only companies with positive aggregate revenue from the 1st category are selected.

If fewer than 30 companies are initially selected, additional companies will be added from step 2. However, if 30 or more companies are already selected, the selection process concludes.

- 2) **Category 2:** Select companies that are not already part of category 1 with the highest aggregate revenue generated within the sectors associated from the 2nd category until the index reach 30 companies, if two or more companies have the same aggregate revenue exposure, then their free float market capitalization is used as a tie-breaker. Only companies with positive aggregate revenue from the 2nd category are selected.

The included FactSet RBICS sectors for 1st category are:



| RBICS L6 ID  | RBICS L6 Name                                      |
|--------------|----------------------------------------------------|
| 551030101010 | Assembly Equipment Manufacturing                   |
| 551020401510 | Audio Multimedia Semiconductors                    |
| 551030102510 | Diversified Semiconductor Capital Equipment Makers |
| 551030152010 | Diversified Semiconductor Manufacturing Services   |
| 551020201010 | Diversified Semiconductors                         |
| 551020251010 | Flash Memory Semiconductors                        |
| 551030101510 | Flat Panel Display-Specific Equipment Makers       |
| 551020101010 | General Analog and Mixed Signal Semiconductors     |
| 551020401515 | Image Sensor and Image Capture Semiconductors      |
| 551020151010 | Light Emitting Diode Discrete Semiconductors       |
| 551020302510 | Microprocessor (MPU) Semiconductors                |
| 551020401520 | Multimedia Semiconductors                          |
| 551020401010 | Networking Semiconductors                          |
| 551020401015 | Other Communications Semiconductors                |
| 551020151510 | Other Discrete Semiconductors                      |
| 551030101515 | Other Front End Processing Equipment Makers        |
| 551020251510 | Other Memory Semiconductors                        |
| 551020251015 | Other Nonvolatile Memory Semiconductors            |
| 551020151015 | Other Optoelectronics Discrete Semiconductors      |
| 551020101510 | Other Power Analog and Mixed Signal Semiconductors |
| 551020303010 | Other Processor Semiconductors                     |
| 551020351010 | Other Programmable Logic and ASIC Semiconductors   |
| 551020402010 | Other Specialized Semiconductors                   |
| 551020402510 | Peripheral Semiconductors                          |
| 551030101520 | Photolithography Equipment Manufacturing           |
| 551020102010 | Power, Control and Mixed Signal Semiconductors     |
| 551020351510 | Programmable Logic Device Semiconductors           |
| 551020102510 | RF Analog and Mixed Signal Semiconductors          |
| 551020403010 | Security and Identification Semiconductors         |
| 551030151510 | Semiconductor Assembly and Packaging Services      |
| 551030101015 | Semiconductor Capital Equipment/Parts Distribution |
| 551030102010 | Semiconductor Components/Subsystems Manufacturing  |
| 551030151010 | Semiconductor Foundry Services                     |
| 551030151515 | Semiconductor Packaging and Testing Services       |

|              |                                                    |
|--------------|----------------------------------------------------|
| 551030102015 | Semiconductor Process Analysis Tool Manufacturing  |
| 551030151520 | Semiconductor Testing Services                     |
| 551530151015 | Semiconductors Distributors                        |
| 551020103010 | Specialty Analog and Mixed Signal Semiconductors   |
| 551030102020 | Test, Measurement and Metrology Equipment Makers   |
| 551020401525 | Video Multimedia Semiconductors                    |
| 551020252010 | Volatile Memory Semiconductors                     |
| 551030101525 | Wafer Blank Makers and Equipment Manufacturing     |
| 551030101020 | Wafer Processing Subsystem Equipment Manufacturing |
| 551020304010 | Neural Processor (NPU) Semiconductors              |

The included FactSet RBICS sectors for 2nd category are:

| RBICS L6 ID  | RBICS L6 Name                             |
|--------------|-------------------------------------------|
| 551520301010 | Conventional Flat Panel Display Equipment |
| 551010301010 | Diversified Electronic Components         |
| 451020301510 | Electronic Materials Manufacturing        |
| 551010102010 | Other Interconnect Components             |

**Review frequency:** The index is reviewed semi-annual in June and December. The cut-off date for the underlying data is the last dissemination day of the month preceding the review month of the index.

FactSet RBICS data is refreshed on a semi-annual basis in the June and December reviews every year. For a given company, in March and September rebalances, revenue information from the previous December and June cutoff dates is used, respectively.

**Weighting cap factors:** Weight factors are calculated quarterly in March, June, September, and December. They are published on the second Friday of March, June, September, and December, based on the stocks' closing prices of the preceding Thursday, defined as:

$$\text{Weighting cap factor} = (1,000,000,000 \times \text{stock index weight} / \text{stock closing price}).$$

Weighting cap factors are rounded to the nearest integer value. The constituent stock index weight are determined following below process.

$$w_i = \frac{rev_i \times ffmcap_i}{\sum_i^m rev_i \times ffmcap_i}$$

Where:

$rev_i$  : Aggregated revenue exposure of company i to Category 1 in the absence of Category 2 in the step selection. Aggregated revenue exposure of company i to both Category 1 and Category

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2 when the Category 2 step is present in the selection. In March and September rebalances, revenue information from the previous December and June cutoff dates is used, respectively.

$ffmcap_i$ : Free float market capitalization of company  $i$

$m$ : Number of companies in the final index.

**Company Weight Limit (7.5%):** The maximum company weight of the index is no higher than 7.5%. The excess weight is redistributed to the rest of the uncapped index constituents, pro-rata to their current weight.

After the iteration, if the (7.5%) rule is not satisfied, the iteration is repeated until the weighting constraint is satisfied.

### 6.17.3. ONGOING MAINTENANCE

**Replacements:** Any deleted stocks are not replaced. Deletions from the STOXX Japan 600 index, which remain in the STOXX Total Market index are not deleted from the index.

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [Stoxx.com](https://www.stoxx.com)

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## 6.18. iSTOXX MUTB JAPAN QUALITY DIVIDEND GROWTH 70 INDEX

### 6.18.1. OVERVIEW

The iSTOXX MUTB Japan Quality Dividend Growth 70 index selects stocks from STOXX Japan 600 index that comply with dividend quality, fundamental and price stability criteria. When selecting additions to the index during the periodical rebalancing, priority is given to high dividend growth stocks. The component selection is conducted on a semi-annually basis in June and December.

**Universe:** The index is derived from its benchmark index, the STOXX Japan 600 index excluding constituents identified as REITs. REITs are identified by ICB Sector 351020 and 302030.

**Weighting scheme:** The indices are price-weighted based on the forecasted dividend yield of each stock.

**Base values and dates:** 100 on December 30, 2013

**Index types and currencies:** Price, net and gross return in EUR, JPY and USD

**Dissemination calendar:** STOXX Global calendar

### 6.18.1. INDEX REVIEW

On a semi-annual basis in June and December, for all stocks in the universe with a valid gross dividend yield forecast figure (zero or higher), assign percentile ranks based on the gross dividend yield forecast where rank 0 is the worst and rank 1 the best. In the cases where the indicator is the same for two stocks, the larger stock by free float market capitalization shall have the higher score. For Dividend Yield forecast I.B.E.S. 12 month forward DPS is used.

Pre-select all the stocks with dividend yield forecast percentile ranks between 0.5 and 1.

Dividend forecasts are calibrated using data based on company announcements and estimations known to STOXX by the end of May and November.

For the pre-selected stocks, calculate the following indicators and assign percentile ranks using the same logic:

- » Liquidity: calculated as the three-month Average Daily Traded Value (ADTV). The higher the liquidity, the higher the rank to be assigned.
- » Price Stability: calculated as the standard deviation of the latest 60 monthly returns in the stock's local currency. The lower the standard deviation, the higher the rank to be assigned. Stocks with less than 24 monthly returns are not ranked and are assigned a zero value.
- » Historical Return: cumulative return in the stock's local currency, for the latest 12 months. The higher the Historical Return, the higher the rank to be assigned. Stocks with less than 12 month returns are not ranked and are assigned a zero value.

- » Financial Health: calculated as Total Debt divided by the sum of Shareholder's Equity and Total Debt. The lower the value of the ratio, the higher the rank to be assigned. Stocks with negative shareholders' equity are not ranked and are assigned a 0.5 value.
- » Business Stability: calculated as the standard deviation of Net Income over the last five years' divided by Shareholder's Equity. Data in local currency is used. The lower the value of the ratio, the higher the rank assigned. In order to calculate this ratio, Net Income data for at least three out of five periods should be available. Stocks for which the ratio cannot be calculated are not ranked and are assigned a 0.5 value.

The stocks fulfilling the following dividend quality criteria will compose the selection list.

- » All stocks ranked by Price Stability between 0.3 and 1
- » All stocks with no missing Historical Return, having an Historical Return ranking between 0.1 and 1 or having their Historical Return indicator equal or above minus 30%
- » All stocks having a combined score between 0.3 and 1. The combined score is calculated as: (rank by Financial Health + rank by Business Stability) / 2.
- » All stocks having a gross dividend yield forecast of 30% or below
- » All stocks having the inverse of the payout ratio of 1 or above. The inverse of the payout ratio is calculated as earnings per share (EPS) divided by gross dividend per share (DPS gross). Stocks with zero or no dividend are regarded as 0.000001 dividends. Stocks with missing EPS value are assigned inverse payout ratio of 1 and are kept in the universe.
- » All stocks ranked by Liquidity between 0.2 and 1

**Composition list:** All eligible companies are ranked by dividend growth rate in descending order. For iSTOXX MUTB Japan Quality Dividend Growth 70 index, the top 70 stocks are selected as index components. For this index the following rules apply:

1. For current components of the index, if the dividend growth rate is more than the dividend growth rate of the 80th stock, then it will remain in the index.
2. When the number of stocks selected above is less than 70, the remaining constituents are selected in descending order by dividend growth rate from current non-components.

Dividend growth for each stock is defined as follows:

$$\text{Dividend Growth}_{i,t} = \frac{12\text{M Trailing DividendPerShare}_{i,t} - 12\text{M Trailing DividendPerShare}_{i,t-5}}{5\text{Days Average Price}_{i,t}}$$

12M Trailing DividendPerShare<sup>15</sup> should be adjusted for corporate actions.

If the selection count is still below the target, the remaining constituents will be selected from the highest dividend growth ranked which are compliant with all the dividend quality criteria except of the payout ratio screening rule, giving priority to current components over non-components of the index at the time of the selection need to be ranked within the top 80% by liquidity in order to be selected into the index.

The following rules apply in addition: The cap on the number of stocks classified by ICB industry is limited to 20% of the number of stocks in the index per industry.

**Review frequency:** The reviews are conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is the last trading day of the month preceding the review

<sup>15</sup> WSPIT Item number 05145 - Dividends per Share – Last 12 Months; Worldscope Fundamentals

month. The new composition of the universe indices effective on the Monday following the third Friday of the month (June and December) is used as base universe.

**Weighting cap factors:** a weighting cap factor is calculated for each stock as follows

$$w^{DY}_i = \frac{\text{Dividend Yield}_i}{\sum_{j=1}^N \text{Dividend Yield}_j}$$

$w^{DY}_i$  = weight of stock i based on 12m Forward Dividend Yield

Dividend Yield<sub>i</sub> = 12m Forecasted Dividend Yield of stock i

N = number of index components

$w_i$  = weight of stock i

Weighting cap factor = (1,000,000,000 x weight / closing price of the stock in EUR), rounded to integers.

The weighting cap factors are calculated on the second Friday of the review month, one week prior to semiannual review implementation using Thursday's closing prices.

An additional capping factor of 4% applies at the semiannually rebalancing.

### 6.18.1. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the parent index, which remain in the STOXX Total Market Index are not deleted from the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spun-off companies are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com). Index components are deleted from all STOXX indices in case of official delisting from the eligible stock exchange or ongoing bankruptcy proceedings.

## 6.iSTOXX MUTB INDICES

### 6.19. iSTOXX MUTB US PARIS ALIGNED, iSTOXX MUTB DEVELOPED EUROPE PARIS ALIGNED AND iSTOXX MUTB EURO PARIS ALIGNED INDEX

#### 6.19.1. OVERVIEW

The iSTOXX MUTB US Paris Aligned, iSTOXX MUTB Developed Europe Paris Aligned, and the iSTOXX MUTB EURO Paris Aligned indices provide investors with investable portfolios that meet the Paris Agreement objectives without greenwashing. The indices are compliant with the Paris-Aligned Benchmark regulations. Furthermore, these indices are expected to outperform their parent indices by using alpha signals based on multiple measures associated with climate transition.

**Universe:** The indices are derived from their parent indices as described below

| Index                                      | Parent Index                     |
|--------------------------------------------|----------------------------------|
| iSTOXX MUTB US Paris Aligned               | STOXX US Universal               |
| iSTOXX MUTB Developed Europe Paris Aligned | STOXX Developed Europe Universal |
| iSTOXX MUTB EURO Paris Aligned             | EURO STOXX                       |

**Weighting scheme:** The indices are weighted according to an optimization model. The indices are optimized to minimize the MUTB-defined alpha score subject to constraints.

**Base values and dates:** 100 on December 24<sup>th</sup>, 2018.

**Index types and currencies:** Price, net and gross return in EUR, JPY and USD

**Dissemination calendar:** STOXX Global calendar

#### 6.19.2. INDEX REVIEW

**Constituent Selection:** The portfolio construction is performed using Axioma's portfolio optimization software and Axioma Risk Models. The objective minimizes its exposure to a risk score consisting of four sustainable terms. A brief description and motivation for the different sustainable terms in the objective function is given below:

- 1) **Physical Risk Score:** Risk resulting from physical impacts of climate change. It is given by the average of Acute Physical risk and Chronic Physical risk as defined by ISS, where:
  - a. Acute Physical risk is driven by specific weather events such as wildfires, storms, and floods.
  - b. Chronic physical risk is driven by longer-term shifts in weather patterns, such as risk sea levels and increasing mean temperatures.
- 2) **Decrement Plan Computation Score:** Measures the annualized emissions reduction percentage calculated from ISS referencing data from both current and 2020 forecasts.
- 3) **Carbon Risk Overall Score:** This score is taken from Sustainalytics and captures the following:
  - a. Risk impacting company finances and reputation arising from the transition to a low carbon environment.
  - b. Transition risk includes Legal and regulatory, technology, market, and reputation risk.

- 4) Level Involvement Score: Sustainalytics score that indicates how effective companies are in decarbonization solutions. This score varies from 0 to 5 with 5 indicating companies with the most effective decarbonization solutions. The score is calculated by mapping the Sustainalytics Climate Action % revenues field to a Carbon Solutions Level of involvement as follows:

- a. 0% -> 0
- b. 0.01-4.9% -> 1
- c. 5-9.9% -> 2
- d. 10-24.9% -> 3
- e. 25-49.9% -> 4
- f. 50-100% -> 5.

The Level involvement score is standardized and winsorized as described below. Only assets whose Level Involvement scores were  $\geq 5$  before standardization and winsorization are considered in the final score. The optimized portfolio maximizes its overall exposure to the Level Involvement Score and it appears in the objective function with a negative multiplier.

The four terms in the objective function are standardized and then winsorized at  $\pm 4$  standard deviations. The overall objective term is again standardized before use.

A discussion of the exclusionary criteria applied to the parent universe is now in order:

#### **Global Standards Screening:**

STOXX will exclude companies that are non-compliant with the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

#### **Controversial Weapons:**

STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons, and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale
- » The ultimate holding company owns  $>10\%$  of the voting rights of an involved company
- »  $>10\%$  of voting rights of a company is owned by the involved company.

#### **Controversy Ratings:**

STOXX will exclude companies that Sustainalytics identifies to have a Controversy Rating of Category 5 (Severe). Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest Event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.

#### **Tobacco:**

STOXX will exclude companies that ISS ESG identifies as Tobacco Producers (0% revenue threshold).



#### UN SDGs:

The ISS ESG SDG Impact Rating identifies companies' positive and negative impact towards the UN Sustainable Development Goals (UN SDGs) across three pillars: Product & Services, Operations and Controversies. STOXX will use the dataset to minimize index exposure to obstructions in the 4 environmental related UN SDGs, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action, SDG 14 Life Below Water and SDG 15 Life on Land., by screening out companies identified to have significant obstruction in these areas.

**Fossil Fuel Activity:** Percentage of revenues from fossil fuel production, including extraction, power generation, and processing and refining; this looks at companies' revenue share in fossil fuels, including coal, oil and gas. Total involvement in the generation of electrical power sourced from coal, oil, natural gas and fossil fuels.

The portfolio model also includes the following constraints to ensure diversification and control for unintended systematic exposures, turnover, and tradability.

|                            |                                                                                                                                                        |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Active Industry Bounds     | +/-5% ICB Industries (Level 1)                                                                                                                         |
| Active Country Bounds      | +/- 5% (STOXX Country). For small-weighted countries in the parent index, the countries' active weights are limited by (doubled) their parent weights. |
| Active Style Exposures     | +/- 0.25 std to Axioma Risk Model Style Factors                                                                                                        |
| Active NACE Exposure       | Aggregate Active weights of 'High Climate Impact' Sectors' at least 0                                                                                  |
| Asset Bounds               | +/-0.5%. For small-weighted assets in the parent index, the active weights are limited by 5x their parent weights.                                     |
| Turnover                   | 20% (one-way) per annum                                                                                                                                |
| Green/Brown Ratio          | Minimum Green/Brown share ratio should be at least 4 times the benchmark Green/Brown ratio                                                             |
| Carbon Intensity Reduction | Exposure to Carbon Intensity should be between 0.999 and 1                                                                                             |

A brief description of the portfolio constraints and data elements is given below:

**Asset Holding Limits:** For assets weight in the Parent Index  $\leq 0.1\%$ , the weight of those asset in the index should be +/-5 times the parent weights. Otherwise, the asset weight in the index should be +/-0.5% of the Parent Index.

**Active Industry Weights:** The percentage exposure to each ICB Industry must be within +/- 5% of the Parent Index.

**Active Country Weights:** For country weights in the parent index less than or equal to 2.5%, the countries' active weights are limited to double their parent weights. Otherwise, it must be within +/- 5% of the Parent Index. Each company's country assignment is based on the STOXX Country classification.

## 6.iSTOXX MUTB INDICES

**Active NACE Weights:** The aggregate active weight of nine impact sectors with NACE section codes A, B, C, D, E, F, G, H, L should be non-negative

**Active Style Weights:** The percentage exposure to each risk model style factors must be within +/- 25% of the Parent Index.

**Maximum Turnover:** The MUTB Paris Aligned index has a one-way turnover limit of 10% for each semi-annual rebalance.

**Scope 1, 2, and 3 emissions:** The GHG Protocol Corporate Standard classifies companies' greenhouse gas (GHG) emissions as direct and indirect emissions. Direct emissions, also known as Scope 1 emissions, refer to GHG waste produced and consumed by the reporting entity. For instance, on-site generation and use of energy is tracked under Scope 1. In contrast, Scope 2 emissions are indirect emissions attributed to the reporting company but generated by another entity. Scope 2 includes acquired/ purchased energy brought into the company's reporting boundary as a form of electricity, steam, heating, and cooling. Scope 3 emissions represent all indirect emissions that occur in a company's value chain, excluding those from Scope 1 and 2. These emissions arise from activities not directly owned or controlled by the reporting organization but are related to its operations. Scope 1, 2, and 3 data is obtained from ISS ESG.

**Enterprise Value Including Cash (EVIC):** EVIC is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. EVIC includes in its calculation the market capitalization of a company, short-term and long-term debt, and any cash on the company's balance sheet. EVIC data used in index construction is based on fiscal year data for the end of the previous calendar year. EVIC is provided in EUR.

**Carbon Intensity Reduction:** The weighted inflation-adjusted carbon intensity should be within 0.999 and 1 of  $\bar{I}_t$  where  $\bar{I}_t$  is the minimum of 50% of the total carbon intensity of the parent index or a 7% reduction from the previous period's carbon intensity exposure, with EVIC adjusted for inflation.

- Security level carbon intensity data is defined as (Scope 1+2+3 emissions from ISS ESG) / (Enterprise value including cash in EUR (EVIC))
- Carbon intensity of previous period is adjusted by an inflation factor
  - $\sqrt{0.93} \times (\text{WACI of previous period for the MUTB Paris Aligned index}) / (\text{inflation adjustment factor})$ .
- The inflation-adjustment coefficient  $C_t^{\text{inf}}$  at period  $t$  for the universe with  $N_t$  stock is defined as

$$C_t^{\text{inf}} = \max \left( \frac{\frac{1}{N_t} \sum_i \text{EVIC}_{i,t}}{\frac{1}{N_{t-1\text{year}}} \sum_i \text{EVIC}_{i,t-1\text{year}}}, 1 \right).$$

**Green/Brown Ratio:** The Green/Brown share ratio of the portfolio should be at least 4 times the Green/Brown ratio of the benchmark. This is modeled via the following constraint

$$\frac{\sum_i w_i G_i}{\sum_i w_i B_i} \geq 4 \frac{\sum_i b_i G_i}{\sum_i b_i B_i}$$

where

- $G_i$  is the percentage of revenue from green sources for asset  $i$
- $B_i$  is the percentage of revenue from brown sources for asset  $i$
- $w_i$  is the weight of asset  $i$  in the Paris Aligned index
- $b_i$  is the weight of asset  $i$  in the benchmark.

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**Axioma Risk Model:** The following Axioma risk models are used for the three MUTB Paris Aligned indices

- iSTOXX MUTB US Paris Aligned Index: Axioma US Medium Horizon Fundamental Factor Risk Model (US4MH) with base currency USD.
- iSTOXX MUTB Developed Europe Paris Aligned Index: Axioma Europe Medium Horizon Fundamental Factor Risk Model (EU4MH) with base currency EUR.
- iSTOXX MUTB Euro Paris Aligned Index: Axioma Europe Medium Horizon Fundamental Factor Risk Model (EU4MH) with base currency EUR.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the Maximum Turnover constraint is relaxed by 1% increments until 20% one-way turnover limit is reached.

**Review frequency:** The review is conducted on a semi-annual basis in June and December. The review cut-off date for the underlying data is the last dissemination day of the month preceding the review month.

**Weighting cap factors:** The weighting factors are calculated based on closing prices in EUR from the second Friday of the review month. Weighting factor =  $(1,000,000,000 / \text{closing prices of the stock in EUR})$ , rounded to the nearest integer. The review cut-off date for Axioma data is the second Friday of the review month.

**Missing Data Treatment:** Missing values for the following fields are complemented by the average among the same industrial sector. For all other fields, missing values are filled with zeros.

### 6.19.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast Exit:** A company that increases its ESG Controversy Rating to Category 5 will be deleted from the index. The deletion will take place two days after the announcement, i.e., at the open of the 3rd dissemination day. The constituent's weight will be distributed pro-rata among the remaining constituents.

**Fast Entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com).

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## 6.20. iSTOXX MUTB JAPAN INBOUND TOURISM INDEX

### 6.20.1. OVERVIEW

The iSTOXX MUTB Japan Inbound Tourism Index is comprised of companies with exposure to Japanese Inbound Tourism.

Revere (RBICS) Revenue dataset allow detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with exposure to the Japanese Inbound Tourism.

**Universe:** The index universe is defined by securities included in the STOXX Japan 600 Index.

**Weighting scheme:** The index is price weighted with weight factors based on revenue exposure to the theme.

**Base values and dates:** 1000 on 22 Dec 2014

**Index types and currencies:** Price, net return, gross return in EUR, USD and JPY

**Dissemination calendar:** STOXX Global Calendar

### 6.20.2. INDEX REVIEW

**Selection list:** All securities in the universe are screened for the below information:

- I. Revenue exposure, as defined by the Inbound Tourism theme revenue sectors (details below)
- II. Company's Total revenues (details below)

**RBICS sector screening:**

Only constituents whose RBICS sector classification belongs to the following L3 RBICS sectors are eligible:

|                                 |
|---------------------------------|
| Hospitality                     |
| Apparel and Accessory Products  |
| Food and Beverage Retail        |
| General Merchandise Retail      |
| Health and Personal Care Retail |

The constituents must have an aggregate revenue in these sectors greater than 0. Securities with no RBICS revenue data on the cut-off day will be excluded.

**Total revenue screening:**

The constituents are then screened for their Total Annual Revenue:

If a constituent has no Total Annual Revenue data from the latest fiscal period, then data from the previous fiscal period is used. If constituent still has no Total Annual Revenue data in the previous fiscal period, Total Annual Revenue is set to zero and it will not be eligible for selection.

**Composition list:** The remaining eligible securities are ranked in descending order of their revenue ratio<sup>16</sup>.

The top 70 constituents are selected for the composition list. If the revenue ratio is the same for two stocks at the 70th threshold, the stock with higher total annual revenue will be selected for the index.

**Review frequency:** The index is reviewed semi-annually in June and December. The review cut-off date for the underlying data is the last trading day of the month prior the review month.

**Weighting and cap factors:** All components of the index are subject to a 5% capping.

Index weighting factors are recalculated semi-annually in June and December. They are published on the second Friday of each of those months and based on the stocks' closing prices of the preceding Thursday.

**Weighting Scheme:** The weights are calculated for each constituent as follows:

$$w_i = \frac{\text{revenue ratio}_i \times \text{total revenue}_i}{\sum_{i=1}^m \text{revenue ratio}_i \times \text{total revenue}_i}$$

Where:

revenue ratio<sub>i</sub> = Aggregate revenue in the Inbound Tourism RBICS L3 sectors, for company i.

total revenue<sub>i</sub> = Total Annual Revenue of company i.

m = Number of companies in the final index.

#### Weight factor calculation

$$wf_i = \frac{cw_i}{p_i} \cdot 100,000,000,000$$

rounded to the closest integer, where:

|                 |                                                                                                 |
|-----------------|-------------------------------------------------------------------------------------------------|
| wf <sub>i</sub> | weighting factor of company i                                                                   |
| cw <sub>i</sub> | capped weight of company i derived from w <sub>i</sub> as described above                       |
| p <sub>i</sub>  | close price in EUR of company i on the Thursday preceding the second Friday of the review month |

### 6.20.3. ONGOING MAINTENANCE

**Replacements:** Any deleted stocks are not placed. Deletions from the STOXX Japan 600 Index, which remain in the STOXX Total Market index are not deleted from the index.

<sup>16</sup> The revenue ratio represents the aggregate revenue in the Inbound Tourism RBICS L3 sectors.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off companies are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

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## 6.21. iSTOXX MUTB EUROPE TOTAL MARKET AEROSPACE AND DEFENSE INDEX

### 6.21.1. OVERVIEW

The iSTOXX MUTB Europe Total Market Aerospace and Defense Index is designed to capture the performance of companies classified in the Aerospace and Defense sector, according to the ICB Classification.

Companies that are non-compliant based on the ISS ESG Norms Based Screening assessment or are involved in Controversial Weapons are not eligible for selection.

**Universe:** The index universe is defined by all the stocks included in the STOXX® Europe Total Market Index.

**Weighting scheme:** Free-float market-capitalization weighted with 10% capping.

**Base values and dates:** 100 on 23 March 2015

**Index types and currencies:** Price, net return, gross return in EUR, USD and JPY

**Dissemination calendar:** STOXX Global Calendar

### 6.21.2. INDEX REVIEW

**Selection list:** All securities in the universe are screened for the below information:

- ISS ESG Norms Based Screening assessment.
- Selected definitions for Controversial Weapons.
- ICB Sector Classification: Aerospace and Defense (502010).
- 3-month Average Daily Traded Value (ADTV).

#### Step 1. ISS ESG Screening:

- **Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed. If there is no data for a company, that name is excluded.
- **Controversial Weapons:** Companies must not be involved in selected Controversial Weapons activities, as identified by ISS ESG. The following weapons are considered controversial: anti-personnel mines, biological weapons, chemical weapons and cluster munitions. ISS ESG's Controversial Weapons Research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all

immediate parent companies up to the ultimate parent. Companies identified as 'Red' are excluded. If there is no data for a company, that name is excluded.

**Step 2. ICB Classification Screening:**

- Only constituents whose ICB classification belongs to the Aerospace and Defense ICB Sector (502010) are eligible.

**Step 3. Liquidity Screening:**

- Only constituents whose 3-month ADTV EUR is greater than or equal to 2M EUR, are eligible for selection.

**Composition list:** The remaining eligible securities are selected for the final composition.

If the number of constituents in the final composition is less than 10, the 3-month ADTV EUR screen is removed, and the remaining constituents are selected in descending order by 3-month ADTV until the total number of constituents reaches 10.

If there are still less than 10 constituents in the final composition, both the 3-month ADTV EUR screen and ICB screen are removed, the remaining constituents are selected in descending order by their revenue exposure to the L3 RBICS Aerospace and Defense Manufacturing sector, until the total number of constituents reaches 10. In the instances where two or more securities have the same revenue exposure rank, all of them are included.

Below the associated Aerospace and Defense Manufacturing L3 RBICS sector:

| Nr. | L3 RBICS                            |
|-----|-------------------------------------|
| 1   | Aerospace and Defense Manufacturing |

The revenue exposure for the L3 RBICS Aerospace and Defense Manufacturing sector is defined as follows:

$$\text{revenue ratio}_i \times \text{total revenue}_i$$

Where:

$\text{revenue ratio}_i$  = aggregate revenue percentage in the L3 RBICS Aerospace and Defense Manufacturing sector, for company i.

$\text{total revenue}_i$  = Total Annual Revenue of company i.

**Review frequency:** The index is reviewed quarterly in March, June, September and December. The review cut-off date for the underlying data is the last trading day of the month prior the review month.

**Weighting Scheme:** All companies of the index are subject to a 10% capping. Index capping factors are recalculated quarterly in March, June, September, and December. They are published on the



second Friday of each of those months and based on the stocks' closing prices of the preceding Thursday.

An intra-quarter capping will be triggered if the largest company exceeds 35% or the second largest exceeds 20%. The process of intra-quarter capping are laid out in section "Intra-Quarter Capping for 30% / 15% Capped Indices" of the STOXX Index Methodology.

### 6.21.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off companies are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com).

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## 6.22. iSTOXX MUTB EUROPE LUXURY 10 INDEX

### 6.22.1. OVERVIEW

The iSTOXX MUTB Europe Luxury 10 index aims to select 10 companies that are positively exposed to European luxury goods. This includes companies involved in luxury/fashion accessories, cosmetics/other care products and high-class vehicles.

Revere (RBICS) data allow for a detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with substantial exposure.

**Universe:** The index universe is defined by all the stocks included in the STOXX Europe Total Market Index, as observed on the review effective date.

**Weighting scheme:** Free float market cap weighted considering a luxury multiplier and a 20% weighting cap factor per constituent

**Base values and dates:** 1000 on Jun 20, 2016

**Index types and currencies:** Price, Net and Gross return in EUR, USD and JPY

**Dissemination calendar:** STOXX Global Calendar

### 6.22.2. INDEX REVIEW

**Selection:** All stocks in the base universe are screened for the below information at the review cut-off date:

- i. 3-month Median Daily Traded Volume (MDTV) in USD
- ii. 3-month and 12-month historical volatility in USD
- iii. Free-float market capitalization in USD
- iv. ICB classification: stocks classified as belonging to the eligible ICB list
- v. Revenue information, as captured by Revere's detailed industry classification system (RBICS)

If any of the fields i), ii), iii), iv) and v) above have missing information for a stock, then that company is excluded from the selection process.

The screening filters below are then applied on the initial universe, in the order they are listed below, such that the selection list constitutes of stocks that:

- Liquidity filter: Have 3-month Median Daily Traded Volume (MDTV) in USD equal to or exceeding 1 million USD.

- Volatility filter: Constituents with an absolute value of the Z-Score<sup>17</sup> higher than 5 (| Z-Score | >5 ) are excluded.
- Minimum size: free-float market capitalization 200 million USD
- ICB Subsector inclusion: Companies belonging to Clothing and Accessories, Luxury Items, Apparel Retailers, Medical Supplies, Footwear, Recreational Vehicles and Boats, Automobiles ICB Subsectors are included.
- Luxury Screen: A combination between ICB classification, Countries Assignment of Securities and aggregated revenue exposure equal to or exceeding certain thresholds from the RBICS sectors associated (see table below).

**List of RBICS associated for the purposes of component selection:**

| Nr | Sector                                             |
|----|----------------------------------------------------|
| 1  | Activewear and Outerwear Apparel Production        |
| 2  | Automobile Financing                               |
| 3  | Boat Makers                                        |
| 4  | Casual and Dress Footwear Production               |
| 5  | Conventional Engine Car Manufacturers              |
| 6  | General Personal Care and Cleaning Products Makers |
| 7  | Hair Care Products                                 |
| 8  | Jewelry and Gems Production                        |
| 9  | Leather, Handbags and Luggage Goods Production     |
| 10 | Mixed Apparel and Footwear Production              |
| 11 | Mixed Health and Personal Care Stores              |
| 12 | Motorsports                                        |
| 13 | Multi-Type Apparel and Accessories Production      |
| 14 | Multi-Type Apparel Production                      |
| 15 | Other Managed Care                                 |
| 16 | Powertrain Manufacturing                           |
| 17 | Premium Wear Production                            |
| 18 | Skin Care Products                                 |
| 19 | Sunglasses and Prescription Frames Production      |

**List of luxury screens associated for the purposes of component selection:**

| ICB subsector            | Countries Assignment of Securities  | Revenue threshold |
|--------------------------|-------------------------------------|-------------------|
| Clothing and Accessories | France, United Kingdom, Italy       | >=50%             |
| Luxury Items             | France, Switzerland, United Kingdom | >=50%             |
| Medical Supplies         | France, Switzerland, United Kingdom | >=50%             |

<sup>17</sup> The calculation of the maximum between the two Z -Scores (inverse of the 3-month and inverse of the 12- month price volatility in USD)

|                                 |                                     |       |
|---------------------------------|-------------------------------------|-------|
| Apparel Retailers               | France, Switzerland, United Kingdom | >=50% |
| Footwear                        | Italy, France, Germany              | >=50% |
| Recreational Vehicles and Boats | Italy, United Kingdom, Germany      | >=50% |
| Automobiles                     | Italy, United Kingdom, Germany      | =100% |

**Selection list:** To obtain the June selection list, all eligible companies are ranked according to their free-float market capitalization multiplied by aggregate exposure.

In March, September and December, the Selection list is updated for liquidity and volatility criteria. The cut-off date for this data is the last dissemination day of February, August and November respectively.

**Composition list:** The highest 10 Constituents on the selection list are selected for final index composition.

**Review frequency:** Annual review is conducted in June. The review cut-off date for the underlying data is the last dissemination day of the month prior to the review month. Changes are implemented after the close of the third Friday and effective on the next trading day.

**Weighting cap factors:** Components are weighted by free float market capitalization with a luxury multiplier and individual capping. This is achieved by following steps 1-3 below.

#### Step 1:

Constituents are weighted by their Free float market capitalization and multiplied by luxury exposure multiplier (see table below).

| ICB Subsector (as of annual review date) | Multiplier |
|------------------------------------------|------------|
| Clothing and Accessories                 | 1.00       |
| Luxury Items                             | 1.00       |
| Automobiles                              | 1.00       |
| Recreational Vehicles and Boats          | 1.00       |
| Medical Supplies                         | 0.50       |
| Apparel Retailers                        | 0.50       |
| Footwear                                 | 0.50       |

#### Step 2:

Weight from Step 1 are normalized to 100 and Components are capped to 20% at review.

#### Step 3:

Calculate the weighting factor for each component:

Weighting cap factor =  $(100,000,000,000 \times w_i / \text{closing price of stock in USD})$ , rounded to integers.

Closing price of stock as of the Thursday prior to the second Friday of the review month in June.

Wi: Weights in Step 2.

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**Daily monitoring capping:** STOXX will conduct daily monitoring to determine whether the largest component's weight exceeds 30%. In the event that the 30% threshold is breached, a 20% cap will be triggered.

The process is as follows:

Date t: Weight exceeds 30% at the close of market.

Date t+1: Announcement of the new weighting cap factor (20% weight) after close of market using yesterday close prices.

Date t+3: Implementation of the new capping factor after close of market.

Date t+4: Effective date

Note: Violations of the 30% threshold between dates t+1 and t+3 do not trigger another capping.

### 6.22.3. ONGOING MAINTENANCE

**Replacements:** A deleted stock is not replaced.

**Fast exit:** In March, September and December, the index is rebalanced under the following criteria. The cut-off date for the underlying data is the last calculation day of February, August and November respectively.

Index Rebalancing conditions:

The components are screened for liquidity and volatility criteria as described in the Index Review selection process.

- If a component fails the liquidity or volatility screens, it is removed from the index and replaced with the highest-ranked non-component.
- If the index has less than 10 components, the highest-ranked non-components are added to the index to maintain the number of 10 components.
- If a replacement is not available, the index will be rebalanced with less than 10 constituents.
- The components are weighted as described in the Index Weighting Scheme process with closing price of stocks as of the Thursday prior to the second Friday of the rebalancing month.

Changes are announced five trading days prior to the implementation and are implemented after the close of the third Friday of March, September, December, and effective on the next trading day.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX Calculation Guide available on [stoxx.com](https://stoxx.com)

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## 6.23. iSTOXX MUTB JAPAN DEFENSE INDEX

### 6.23.1. OVERVIEW

The iSTOXX MUTB Japan Defense Index is designed to capture the performance of Japanese companies involved in defense-related activities. The defense revenue exposure is defined using Revere (RBICS) data.

**Universe:** The index universe is defined by all the stocks included in the STOXX® Japan Total Market Index.

**Weighting scheme:** The index is price weighted with weight factors based on the square root of free float market capitalization.

**Base values and dates:** 1000 on 20 June 2016.

**Index types and currencies:** Price, net return, gross return in EUR, USD and JPY.

**Dissemination calendar:** STOXX Global Calendar

### 6.23.2. INDEX REVIEW

**Selection list:** All securities in the universe are screened for the information below:

- ISS ESG Norms Based Screening assessment.
- Selected definitions for Controversial Weapons.
- ICB Sector Classification: exclusion of Mortgage Real Estate Investment Trusts (302030) and Real Estate Investment Trusts (351020).
- Revenue exposure, as defined by the defense theme revenue sectors (details below).

#### Step 1. ISS ESG Screening:

- **Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed. If there is no data for a company, that name is excluded.
- **Controversial Weapons:** Companies must not be involved in selected Controversial Weapons activities, as identified by ISS ESG. The following weapons are considered controversial: anti-personnel mines, biological weapons, chemical weapons and cluster munitions. ISS ESG's Controversial Weapons Research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all

immediate parent companies up to the ultimate parent. Companies identified as 'Red' are excluded. If there is no data for a company, that name is excluded.

**Step 2. ICB Sector Screening:**

- Companies that passed the ESG screens in Step 1 are subsequently screened based on their ICB Sector classification. Companies classified under the following REITs ICB sectors are not eligible for selection:

|        |                                        |
|--------|----------------------------------------|
| 302030 | Mortgage Real Estate Investment Trusts |
| 351020 | Real Estate Investment Trusts          |

The remaining companies define the Eligible universe.

**Step 3. RBICS Sector Selection:**

- From the Eligible universe, companies are evaluated based on their aggregated RBICS sectors revenue exposure to the Defense theme. Only companies with a revenue exposure greater than 0 are eligible for selection.

Below the associated RBICS sectors:

| Nr. | L6 RBICS                                          |
|-----|---------------------------------------------------|
| 1   | Aerospace and Defense IT Services                 |
| 2   | Defense Electronics Equipment Manufacturing       |
| 3   | Advanced Combat and Support Parts Manufacturing   |
| 4   | Advanced Combat and Support Systems Manufacturing |
| 5   | Diversified Aerospace and Defense Manufacturing   |
| 6   | Security and Safety Equipment Manufacturing       |
| 7   | Defense Contractors                               |
| 8   | Defense Training and Testing Providers            |
| 9   | Diversified Defense Provider                      |
| 10  | General Small Arms and Security Manufacturing     |
| 11  | Aircraft Engine and Engine Parts Makers           |
| 12  | Aircraft Instrument/Electromechanical Part Makers |
| 13  | Mixed Aircraft Parts, Equipment and Services      |
| 14  | Space and Missile Equipment Manufacturing         |
| 15  | Aerostructures and Composite Parts Makers         |
| 16  | Conventional Engine Heavy Duty Trucks Makers      |
| 17  | Diversified Industrial Manufacturing              |
| 18  | Multi-Type Organic and Petrochemicals Makers      |
| 19  | Other Wide Area Networking (WAN) Equipment        |

|    |                                                |
|----|------------------------------------------------|
| 20 | Satellite Systems Manufacturing                |
| 21 | Server Computer Systems                        |
| 22 | Titanium Sponges and Structural Shape Products |
| 23 | Traditional Vehicle Batteries Manufacturing    |
| 24 | Carrier Core (Backbone) Equipment              |

**Composition list:** The remaining securities after the RBICS Sector Selection is applied, are ranked in descending order of their aggregate defense revenue exposure and up to 50 companies are selected for the composition list. In instances where two or more securities have the same revenue exposure at the 50<sup>th</sup> threshold, all of them are included.

**Review frequency:** The index is reviewed semi-annually in June and December. The review cut-off date for the underlying data is the last trading day of the month prior the review month.

**Weighting and cap factors:** All components of the index are subject to a 7.5% capping. Index weighting factors are recalculated semi-annually in June and December. They are published on the second Friday of each of those months and based on the stocks' closing prices of the preceding Thursday.

**Weighting Scheme:** The weights are calculated using the square root of the free float market capitalization:

$$w_i = \frac{\sqrt{\text{ffmcap}_i}}{\sum_i^m \sqrt{\text{ffmcap}_i}}$$

Where:

$\sqrt{\text{ffmcap}_i}$  = The square root of the free float market capitalization of company i.

m = Number of companies in the final index.

**Weight factor calculation:**

$$wf_i = \frac{cw_i}{p_i} \cdot 100,000,000,000$$

rounded to the closest integer, where:

$wf_i$      weighting factor of company i

$cw_i$      capped weight of company i derived from  $w_i$  as described above

$p_i$      close price in EUR of company i on the Thursday preceding the second Friday of the review month

### 6.23.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.



**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off companies are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com).

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## 6.24. iSTOXX MUTB US AI INFRASTRUCTURE INDEX

### 6.24.1. OVERVIEW

The iSTOXX MUTB US AI Infrastructure Index is comprised of companies with exposure to the AI Infrastructure.

Revere (RBICS) Revenue dataset allow detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with exposure to the AI Infrastructure.

**Universe:** The index universe is defined by all the stocks included in the STOXX USA Total Market Index.

**Weighting scheme:** The index is price weighted with weight factors based on revenue exposure to the theme.

**Base values and dates:** 1000 on December 18, 2017.

**Index types and currencies:** Price, net return, gross return in EUR, USD and JPY.

**Dissemination calendar:** STOXX Global Calendar

### 6.24.2. INDEX REVIEW

**Selection list:** All securities in the universe are screened for the below information:

- i. ICB Sector Classification
- ii. Free-float market capitalization in USD
- iii. Revenue exposure, as defined by the AI Infrastructure revenue sectors (details below)
- iv. Company's Total revenues (details below)

**Eligible universe:** Companies in the index universe whose ICB Sector classification belongs to REIT (8670 effective until September 2020 review), (351020, 302030 effective with September 2020 review) are excluded from the selection.

**Multiple share lines:** In case a company is present with multiple listings and/or DR lines and/or multiple share classes, only the most liquid share line is eligible for selection (based on 3-month ADTV USD).

The remaining companies are ranked in descending order in terms of free-float market cap, as of review cut-off date, and only the top 80% rounded to the closest integer are selected, defining the Eligible universe.

The selection process consists of the following selection screens:

**RBICS sector screening:** From the Eligible universe, companies are evaluated based on their RBICS revenue ratio. Only companies with RBICS revenue ratio greater than 0 are selected. The RBICS revenue ratio is defined by the aggregate revenue in the AI infrastructure RBICS L6 sectors.

Below the associated AI infrastructure RBICS L6 sectors:

| Nr. | L6 NAME                                            |
|-----|----------------------------------------------------|
| 1   | Business Intelligence Software                     |
| 2   | Colocation and Data Center Services                |
| 3   | Data Center Graphics Accelerator/Controller        |
| 4   | Data Storage Drives and Peripherals                |
| 5   | Disk Storage Systems                               |
| 6   | Diversified Hosting Services                       |
| 7   | Diversified IT Infrastructure Software             |
| 8   | Electronic Interconnect Components                 |
| 9   | General Automotive Semiconductors                  |
| 10  | General Communications Equipment                   |
| 11  | IC-Level Electronic Design Software                |
| 12  | Microprocessor (MPU) Semiconductors                |
| 13  | National Electric Utilities                        |
| 14  | Networking Semiconductors                          |
| 15  | Other Discrete Semiconductors                      |
| 16  | Other Front End Processing Equipment Makers        |
| 17  | Other Power Analog and Mixed Signal Semiconductors |
| 18  | Programmable Logic Device Semiconductors           |
| 19  | Server Computer Systems                            |
| 20  | Test, Measurement and Metrology Equipment Makers   |
| 21  | United States Midwest Electric Utilities           |
| 22  | United States South Atlantic Electric Utilities    |
| 23  | United States South Electric Utilities             |
| 24  | United States West Electric Utilities              |
| 25  | US West South Central Electric Utilities           |
| 26  | Volatile Memory Semiconductors                     |
| 27  | Data Storage Infrastructure Software               |
| 28  | Neural Processor (NPU) Semiconductors              |

Securities with no RBICs revenue data on the cut-off day will be excluded.

**Total revenue screening:** The remaining constituents are then screened for their Total Annual Revenue:

If a constituent has no Total Annual Revenue data from the latest fiscal period, then data from the previous fiscal period is used. If the constituent still has no Total Annual Revenue data in the previous fiscal period, Total Annual Revenue is set to zero and it will be excluded from the selection.

**Composition list:** The remaining securities are then ranked in order of their aggregate RBICs revenue exposure<sup>18</sup>. The top 50 constituents are constituents of the iSTOXX MUTB US AI Infrastructure Index. If the RBICs revenue exposure is the same for two stocks at the 50th threshold, the stock with higher total annual revenue will be selected.

**Review frequency:** The index is reviewed semi-annually in June and December. The review cut-off date for the underlying data is the last trading day of the month prior the review month.

**Weighting and cap factors:** All components of the index are subject to a 5% capping.

Index weighting factors are recalculated semi-annually in June and December. They are published on the second Friday of each of those months, they become effective on the review effective date, and are based on the stocks' closing prices of the preceding Thursday.

**Initial weight calculation:**

$$w_i = \frac{\text{revenue ratio}_i \times \text{total revenue}_i}{\sum_i^m \text{revenue ratio}_i \times \text{total revenue}_i}$$

Where:

$\text{revenue ratio}_i$  = Aggregate revenue in the AI Infrastructure RBICS L6 sectors, for company i.

$\text{total revenue}_i$  = Total Annual Revenue of company i.

$m$  = Number of companies in the final index.

**Capped weight calculation:** The capped weights ( $cw_i$ ) are derived from the initial weights ( $w_i$ ) via an iterative process such that no single constituent exceeds 5%.

**Weight factor calculation**

$$wf_i = \frac{cw_i}{p_i} \cdot 100,000,000,000$$

rounded to the closest integer, where:

$wf_i$     weighting factor of company i

$cw_i$     capped weight of company i derived from  $w_i$  as described above

$p_i$     close price in EUR of company i on the Thursday preceding the second Friday of the review month

<sup>18</sup> The RBICS revenue exposure is defined by the RBICs revenue ratio × total annual revenue.

### 6.24.3. ONGOING MAINTENANCE

**Replacements:** Any deleted stocks are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off companies are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com).

## 7.1. iSTOXX EUROPE CENTENARY INDEX

### 7.1.1.OVERVIEW

The iSTOXX Europe Centenary Index selects companies from the STOXX Europe 600 Index that have been founded more than 100 years ago.

**Universe:** The index is derived from its benchmark index, the STOXX Europe 600 Index

**Weighting scheme:** The indices are weighted according to free-float market capitalization with a 10% maximum capping per constituent

**Base values and dates:** 100 on Dec 23, 2002

**Index types and currencies:** Price, Net and Gross return in EUR and USD

### 7.1.2.INDEX REVIEW

**Selection list:** All stocks from the STOXX Europe 600 that have been founded more than 100 years ago are selected to compose the iSTOXX Europe Centenary Index.

**Review frequency:** The reviews are conducted on a monthly basis. New compositions and underlying data are announced on the second Friday and implemented after the third Friday of each month. Cut-off date: 2<sup>nd</sup> Friday of the month.

**Weighting cap factors:** Components are capped at a maximum weight of 10%.

### 7.1.3.ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the parent index, STOXX Europe 600, which remain in the STOXX Total Market Index are not deleted from the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is not added permanently to the index

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

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## 7.2. iSTOXX EUROPE CENTENARY SELECT 30 INDEX

### 7.2.1.OVERVIEW

The iSTOXX Europe Centenary Select 30 Index selects companies from the STOXX Europe 600 Index and weights them by liquidity. Companies must be founded more than 100 years ago, have a dividend ex-date within the next month and/or enough sensitivity in terms of beta to the EURO STOXX 50 Index. The number of companies from one industry is limited to ensure diversification.

**Universe:** The index is derived from its benchmark index, the STOXX Europe 600 Index

**Weighting scheme:** Constituents are ranked into three groups according to their 3 months average daily traded value (ADTV), with each group having the same weight, with a cap of 10%.

**Base values and dates:** 100 on Dec 23, 2002

**Index types and currencies:** Price, Net and Gross return in EUR and USD.

### 7.2.2.INDEX REVIEW

#### Selection List

All stocks fulfilling the following criteria will compose the selection list:

- » Company was founded at least 100 years ago
- » Country of incorporation of a company, as defined in the STOXX indices, represents more than 0.5% in terms of Free-Float market capitalization of the STOXX Europe 600 Index
- » At least 3-month average daily traded value (ADTV) of 15 Mln EUR
- » Maximum 6-month Beta to the EURO STOXX 50 of 1.5
- » Both, companies with an ex-dividend date in the next month, as well as all companies without dividend ex-dates in the next month, are grouped and separately ranked top down by beta values per group. A company is eligible if it is among the 20 largest companies by beta with a dividend ex-date in the next month or is a company without dividend ex-date in the next month.

#### Component selection

- » Starting at the top with the companies with a dividend ex-date in the next month and without changing the order, all companies are removed from the list, if their inclusion to the index would lead to more than seven companies within one of the ten ICB Industries (Effective with September 2020 review, within one of the eleven ICB Industries)
- » The highest ranked 30 companies are selected for the index

**Review frequency:** The reviews are conducted on a monthly basis. New compositions are implemented after the third Friday of each month. The new compositions are announced on the second Friday with the underlying data (weighting cap factors) being calculated using previous Thursday's prices.

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**Weighting cap factors:**

All companies are weighted according to their 3-month average daily traded value (ADTV).

| ADTV level                | Assigned weight                                                               |
|---------------------------|-------------------------------------------------------------------------------|
| Below 30 mln EUR          | 1%                                                                            |
| Between 30 and 60 mln EUR | 2%                                                                            |
| Above 60 mln EUR          | All companies are assigned the same weight that has not yet been distributed. |

All constituents weights are capped at 10% afterwards. If there is no constituent whose ADTV reaches 60 mln EUR, all weights are multiplied by 1 divided by the sum of all weights.

### 7.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the parent index, STOXX Europe 600, which remain in the STOXX Total Market Index are not deleted from the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is not added permanently to the index.



## 8. iSTOXX DEMOGRAPHY INDICES

### 8.1. iSTOXX BROAD DEMOGRAPHY INDICES

#### 8.1.1. OVERVIEW

The iSTOXX Global Broad Demography Index and iSTOXX Europe Broad Demography Index aim to select among respectively the STOXX Global 1800 and STOXX Europe 600 constituents that will be impacted by demographic changes.

**Universe:** Effective up until September 2020 review, all stocks from the STOXX Europe 600 and STOXX Global 1800 whose Industry Classification as defined by ICB falls into one of the following groups are eligible.

| Industry              | ICB Sector                             | ICB Code |
|-----------------------|----------------------------------------|----------|
| Finance               | Banks                                  | 8350     |
| Finance               | Nonlife Insurance                      | 8530     |
| Finance               | Life Insurance                         | 8570     |
| Finance               | Financial Services                     | 8770     |
| Infrastructure        | Construction & Materials               | 2350     |
| Infrastructure        | Aerospace & Defense                    | 2710     |
| Infrastructure        | Electronic & Electrical Equipment      | 2730     |
| Infrastructure        | Industrial Engineering                 | 2750     |
| Infrastructure        | Industrial Transportation              | 2770     |
| Infrastructure        | Electricity                            | 7530     |
| Infrastructure        | Gas, Water & Multiutilities            | 7570     |
| Leisure & Luxury      | Automobiles & Parts                    | 3350     |
| Leisure & Luxury      | Leisure Goods                          | 3740     |
| Leisure & Luxury      | Travel & Leisure                       | 5750     |
| Pharmaceuticals       | Health Care Equipment & Services       | 4530     |
| Pharmaceuticals       | Pharmaceuticals & Biotechnology        | 4570     |
| Resources             | Oil & Gas Producers                    | 0530     |
| Resources             | Oil Equipment, Services & Distribution | 0570     |
| Resources             | Alternative Energy                     | 0580     |
| Resources             | Chemicals                              | 1350     |
| Resources             | Forestry & Paper                       | 1730     |
| Resources             | Industrial Metals & Mining             | 1750     |
| Resources             | Mining                                 | 1770     |
| Real Estate           | Real Estate Investment & Services      | 8630     |
| Real Estate           | Real Estate Investment Trusts          | 8670     |
| Telecom, Media & Tech | Media                                  | 5550     |
| Telecom, Media & Tech | Fixed Line Telecommunications          | 6530     |
| Telecom, Media & Tech | Mobile Telecommunications              | 6570     |
| Telecom, Media & Tech | Software & Computer Services           | 9530     |
| Telecom, Media & Tech | Technology Hardware & Equipment        | 9570     |

Effective with September 2020 review, all stocks from the STOXX Europe 600 and STOXX Global 1800 whose Industry Classification as defined by ICB falls into one of the following groups are eligible.

| Industry       | ICB Sector                               | ICB Code |
|----------------|------------------------------------------|----------|
| Finance        | Banks                                    | 30101010 |
| Finance        | Consumer Lending                         | 30201020 |
| Finance        | Mortgage Finance                         | 30201025 |
| Finance        | Diversified Financial Services           | 30202000 |
| Finance        | Asset Managers and Custodians            | 30202010 |
| Finance        | Investment Services                      | 30202015 |
| Finance        | Life Insurance                           | 30301010 |
| Finance        | Full Line Insurance                      | 30302010 |
| Finance        | Insurance Brokers                        | 30302015 |
| Finance        | Reinsurance                              | 30302020 |
| Finance        | Property and Casualty Insurance          | 30302025 |
| Infrastructure | Electronic Components                    | 10102015 |
| Infrastructure | Construction                             | 50101010 |
| Infrastructure | Engineering and Contracting Services     | 50101015 |
| Infrastructure | Building, Roofing/Wallboard and Plumbing | 50101020 |
| Infrastructure | Building: Climate Control                | 50101025 |
| Infrastructure | Cement                                   | 50101030 |
| Infrastructure | Building Materials: Other                | 50101035 |
| Infrastructure | Aerospace                                | 50201010 |
| Infrastructure | Defense                                  | 50201020 |
| Infrastructure | Electrical Components                    | 50202010 |
| Infrastructure | Electronic Equipment: Control and Filter | 50202020 |
| Infrastructure | Electronic Equipment: Gauges and Meters  | 50202025 |
| Infrastructure | Electronic Equipment: Pollution Control  | 50202030 |
| Infrastructure | Electronic Equipment: Other              | 50202040 |
| Infrastructure | Machinery: Industrial                    | 50204000 |
| Infrastructure | Machinery: Agricultural                  | 50204010 |
| Infrastructure | Machinery: Construction and Handling     | 50204020 |
| Infrastructure | Machinery: Engines                       | 50204030 |
| Infrastructure | Machinery: Tools                         | 50204040 |
| Infrastructure | Machinery: Specialty                     | 50204050 |
| Infrastructure | Trucking                                 | 50206010 |
| Infrastructure | Commercial Vehicles and Parts            | 50206015 |
| Infrastructure | Railroads                                | 50206020 |
| Infrastructure | Railroad Equipment                       | 50206025 |
| Infrastructure | Marine Transportation                    | 50206030 |
| Infrastructure | Delivery Services                        | 50206040 |
| Infrastructure | Transportation Services                  | 50206060 |
| Infrastructure | Metal Fabricating                        | 55102015 |
| Infrastructure | Alternative Electricity                  | 65101010 |

|                  |                                     |          |
|------------------|-------------------------------------|----------|
| Infrastructure   | Conventional Electricity            | 65101015 |
| Infrastructure   | Multi-utilities                     | 65102000 |
| Infrastructure   | Gas Distribution                    | 65102020 |
| Infrastructure   | Water                               | 65102030 |
| Leisure & Luxury | Tires                               | 40101015 |
| Leisure & Luxury | Automobiles                         | 40101020 |
| Leisure & Luxury | Auto Parts                          | 40101025 |
| Leisure & Luxury | Vending and Catering Service        | 40201060 |
| Leisure & Luxury | Consumer Electronics                | 40203010 |
| Leisure & Luxury | Electronic Entertainment            | 40203040 |
| Leisure & Luxury | Toys                                | 40203045 |
| Leisure & Luxury | Recreational Products               | 40203050 |
| Leisure & Luxury | Recreational Vehicles and Boats     | 40203055 |
| Leisure & Luxury | Photography                         | 40203060 |
| Leisure & Luxury | Airlines                            | 40501010 |
| Leisure & Luxury | Travel and Tourism                  | 40501015 |
| Leisure & Luxury | Casinos and Gambling                | 40501020 |
| Leisure & Luxury | Hotels and Motels                   | 40501025 |
| Leisure & Luxury | Recreational Services               | 40501030 |
| Leisure & Luxury | Restaurants and Bars                | 40501040 |
| Pharmaceuticals  | Health Care Facilities              | 20101010 |
| Pharmaceuticals  | Health Care Management Services     | 20101020 |
| Pharmaceuticals  | Health Care Services                | 20101025 |
| Pharmaceuticals  | Health Care: Misc.                  | 20101030 |
| Pharmaceuticals  | Medical Equipment                   | 20102010 |
| Pharmaceuticals  | Medical Supplies                    | 20102015 |
| Pharmaceuticals  | Medical Services                    | 20102020 |
| Pharmaceuticals  | Biotechnology                       | 20103010 |
| Pharmaceuticals  | Pharmaceuticals                     | 20103015 |
| Real Estate      | Mortgage REITs: Diversified         | 30203000 |
| Real Estate      | Mortgage REITs: Commercial          | 30203010 |
| Real Estate      | Mortgage REITs: Residential         | 30203020 |
| Real Estate      | Real Estate Holding and Development | 35101010 |
| Real Estate      | Real Estate Services                | 35101015 |
| Real Estate      | Diversified REITs                   | 35102000 |
| Real Estate      | Health Care REITs                   | 35102010 |
| Real Estate      | Hotel and Lodging REITs             | 35102015 |
| Real Estate      | Industrial REITs                    | 35102020 |
| Real Estate      | Infrastructure REITs                | 35102025 |
| Real Estate      | Office REITs                        | 35102030 |
| Real Estate      | Residential REITs                   | 35102040 |
| Real Estate      | Retail REITs                        | 35102045 |
| Real Estate      | Storage REITs                       | 35102050 |
| Real Estate      | Timber REITs                        | 35102060 |

|                       |                                      |          |
|-----------------------|--------------------------------------|----------|
| Real Estate           | Other Specialty REITs                | 35102070 |
| Resources             | Paints and Coatings                  | 50203010 |
| Resources             | Plastics                             | 50203015 |
| Resources             | Glass                                | 50203020 |
| Resources             | Diversified Materials                | 55101000 |
| Resources             | Forestry                             | 55101010 |
| Resources             | Paper                                | 55101015 |
| Resources             | General Mining                       | 55102000 |
| Resources             | Iron and Steel                       | 55102010 |
| Resources             | Aluminum                             | 55102035 |
| Resources             | Copper                               | 55102040 |
| Resources             | Nonferrous Metals                    | 55102050 |
| Resources             | Diamonds and Gemstones               | 55103020 |
| Resources             | Gold Mining                          | 55103025 |
| Resources             | Platinum and Precious Metals         | 55103030 |
| Resources             | Chemicals: Diversified               | 55201000 |
| Resources             | Chemicals and Synthetic Fibers       | 55201010 |
| Resources             | Fertilizers                          | 55201015 |
| Resources             | Specialty Chemicals                  | 55201020 |
| Resources             | Integrated Oil and Gas               | 60101000 |
| Resources             | Oil: Crude Producers                 | 60101010 |
| Resources             | Offshore Drilling and Other Services | 60101015 |
| Resources             | Oil Refining and Marketing           | 60101020 |
| Resources             | Oil Equipment and Services           | 60101030 |
| Resources             | Pipelines                            | 60101035 |
| Resources             | Coal                                 | 60101040 |
| Resources             | Alternative Fuels                    | 60102010 |
| Resources             | Renewable Energy Equipment           | 60102020 |
| Telecom, Media & Tech | Computer Services                    | 10101010 |
| Telecom, Media & Tech | Software                             | 10101015 |
| Telecom, Media & Tech | Consumer Digital Services            | 10101020 |
| Telecom, Media & Tech | Semiconductors                       | 10102010 |
| Telecom, Media & Tech | Production Technology Equipment      | 10102020 |
| Telecom, Media & Tech | Computer Hardware                    | 10102030 |
| Telecom, Media & Tech | Electronic Office Equipment          | 10102035 |
| Telecom, Media & Tech | Telecommunications Equipment         | 15101010 |
| Telecom, Media & Tech | Cable Television Services            | 15102010 |
| Telecom, Media & Tech | Telecommunications Services          | 15102015 |
| Telecom, Media & Tech | Entertainment                        | 40301010 |
| Telecom, Media & Tech | Media Agencies                       | 40301020 |
| Telecom, Media & Tech | Publishing                           | 40301030 |
| Telecom, Media & Tech | Radio and TV Broadcasters            | 40301035 |

All constituents linked to one ICB sector not mentioned in this table will be excluded from the base universe.

**Weighting scheme:** free-float market capitalization with weighting cap limit of 10% per constituent

**Base value and date:** 100 as of Mar 22, 2004

**Index types and currencies:** Price, net and gross return in EUR and USD.

### 8.1.2.INDEX REVIEW

**Component selection**

All constituents whose ICB code falls into one of the categories mentioned above are selected.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

### 8.1.3.ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the Index.

## 8.2. iSTOXX EUROPE DEMOGRAPHY 50 INDEX

### 8.2.1. OVERVIEW

The iSTOXX Europe Demography 50 index aims to select 50 stocks among diversified industries from the STOXX Europe 600 index to weight them by the inverse of the volatility. The companies are chosen from sectors that are positively affected by demographic change. Further the companies need to have high dividend yield and low volatility.

**Universe:** Effective up until September 2020 review, all stocks from the STOXX Europe 600 whose Industry Classification as defined by ICB falls into one of the following groups are eligible.

| Industry              | ICB Sector                             | ICB Code |
|-----------------------|----------------------------------------|----------|
| Finance               | Banks                                  | 8350     |
| Finance               | Nonlife Insurance                      | 8530     |
| Finance               | Life Insurance                         | 8570     |
| Finance               | Financial Services                     | 8770     |
| Infrastructure        | Construction & Materials               | 2350     |
| Infrastructure        | Aerospace & Defense                    | 2710     |
| Infrastructure        | Electronic & Electrical Equipment      | 2730     |
| Infrastructure        | Industrial Engineering                 | 2750     |
| Infrastructure        | Industrial Transportation              | 2770     |
| Infrastructure        | Electricity                            | 7530     |
| Infrastructure        | Gas, Water & Multiutilities            | 7570     |
| Leisure & Luxury      | Automobiles & Parts                    | 3350     |
| Leisure & Luxury      | Leisure Goods                          | 3740     |
| Leisure & Luxury      | Travel & Leisure                       | 5750     |
| Pharmaceuticals       | Health Care Equipment & Services       | 4530     |
| Pharmaceuticals       | Pharmaceuticals & Biotechnology        | 4570     |
| Resources             | Oil & Gas Producers                    | 0530     |
| Resources             | Oil Equipment, Services & Distribution | 0570     |
| Resources             | Alternative Energy                     | 0580     |
| Resources             | Chemicals                              | 1350     |
| Resources             | Forestry & Paper                       | 1730     |
| Resources             | Industrial Metals & Mining             | 1750     |
| Resources             | Mining                                 | 1770     |
| Real Estate           | Real Estate Investment & Services      | 8630     |
| Real Estate           | Real Estate Investment Trusts          | 8670     |
| Telecom, Media & Tech | Media                                  | 5550     |
| Telecom, Media & Tech | Fixed Line Telecommunications          | 6530     |
| Telecom, Media & Tech | Mobile Telecommunications              | 6570     |
| Telecom, Media & Tech | Software & Computer Services           | 9530     |
| Telecom, Media & Tech | Technology Hardware & Equipment        | 9570     |

Effective with September 2020 review, all stocks from the STOXX Europe 600 whose Industry Classification as defined by ICB falls into one of the following groups are eligible.

| Industry       | ICB Sector                               | ICB Code |
|----------------|------------------------------------------|----------|
| Finance        | Banks                                    | 30101010 |
| Finance        | Consumer Lending                         | 30201020 |
| Finance        | Mortgage Finance                         | 30201025 |
| Finance        | Diversified Financial Services           | 30202000 |
| Finance        | Asset Managers and Custodians            | 30202010 |
| Finance        | Investment Services                      | 30202015 |
| Finance        | Life Insurance                           | 30301010 |
| Finance        | Full Line Insurance                      | 30302010 |
| Finance        | Insurance Brokers                        | 30302015 |
| Finance        | Reinsurance                              | 30302020 |
| Finance        | Property and Casualty Insurance          | 30302025 |
| Infrastructure | Electronic Components                    | 10102015 |
| Infrastructure | Construction                             | 50101010 |
| Infrastructure | Engineering and Contracting Services     | 50101015 |
| Infrastructure | Building, Roofing/Wallboard and Plumbing | 50101020 |
| Infrastructure | Building: Climate Control                | 50101025 |
| Infrastructure | Cement                                   | 50101030 |
| Infrastructure | Building Materials: Other                | 50101035 |
| Infrastructure | Aerospace                                | 50201010 |
| Infrastructure | Defense                                  | 50201020 |
| Infrastructure | Electrical Components                    | 50202010 |
| Infrastructure | Electronic Equipment: Control and Filter | 50202020 |
| Infrastructure | Electronic Equipment: Gauges and Meters  | 50202025 |
| Infrastructure | Electronic Equipment: Pollution Control  | 50202030 |
| Infrastructure | Electronic Equipment: Other              | 50202040 |
| Infrastructure | Machinery: Industrial                    | 50204000 |
| Infrastructure | Machinery: Agricultural                  | 50204010 |
| Infrastructure | Machinery: Construction and Handling     | 50204020 |
| Infrastructure | Machinery: Engines                       | 50204030 |
| Infrastructure | Machinery: Tools                         | 50204040 |
| Infrastructure | Machinery: Specialty                     | 50204050 |
| Infrastructure | Trucking                                 | 50206010 |
| Infrastructure | Commercial Vehicles and Parts            | 50206015 |
| Infrastructure | Railroads                                | 50206020 |
| Infrastructure | Railroad Equipment                       | 50206025 |
| Infrastructure | Marine Transportation                    | 50206030 |
| Infrastructure | Delivery Services                        | 50206040 |
| Infrastructure | Transportation Services                  | 50206060 |
| Infrastructure | Metal Fabricating                        | 55102015 |
| Infrastructure | Alternative Electricity                  | 65101010 |

|                  |                                     |          |
|------------------|-------------------------------------|----------|
| Infrastructure   | Conventional Electricity            | 65101015 |
| Infrastructure   | Multi-utilities                     | 65102000 |
| Infrastructure   | Gas Distribution                    | 65102020 |
| Infrastructure   | Water                               | 65102030 |
| Leisure & Luxury | Tires                               | 40101015 |
| Leisure & Luxury | Automobiles                         | 40101020 |
| Leisure & Luxury | Auto Parts                          | 40101025 |
| Leisure & Luxury | Vending and Catering Service        | 40201060 |
| Leisure & Luxury | Consumer Electronics                | 40203010 |
| Leisure & Luxury | Electronic Entertainment            | 40203040 |
| Leisure & Luxury | Toys                                | 40203045 |
| Leisure & Luxury | Recreational Products               | 40203050 |
| Leisure & Luxury | Recreational Vehicles and Boats     | 40203055 |
| Leisure & Luxury | Photography                         | 40203060 |
| Leisure & Luxury | Airlines                            | 40501010 |
| Leisure & Luxury | Travel and Tourism                  | 40501015 |
| Leisure & Luxury | Casinos and Gambling                | 40501020 |
| Leisure & Luxury | Hotels and Motels                   | 40501025 |
| Leisure & Luxury | Recreational Services               | 40501030 |
| Leisure & Luxury | Restaurants and Bars                | 40501040 |
| Pharmaceuticals  | Health Care Facilities              | 20101010 |
| Pharmaceuticals  | Health Care Management Services     | 20101020 |
| Pharmaceuticals  | Health Care Services                | 20101025 |
| Pharmaceuticals  | Health Care: Misc.                  | 20101030 |
| Pharmaceuticals  | Medical Equipment                   | 20102010 |
| Pharmaceuticals  | Medical Supplies                    | 20102015 |
| Pharmaceuticals  | Medical Services                    | 20102020 |
| Pharmaceuticals  | Biotechnology                       | 20103010 |
| Pharmaceuticals  | Pharmaceuticals                     | 20103015 |
| Real Estate      | Mortgage REITs: Diversified         | 30203000 |
| Real Estate      | Mortgage REITs: Commercial          | 30203010 |
| Real Estate      | Mortgage REITs: Residential         | 30203020 |
| Real Estate      | Real Estate Holding and Development | 35101010 |
| Real Estate      | Real Estate Services                | 35101015 |
| Real Estate      | Diversified REITs                   | 35102000 |
| Real Estate      | Health Care REITs                   | 35102010 |
| Real Estate      | Hotel and Lodging REITs             | 35102015 |
| Real Estate      | Industrial REITs                    | 35102020 |
| Real Estate      | Infrastructure REITs                | 35102025 |
| Real Estate      | Office REITs                        | 35102030 |
| Real Estate      | Residential REITs                   | 35102040 |
| Real Estate      | Retail REITs                        | 35102045 |
| Real Estate      | Storage REITs                       | 35102050 |
| Real Estate      | Timber REITs                        | 35102060 |



|                       |                                      |          |
|-----------------------|--------------------------------------|----------|
| Real Estate           | Other Specialty REITs                | 35102070 |
| Resources             | Paints and Coatings                  | 50203010 |
| Resources             | Plastics                             | 50203015 |
| Resources             | Glass                                | 50203020 |
| Resources             | Diversified Materials                | 55101000 |
| Resources             | Forestry                             | 55101010 |
| Resources             | Paper                                | 55101015 |
| Resources             | General Mining                       | 55102000 |
| Resources             | Iron and Steel                       | 55102010 |
| Resources             | Aluminum                             | 55102035 |
| Resources             | Copper                               | 55102040 |
| Resources             | Nonferrous Metals                    | 55102050 |
| Resources             | Diamonds and Gemstones               | 55103020 |
| Resources             | Gold Mining                          | 55103025 |
| Resources             | Platinum and Precious Metals         | 55103030 |
| Resources             | Chemicals: Diversified               | 55201000 |
| Resources             | Chemicals and Synthetic Fibers       | 55201010 |
| Resources             | Fertilizers                          | 55201015 |
| Resources             | Specialty Chemicals                  | 55201020 |
| Resources             | Integrated Oil and Gas               | 60101000 |
| Resources             | Oil: Crude Producers                 | 60101010 |
| Resources             | Offshore Drilling and Other Services | 60101015 |
| Resources             | Oil Refining and Marketing           | 60101020 |
| Resources             | Oil Equipment and Services           | 60101030 |
| Resources             | Pipelines                            | 60101035 |
| Resources             | Coal                                 | 60101040 |
| Resources             | Alternative Fuels                    | 60102010 |
| Resources             | Renewable Energy Equipment           | 60102020 |
| Telecom, Media & Tech | Computer Services                    | 10101010 |
| Telecom, Media & Tech | Software                             | 10101015 |
| Telecom, Media & Tech | Consumer Digital Services            | 10101020 |
| Telecom, Media & Tech | Semiconductors                       | 10102010 |
| Telecom, Media & Tech | Production Technology Equipment      | 10102020 |
| Telecom, Media & Tech | Computer Hardware                    | 10102030 |
| Telecom, Media & Tech | Electronic Office Equipment          | 10102035 |
| Telecom, Media & Tech | Telecommunications Equipment         | 15101010 |
| Telecom, Media & Tech | Cable Television Services            | 15102010 |
| Telecom, Media & Tech | Telecommunications Services          | 15102015 |
| Telecom, Media & Tech | Entertainment                        | 40301010 |
| Telecom, Media & Tech | Media Agencies                       | 40301020 |
| Telecom, Media & Tech | Publishing                           | 40301030 |
| Telecom, Media & Tech | Radio and TV Broadcasters            | 40301035 |

**Weighting scheme:** Price-weighted with a weighting cap factor according to the inverse of the 12-months historical volatility and additionally with weighting cap limit of 10% per constituent

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**Base value and date:** 100 as of Mar 22, 2004

**Index types and currencies:** Price, net and gross return in EUR and USD.

## 8.2.2. INDEX REVIEW

### Selection list

The review cut-off date is the last trading day of the month preceding the review of the index.

- » All stocks in the relevant base universe are screened for 12-months historical volatility and 12-months historical dividend yield<sup>19</sup>. If one or both values are not available for a stock, the company is removed from the base universe.
- » The remaining constituents – composing the selection universe - are grouped into 7 industry clusters following the ICB matching table provided above (Finance, Infrastructure, Leisure & Luxury, Pharmaceuticals, Resources, Real Estate and Telecom & Media & Tech).
- » In each group, all constituents are ranked according to the historical dividend yield in descending order and the top x% is selected for the next step, where x is calculated as following:

$$x = \sqrt{\frac{50}{N}} \text{ with } N \text{ being the total number of stocks in the Selection Universe}$$

To create the selection list all remaining stocks are then ranked according to their historical volatility (based on EUR prices) in ascending order and given a rank (with rank 1 being for the lowest volatile stocks).

### Component selection

- » The highest ranked 40 stocks of the selection list are selected
- » The remaining 10 stocks are selected from the highest ranked current stocks (already in the index before the review) ranked between 41 and 60
- » If the number of stocks selected is still below 50, the highest ranked remaining stocks (not in the index before the review) are selected until there are 50 stocks in the final index
- » A maximum of 15 constituents per industry group can be selected (with no minimum numbers of constituents per industry). If one industry group reaches the limit of 15 members, no further companies from that group are eligible for the index inclusion.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

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<sup>19</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

### 8.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the parent index, STOXX Europe 600, which remain in the STOXX Total Market Index are not deleted from the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is not added permanently to the index

### 8.3. iSTOXX GLOBAL DEMOGRAPHY SELECT 50 INDEX

#### 8.3.1. OVERVIEW

The iSTOXX Global Demography Select 50 index aims to select, among the STOXX Global 1800 filtered by sectors, 50 constituents with high dividend and low volatility. The components are weighted by the inverse of the volatility.

**Universe:** Effective up until September 2020 review, all stocks from the STOXX Global 1800 whose Industry Classification as defined by ICB falls into one of the following groups are eligible.

| Industry              | ICB Sector                             | ICB Code |
|-----------------------|----------------------------------------|----------|
| Finance               | Banks                                  | 8350     |
| Finance               | Nonlife Insurance                      | 8530     |
| Finance               | Life Insurance                         | 8570     |
| Finance               | Financial Services                     | 8770     |
| Infrastructure        | Construction & Materials               | 2350     |
| Infrastructure        | Aerospace & Defense                    | 2710     |
| Infrastructure        | Electronic & Electrical Equipment      | 2730     |
| Infrastructure        | Industrial Engineering                 | 2750     |
| Infrastructure        | Industrial Transportation              | 2770     |
| Infrastructure        | Electricity                            | 7530     |
| Infrastructure        | Gas, Water & Multiutilities            | 7570     |
| Leisure & Luxury      | Automobiles & Parts                    | 3350     |
| Leisure & Luxury      | Leisure Goods                          | 3740     |
| Leisure & Luxury      | Travel & Leisure                       | 5750     |
| Pharmaceuticals       | Health Care Equipment & Services       | 4530     |
| Pharmaceuticals       | Pharmaceuticals & Biotechnology        | 4570     |
| Resources             | Oil & Gas Producers                    | 0530     |
| Resources             | Oil Equipment, Services & Distribution | 0570     |
| Resources             | Alternative Energy                     | 0580     |
| Resources             | Chemicals                              | 1350     |
| Resources             | Forestry & Paper                       | 1730     |
| Resources             | Industrial Metals & Mining             | 1750     |
| Resources             | Mining                                 | 1770     |
| Real Estate           | Real Estate Investment & Services      | 8630     |
| Real Estate           | Real Estate Investment Trusts          | 8670     |
| Telecom, Media & Tech | Media                                  | 5550     |
| Telecom, Media & Tech | Fixed Line Telecommunications          | 6530     |
| Telecom, Media & Tech | Mobile Telecommunications              | 6570     |
| Telecom, Media & Tech | Software & Computer Services           | 9530     |
| Telecom, Media & Tech | Technology Hardware & Equipment        | 9570     |

Effective with September 2020 review, all stocks from the STOXX Global 1800 whose Industry Classification as defined by ICB falls into one of the following groups are eligible.

| Industry       | ICB Sector                               | ICB Code |
|----------------|------------------------------------------|----------|
| Finance        | Banks                                    | 30101010 |
| Finance        | Consumer Lending                         | 30201020 |
| Finance        | Mortgage Finance                         | 30201025 |
| Finance        | Diversified Financial Services           | 30202000 |
| Finance        | Asset Managers and Custodians            | 30202010 |
| Finance        | Investment Services                      | 30202015 |
| Finance        | Life Insurance                           | 30301010 |
| Finance        | Full Line Insurance                      | 30302010 |
| Finance        | Insurance Brokers                        | 30302015 |
| Finance        | Reinsurance                              | 30302020 |
| Finance        | Property and Casualty Insurance          | 30302025 |
| Infrastructure | Electronic Components                    | 10102015 |
| Infrastructure | Construction                             | 50101010 |
| Infrastructure | Engineering and Contracting Services     | 50101015 |
| Infrastructure | Building, Roofing/Wallboard and Plumbing | 50101020 |
| Infrastructure | Building: Climate Control                | 50101025 |
| Infrastructure | Cement                                   | 50101030 |
| Infrastructure | Building Materials: Other                | 50101035 |
| Infrastructure | Aerospace                                | 50201010 |
| Infrastructure | Defense                                  | 50201020 |
| Infrastructure | Electrical Components                    | 50202010 |
| Infrastructure | Electronic Equipment: Control and Filter | 50202020 |
| Infrastructure | Electronic Equipment: Gauges and Meters  | 50202025 |
| Infrastructure | Electronic Equipment: Pollution Control  | 50202030 |
| Infrastructure | Electronic Equipment: Other              | 50202040 |
| Infrastructure | Machinery: Industrial                    | 50204000 |
| Infrastructure | Machinery: Agricultural                  | 50204010 |
| Infrastructure | Machinery: Construction and Handling     | 50204020 |
| Infrastructure | Machinery: Engines                       | 50204030 |
| Infrastructure | Machinery: Tools                         | 50204040 |
| Infrastructure | Machinery: Specialty                     | 50204050 |
| Infrastructure | Trucking                                 | 50206010 |
| Infrastructure | Commercial Vehicles and Parts            | 50206015 |
| Infrastructure | Railroads                                | 50206020 |
| Infrastructure | Railroad Equipment                       | 50206025 |
| Infrastructure | Marine Transportation                    | 50206030 |
| Infrastructure | Delivery Services                        | 50206040 |
| Infrastructure | Transportation Services                  | 50206060 |
| Infrastructure | Metal Fabricating                        | 55102015 |
| Infrastructure | Alternative Electricity                  | 65101010 |
| Infrastructure | Conventional Electricity                 | 65101015 |
| Infrastructure | Multi-utilities                          | 65102000 |

|                  |                                     |          |
|------------------|-------------------------------------|----------|
| Infrastructure   | Gas Distribution                    | 65102020 |
| Infrastructure   | Water                               | 65102030 |
| Leisure & Luxury | Tires                               | 40101015 |
| Leisure & Luxury | Automobiles                         | 40101020 |
| Leisure & Luxury | Auto Parts                          | 40101025 |
| Leisure & Luxury | Vending and Catering Service        | 40201060 |
| Leisure & Luxury | Consumer Electronics                | 40203010 |
| Leisure & Luxury | Electronic Entertainment            | 40203040 |
| Leisure & Luxury | Toys                                | 40203045 |
| Leisure & Luxury | Recreational Products               | 40203050 |
| Leisure & Luxury | Recreational Vehicles and Boats     | 40203055 |
| Leisure & Luxury | Photography                         | 40203060 |
| Leisure & Luxury | Airlines                            | 40501010 |
| Leisure & Luxury | Travel and Tourism                  | 40501015 |
| Leisure & Luxury | Casinos and Gambling                | 40501020 |
| Leisure & Luxury | Hotels and Motels                   | 40501025 |
| Leisure & Luxury | Recreational Services               | 40501030 |
| Leisure & Luxury | Restaurants and Bars                | 40501040 |
| Pharmaceuticals  | Health Care Facilities              | 20101010 |
| Pharmaceuticals  | Health Care Management Services     | 20101020 |
| Pharmaceuticals  | Health Care Services                | 20101025 |
| Pharmaceuticals  | Health Care: Misc.                  | 20101030 |
| Pharmaceuticals  | Medical Equipment                   | 20102010 |
| Pharmaceuticals  | Medical Supplies                    | 20102015 |
| Pharmaceuticals  | Medical Services                    | 20102020 |
| Pharmaceuticals  | Biotechnology                       | 20103010 |
| Pharmaceuticals  | Pharmaceuticals                     | 20103015 |
| Real Estate      | Mortgage REITs: Diversified         | 30203000 |
| Real Estate      | Mortgage REITs: Commercial          | 30203010 |
| Real Estate      | Mortgage REITs: Residential         | 30203020 |
| Real Estate      | Real Estate Holding and Development | 35101010 |
| Real Estate      | Real Estate Services                | 35101015 |
| Real Estate      | Diversified REITs                   | 35102000 |
| Real Estate      | Health Care REITs                   | 35102010 |
| Real Estate      | Hotel and Lodging REITs             | 35102015 |
| Real Estate      | Industrial REITs                    | 35102020 |
| Real Estate      | Infrastructure REITs                | 35102025 |
| Real Estate      | Office REITs                        | 35102030 |
| Real Estate      | Residential REITs                   | 35102040 |
| Real Estate      | Retail REITs                        | 35102045 |
| Real Estate      | Storage REITs                       | 35102050 |
| Real Estate      | Timber REITs                        | 35102060 |
| Real Estate      | Other Specialty REITs               | 35102070 |
| Resources        | Paints and Coatings                 | 50203010 |

|                       |                                      |          |
|-----------------------|--------------------------------------|----------|
| Resources             | Plastics                             | 50203015 |
| Resources             | Glass                                | 50203020 |
| Resources             | Diversified Materials                | 55101000 |
| Resources             | Forestry                             | 55101010 |
| Resources             | Paper                                | 55101015 |
| Resources             | General Mining                       | 55102000 |
| Resources             | Iron and Steel                       | 55102010 |
| Resources             | Aluminum                             | 55102035 |
| Resources             | Copper                               | 55102040 |
| Resources             | Nonferrous Metals                    | 55102050 |
| Resources             | Diamonds and Gemstones               | 55103020 |
| Resources             | Gold Mining                          | 55103025 |
| Resources             | Platinum and Precious Metals         | 55103030 |
| Resources             | Chemicals: Diversified               | 55201000 |
| Resources             | Chemicals and Synthetic Fibers       | 55201010 |
| Resources             | Fertilizers                          | 55201015 |
| Resources             | Specialty Chemicals                  | 55201020 |
| Resources             | Integrated Oil and Gas               | 60101000 |
| Resources             | Oil: Crude Producers                 | 60101010 |
| Resources             | Offshore Drilling and Other Services | 60101015 |
| Resources             | Oil Refining and Marketing           | 60101020 |
| Resources             | Oil Equipment and Services           | 60101030 |
| Resources             | Pipelines                            | 60101035 |
| Resources             | Coal                                 | 60101040 |
| Resources             | Alternative Fuels                    | 60102010 |
| Resources             | Renewable Energy Equipment           | 60102020 |
| Telecom, Media & Tech | Computer Services                    | 10101010 |
| Telecom, Media & Tech | Software                             | 10101015 |
| Telecom, Media & Tech | Consumer Digital Services            | 10101020 |
| Telecom, Media & Tech | Semiconductors                       | 10102010 |
| Telecom, Media & Tech | Production Technology Equipment      | 10102020 |
| Telecom, Media & Tech | Computer Hardware                    | 10102030 |
| Telecom, Media & Tech | Electronic Office Equipment          | 10102035 |
| Telecom, Media & Tech | Telecommunications Equipment         | 15101010 |
| Telecom, Media & Tech | Cable Television Services            | 15102010 |
| Telecom, Media & Tech | Telecommunications Services          | 15102015 |
| Telecom, Media & Tech | Entertainment                        | 40301010 |
| Telecom, Media & Tech | Media Agencies                       | 40301020 |
| Telecom, Media & Tech | Publishing                           | 40301030 |
| Telecom, Media & Tech | Radio and TV Broadcasters            | 40301035 |

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of their historical volatility (maximum between their 3-month and 12-month historical volatility)

**Base value and date:** 100 as of Mar 22, 2004

**Index types and currencies:** Price, net and gross return in EUR

### 8.3.2. INDEX REVIEW

#### Selection list

The review cut-off date is the last trading day of the month preceding the review month of the index.

All stocks in the relevant base universe are screened for 12-month historical daily pricing data and 12-month historical dividend yield<sup>20</sup>. If one or both values are not available for a stock, the company is removed from the base universe.

#### Composition list:

The following Equal Strength Ratio is calculated

$$ESR = \sqrt{\frac{50}{N}}$$

where,

N Number of stocks in the Eligible Universe

All stocks from the Eligible Universe are sorted in ascending order in terms of volatility (maximum between the 3-month and 12-month historical volatility in EUR) and companies are selected based on the ESR.

number of companies to select (Volatility screen) = round down of (ESR × N)

All selected stocks are ranked in descending order in terms of dividend yield and the highest ranked 50 stocks are selected for the final index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

**Weighting and capping factors:** The weighting cap factors are calculated based on the inverse of their historical volatility. The prices based on the Thursday prior to the second Friday of the month.

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

w<sub>i</sub> weight of component (i)

<sup>20</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).



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$\sigma_i$  Maximum between the historical 12-months and 3-months volatility of component (i)

Weighting cap factor = (1,000,000,000 x initial weight / closing price of the stock in EUR), rounded to integers. Additionally, components are capped at a maximum weight of 10%.

### 8.3.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the Index

## 9. iSTOXX GLOBAL TRANSITIONS INDICES

### 9.1. iSTOXX GLOBAL TRANSITIONS SELECT 30

#### 9.1.1. OVERVIEW

The iSTOXX Global Transitions Select 30 Index defines three major channels of global changes - Social Evolutions, Resources Scarcity and Infrastructure – and selects out of the three universes low volatility, high dividend and high liquidity stocks.

**Universe:** The index universe is defined by all stocks from the STOXX Global 3000, STOXX Global Broad Infrastructure, STOXX Global Extended Infrastructure 100 and STOXX Global Infrastructure Suppliers 50 indices

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Mar 22, 2004

**Index types and currencies:** Price, net and gross return in EUR and USD

For a complete list, please consult the data vendor code sheet on the website<sup>21</sup>.

#### 9.1.2. INDEX REVIEW

##### Selection list:

The review cut-off date is the last trading day of the month preceding the review month of the index.

The Selection list is obtained by selecting from the Universe the stocks that fulfil the following conditions:

1. Availability of both 12-month historical dividend yield<sup>22</sup> and 3-month ADTV in EUR
2. 3-month ADTV in EUR above EUR 8 million
3. Suspension from trading for not more than 10% of the STOXX calendar trading days:

$$\text{Min Number of Price Observations}_{\text{Period}} = \text{Number of Trading Days}_{\text{Period}} \times 0.9$$

Effective up until September 2020 review, the remaining stocks are grouped as follows to form the Selection list:

| Group             | Universe                                                                                                                                                                                                                                                      |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Social Evolutions | All stocks from the STOXX Global 3000 Index with the following ICB code:<br>2730 – Electronic & Electrical Equipment<br>2757 – Industrial Machinery<br>2795 – Financial Administration<br>3740 – Leisure Goods<br>4000 – Health Care<br>5333 – Drug retailers |

<sup>21</sup> [www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

<sup>22</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

## 9. iSTOXX GLOBAL TRANSITIONS INDICES

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|                    |                                                                                                                                                                             |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                    | 5377 – Specialized Consumer Services                                                                                                                                        |
|                    | 5700 – Travel & Leisure                                                                                                                                                     |
|                    | 6575 – Mobile Telecommunications                                                                                                                                            |
|                    | 8500 – Insurance                                                                                                                                                            |
|                    | 8700 – Financial Services                                                                                                                                                   |
|                    | 9500 – Technology                                                                                                                                                           |
| Resources Scarcity | All stocks from the STOXX Global 3000 Index with the following ICB code:                                                                                                    |
|                    | 0580 – Alternative Energy                                                                                                                                                   |
|                    | 1700 – Basic Resources                                                                                                                                                      |
|                    | 3500 – Food                                                                                                                                                                 |
|                    | 7500 – Utilities                                                                                                                                                            |
| Infrastructure     | All stocks from STOXX Global Broad Infrastructure Index, the STOXX Global Extended Infrastructure 100 Index and the STOXX Global Infrastructure Suppliers 50 Index indices. |
|                    | All stocks from the STOXX Global 3000 Index with the following ICB code:                                                                                                    |
|                    | 2300 – Construction & materials                                                                                                                                             |
|                    | 2770 – Industrial Transportation                                                                                                                                            |
|                    | 3300 – Automobile and parts                                                                                                                                                 |

Effective with September 2020 review, the remaining stocks are grouped as follows to form the Selection list:

| Group             | Universe                                                                 |
|-------------------|--------------------------------------------------------------------------|
| Social Evolutions | All stocks from the STOXX Global 3000 Index with the following ICB code: |
|                   | 10101010 – Computer Services                                             |
|                   | 10101015 – Software                                                      |
|                   | 10101020 – Consumer Digital Services                                     |
|                   | 10102010 – Semiconductors                                                |
|                   | 10102015 – Electronic Components                                         |
|                   | 10102020 – Production Technology Equipment                               |
|                   | 10102030 – Computer Hardware                                             |
|                   | 10102035 – Electronic Office Equipment                                   |
|                   | 15101010 – Telecommunications Equipment                                  |
|                   | 15102015 – Telecommunications Services                                   |
|                   | 20101010 – Health Care Facilities                                        |
|                   | 20101020 – Health Care Management Services                               |
|                   | 20101025 – Health Care Services                                          |
|                   | 20101030 – Health Care: Misc.                                            |
|                   | 20102010 – Medical Equipment                                             |

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## 9. iSTOXX GLOBAL TRANSITIONS INDICES

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20102015 – Medical Supplies  
20102020 – Medical Services  
20103010 – Biotechnology  
20103015 – Pharmaceuticals  
30201020 – Consumer Lending  
30201025 – Mortgage Finance  
30201030 – Financial Data Providers  
30202000 – Diversified Financial Services  
30202010 – Asset Managers and Custodians  
30202015 – Investment Services  
30301010 – Life Insurance  
30302010 – Full Line Insurance  
30302015 – Insurance Brokers  
30302020 – Reinsurance  
30302025 – Property and Casualty Insurance  
40101010 – Auto Services  
40201010 – Education Services  
40201020 – Funeral Parlors and Cemetery  
40201030 – Printing and Copying Services  
40201040 – Rental and Leasing Services: Consumer  
40201050 – Storage Facilities  
40201070 – Consumer Services: Misc.  
40203010 – Consumer Electronics  
40203040 – Electronic Entertainment  
40203045 – Toys  
40203050 – Recreational Products  
40203055 – Recreational Vehicles and Boats  
40203060 – Photography  
40501010 – Airlines  
40501015 – Travel and Tourism  
40501020 – Casinos and Gambling  
40501025 – Hotels and Motels  
40501030 – Recreational Services  
40501040 – Restaurants and Bars  
45201015 – Drug Retailers  
50202010 – Electrical Components  
50202020 – Electronic Equipment: Control and Filter  
50202025 – Electronic Equipment: Gauges and Meters

## 9. iSTOXX GLOBAL TRANSITIONS INDICES

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50202030 – Electronic Equipment: Pollution Control

50202040 – Electronic Equipment: Other

50204000 – Machinery: Industrial

50204030 – Machinery: Engines

50204040 – Machinery: Tools

50204050 – Machinery: Specialty

50205015 – Transaction Processing Services

55102015 – Metal Fabricating

40201060 – Vending and Catering Service

### Resource Scarcity

All stocks from the STOXX Global 3000 Index with the following ICB code:

45101010 – Brewers

45101015 – Distillers and Vintners

45101020 – Soft Drinks

45102010 – Farming, Fishing, Ranching and Plantations

45102020 – Food Products

45102030 – Fruit and Grain Processing

45102035 – Sugar

55101010 – Forestry

55101015 – Paper

55102000 – General Mining

55102010 – Iron and Steel

55102035 – Aluminum

55102040 – Copper

55102050 – Nonferrous Metals

55103020 – Diamonds and Gemstones

55103025 – Gold Mining

55103030 – Platinum and Precious Metals

60101040 – Coal

60102010 – Alternative Fuels

60102020 – Renewable Energy Equipment

65101010 – Alternative Electricity

65101015 – Conventional Electricity

65102000 – Multi-utilities

65102020 – Gas Distribution

65102030 – Water

## 9. iSTOXX GLOBAL TRANSITIONS INDICES

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### Infrastructure

All stocks from STOXX Global Broad Infrastructure Index, the STOXX Global Extended Infrastructure 100 Index and the STOXX Global Infrastructure Suppliers 50 Index indices.

All stocks from the STOXX Global 3000 Index with the following ICB code:

40101015 – Tires  
 40101020 – Automobiles  
 40101025 – Auto Parts  
 50101010 – Construction  
 50101015 – Engineering and Contracting Services  
 50101020 – Building, Roofing/Wallboard and Plumbing  
 50101025 – Building: Climate Control  
 50101030 – Cement  
 50101035 – Building Materials: Other  
 50206010 – Trucking  
 50206020 – Railroads  
 50206030 – Marine Transportation  
 50206040 – Delivery Services  
 50206060 – Transportation Services

### Composition list:

The following Equal Strength Ratios are calculated for each group.

$$ESR_G = \sqrt{\frac{7}{N_G}}$$

Where,

G Each of the three Social Evolutions, Resources Scarcity and Infrastructure groups  
 ESR<sub>G</sub> Equal Strength Ratio of group G  
 N<sub>G</sub> Number of stocks from group G in the Selection List.

All stocks in the Selection list are sorted in ascending order in terms of volatility (maximum between the 3-month and 12-month historical volatility in EUR) and, within each of the three groups, companies are selected based on their ESR:

number of companies to select from group G (Volatility screen) = round down of (ESR<sub>G</sub> × N<sub>G</sub>)

However, in the case that a company belongs to more than one group, it is sufficient that its volatility ranks in the top ESR<sub>G</sub>% of one group in order to be eligible in all of them.

All selected stocks are ranked in descending order in terms of dividend yield and the final Composition list is comprised of the 30 highest ranked stocks, with minimum of 7 stocks from each

## 9. iSTOXX GLOBAL TRANSITIONS INDICES

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group. If a group is comprised of less than 7 stocks, all stocks from that group are selected. In case of identical dividend yields, priority goes to the stock with the lowest volatility from the volatility screen.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as defined in the Selection process).

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

$w_i$  target weight of component i

$\sigma_i$  maximum between the historical 12-months and 3-months volatility of component i as of review cut-off date, based on prices in EUR

N number of constituents in the final index (30)

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor<sub>i</sub> = (1,000,000,000 x  $w_i$  /  $p_i$ ), rounded to integers

Additionally, components are capped at a maximum weight of 10%.

### 9.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spun-off stocks are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com).

# 10. iSTOXX ECONOMIC GROWTH SELECT INDICES

## 10.1. iSTOXX EUROPE ECONOMIC GROWTH SELECT 50

### 10.1.1. OVERVIEW

The iSTOXX Europe Economic Growth Select 50 Index captures the performance of stocks from the STOXX Europe 600 Index with low volatility, high dividends and high liquidity.

The component selection process first excludes all stocks with 3-month ADTV below EUR 3Mln and highest historical volatility. Among the remaining stocks, the 50 stocks with the highest 12-month historical dividend yields are selected to be included in the index.

The constituents are weighted according to a normalized GDP Score whereby companies with the highest exposure to countries with the highest estimated Economic growth receive the largest weight.

**Universe:** The index universe is defined by the constituents of the STOXX Europe 600 index as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting factor based on their normalized GDP Score.

**Base values and dates:** 100 on Apr 2, 2007

**Index types and currencies:** Price, net and gross return in EUR and USD

For a complete list please consult the data vendor code sheet on the website<sup>23</sup>. Customized solutions can be provided upon request.

### 10.1.2. INDEX REVIEW

#### Selection list:

The review cut-off date is the last trading day of the month preceding the review month of the index.

The Selection list is obtained by selecting from the Universe the stocks that fulfil the following conditions:

1. Availability of both 12-month historical dividend yield<sup>24</sup> and 3-month ADTV in EUR
2. 3-month ADTV in EUR above EUR 3 million
3. Suspension from trading not exceeding 10% of the STOXX calendar trading days:

$$\text{Min Number of Price Observations}_{\text{Period}} = \text{Number of Trading Days}_{\text{Period}} \times 0.9$$

The remaining stocks compose the Eligible Universe.

<sup>23</sup> [www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

<sup>24</sup> Please see STOXX Reference Calculation Guide available on stoxx.com.



# 10. iSTOXX ECONOMIC GROWTH SELECT INDICES

## Composition list:

The following Equal Strength Ratio is calculated for all stocks in the Eligible Universe:

$$ESR = \sqrt{\frac{x}{N}}$$

where:

N Number of stocks in the Eligible Universe

x Number of stocks in the final index (50)

All stocks in the Eligible Universe are sorted in ascending order in terms of volatility (maximum between the 3-month and 12-month historical volatility in EUR) and a number of companies with lowest volatility is selected based on the ESR:

$$\text{number of companies to select (Volatility screen)} = \text{round down of } (ESR \times N)$$

All selected stocks are ranked in descending order in terms of dividend yield and the highest ranked 50 stocks are selected for the final index. In case of identical dividend yields, priority goes to the stock with the lowest volatility from the volatility screen.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

**Weighting and capping factors:** The weighting factors are calculated based on the normalized GDP Score. The GDP Score is re-calculated on the review data in December.

For the 50 selected companies, a GDP-growth score ("GDP Score") is simply equal to the 1-year GDP growth estimation of country c (country of classification of the company i) for the following year as reported by the IMF in their October World Economic Outlook Databases (set to zero if not reported)

The GDP Score are then normalized between 1 and 10:

$$\text{Normalized GDP Score}_i = 1 + \frac{(\text{GDP Score}_i - \text{Min}) * 9}{\text{Max} - \text{Min}}$$

i company i

Min the minimum GDP Score value among the 50 constituents

Max the maximum GDP Score value among the 50 constituents

The target weights are then calculated by using the Normalized GDP Scores:

$$w_i = \frac{\text{Normalized GDP Score}_i}{\sum_{j=1}^{50} \text{Normalized GDP Score}_j}$$

The weight cap factors are calculated on the basis of the stocks' closing prices in EUR of the Thursday prior to the second Friday of the review month:

## 10. iSTOXX ECONOMIC GROWTH SELECT INDICES

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Weighting cap factor =  $(1,000,000,000 \times w_i / \text{closing price}_i)$ , rounded to integers. Additionally, the components are capped at a maximum weight of 5%.

### 10.1.3. ONGOING MAINTENANCE

**Replacements:** Not applicable.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index

**Mergers and takeovers:** Standard STOXX process.

**Corporate Actions:** All component are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com).

# 11. iSTOXX HIGH DIVIDEND INDICES

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## 11.1. EURO iSTOXX EX FINANCIALS HIGH DIVIDEND 50 INDEX

### 11.1.1. OVERVIEW

The EURO iSTOXX ex Financials High Dividend 50 Index aims to select from the EURO STOXX ex Financials universe (Following the introduction of the new ICB classification that separates Real Estate from Financials Industry, and in order to retain the representation of the originally intended economic reality, effective with September 2020 Review, an additional filter excluding ICB Industry Real Estate (ICB code: 35) will be applied), 50 stocks with high dividend yields, while applying a maximum weight cap of 10% per company. Companies are weighted by dividend yield.

**Universe:** The index universe is defined by the parent index EURO STOXX ex Financials index. Following the introduction of the new ICB classification that separates Real Estate from Financials Industry, and in order to retain the representation of the originally intended economic reality, effective with September 2020 Review, an additional filter excluding ICB Industry Real Estate (ICB code: 35) will be applied.

**Weighting scheme:** The constituents from the indices are weighted according to their 12 months historical gross dividend yield with a 10% constituent cap

**Base values and dates:** 100 as of Mar 22, 2004

**Index types and currencies:** Price, net and gross return in EUR and USD. Price versions in Realtime, others end of day.

### 11.1.2. INDEX REVIEW

The review cut-off date is the last trading day of the month preceding the review of the index.

**Selection list:** All companies of the EURO STOXX ex Financials Index (Following the introduction of the new ICB classification that separates Real Estate from Financials Industry, and in order to retain the representation of the originally intended economic reality, effective with September 2020 Review, an additional filter excluding ICB Industry Real Estate (ICB code: 35) will be applied) are screened for their

- » 12 Months historical gross dividend yield<sup>25</sup>
- » Free-float market capitalization in EUR
- » 3 Months Average Daily Traded Volume in EUR (ADTV)

If a value is not available for a security, the security is removed from the base universe. All remaining securities whose free-float market capitalization or 3 Month ADTV is not ranked among the top 75% are excluded from the universe of selection. All eligible companies are ranked according to their 12 months historical gross dividend yield in descending order.

**Component selection:** The highest ranked 50 companies by gross dividend yield are selected

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

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<sup>25</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](https://www.stoxx.com).

## Weighting cap factors:

Weight determination:

$$w_i = \frac{\frac{D_i}{p_i}}{\sum_{j=1}^N \frac{D_j}{p_j}}$$

$w_i$  = weight  
 $D_i$  = gross dividend of company i  
 $p_i$  = closing price of company i  
 $D_j$  = gross dividend of company j  
 $p_j$  = closing price of company j  
 $N$  = number of index components

Weighting cap factor =  $\frac{\text{weight in percentage} \times 1000000000}{\text{price in EUR}}$ , rounded to integers.

Components are capped at a maximum weight of 10% per security.

The weighting cap factors are published on the second Friday in March, June, September and December, one week prior to quarterly review implementation using Thursday's closing prices.

### 11.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the parent index, EURO STOXX ex Financials, which remain in the STOXX Total Market Index are not deleted from the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index.

## 11.2. EURO iSTOXX HIGH DIVIDEND LOW VOLATILITY 50 INDEX

### 11.2.1. OVERVIEW

The EURO iSTOXX High Dividend Low Volatility 50 Index aims to select from the EURO STOXX universe, 50 stocks with high dividend yields and low volatility, while applying a maximum cap of 10 constituents per country and a maximum weight cap of 3% per security.

**Universe:** The index universe is defined by the parent index EURO STOXX index

**Weighting scheme:** Price-weighted with a weighting cap factor according to their 12 months historical gross dividend yield

**Base values and dates:** 100 as of Mar 22, 2004

For a complete list please consult the data vendor code sheet on the website<sup>26</sup>. Customized solutions can be provided upon request.

**Index types and currencies:** Price, net and gross return in EUR and USD. Realtime for the price versions, end of day for the others.

### 11.2.2. INDEX REVIEW

The review cut-off date is the last trading day of the month preceding the review of the index.

**Selection list:**

- All companies of the EURO STOXX index are screened for their 12 months historical volatility (in EUR) and 12 months historical gross dividend yield and companies are removed from the list if one of the two values is not available<sup>27</sup>
- The remaining companies are ranked according to their 12 months historical gross dividend yield in descending order
- The highest ranked 75 stocks are eligible for the further selection process under the constraint that a maximum of 10 companies per country can be chosen
- All eligible companies are ranked according to their 12 months historical volatility (in EUR) in ascending order

**Component selection:** The highest ranked 50 securities are selected

**Review frequency:** The index is reviewed on a quarterly basis in March, June, September and December

**Weighting cap factors:** Components are capped at 3%.

Weight determination:

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<sup>26</sup> [www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

<sup>27</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

$$w_i = \frac{\frac{D_i}{p_i}}{\sum_{j=1}^N \frac{D_j}{p_j}}$$

$w_i$  = weight  
 $D_i$  = gross dividend of company i  
 $p_i$  = closing price of company i  
 $D_j$  = gross dividend of company j  
 $p_j$  = closing price of company j  
 $N$  = number of index components

Weighting cap factor =  $\frac{\text{weight in percentage} \times 1000000000}{\text{price in EUR}}$ , rounded to integers.

The weighting cap factors are published on the second Friday in March, June, September and December, one week prior to quarterly review implementation using Thursday's closing prices.

### 11.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced. If a company is deleted from the EURO STOXX but remains in the Global Total Market Index, this stock will not be excluded from this index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index.

## 12.EURO iSTOXX 60 EQUAL WEIGHT INDEX AND EURO iSTOXX 70 EQUAL WEIGHT INDEX

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### 12.1. EURO iSTOXX 60 EQUAL WEIGHT INDEX AND EURO iSTOXX 70 EQUAL WEIGHT INDEX

#### 12.1.1. OVERVIEW

The constituents for the EURO iSTOXX 60 Equal Weight and EURO iSTOXX 70 Equal Weight indices are selected from the EURO STOXX universe. The 60, and 70, largest constituents in terms of free-float market capitalization are selected respectively. The constituents of the indices are equal weighted.

**Universe:** All securities from the EURO STOXX index.

**Weighting scheme:** Equal Weighted

**Base value and date:** 100 on Dec 19, 2005

**Index types and currencies:** Price, net and gross return in EUR and USD.

#### 12.1.2. INDEX REVIEW

**Selection list:** All securities from the EURO STOXX index.

**Composition list:** The 60, and 70, largest constituents in terms of free-float market capitalization are selected respectively. The constituents of the indices are equal weighted. The component selection list will be produced on a quarterly basis.

**Weighting cap factors:** No capping is applied.

**Review frequency:** The components are reviewed quarterly. The review cut-off date for the underlying data is the last trading day of the month preceding the review.

#### 12.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index.

**Mergers and takeovers:** Standard STOXX process.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com).

# 13.iSTOXX GLOBAL WOMEN LEADERSHIP SELECT 30 INDEX

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## 13.1. iSTOXX GLOBAL WOMEN LEADERSHIP SELECT 30 INDEX

### 13.1.1. OVERVIEW

The iSTOXX Global Women Leadership Select 30 Index aims to select, among the STOXX Global 1800, 30 constituents that display a relatively high proportion of women at board level, in addition to high dividend and low volatility. The components are weighted according to the inverse of volatility.

**Universe:**

The index universe is defined by the STOXX Global 1800 Index

The universe is as observed on the review effective date, i.e. future composition.

**Weighting scheme:** The index components are weighted according to the inverse of their volatility.

**Base values and dates:** The following base values and dates apply: 100 on Mar 22, 2004

For a complete list please consult the data vendor code sheet on the website<sup>28</sup>. Customized solutions can be provided upon request.

**Index types and currencies:**

Price, net return and gross return in EUR and USD.

### 13.1.2. INDEX REVIEW

**Selection list:**

All stocks in the base universe are first screened for the following indicators:

- i) Women Leadership score as determined by the proportion of women on the management board of the company
- ii) 12-month historical dividend yield (DY)<sup>29</sup>
- iii) 3-month and 12-month historical volatility in EUR

All values above are observed as of the cut-off date.

If both 3-month and 12-month historical volatility of a stock has missing information, then the company is removed from the base universe. If the Women Leadership score or the DY of a stock has missing information, then zero is substituted for that indicator.

**Composition list:**

All eligible stocks are first sorted in descending order based on the Women Leadership score, and the top 50% (highest Women Leadership score) stocks are selected. In case two companies for a given cut-off date have identical Women Leadership scores, priority goes to the stock with the highest dividend yield.

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<sup>28</sup> [www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

<sup>29</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).



# 13. iSTOXX GLOBAL WOMEN LEADERSHIP SELECT 30 INDEX

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Next, stocks are sorted in ascending order in terms of volatility (maximum between the 3-month and 12-month historical volatility) and the top 300 (lowest volatility) stocks are selected for the next step of the selection process.

The final index composition is obtained by sorting the remaining stocks in descending order in terms of 12-month historical dividend yield and selecting the top 30 (highest dividend yield) stocks.

## Review frequency:

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

## Weighting cap factors:

All components in the final index composition are subject to a weighting cap factor based on the inverse of their historical volatility on a quarterly basis as follows:

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

$w_i$  weight of component i

$\sigma_i$  Maximum between the 3-month and 12-month historical volatility of component i

Weighting cap factor = (1,000,000,000 x initial weight / closing price of the stock in EUR) and rounded to the nearest integer value.

Components are capped at a maximum weight of 10%.

### 13.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com).

## 14. EURO iSTOXX BANKS CAP 5% INDEX

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### 14.1. EURO iSTOXX BANKS CAP 5% INDEX

#### 14.1.1. OVERVIEW

The EURO iSTOXX Banks Cap 5% index replicates the returns of a more strictly capped version of the EURO STOXX Banks index. Components are capped to a maximum of 5%.

**Universe:** EURO STOXX Banks.

**Weighting scheme:** The index is weighted according to free-float market capitalization with a capping at 5%.

**Base values and dates:** 100 on Jan 2, 2001

**Index types and currencies:** Price, net return, gross return in EUR and USD.

#### 14.1.2. INDEX REVIEW

**Composition list:** The components of the parent index, EURO STOXX Banks, build up the composition list.

**Review frequency:** The index is reviewed quarterly in line with its parent index.

**Weighting cap factors:** Components are capped quarterly at a maximum weight of 5%. The weighting cap factors are published on the second Friday of the quarter, one week prior to quarterly review implementation, and calculated using Thursday's closing prices.

#### 14.1.3. ONGOING MAINTENANCE

**Replacements:** All changes affecting the EURO STOXX Banks also apply for the EURO iSTOXX Banks Cap 5%.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs, mergers and takeovers:** All changes affecting the EURO STOXX Banks also apply for EURO iSTOXX Banks Cap 5%.

# 15.iSTOXX BÖRSEN-ZEITUNG GLOBAL 600 INDEX

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## 15.1. iSTOXX BÖRSEN-ZEITUNG GLOBAL 600 INDEX

### 15.1.1. OVERVIEW

The iSTOXX Börsen-Zeitung Global 600 Index aims to select the 200 largest companies from the three regions North America, Asia Pacific and Europe. The largest 200 components from each region are aggregated, so that each region contributes an equal number of companies. The components are weighted according to free-float market capitalization.

**Universe:** The index universe is defined by the STOXX Global 1800 Index.

**Weighting scheme:** Free Float Market Cap weighted without capping.

**Base values and dates:** 100 on Sep 17, 2010

For a complete list please consult the data vendor code sheet on the website<sup>30</sup>.

**Index types and currencies:** Price, net return and gross return in EUR.

### 15.1.2. INDEX REVIEW

The largest components of the three regions are derived from their respective STOXX <Region> Benchmark index. E.g. the STOXX Europe 600 serves as basis for the STOXX Europe Large 200 Index.

For the iSTOXX Börsen-Zeitung Global 600 Index the three "<Regional> Large 200" indices are aggregated (North America, Asia/Pacific, Europe).

**Selection list:** After the review of the STOXX regional Benchmark Index has been conducted according to chapters 7.1 and 7.2 in the STOXX Index Methodology Guide<sup>31</sup>, all components are ranked by the free-float market capitalization to produce the review selection list for the "<Regional> Large 200" indices.

**Composition list: Large-Size indices (28 ⅓ % - 38 ⅓ % buffer rule)**

Target coverage: Largest ⅓ (33 ⅓%) of the companies from the relevant fixed component index:

1. The largest 28 ⅓% stocks on the selection list are selected.
2. The remaining 5% stocks are selected from the largest remaining current components of the according fixed component index, ranked between 28 ⅓% and 38 ⅓%.
3. If the number of stocks selected is still below 33 ⅓%, the largest remaining stocks are selected until there are sufficient stocks in the index.

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<sup>30</sup>[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

<sup>31</sup>[https://www.stoxx.com/documents/stoxxnet/Documents/Indices/Common/Indexguide/stoxx\\_index\\_guide.pdf](https://www.stoxx.com/documents/stoxxnet/Documents/Indices/Common/Indexguide/stoxx_index_guide.pdf)

# 15. iSTOXX BÖRSEN-ZEITUNG GLOBAL 600 INDEX

| Size /Buffer                      | STOXX Europe<br>Large 200 | STOXX North America<br>Large 200 | STOXX Asia/Pacific<br>Large 200 |
|-----------------------------------|---------------------------|----------------------------------|---------------------------------|
| Target coverage per<br>Size Index | 200                       | 200                              | 200                             |
| Large (upper buffer)              | 170                       | 170                              | 170                             |
| Large (lower buffer)              | 230                       | 230                              | 230                             |

**Review frequency:** The indices are reviewed on a quarterly basis together with the fixed component benchmark indices.

**Weighting cap factors:** No capping applicable.

## 15.1.3. ONGOING MAINTENANCE

**Replacements:** To maintain the number of components, a deleted stock is replaced with the highest-ranked non-component on the selection list. The selection list is updated on a monthly basis according to the review component selection process. During review implementation month the process laid out in section 2.4. of the iSTOXX Methodology Guide will be applied.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** All changes affecting the parent index also apply for the size indices.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com).

# 16.iSTOXX DIVERSITY IMPACT SELECT INDICES

## 16.1. iSTOXX DIVERSITY IMPACT SELECT INDICES

### 16.1.1. OVERVIEW

The iSTOXX Diversity Impact Select 30 Indices focus on a pool of leading companies in terms of Workforce Diversity and Discrimination Policies and select 30 stocks out of them with low volatility, high dividend yield and high liquidity.

| Index name                                                  | Symbol   | Bloomberg ticker | Reuters RIC |
|-------------------------------------------------------------|----------|------------------|-------------|
| iSTOXX Europe Diversity Impact Select 30 EUR (Price)        | SXEDISP  | SXEDISP Index    | .SXEDISP    |
| iSTOXX Europe Diversity Impact Select 30 EUR (Net Return)   | SXEDISR  |                  | .SXEDISR    |
| iSTOXX Europe Diversity Impact Select 30 EUR (Gross Return) | SXEDISGR |                  | .SXEDISGR   |
| iSTOXX Europe Diversity Impact Select 30 USD (Price)        | SXEDISL  | SXEDISL Index    | .SXEDISL    |
| iSTOXX Europe Diversity Impact Select 30 USD (Net Return)   | SXEDISV  |                  | .SXEDISV    |
| iSTOXX Europe Diversity Impact Select 30 USD (Gross Return) | SXEDISGV |                  | .SXEDISGV   |
| iSTOXX Global Diversity Impact Select 30 EUR (Price)        | SXGDISP  | SXGDISP Index    | .SXGDISP    |
| iSTOXX Global Diversity Impact Select 30 EUR (Net Return)   | SXGDISR  |                  | .SXGDISR    |
| iSTOXX Global Diversity Impact Select 30 EUR (Gross Return) | SXGDISGR |                  | .SXGDISGR   |
| iSTOXX Global Diversity Impact Select 30 USD (Price)        | SXGDISL  | SXGDISL Index    | .SXGDISL    |
| iSTOXX Global Diversity Impact Select 30 USD (Net Return)   | SXGDISV  |                  | .SXGDISV    |
| iSTOXX Global Diversity Impact Select 30 USD (Gross Return) | SXGDISGV |                  | .SXGDISGV   |

**Universe:** The index universe is defined by all the stocks included in the STOXX Global 1800 Index for the Global version, STOXX Europe 600 for the Europe version.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Sep 21, 2009

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

For a complete list please consult the data vendor code sheet on the website<sup>32</sup>. Customized solutions can be provided upon request.

<sup>32</sup>[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

# 16. iSTOXX DIVERSITY IMPACT SELECT INDICES

## 16.1.2. INDEX REVIEW

### Selection list:

The review cut-off date is the last trading day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the following indicators:

- i) "Diversity Impact" score, calculated as the average of the "Discrimination" and "Diversity" scores for each company. These 2 scores come from a transparent ESG risk rating model provided by Sustainalytics. In specific, those two Social indicators range from 0 to 100 for each company and are defined as follows:
  - a. S.1.2 Discrimination Policy: an assessment of the quality of the company's policy to eliminate discrimination and ensure equal opportunity
  - b. S.1.3 Diversity Programmes: an assessment of the strength of the company's initiatives to increase the diversity of its workforce.
- ii) 12-month historical dividend yield<sup>33</sup>
- iii) 3-month and 12-month historical volatility in EUR
- iv) 3-month Average Daily Traded Volume (ADTV) in EUR

If any of the fields ii) to iv) above have missing information for a stock, then that company is removed from the base universe. If the Discrimination (i.a) or the Diversity (i.b) indicators for a company have missing information, then a score of zero (0) is assigned to them instead.

Finally, the Selection list constitutes of all the stocks in the base universe that fulfill the conditions above, have a 3-month ADTV equal to or exceeding 5 million EUR, and additionally, have not been suspended from trading for more than 10% of the total trading days in the STOXX calendar in the previous 12 months:

$$\text{Min Number of Price Observations}_{\text{Period}} = \text{Number of Trading Days}_{\text{Period}} \times 0.9$$

### Composition list:

All eligible stocks are first sorted in descending order based on the Diversity Impact score, and the top 50% (highest score) stocks are selected. In case two companies for a given cut-off date have the same score, priority is given to the one with the highest dividend yield. In the case where two companies are tied in both Diversity Impact score and dividend yield (e.g. no dividend has been paid in the last 12 months by any of the companies, and both display a Diversity Impact score of 50), priority is given to the one with the lowest volatility (maximum between the 3-month and 12-month historical volatility in EUR).

Consequently, stocks are sorted in ascending order in terms of volatility (as defined above). For the Global version, the top 300 (lowest volatility stocks) are selected for the next step of the selection process, while for the Europe version, the top 100 stocks are selected instead.

Finally, the stocks are ranked in descending order in terms of 12-month historical dividend yield and the top 30 (highest dividend yield) stocks are selected in the index.

<sup>33</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](https://www.stoxx.com).

# 16. iSTOXX DIVERSITY IMPACT SELECT INDICES

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the Selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

$w_i$  target weight of component  $i$   
 $\sigma_i$  Maximum between the 3-month and 12-month historical volatility of component  $i$ , as of review cut-off date, based on prices in EUR  
 $N$  Number of constituents in the index

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

**Derived Indices:** The iSTOXX Europe Diversity Impact Select 30 Net Return Index serves as input for the iSTOXX Europe Diversity Impact Select 30 NR Decrement 5% Index, while the iSTOXX Global Diversity Impact Select 30 Net Return Index serves as input for the iSTOXX Global Diversity Impact Select 30 NR Decrement 5% Index.

## 16.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases in its ESG-risk level to level 5 the respective constituent will be deleted from the index. The deletion will take place two trading days after the announcement. The constituent's weight will be distributed among the remaining constituents. This is in line with the STOXX ESG Indices.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stox.com](http://stox.com)

# 16. iSTOXX DIVERSITY IMPACT SELECT INDICES

## 16.2. iSTOXX DIVERSITY ENHANCED IMPACT SELECT INDICES

### 16.2.1. OVERVIEW

The iSTOXX Global Diversity Enhanced Impact Select 30 Index tracks the performance of 30 liquid stocks with low volatility and high dividend yield. The components are selected from a pool of leading companies in terms of workforce diversity and discrimination policies. Industry and country neutrality filters are applied in the selection process to ensure diversification. Companies who are non-compliant with Global Standards Screening (GSS) or are involved in Controversial Weapons activities, as identified by Sustainalytics, are excluded. Effective up until September 2020 review, additionally, the Coal sector (ICB Code 1771) and the Tobacco sector (ICB Code 3785) are excluded. Effective with September 2020 review, additionally, the Coal sector (ICB Code 60101040) and the Tobacco sector (ICB Code 45103010) are excluded.

**Universe:** The index universe is defined by all the stocks included in the STOXX Global 1800 Index, as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

For a complete list please consult the data vendor code sheet on the website<sup>34</sup>. Customized solutions can be provided upon request.

### 16.2.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the following indicators:

- i. "Diversity Impact" score, calculated as the average of the "Discrimination" and "Diversity" scores for each company. These 2 scores come from a transparent ESG risk rating model provided by Sustainalytics. In specific, those two Social indicators range from 0 to 100 for each company and are defined as follows:
  - a. S.1.2 Discrimination Policy: an assessment of the quality of the company's policy to eliminate discrimination and ensure equal opportunity
  - b. S.1.3 Diversity Programmes: an assessment of the strength of the company's initiatives to increase the diversity of its workforce.
- ii. 12-month historical dividend yield<sup>35</sup>

<sup>34</sup>[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

<sup>35</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).



## 16. iSTOXX DIVERSITY IMPACT SELECT INDICES

- iii. 3-month and 12-month historical volatility in EUR
- iv. 3-month Average Daily Traded Volume (ADTV) in EUR

If any of the fields ii) to iv) above have missing information for a stock, then that company is removed from the base universe. If the Discrimination (i.a) or the Diversity (i.b) indicators for a company have missing information, then a score of zero (0) is assigned to them instead.

The Selection list constitutes of all the stocks in the base universe that fulfil the conditions below:

- Assigned to one of the following countries by STOXX in one of the countries below:
  - a. North America: United States or Canada
  - b. Europe: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland or United Kingdom
  - c. Asia: Australia, Hong Kong, Israel, Japan, New Zealand or Singapore
- Not in contravention of Global Standards or involved in Controversial Weapons activities, as identified by Sustainalytics
- Effective up until September 2020 review, not belonging to the Coal or Tobacco ICB subsectors (1771, 3785 ICB codes)  
Effective with September 2020 review, not belonging to the Coal or Tobacco ICB subsectors (60101040, 45103010 ICB codes)
- 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 5 million EUR
- No suspension from trading for more than 10% of the total trading days in the STOXX calendar in the previous 12 months<sup>36</sup>

**Composition list:** All eligible stocks are first sorted in descending order based on the Diversity Impact score, and the top 50% (highest score) stocks are selected. In case two companies for a given cut-off date have the same score, priority is given to the one with the highest dividend yield. In the case where two companies are tied in both Diversity Impact score and dividend yield (e.g. no dividend has been paid in the last 12 months by any of the companies, and both display a Diversity Impact score of 50), priority is given to the one with the lowest volatility (maximum between the 3-month and 12-month historical volatility in EUR).

Subsequently, stocks are sorted in ascending order in terms of volatility (as defined above). The top 300 (lowest volatility stocks) are selected for the next step of the selection process. In case less than 300 companies remain after the Diversity Impact score filtering, then the volatility step is omitted and all securities are eligible for the next step of the selection process (dividend screening).

Finally, the stocks are ranked in descending order in terms of 12-month historical dividend yield and the top 30 (highest dividend yield) stocks are selected to compose the index, in such a way that the following conditions are met:

### 1) Industry

Effective up until September 2020 review, maximum of 7 components coming from each of 11 industrial groupings, identified based on the ICB Classification system, following the categorization below:

<sup>36</sup>  $\text{Min Number of Price Observations}_{\text{period}} = \text{Number of Trading Days}_{\text{period}} * 0.9$

# 16. iSTOXX DIVERSITY IMPACT SELECT INDICES

| Grouping           | ICB codes                         |
|--------------------|-----------------------------------|
| Oil & Gas          | Industry 1                        |
| Basic Materials    | Industry 1000                     |
| Industrials        | Industry 2000                     |
| Consumer Goods     | Industry 3000                     |
| Health Care        | Industry 4000                     |
| Consumer Services  | Industry 5000                     |
| Telecommunications | Industry 6000                     |
| Utilities          | Industry 7000                     |
| Financials         | Supersectors 8300, 8500, and 8700 |
| Real Estate        | Supersector 8600                  |
| Technology         | Industry 9000                     |

Effective with September 2020 review, maximum of 7 components coming from each of 11 industrial groupings, identified based on the ICB Classification system, following the categorization below:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Energy                 | Industry 60 |
| Basic Materials        | Industry 55 |
| Industrials            | Industry 50 |
| Consumer Staples       | Industry 45 |
| Health Care            | Industry 20 |
| Consumer Discretionary | Industry 40 |
| Telecommunications     | Industry 15 |
| Utilities              | Industry 65 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Technology             | Industry 10 |

## 2) Region

Maximum of 15 components and minimum of 3 components coming from the 3 geographic regions as defined in the selection list section (North America, Europe, Asia)

## 3) Country

For each country  $i$ , a maximum number of components is calculated as follows, rounded to the nearest integer:

$$K_i = (\text{SXW1}_i + 10\%) * N$$

where:

- $K_i$  maximum number of components from country  $i$ , allowed for inclusion in the iSTOXX Global Diversity Enhanced Impact Select 30 Index
- $\text{SXW1}_i$  weight of the components coming from country  $i$ , in the STOXX Global 1800 Index (parent index), as of the cutoff date
- $N$  number of constituents in the iSTOXX Global Diversity Enhanced Impact Select 30 Index

If the composition list cannot be completed with 30 names under the above constraints, the industry constraint (1) is relaxed, allowing a maximum of 8 components per grouping instead of 7. Further

## 16. iSTOXX DIVERSITY IMPACT SELECT INDICES

relaxation of this constraint is repeated if necessary until 30 components have been selected in the index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

$w_i$  target weight of component  $i$   
 $\sigma_i$  maximum between the 3-month and 12-month historical volatility of component  $i$ , as of review cut-off date, based on prices in EUR  
 $N$  number of constituents in the index

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 16.2.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable

**Spin-offs:** Spin-offs are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

# 17.iSTOXX EUROPE ORIGIN 100 EQUAL WEIGHT INDICES

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## 17.1. iSTOXX EUROPE ORIGIN 100 EQUAL WEIGHT INDICES

### 17.1.1. OVERVIEW

The iSTOXX Europe Origin 100 Equal Weight index selects the biggest companies of France and Germany by free-float market cap from the Stoxx Europe 600 benchmark and assigns them an equal weight. The component selection and rebalance is conducted on a quarterly basis in March, June, September and December.

**Universe:** The index universe is defined by STOXX Europe 600 index.

**Weighting scheme:** The index is price-weighted with weighting cap factors to achieve equal-weight.

**Base values and dates:** 100 on Sep 24, 2007

For a complete list please consult the data vendor code sheet on the website<sup>37</sup>. Customized solutions can be provided upon request.

**Index types and currencies:** Price, net and gross return in EUR and USD.

### 17.1.2. INDEX REVIEW

**Selection list:** From the universe only the stocks from France and Germany are selected.

**Composition list:** All stocks in the selection list are ranked by their free-float market cap. Then the union of the 60 best ranked stocks in France and the 40 best ranked stocks in Germany are selected to be part of the index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December in line with the parent index. The review cut-off date for the underlying data is the last trading day of the month preceding the review month. The new composition of the Stoxx Europe 600 effective on Monday following the third Friday of the month (March, June, September, December) is used as base universe.

**Weighting cap factors:** All components are equal-weighted on a quarterly basis. The weightings are published on the second Friday of each quarter, one week prior to quarterly review implementation using Thursday's closing prices. Weighting cap factor =  $(1,000,000,000 * \text{weight in percentage} / \text{closing price of the stock in EUR})$  and rounded to integers.

### 17.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced. Stocks deleted from the parent index, which remain in the STOXX Total Market Index are not deleted from the index.

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<sup>37</sup>[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

## 17. iSTOXX EUROPE ORIGIN 100 EQUAL WEIGHT INDICES

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**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spun-off companies are not added permanently to the index.

**Mergers and takeovers:** Standard STOXX process.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 18. EURO ISTOXX 80 EQUAL WEIGHT INDEX AND EURO ISTOXX 100 EQUAL WEIGHT INDEX

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## 18.1. EURO ISTOXX 80 EQUAL WEIGHT INDEX AND EURO ISTOXX 100 EQUAL WEIGHT INDEX

### 18.1.1. OVERVIEW

The constituents for the EURO ISTOXX 80 Equal Weight and EURO ISTOXX 100 Equal Weight indices are selected from the EURO STOXX universe. The 80, and 100, largest constituents in terms of free-float market capitalization are selected respectively. The constituents of the indices are equal weighted.

**Universe:** All securities from the EURO STOXX index.

**Weighting scheme:** Equal Weighted

**Base value and date:** 100 on Dec 19, 2005

**Index types and currencies:** Price, net and gross return in EUR and USD.

### 18.1.2. INDEX REVIEW

**Selection list:** All securities from the EURO STOXX index with a 3m ADTV of EUR 10.000.000 or more.

**Composition list:** The 80, and 100, largest constituents in terms of free-float market capitalization are selected respectively. The constituents of the indices are equal weighted. The component selection list will be produced on a quarterly basis.

**Weighting cap factors:** No capping is applied.

**Review frequency:** The components are reviewed quarterly. The review cut-off date for the underlying data is the last trading day of the month preceding the review.

### 18.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index.

**Mergers and takeovers:** Standard STOXX process.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com).

# 19.iSTOXX DYNAMIC STYLE INDICES

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## 19.1. iSTOXX USA DYNAMIC QUALITY VALUE INDEX

### 19.1.1. OVERVIEW

The objective of the iSTOXX USA Dynamic Quality Value Index is to invest in high quality companies in the STOXX USA 900 Index that have sound fundamentals and attractive valuation and in companies with sustainable income that are high dividend payers respectively. The index is constructed by first building the value strategy, iSTOXX USA Pure Value, and the income strategy, iSTOXX USA Income, and then dynamically allocating between them.

### iSTOXX USA PURE VALUE

#### 19.1.1.1. OVERVIEW

The objective of the iSTOXX USA Pure Value Index is to invest in high quality companies in the STOXX USA 900 Index that have sound fundamentals and attractive valuation.

**Universe:** The index universe is defined by the parent index, the STOXX USA 900.

**Weighting scheme:** The final index weights are price-weighted based on the result of an optimisation process.

**Base values and dates:** 100 on Feb 21, 2005

**Index types and currencies:** Price, net and gross return in USD.

**Dissemination calendar:** STOXX US calendar.

For a complete list please consult the data vendor code sheet on the website<sup>38</sup>. Customized solutions can be provided upon request.

#### 19.1.1.2. INDEX REVIEW

##### Selection List:

Companies are selected from the STOXX USA 900. Initially, quality metrics are used to identify companies which do not meet certain criteria in terms of fundamentals. Fundamental data is used to calculate the raw quality components (e.g. FCF/Assets). The raw quality components are then aggregated to arrive at the Quality Factor Scores respectively (i.e. Profitability, Earnings Quality, Management Quality, Earnings Revision and Leverage). The Value Quality Score is calculated from the Quality Factor Scores.

The raw quality components which contribute to a quality factor are first discretized in 25 equal sized buckets based on their universe ranking. Discrete scores range from -12 to 12.

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<sup>38</sup> [www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

The discrete scores for the raw quality components are then aggregated<sup>39</sup> to calculate the Quality Factor Score (e.g. Profitability Score, Earnings Quality Score etc.) and the Quality Factor Scores are then averaged to arrive at a final Value Quality Score.

- Profitability
  - Free Cash Flow/Assets
  - Return On Assets
  - Return On Equity
  - Gross Profitability (Gross Profit / Assets)
  - Gross Margin
  - Asset Turnover
- Earnings Quality
  - Balance sheet accruals
  - Cash-Flow accruals
  - Variability in Sales
  - Variability in Operating Income
  - Variability in Earnings
  - Variability in Cash-Flows
  - Variability in Analyst EPS FY1 Estimates to Price
  - Variability in Analyst Sales FY1 Estimates to Price
- Management Quality
  - Asset Growth
  - Issuance Growth
  - Capital Expenditure Growth
  - Capital Expenditure
- Earnings Revision
  - 3-month lookback FY1 earnings revision factor
  - 3-month lookback FY2 earnings revision factor
  - 3-month price momentum
- Leverage
  - Net Debt/EBITDA
  - Market Leverage
  - Book Leverage
  - Debt to Asset Ratio

**Composition list:**

The selection of stocks and the calculation of the weights are determined from an optimisation approach based on the calculated Value Score of the stocks.

The Value Score is calculated from the 3 Value Factors below:

- Pure/Deep value (B/P and Fwd S/P)
  - B/P
  - Fwd S/P (left out for Financials)
- Earnings Yield (Fwd E/P and Fwd EBITDA/EV)

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<sup>39</sup> The weightings are available on request based on license agreement



- Fwd E/P
  - Fwd EBITDA/EV (left out for Financials)
- CF Yield (OCF/P and FCF/P)
  - OCF/P
  - FCF/P

All raw valuation components (i.e. B/P, Fwd S/P, Fwd E/P, Fwd EBITDA/EV, OCF/P and FCF/P) are discretized in 25 equal sized buckets based on their ICB supersector classification. Discrete scores range from -12 to 12. Scores are then averaged to arrive at a final Value Score.

Any companies that meet the following conditions are then excluded from the Value universe before the optimization process:

- Value Quality Score is in the bottom 20% of the universe
- Value Quality Score is in the bottom 20% of its ICB supersector

The Value Scores of the remaining companies are converted into a market capitalization weighted cross-sectional z-scores by subtracting the market capitalization weighted mean of the Value Scores from the non-weighted Value Score and dividing by the market capitalization weighted standard deviation of the Value Scores.

The Value optimization portfolio is derived based on the Axioma optimization model. The objective function is to maximize the alpha where alpha is the value score converted to expected returns ( $\text{SpecificRisk} * \text{IC} * \text{Value Z-Score}$ ;  $\text{IC} = .05$ ) based on Grinold (1994)<sup>40</sup>. The information coefficient, IC, is a measure of the correlation between the Value Z-Score and realized returns.

The portfolio is limited to having between 200-300 components. Its active exposure to any ICB supersector can be at most 150 bps more than the weight of the ICB supersector in the STOXX USA 900 index. The optimizer is penalized for tilting the portfolio towards smaller cap stocks or stocks with poor earnings quality and targets a beta of 1.

In addition, the portfolio is also subject to security level constraints. The universe of stocks is classified into nine tiers according to volatility and market cap where stocks with low volatility and large market capitalization are grouped in the top tier. The maximum position in any stock in the top tier is 250 bps and this upper limit is reduced in step by 25bps in the next tier until the bottom tier would have an upper limit of 50bps. The minimum position in any stock is 25 bps. The one-way turnover limit is 20% per rebalance.

**Review frequency:** The reviews are conducted and implemented on a quarterly basis on the close of the third Friday in March, June, September and December. The cut-off date of the fundamental data, used to compute the factor scores, is the Wednesday before the second Friday of the review month.

Until October 2023, the reviews were conducted on the last dissemination day of February, May, August and November with a cut-off date of eight dissemination days before the review date.

<sup>40</sup> Grinold, Richard C. (1994) "Alpha is Volatility Times IC Times Score, or Real Alphas Don't Get Eaten." Journal of Portfolio Management, vol. 20, no. 4 (Summer) 9-16

**Weighting cap factors:**  $(1,000,000,000 \times w_i / \text{closing price}_i)$ , rounded to integers. The weighting cap factors are calculated based on the stocks' closing prices in USD of the second Friday of the review month.

Until October 2023, the weighting cap factors were calculated on the basis of the stocks' closing prices in USD from four dissemination days before the review date.

#### 19.1.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs stocks are not added permanently

**Mergers and takeovers:** Standard STOXX process

**Corporate Actions:** All index components are adjusted for corporate actions. Any event is treated in the same way in all indices. Please consult to the STOXX Calculation guide for the detailed treatments.

### iSTOXX USA INCOME

#### 19.1.1.4. OVERVIEW

The objective of the iSTOXX USA Income Index is to invest in high quality companies in the STOXX USA 900 Index with sustainable income that are high dividend payers.

**Universe:** The index universe is defined by the parent index, the STOXX USA 900.

**Weighting scheme:** The final index weights are price-weighted based on the result of an optimisation process.

**Base values and dates:** 100 on Feb 21, 2005

**Index types and currencies:** Price, net and gross return in USD.

**Dissemination calendar:** STOXX US Calendar.

For a complete list please consult the data vendor code sheet on the website<sup>41</sup>. Customized solutions can be provided upon request.

#### 19.1.1.5. INDEX REVIEW

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<sup>41</sup>  
[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

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**Selection List:**

Companies are selected from the STOXX USA 900. Initially, quality metrics are used to identify companies which do not meet certain criteria in terms of fundamentals. Fundamental data is used to calculate the raw quality components (e.g. FCF/Assets). The raw quality components are then aggregated to arrive at the Quality Factor Scores respectively (i.e. Profitability, Earnings Quality, Management Quality, Earnings Revision and Leverage). The Income Quality Score is calculated from the Quality Factor Scores.

The raw quality components which contribute to a quality factor are first discretized in 25 equal sized buckets based on their universe ranking. Discrete scores range from -12 to 12.

The discrete scores for the raw quality components are then aggregated<sup>42</sup> to calculate the Quality Factor Score (e.g. Profitability Score, Earnings Quality Score etc) and the Quality Factor Scores are then averaged to arrive at a final Income Quality Score.

- Profitability
  - Free Cash Flow/Assets
  - Return On Assets
  - Return On Equity
  - Gross Profitability (Gross Profit / Assets)
  - Gross Margin
  - Asset Turnover
- Earnings Quality
  - Balance sheet accruals
  - Cash-Flow accruals
  - Variability in Sales
  - Variability in Operating Income
  - Variability in Earnings
  - Variability in Cash-Flows
  - Variability in Analyst EPS FY1 Estimates to Price
  - Variability in Analyst Sales FY1 Estimates to Price
- Management Quality
  - Asset Growth
  - Issuance Growth
  - Capital Expenditure Growth
  - Capital Expenditure
- Earnings Revision
  - 3-month lookback FY1 earnings revision factor
  - 3-month lookback FY2 earnings revision factor
  - 3-month price momentum

**Composition list:**

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<sup>42</sup> The weightings are available on request based on license agreement

The selection of stocks and the calculation of the weights of the iSTOXX USA Income Index are determined from an optimisation approach based on the calculated Income Score of the stocks.

The Income Score is calculated from the dividend yield:

Dividend yield = Most recently reported quarterly Dividend Per Share (annualised) / current price

In addition, the following are calculated to use in filtering the universe before the Income optimization.

- a) Dividend Growth
  - o YoY percent change of most recently reported DPS
- b) Volatility
  - o 6-month volatility of daily price returns
- c) Dividend Payout (only positive values considered)
  - o Category: Banks and Utilities
    - Annualized DPS / LTM EPS
  - o Category: REITs
    - Annualized DPS / LTM AFFO per share
  - o Category: All others
    - Annualized DPS / LTM Free Cash Flow per share
- d) Income Leverage
  - o Category: Banks
    - Tangible Common Equity / Tangible Assets
  - o Category: All others
    - Net Debt / EBITDA

A company is also removed from the universe before Income optimization if any of the following conditions are met:

- Dividend Yield is in the top 3% of the dividend-paying universe
- Dividend Payout is in the top 5% within its dividend-paying category
- Dividend Growth is negative
- Volatility is in the top 20% of the universe
- Income Leverage is in the top 20% of its ICB supersector (excluding banks)
- Income Leverage is in the bottom 20% of its ICB supersector (banks only)
- Income Quality Score is in the bottom 20% of the universe
- Income Quality Score is in the bottom 20% of its ICB supersector

The selection of stocks and the determining of the weights are determined from an optimisation approach based on the Income Z-Score of the stocks. The Income Score is converted into a standard cross-sectional z-score by subtracting the mean of the Income Scores from the Income Score and dividing by the standard deviation of the Income Scores after the above selection criteria for the remaining companies.

The Value optimization portfolio is derived based on the Axioma optimization model. The objective function is to maximize the alpha where alpha is the income score converted to expected returns

(SpecificRisk \* IC \* Income Z-Score; IC = .05) based on Grinold (1994)<sup>43</sup>. The information coefficient, IC, is a measure of the correlation between the Income Z-Score and realized returns.

The portfolio is limited to having between 75-100 components. The portfolio exposure to any ICB industry (with the exception of financials which is further decomposed into Real Estate supersector and non-Real Estate supersectors) is no greater than 20%, or no more than 15% higher than the weight of the industry in the STOXX USA 900 index. The optimizer targets a beta of 0.8.

In addition, the portfolio is also subject to security level constraints. The universe of stocks is classified into six tiers according to volatility and market cap where stocks with low volatility and large market capitalization are grouped together. The maximum position in any stock in the top tier is 300 bps and this upper limit is reduced in step by 50bps in the next tier until the bottom tier would have an upper limit of 50bps. The minimum position in any stock is 25bps. The one-way turnover limit is 20% per rebalance.

**Review frequency:** The reviews are conducted and implemented on a quarterly basis on the close of the third Friday in March, June, September and December. The cut-off date of the fundamental data, used to compute the factor scores, is the Wednesday before the second Friday of the review month.

Until October 2023, the reviews were conducted on the last dissemination day of February, May, August and November with a cut-off date of eight dissemination days before the review date.

**Weighting cap factors:**  $(1,000,000,000 \times w_i / \text{closing price}_i)$ , rounded to integers. The weighting cap factors are calculated based on the stocks' closing prices in USD of the second Friday of the review month.

Until October 2023, the weighting cap factors were calculated on the basis of the stocks' closing prices in USD from four dissemination days before the review date.

#### 19.1.1.6. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs stocks are not added permanently

**Mergers and takeovers:** Standard STOXX process

**Corporate Actions:** All index components are adjusted for corporate actions. Any event is treated in the same way in all indices. Please consult the STOXX Calculation guide for the detailed treatments.

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<sup>43</sup> Grinold, Richard C. (1994) "Alpha is Volatility Times IC Times Score, or Real Alphas Don't Get Eaten." Journal of Portfolio Management, vol. 20, no. 4 (Summer) 9-16

## iSTOXX USA DYNAMIC QUALITY VALUE

### 19.1.1.7. OVERVIEW

The iSTOXX USA Dynamic Quality Value Index represents a dynamic allocation to the above high quality value strategy and sustainable income strategy. The weightings of the strategies within the index are governed by a volatility adjusted trend signal. The allocation to the value strategy can range from a minimum of 35% to a maximum of 80%. The portfolio is rebalanced monthly. At each rebalance, depending on the signal, the allocation to value and income may change in steps of 15%.

**Universe:** The index universe is defined by the iSTOXX USA Pure Value Index and the iSTOXX USA Income Index.

**Weighting scheme:** The index is weighted according to a dynamic allocation between the two universes with relative weighting in each universe left unchanged.

**Base values and dates:** 100 on May 31, 2005

**Dissemination calendar:** STOXX US Calendar

**Index types and currencies:** Price, net return, gross return in USD

### 19.1.1.8. INDEX REVIEW

#### Calculation of target allocation

- 1) Calculate 20-, 40-, and 60-day Sharpe ratios for both the Value and Income index using price returns:

$$SR_{cutoff}^x = \frac{\overline{R_U} \cdot 260}{\sqrt{\frac{1}{x-1} \sum_{t=cutoff-x+1}^{cutoff} \left( \frac{U_t}{U_{t-1}} - 1 - \overline{R_U} \right)^2 \cdot 260}}$$

$$\overline{R_U} = \frac{1}{x} \sum_{t=cutoff-x+1}^{cutoff} \left( \frac{U_t}{U_{t-1}} - 1 \right)$$

where

$x$  = number of daily returns (20, 40, 60)

$U_t$  = index value on day  $t$

**cutoff** = data cut-off date (four dissemination days before review date)

In case that for at least one window (20-, 40-, or 60-day) the average return in the Sharpe ratio calculation for both the Value and Income index is negative the Sharpe ratio formula is replaced by the average return formula in the following steps.

- 2) Calculate the average Sharpe ratio for both the Value and Income index.

- 3) If the average Sharpe ratio for the Value index is greater than the average Sharpe ratio of the Income index add 15 percentage points to the previous month's Value target allocation, otherwise subtract. The minimum and maximum allocations for the Value Index are 35% and 80% respectively (Income target allocation = 100% - Value target allocation).

**Composition list:** All stocks in the universe build up the index composition. The component weights are calculated by aggregating the respective Value index and Income index weight using the target allocation weight.

$$w_i = ta_V \cdot w_{i,V} + ta_I \cdot w_{i,I}$$

where

$ta_V$  = Value target allocation

$ta_I$  = Income target allocation

$w_{i,V}$  = weight of stock  $i$  in the Value index (0% if not in the index) as of the data cut-off date

$w_{i,I}$  = weight of stock  $i$  in the Income index (0% if not in the index) as of the data cut-off date

In review months of the universe indices (March, June, September, December) the Value and Income weights to be implemented are used.

**Review frequency:** The reviews are conducted and implemented on a monthly basis on the close of the third Friday. The review cut-off date for the underlying data is on the close of the second Friday of the month.

Until October 2023, the reviews were conducted on the last dissemination day of the month with a cut-off date of four dissemination days before the review date.

**Weighting cap factors:**  $(1,000,000,000 \times w_i / \text{closing price})$ , rounded to integers. The weighting cap factors are calculated based on the stocks' closing prices in USD of the second Friday of the month. Until October 2023, the weighting cap factors were calculated on the basis of the stocks' closing prices in USD from four dissemination days before the review date.

#### 19.1.1.9. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Mergers and takeovers:** Standard STOXX process.

**Corporate Actions:** All index components are adjusted for corporate actions. Any event is treated in the same way in all indices. Please consult the STOXX Calculation guide for detailed treatment.

## 19.2. iSTOXX USA DYNAMIC QUALITY GROWTH INDEX

### 19.2.1. OVERVIEW

The objective of the iSTOXX USA Dynamic Quality Growth index is to invest in high growth companies as well as in companies with sustainable growth prospects with attractive valuations.

The index is a blend of the iSTOXX USA Pure Growth Index and the iSTOXX USA Stable Growth Index.

### ISTOXX USA PURE GROWTH INDEX & ISTOXX USA STABLE GROWTH INDEX

#### 19.2.1.1. OVERVIEW

**Universe:** The index universes are defined by the parent index, the STOXX USA 900.

**Weighting scheme:** The indices are price-weighted based on the result of an optimisation process.

**Base values and dates:** 100 on February 28, 2005

For a complete list please consult the data vendor code sheet on the website<sup>44</sup>.

**Index types and currencies:** Price, net return, gross return in USD.

**Dissemination calendar:** STOXX US calendar.

#### 19.2.1.2. INDEX REVIEW

**Selection list:** Companies are selected from the STOXX USA 900. Initially, quality metrics are used to identify companies which do not meet certain criteria in terms of fundamentals. The fundamental data used is shown below and used to calculate the raw quality metrics (e.g. FCF/Assets).

The raw quality metrics which contribute to a quality factor are transformed to scores between 0 and 100 (the less companies in the group the further the minimum and maximum from the boundaries) before aggregation:

$$score = 100 - rank(metric) \cdot \frac{100}{count(metric)} + \frac{100}{2 \cdot count(metric)}$$

Depending on if the factor goes long a company when the component value is high (low), the discrete score will be high when the value is high (low). If a metric is not available, the default value is the bottom score.

The scores for the raw quality metrics are aggregated using the weights in brackets to calculate the Quality Factor Scores (e.g. Profitability Score, Earnings Quality Score, etc.) and the Quality Factor Scores are finally aggregated using the weights in brackets below to arrive at the final Quality Score.

<sup>44</sup> [www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)



- Profitability
  - Free Cash Flow/Assets
  - Return On Assets
  - Return On Equity
  - Gross Profitability (Gross Profit / Assets)
  - Gross Margin
  - Asset Turnover
- Earnings Quality
  - Balance sheet accruals
  - Cash-Flow accruals
  - Variability in Sales
  - Variability in Operating Income
  - Variability in Earnings
  - Variability in Cash-Flows
  - Variability in Analyst EPS FY1 Estimates to Price
  - Variability in Analyst Sales FY1 Estimates to Price
- Earnings Momentum
  - 1-month lookback FY1 earnings revision factor
  - 1-month lookback FY2 earnings revision factor
  - 3-month price momentum
- Leverage
  - Net Debt/EBITDA
  - Market Leverage
  - Book Leverage
  - Debt to Asset Ratio

For each company a Size Score is calculated as the z-score of the natural log of free-float market caps (whereby the values are centered by a weighted average using parent index weights).

#### **Composition list: iSTOXX USA PURE GROWTH INDEX**

The selection of stocks and the calculation of the weights of the iSTOXX USA Pure Growth Index are determined based on an optimisation approach using the calculated Growth Score of the stocks.

The Growth Score is calculated using the following metrics:

- Historical Growth
  - 3-year average EPS growth
  - 5-year average EPS growth
  - 3-year average FCFPS growth
  - 5-year average FCFPS growth
- Expected Growth
  - EPS long term growth forecast
  - EPS FY2 vs FY0 growth forecast
- Implied Growth
  - PE NTM
  - PB

All raw growth metrics (e.g. 3-year average EPS growth) are transformed to ranks before aggregation using the previous formula. Depending on if the factor goes long a company when the component value is high (low), the discrete score will be high when the value is high (low). If the metric is not available, the default value is the bottom score.

Scores for the raw growth metrics are aggregated to arrive at a final Growth Score.

Any companies that meet the following conditions are then excluded from the Pure Growth universe before the optimization process:

- Growth Score is in the bottom 40% of all companies in the parent index
- Quality Score is in the bottom 25% of all companies in the parent index
- Quality Score is in the bottom 25% of the respective ICB Supersector in the parent index

The Pure Growth composition is based on an optimization that maximizes the portfolio Growth Score.

The optimization constraints are as follows:

1. Portfolio level constraints:
  - a. Maximum one-way turnover is 35% per quarter
  - b. ICB Industry active exposure limits to be between 0.5 and 2 times the corresponding STOXX USA 900 ICB Industry weight whereby ICB Technology and Telecommunication are combined
  - c. Number of names in the portfolio between 125 and 200
  - d. Beta from 0.8 to 1.2
  - e. Portfolio Growth Score at least 1.3 times the parent index Growth Score
  - f. Portfolio Size Score at least -2
2. Asset level constraints:
  - a. Weights in portfolio  $\geq$  25 bps
  - b. The companies are grouped based on the sum of their large Size (measured by free-float market cap) and low Volatility (measured by 6-months volatility) percentage rank into seven equally-filled bins. Companies that fall in the top bin (large size and low volatility) would have an upper weight of 350 bps and the upper weight is reduced by 50 bps down the bins until the last bin would have an upper limit of 50 bps.

Until the February 2019 review the quality filter excluded the bottom 20 percent and the turnover constraint was set to 25%.

#### **Composition list: iSTOXX USA STABLE GROWTH INDEX**

The selection of stocks and the calculation of the weights of the iSTOXX USA Stable Growth Index are determined based on an optimisation approach using a Value and Profitability Composite Score.

The Value Score is calculated from the following value metrics:

- Pure/Deep value (B/P and Fwd S/P)
  - B/P

- Fwd S/P
- Earnings Yield (Fwd E/P and Fwd EBITDA/EV)
  - Fwd E/P
  - Fwd EBITDA/EV
- CF Yield (OCF/P and FCF/P)
  - OCF/P
  - FCF/P

All raw value metrics (e.g. B/P) are transformed to ranks before aggregation whereby the rank is calculated within the respective ICB Supersector. Depending on if the factor goes long a company when the component value is high (low), the discrete score will be high when the value is high (low). If a metric is not available, the default value is the bottom score. Scores are then aggregated using the weights mentioned in brackets above to arrive at a final Value Score.

Any companies that meet the following conditions are then excluded from the Stable Growth universe before the optimization process:

- Growth Score is in the bottom 40% of all companies in the parent index
- Quality Score is in the bottom 25% of all companies in the parent index
- Quality Score is in the bottom 25% of the respective ICB Supersector in the parent index

The Stable Growth composition is based on an optimization that maximizes the composite of the Value and Profitability Score of the portfolio.

The constraints are as follows:

1. Portfolio level constraints:
  - a. Maximum one-way turnover is 35% per quarter
  - b. ICB Industry active exposure limits to be between 0.3 and 1.5 times the corresponding STOXX USA 900 ICB Industry weight whereby ICB Technology and Telecommunication are combined
  - c. Number of names in the portfolio between 125 and 200
  - d. Beta from 0.9 to 1.1
  - e. Portfolio Growth Score at least 1.15 times the parent index Growth Score
  - f. Portfolio Size Score at least -2
2. Asset level constraints:
  - a. Weights in portfolio  $\geq$  25 bps
  - b. The companies are grouped based on the sum of their large Size (measured by free-float market cap) and low Volatility (measured by 6-months volatility) percentage rank into seven equally-filled bins. Companies that fall in the top bin (large size and low volatility) would have an upper weight of 350 bps and the upper weight is reduced by 50 bps down the bins until the last bin would have an upper limit of 50 bps.

Until the February 2019 review the quality filter excluded the bottom 20 percent, the turnover constraint was set to 25%, and the minimum growth constraint to 1.3.

**Review frequency:** The reviews are conducted and implemented on a quarterly basis on the close of the third Friday in March, June, September and December. The cut-off date of the fundamental

data, used to compute the factor scores, is the Wednesday before the second Friday of the review month.

Until October 2023, the reviews were conducted on the last dissemination day of February, May, August and November with a cut-off date of eight dissemination days before the review date.

**Weighting cap factors:**  $(1,000,000,000 \times w_i / \text{closing price}_i)$ , rounded to integers. The weighting cap factors are calculated based on the stocks' closing prices in USD of the second Friday of the review month.

Until October 2023, the weighting cap factors were calculated on the basis of the stocks' closing prices in USD from four dissemination days before the review date.

#### 19.2.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently.

**Mergers and takeovers:** Standard STOXX process.

**Corporate Actions:** All index components are adjusted for corporate actions. Any event is treated in the same way in all indices. Please consult to the STOXX Calculation guide for the detailed treatments.

### ISTOXX USA DYNAMIC QUALITY GROWTH INDEX

#### 19.2.2.1. OVERVIEW

The iSTOXX USA Dynamic Quality Growth Index represents a dynamic allocation to the above Pure and Stable Growth strategies. The weightings of the strategies within the index are governed by a volatility adjusted trend signal. The allocation to the Pure Growth strategy can range from a minimum of 35% to a maximum of 65%. The portfolio is rebalanced monthly. At each rebalance, depending on the signal, the allocation to Pure and Stable Growth may change in steps of 15%.

**Universe:** The index universe is defined by the iSTOXX USA Pure Growth Index and the iSTOXX USA Stable Growth Index.

**Weighting scheme:** The index is weighted according to a dynamic allocation between the two universes with relative weighting in each universe left unchanged.

**Base values and dates:** 100 on May 31, 2005

**Dissemination calendar:** STOXX US Calendar

**Index types and currencies:** Price, net return, gross return in USD

#### 19.2.2.2. INDEX REVIEW

### Calculation of target allocation

- 1) Calculate 20-, 40-, and 60-day Sharpe ratios for both the Pure and Stable Growth index using price returns:

$$SR_{\text{cutoff}}^x = \frac{\overline{R_U} \cdot 260}{\sqrt{\frac{1}{x-1} \sum_{t=\text{cutoff}-x+1}^{\text{cutoff}} \left( \frac{U_t}{U_{t-1}} - 1 - \overline{R_U} \right)^2 \cdot 260}}$$

$$\overline{R_U} = \frac{1}{x} \sum_{t=\text{cutoff}-x+1}^{\text{cutoff}} \left( \frac{U_t}{U_{t-1}} - 1 \right)$$

where

- $x$  = number of daily returns (20, 40, 60)
- $U_t$  = index value on day  $t$
- cutoff** = data cut-off date (four dissemination days before review date)

In case that for at least one window (20-, 40-, or 60-day) the average return in the Sharpe ratio calculation for both the Pure and Stable Growth index is negative the Sharpe ratio formula is replaced by the average return formula in the following steps.

- 2) Calculate the average Sharpe ratio for both the Pure Growth and Stable Growth index.
- 3) If the average Sharpe ratio for the Pure Growth index is greater than the average Sharpe ratio of the Stable Growth index add 15 percentage points to the previous month's Pure Growth target allocation, otherwise subtract. The minimum and maximum allocations for the Pure Growth Index are 35% and 65% respectively (Stable Growth target allocation = 100% - Pure Growth target allocation).

**Composition list:** All stocks in the universe build up the index composition. The component weights are calculated by aggregating the respective Pure Growth index and Stable Growth index weight using the target allocation weight.

$$w_i = ta_P \cdot w_{i,P} + ta_S \cdot w_{i,S}$$

where

- $ta_P$  = Pure Growth target allocation
- $ta_S$  = Stable Growth target allocation
- $w_{i,P}$  = weight of stock  $i$  in the Pure Growth index (0% if not in the index) as of the data cut-off date
- $w_{i,S}$  = weight of stock  $i$  in the Stable Growth index (0% if not in the index) as of the data cut-off date

In review months of the universe indices (March, June, September, December) the Value and Income weights to be implemented are used.

**Review frequency:** The reviews are conducted and implemented on a monthly basis on the close of the third Friday. The review cut-off date for the underlying data is on the close of the second Friday of the month.

Until October 2023, the reviews were conducted on the last dissemination day of the month with a cut-off date of four dissemination days before the review date.

**Weighting cap factors:**  $(1,000,000,000 \times w_i / \text{closing price}_i)$ , rounded to integers. The weighting cap factors are calculated based on the stocks' closing prices in USD of the second Friday of the month. Until October 2023, the weighting cap factors were calculated on the basis of the stocks' closing prices in USD from four dissemination days before the review date.

#### 19.2.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Mergers and takeovers:** Standard STOXX process.

**Corporate Actions:** All index components are adjusted for corporate actions. Any event is treated in the same way in all indices. Please consult the STOXX Calculation guide for detailed treatment.

# 20.ISTOXX GLOBAL INDUSTRY NEUTRAL ESG 600 INDEX

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## 20.1. iSTOXX GLOBAL INDUSTRY NEUTRAL ESG 600 INDEX

### 20.1.1. OVERVIEW

The iSTOXX Global Industry Neutral ESG 600 index tracks the performance of the leading companies with regard to Environmental, Social and Governance criteria, based on ESG exclusion screens applied for Norms Based Screening, Controversial Weapons, involvement in Tobacco, Fossil Fuels and Coal, with the aim of taking responsible investment criteria into account. These screens include the exclusions referred to in Article 12(1)(a) to (g) of CDR (EU) 2020/1818. The remaining companies are ranked by an ESG score, where the 600 best performing companies are selected. The index is weighted by free-float market capitalization with a weight capping algorithm that ensures industry weights are similar to the index universe.

**Universe:**

The index universe defined by all the stocks included in the STOXX Global 1800 Index, as observed on the review effective date. Companies without an ESG score, sourced from the ISS-ESG ESG Performance Score, will not be included in the index.

**Weighting scheme:**

Free Float Market Cap with a capping algorithm to calculate component weights so that the ICB Industry weight of the index is similar to the ICB Industry weight of the Benchmark.

**Base values and dates:** 100 on Sep 24, 2012

**Index types and currencies:** Price, Net and Gross in EUR and USD.

### 20.1.2. INDEX REVIEW

**Selection list:**

All securities from the STOXX Global 1800 index. Companies without an ESG score, sourced from the ISS-ESG ESG Performance Score, will not be included in the index.

Before starting with the selection process a set of exclusion criteria is applied taking into consideration Norms Based Screening, Controversial Weapons and Product Involvement, with data sourced from ISS-ESG.

**Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

**Controversial Weapons:** Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation

## 20. iSTOXX GLOBAL INDUSTRY NEUTRAL ESG 600 INDEX

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Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

**Product Involvement:** Not have any Product Involvement in the following areas. The revenue shares used from ISS ESG are the maximum revenue share factors which identify the maximum amount of revenue estimated or company reported to be derived from involvement in a business activity as a percentage of the issuer's total annual revenue, and the estimated values range is not inclusive. STOXX will exclude companies that ISS-ESG identifies to have:

**Tobacco:**

»>0% revenue from involvement in the production of tobacco products.

**Fossil Fuels:**

»>10% revenues from the extraction of oil (including crude oil, condensate, shale oil, bitumen, synthetic crude oil from oil/tar sands, and heavy oils), refining of oil (including liquefied petroleum gas, naphtha, gasoline, kerosene, diesel, fuel oil, and other combustive oil products), and oil distribution.

»> 50% revenues from the extraction of natural gas (including coalbed/coal seam methane), natural gas processing and gas-to-liquids operations, and gas distribution.

»>50% revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh (coal, oil, natural gas, and biomass).

**Coal:**

»>1% revenues from coal exploration and mining, processing of coke, coal-to-liquids operations, coal gasification (syngas for thermal use), and the marketing of coal.

**Composition list:**

From the Selection List, the remaining companies are ranked in descending order in terms of the ESG score and the top 600 companies make up the Composition List. In the event that two companies have identical ESG scores, the constituent with the higher free-float market capitalization is given priority.

**Review frequency:**

The components are reviewed annually in September. Shares, Free Float, and Capping are reviewed quarterly. For the capping procedure, the benchmark is defined as the new composition of the STOXX Global 1800 which becomes effective on the review date on the 3rd Friday of March, June, September and December.

**Weighting scheme:**

All components are free float market cap weighted with a capping algorithm which delivers an ICB Industry Neutral weighting compared to the benchmark, on a quarterly basis. The weightings are published on the second Friday of each quarter, one week prior to quarterly review implementation using Thursday's closing prices.



## 20. iSTOXX GLOBAL INDUSTRY NEUTRAL ESG 600 INDEX

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Determination of free-float market capitalization weights:

$$w_{it} = \frac{p_{it} \cdot n_{it} \cdot ff_{it}}{\sum_{i=1}^n p_{it} \cdot n_{it} \cdot ff_{it}}$$

$w_{it}$  = Free-Float Market Capitalization weight of company (i) at time (t)

$p_{it}$  = Price of company (i) at time (t)

$n_{it}$  = Number of shares of company (i) at time (t)

$ff_{it}$  = Free-float factor of company (i) at time (t)

$n_{it}$  = Number of shares

### Weighting cap factors:

A capping algorithm is applied to calculate component weights so that the ICB Industry weight of the index is similar to the ICB Industry weight of the index universe.

### 20.1.3. ONGOING MAINTENANCE

#### Replacements:

Deleted companies are not replaced. If a company is deleted from the STOXX Global 1800 index, but remains in the STOXX Global Total Market index, the stock will not be excluded from the index. If a constituent is deleted, its weight will be distributed among the remaining constituents.

#### Fast exit:

On a monthly basis, in case a company which is an index constituent has a Norms Based Screening assessment of 'Red' or not rated, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

#### Fast entry:

Not applicable.

#### Spin-offs:

A spin-off is added temporarily for one trading day and is then removed from the index.

#### Mergers and takeovers:

Standard STOXX process.

#### Corporate Actions:

All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 21.EURO iSTOXX 50 ESG FOCUS INDEX

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### 21.1. EURO iSTOXX 50 ESG FOCUS INDEX

#### 21.1.1. OVERVIEW

The EURO iSTOXX 50 ESG Focus Index tracks the composition of the EURO STOXX 50® Index and reweights its constituents according to a pre-defined weighting scheme that allocates a higher weight to companies that rank highest in Environmental, Social and Governance areas, based on ISS-ESG ESG Performance Score. This metric provides a numerical score from 0 to 100 and is comparable over all rated entities.

**Universe:** The index universe is defined by the EURO STOXX 50® Index.

**Weighting scheme:** The index is price-weighted with a weighting cap factor determined according to the ESG Overall Score rank.

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, net and gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

#### 21.1.2. INDEX REVIEW

**Composition list:** The review cutoff date of the index is the last dissemination day of the month preceding the review date. The index is reviewed in line with the EURO STOXX 50®, i.e. the components of the EURO STOXX 50® Index, effective on the following review date, constitute the EURO iSTOXX 50 ESG Focus Index's composition list.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review effective date is the dissemination day following the third Friday of each review month.

**Weighting cap factors:** At each cutoff date, the components of the index are sorted in descending order according to their ESG Performance Score and they are divided into 5 groups of 10 stocks, according to their ranking order. If a company identified as having a 'Red' flag based on ISS-ESG Norms Based Screening assessment, or associated with activities involving Controversial Weapons as identified by ISS-ESG, it is attributed an ESG overall score of 0 instead. In case two companies have identical ESG Performance Scores, priority is given to the one whose free-float market capitalization is the highest.

#### **Norms Based Screening:**

Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

## 21. EURO ISTOXX 50 ESG FOCUS INDEX

### Controversial Weapons:

Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

Each constituent is assigned a specific weight as described in the following table:

| From rank | To rank | Weight |
|-----------|---------|--------|
| 1         | 10      | 3.5%   |
| 11        | 20      | 2.5%   |
| 21        | 30      | 2.0%   |
| 31        | 40      | 1.5%   |
| 41        | 50      | 0.5%   |

Weighting cap factor = weight \* (1,000,000,000 / closing price of the stock in EUR), rounded to integers.

The weighting cap factors are calculated based on the closing prices of the Thursday prior to the second Friday of the review month.

**Derived indices:** The EURO iSTOXX 50 ESG Focus Gross Return Index serves as input for the EURO iSTOXX 50 ESG Focus GR Decrement 5% Index.

### 21.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spun-off stocks are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX Calculation Guide available on [stoxx.com](https://www.stoxx.com).

# 22.EURO iSTOXX 25 CHALLENGERS EQUAL WEIGHT INDEX

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## 22.1. EURO iSTOXX 25 CHALLENGERS EQUAL WEIGHT INDEX

### 22.1.1. OVERVIEW

The EURO iSTOXX 25 Challengers Equal Weight Index represents the performance of the 25 smallest companies of the EURO STOXX 50 Index based on free-float market capitalization. The index is weighted equally and reviewed quarterly.

**Universe:**

The universe is defined by the parent index, the EURO STOXX 50 Index

**Weighting scheme:**

The index is price-weighted with weighting cap factors to achieve equal-weight

**Base values and dates:**

100 on March 17, 2006

**Index types and currencies:**

Price, net return and gross return in EUR and USD.

For a complete list please consult the data vendor code sheet on the website<sup>45</sup>. Customized solutions can be provided upon request.

### 22.1.2. INDEX REVIEW

**Composition list:**

The smallest 25 stocks from the final composition list of the EURO STOXX 50, based on free float market capitalization are selected for final index composition.

**Review frequency:**

The index is reviewed quarterly in March, June, September and December. The implementation of the review is conducted after the close of the third Friday of the respective review month and becomes effective on the next index dissemination day following the implementation day. The review cut-off date for the underlying data is the last trading day of the month preceding the review month.

**Weighting and capping factors:**

All components are equal-weighted on a quarterly basis. The weightings are published on the second Friday of each quarter, one week prior to quarterly review implementation using Thursday's closing prices.

Weighting cap factor =  $(100,000,000,000 / \text{closing price of the stock in EUR})$  and rounded to integers.

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<sup>45</sup> [www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

## 22. EURO ISTOXX 25 CHALLENGERS EQUAL WEIGHT INDEX

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### 22.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast entry:** Not Applicable.

**Fast Exit:** Not Applicable.

**Spin-offs:**

Spin-off companies are not permanently added to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

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## 23.1. EURO iSTOXX NEXT 30 INDEX

### 23.1.1. OVERVIEW

The EURO iSTOXX Next 30 Index is a representation of liquid and large companies belonging to the Eurozone that are not part of the EURO STOXX 50. This index represents the performance of the next 30 components from the EURO STOXX universe based on free-float market capitalization, after the exclusion of the current components of the EURO STOXX 50.

**Universe:**

The universe is defined as the composition of the EURO STOXX Index on quarterly index review effective date.

**Weighting scheme:**

The index is price-weighted with weighting cap factors to achieve equal-weight.

**Base values and dates:**

The following base values and dates apply: 100 on September 20, 2002

For a complete list please consult the data vendor code sheet on the website<sup>46</sup>. Customized solutions can be provided upon request.

**Index types and currencies:**

Price, net and gross return in EUR and USD.

**Dissemination calendar:**

STOXX Europe calendar

### 23.1.2. INDEX REVIEW

**Selection list:**

The selection list is obtained by considering all stocks from the universe whose 3-month average daily trading value (ADTV) is at least EUR 35 million.

In case after applying the ADTV filter there are less than 30 securities available for selection, then all of them become part of the index. The remaining securities to reach the target of 30 components are selected by reducing the ADTV filter stepwise by 10% and ranking by free float market capitalization the eligible securities.

In addition, all components of the EURO STOXX 50 Index that would become effective on the review effective date would also be eliminated.

**Composition list:**

The largest 30 stocks on the selection list, based on free float market capitalization are selected for final index composition.

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<sup>46</sup>[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

**Review frequency:**

The index is reviewed quarterly in March, June, September and December, in line with the parent index. The implementation of the review is conducted after the close of the third Friday of the respective review month and becomes effective on the next index dissemination day. The review cut-off date for the underlying data is the last trading day of the month preceding the review month.

**Weighting cap factors:**

The components are weighted equally on a quarterly basis. The weightings are published on Friday five trading days prior to quarterly review implementation using Thursday's closing prices.

### 23.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

## 24.iSTOXX UK 35 & iSTOXX SWITZERLAND 15 INDICES

### 24.1. iSTOXX UK 35 & iSTOXX SWITZERLAND 15 INDICES

#### 24.1.1. OVERVIEW

The iSTOXX European 100 Country Subindices comprise the iSTOXX UK 35 and iSTOXX Switzerland 15 indices.

The constituents for the iSTOXX UK 35 and iSTOXX Switzerland 15 indices are selected from the STOXX Europe Total Market Index. The largest companies in terms of free float market capitalization are selected in order to achieve the targeted fixed number of components. The constituents of the indices are weighted accordingly to their free-float market capitalization.

**Universe:**

The index universe is the STOXX Europe Total Market Index. Secondary lines are excluded from the universe.

**Weighting scheme:** 3-

The indices are weighted according to their free-float Market Capitalization

**Base values and dates:**

100 on March 16<sup>th</sup>, 2007

For a complete list please consult the data vendor code sheet on the website<sup>47</sup>. Customized solutions can be provided upon request.

**Index types and currencies:**

Price, net return and gross return in EUR, USD and native currency (GBP for the iSTOXX UK 35 and CHF for the iSTOXX Switzerland 15)

#### 24.1.2. INDEX REVIEW

**Composition list:**

The largest companies in terms of Free-Float Market capitalization in the STOXX Europe Total Market index in the respective country are selected:

| Index Name            | Target number of components | Country | Native Currency |
|-----------------------|-----------------------------|---------|-----------------|
| iSTOXX UK 35          | 35                          | UK      | GBP             |
| iSTOXX Switzerland 15 | 15                          | CH      | CHF             |

**Review frequency:**

The indices are reviewed quarterly, on the 3<sup>rd</sup> Friday of March, June, September and December, in line with the parent index Europe Total Market and the new composition is effective on the following Monday. The review cut-off date for the underlying data is the last trading day of the month preceding the review.

<sup>47</sup> [www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)



## 24. iSTOXX UK 35 & iSTOXX SWITZERLAND 15 INDICES

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**Weighting cap factors:**

The indices are free-float market capitalization weighted.

**24.1.3. ONGOING MAINTENANCE**

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spun-off companies are not added permanently to the indices.

**Mergers and takeovers:** Standard STOXX process

## 25.iSTOXX DEVELOPED MARKETS B.R.AI.N. INDEX

### 25.1. iSTOXX DEVELOPED MARKETS B.R.AI.N. INDEX

#### 25.1.1. OVERVIEW

Derived from the STOXX® Developed Markets Total Market Index, the iSTOXX Developed Markets B.R.AI.N. Index is comprised of companies that are exposed to four megatrends that are expected to change the world as we know it: Biotechnology (B), Robotics (R), Artificial Intelligence (AI) and Nanotechnology (N).

Revere (RBICS) data allow a detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with substantial positive exposure to the B.R.AI.N. themes.

**Universe:** The index universe is defined by the STOXX® Developed Markets Total Market index.

**Weighting scheme:** The index is price-weighted with a weighting cap factor proportional to free-float market capitalization and aggregate revenue exposure to the four B.R.AI.N. sectors.

**Base values and dates:** 100 on Jun 18, 2012

**Index types and currencies:** Price, Net Return and Gross Return; in EUR, USD and CAD

**Dissemination calendar:** STOXX Europe calendar

#### 25.1.2. INDEX REVIEW

**Selection list:** For each of the four themes, the companies in the index universe are screened for all of the following criteria (applied in the order in which they are listed), and four separate clusters with eligible securities are created:

- » Minimum liquidity: 3-month median daily trading value (MDTV) greater than 1,000,000 EUR
- » Revenues: more than 50% revenues generated within the aggregate of the RBICS sectors associated to the specific theme (see table below).
- » Multiple share lines: in case a company is present with multiple listings in a specific thematic cluster, only the most liquid share line will be retained.

Biotechnology, Robotics, Artificial Intelligence and Nanotechnology sectors, for the purposes of constituent clustering are defined as follows:

| Nr. | Biotechnology                                     | Nr. | Robotics                                           |
|-----|---------------------------------------------------|-----|----------------------------------------------------|
| 1   | Allergies Biopharmaceuticals                      | 1   | 3D Modeling/Rapid Prototyping Automation Providers |
| 2   | Analytical and Bioanalytical Services             | 2   | 3D Printing Services                               |
| 3   | Anesthesia Biopharmaceuticals                     | 3   | Alt. Energy Autonomous Heavy Duty Truck Makers     |
| 4   | Autoimmune Disorders Biopharmaceuticals           | 4   | Alt. Energy Autonomous Transit Vehicle Production  |
| 5   | Bioanalytical Consumables                         | 5   | Autonomous Control Ship Builders                   |
| 6   | Biodiesel Fuel Manufacturing                      | 6   | Autonomous Drone Manufacturers                     |
| 7   | Biological Specimen Storage                       | 7   | Autonomous Drone Parts Manufacturers               |
| 8   | Biologics OEMs                                    | 8   | Autonomous Military Drone Manufacturing            |
| 9   | Biotechnology and Genomics (GMO/Hybrids) Products | 9   | Autonomous Transport Control Software              |
| 10  | Breast Cancer Biopharmaceuticals                  | 10  | Autonomous Vehicles Semiconductors                 |

## 25. iSTOXX DEVELOPED MARKETS B.R.A.I.N. INDEX

|            |                                                    |            |                                                    |
|------------|----------------------------------------------------|------------|----------------------------------------------------|
| 11         | Cardiovascular System Biopharmaceuticals           | 11         | Computer Aided Design (CAD) Software               |
| 12         | Child Birth and Contraception Biopharmaceuticals   | 12         | Conventional Autonomous Transit Vehicles Makers    |
| 13         | Child Birth and Pregnancy Biopharmaceuticals       | 13         | Conventional Engine Autonomous Truck Makers        |
| 14         | Clinical Limited Service CROs                      | 14         | Diversified Semiconductors                         |
| 15         | Dermatology Biopharmaceuticals                     | 15         | Global Positioning Systems (GPS) Manufacturing     |
| 16         | Digestive System Biopharmaceuticals                | 16         | Household Robot Makers                             |
| 17         | Diversified Bioanalytical Instruments              | 17         | Industrial Robots and Robotic Assembly Line Makers |
| 18         | Diversified Biopharmaceuticals                     | 18         | Lasers and Optical Instrument Manufacturing        |
| 19         | Diversified Contract Manufacturing Organizations   | 19         | Machine Vision and Quality Control Manufacturing   |
| 20         | Diversified Development and Manufacturing Services | 20         | Microprocessor (MPU) Semiconductors                |
| 21         | Drug Delivery Technology Development               | 21         | Mixed Electric Motors and Motion Control Products  |
| 22         | Drug Lead Discovery, Validation and Optimization   | 22         | Monitoring and Control Sensor/Instrument Products  |
| 23         | Drug Target Discovery and Validation               | 23         | Motion Control and Precision Motors Manufacturing  |
| 24         | Ethanol Fuel Manufacturing                         | 24         | Networking Semiconductors                          |
| 25         | Full Service CROs                                  | 25         | Other Communications Semiconductors                |
| 26         | Gastrointestinal Tract Biopharmaceuticals          | 26         | Other Processor Semiconductors                     |
| 27         | General Infectious Diseases Biopharmaceuticals     | 27         | Other Programmable Logic and ASIC Semiconductors   |
| 28         | General Support Activity Providers for Agriculture | 28         | Programmable Logic Device Semiconductors           |
| 29         | Genetic Molecular Diagnostic Test Kits             | 29         | Surgical Robotic Systems                           |
| 30         | Genetic Molecular Non-Diagnostic Test Kits         | 30         | Vehicle Autonomous Control Electronics Makers      |
| 31         | Heart Disorders Biopharmaceuticals                 | 31         | Vehicle Autonomous Control Software                |
| 32         | Hematological Oncology Biopharmaceuticals          |            |                                                    |
| 33         | Hematology Biopharmaceuticals                      | <b>Nr.</b> | <b>Artificial Intelligence</b>                     |
| 34         | Immune Deficiency Disorders Biopharmaceuticals     | 1          | A.I./Large Scale Processing Graphics Controller    |
| 35         | Intermediary Metabolism Biopharmaceuticals         | 2          | Artificial Intelligence Productivity Software      |
| 36         | Liver Disorders Biopharmaceuticals                 | 3          | Autonomous Transport Control Software              |
| 37         | Lower Respiratory Biopharmaceuticals               | 4          | Business Intelligence Software                     |
| 38         | Multi-Type Drug Discovery Services                 | 5          | Colocation and Data Center Services                |
| 39         | Musculoskeletal System Biopharmaceuticals          | 6          | Communication and Collaboration Content Sites      |
| 40         | Narcotics Pain Management Biopharmaceuticals       | 7          | Computer/Gaming Graphics Accelerator/Controller    |
| 41         | Neurology Biopharmaceuticals                       | 8          | Data Center Graphics Accelerator/Controller        |
| 42         | Non-Narcotics Pain Management Biopharmaceuticals   | 9          | Data Storage Drives and Peripherals                |
| 43         | Ophthalmology Biopharmaceuticals                   | 10         | Data Storage Media                                 |
| 44         | Other Alternative Fuel Manufacturers               | 11         | Data Transport Carrier Services                    |
| 45         | Other Bacterial Infections Biopharmaceuticals      | 12         | Disk Storage Systems                               |
| 46         | Other Biopharmaceutical OEMs                       | 13         | Flash Memory Semiconductors                        |
| 47         | Other Endocrinology/Metabolism Biopharmaceuticals  | 14         | General Graphics Accelerator/Controller            |
| 48         | Other Gynecology Biopharmaceuticals                | 15         | Handheld Graphics Accelerator/Controller           |
| 49         | Other Immunology Biopharmaceuticals                | 16         | Imaging Laboratories                               |
| 50         | Other Oncology Biopharmaceuticals                  | 17         | Information Storage Systems                        |
| 51         | Other Pain Management Biopharmaceuticals           | 18         | Machine Vision and Quality Control Manufacturing   |
| 52         | Other Respiratory System Biopharmaceuticals        | 19         | Microprocessor (MPU) Semiconductors                |
| 53         | Pituitary Gland Disorders Biopharmaceuticals       | 20         | Mixed Large-Scale Processing Computer Systems      |
| 54         | Scientific Analytical Instruments                  | 21         | Multi-Type Data Storage Hardware Makers            |
| 55         | Surgical Biopharmaceuticals                        | 22         | Networking Semiconductors                          |
| 56         | Thermal and Chemical Processing Machinery Makers   | 23         | Other Memory Semiconductors                        |
| 57         | Toxicology Biopharmaceuticals                      | 24         | Other Nonvolatile Memory Semiconductors            |
| 58         | Transplantation Biopharmaceuticals                 | 25         | Other Processor Semiconductors                     |
| 59         | Type 1 Diabetes Biopharmaceuticals                 | 26         | Other Programmable Logic and ASIC Semiconductors   |
| 60         | Type 2 Diabetes Biopharmaceuticals                 | 27         | Programmable Logic Device Semiconductors           |
| 61         | Urology Biopharmaceuticals                         | 28         | Quantum Computing Systems                          |
| 62         | Vascular Disorders Biopharmaceuticals              | 29         | Quantum Processor Semiconductors                   |
| 63         | Viral Biopharmaceuticals                           | 30         | Vehicle Autonomous Control Software                |
| 64         | Weight Management Biopharmaceuticals               | 31         | Video Multimedia Semiconductors                    |
|            |                                                    | 32         | Volatile Memory Semiconductors                     |
| <b>Nr.</b> | <b>Nanotechnology</b>                              | 33         | Web Navigation Sites and Software                  |
| 1          | Diversified Bioanalytical Instruments              | 34         | Web Search Sites and Software                      |
| 2          | Industrial and Construction Additive Manufacturing | 35         | Neural Processor (NPU) Semiconductors              |

## 25. iSTOXX DEVELOPED MARKETS B.R.A.I.N. INDEX

- 3 Microprocessor (MPU) Semiconductors
- 4 Nanotechnology Materials Manufacturing
- 5 Other Programmable Logic and ASIC Semiconductors
- 6 Semiconductor Foundry Services
- 7 Water Treatment Agents Manufacturing

An iterative selection process takes place to calculate the aggregate exposure of each company to all four themes separately and ultimately create four separate theme-specific selection lists which include 20 securities each that display the highest revenue exposure to the sectors underlying the corresponding theme.

The aggregated exposure (ae) of a company i to a specific theme is calculated as:

$$ae_i^j = \sum_{k=1}^n exposure_{i,k}$$

Where:

j = theme (Biotechnology, Robotics, Artificial Intelligence or Nanotechnology)

n = sectors from table above corresponding to theme j

exposure<sub>i,k</sub> = revenue exposure of company i to sector k

Within each thematic cluster, all companies are ranked in descending order by their aggregate revenue exposure to the sectors linked to the corresponding theme, and the 20 companies with the highest aggregate exposure in each compose that theme's selection list. If two companies have the same revenue exposure to a specific theme, priority goes to the one with the highest free-float market capitalization. If there are less than 20 eligible companies for a theme, then no ranking process takes place for that thematic cluster, and all the companies compose that theme's selection list.

Finally, the four theme-specific selection lists are combined to derive the final index selection list, and the following condition applies: if a company falls in more than one theme-specific selection lists, that company is only considered once for selection in the final index, therefore reducing the total number of components accordingly (e.g. if 3 companies rank among the top 20 in both the Artificial Intelligence and the Robotics selection lists, then these companies are taken into account only once, and the total number of components in the index is reduced to 77).

**Review frequency:** The index composition is reviewed annually in June. The review cut-off date is the last trading day of the preceding May. The index Weighting Cap Factors are recalculated quarterly in March, June, September and December.

**Weighting cap factors:** Index weighting cap factors are recalculated quarterly in March, June, September and December. They are published on the second Friday of each of those months and based on the stocks' prices of the preceding Thursday.

**Target weight calculation:**

$$w_i = \frac{ae_i \cdot ffmcap_i}{\sum_{j \text{ in comp.list}}^m ae_j \cdot ffmcap_j}$$

ae<sub>i</sub> = aggregate revenue exposure of company i to the B.R.A.I.N. sectors

ffmcap<sub>i</sub> = free float market capitalization of company i, calculated using close price in EUR on the Thursday preceding the second Friday of the review month

## 25. iSTOXX DEVELOPED MARKETS B.R.A.I.N. INDEX

$m$  = number of companies in the final index

Where  $ae_i$  is calculated as:

$$ae_i^{B.R.A.I.N.} = \sum_{k=1}^n exposure_{i,k}$$

And:

$n$  = all sectors deriving from the union of the four separate sector lists of each of the B.R.A.I.N themes

$exposure_{i,k}$  = revenue exposure of company  $i$  to sector  $k$ , as of the most recent review cut-off date

**Capped weight calculation:** The capped weights ( $cw_i$ ) are derived from the target weights via an iterative process that seeks to maintain the following conditions:

- The sum of all weights above 4.5% should not exceed 35%
- No single weight should exceed 8%

To that end, any excess weight is redistributed from a company to the rest of the components of the index that are not already subject to capping under the above rules, proportionally to their weight in the index.

In the event that 19 or fewer securities are included in the index, the capped weight calculation above will not hold and the weight for all securities will be set to  $1/n$ , where  $n$  is the number of securities included in the index.

Weight factor calculation:

$$wcf_i = \frac{cw_i}{p_i} \times 10,000,000,000$$

rounded to the closest integer and where:

$cw_i$  = capped weight of company  $i$  as described above

$p_i$  = close price in EUR of company  $i$  on the Thursday preceding the second Friday of the review month

$wcf_i$  = weighting cap factor of company  $i$

### 25.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spun-off companies are not added permanently to the indices.

**Mergers and takeovers:** Standard STOXX process

## 26.iSTOXX ASIA/PACIFIC AND SOUTH KOREA TOTAL MARKET INDEX

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### 26.1. iSTOXX ASIA/PACIFIC AND SOUTH KOREA TOTAL MARKET INDEX

#### 26.1.1. OVERVIEW

The iSTOXX Asia/Pacific and South Korea Total Market index is an aggregate of the respective STOXX Total Market country indices. The index aims to provide a broad representation of the targeted region.

**Universe:** The respective STOXX Total Market country indices.

**Weighting scheme:** The indices are weighted according to free-float market capitalization: No weighting cap factors are applied.

**Base values and dates:** 100 on January 31, 2011

**Index types and currencies:** Price, net return, gross return in EUR and USD.

**Dissemination calendar:** STOXX Global calendar

#### 26.1.2. INDEX REVIEW

**Component selection:** The indices consist of the components of the relevant Total Market Country indices.

**Review frequency:** The reviews are conducted on a quarterly basis together with the STOXX Total Market Country indices.

#### 26.1.3. ONGOING MAINTENANCE

**Replacements:** In line with the STOXX Total Market country indices, deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are added permanently if qualifying for the STOXX Total Market indices as of the latest quarterly review list in terms of free-float market capitalization.

## 27.iSTOXX CHINA ALL SHARES AM INDEX

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### 27.1. iSTOXX CHINA ALL SHARES AM INDEX

#### 27.1.1. OVERVIEW

The iSTOXX China All Shares AM Index is derived from the combination of domestic and non-domestic China share classes. The share classes comprised of China A-Shares (only shares available to foreign investors through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect), B-Shares, H-Shares, Red Chips, P Chips and Chinese ADRs listed in the New York or Nasdaq stock exchanges.

**Universe:** Constituents of STOXX China A 900, STOXX China B Total Market, STOXX China H Total Market, STOXX China Red Chips Total Market, STOXX China P Chips Total Market, STOXX China ADR Total Market

**Weighting scheme:** The indices are weighted according to free-float market capitalization

**Base values and dates:** The following base values and dates apply: 100 on Dec 21, 2012

For a complete list please consult the data vendor code sheet on the website<sup>48</sup>. Customized solutions can be provided upon request.

**Index types and currencies:** Price, net and gross return in EUR, USD and CNY

**Dissemination calendar:** STOXX Global calendar

#### 27.1.2. INDEX REVIEW

**Composition selection:** The indices consist of the components of the relevant indices in the universe.

For the China-A Shares, only shares available to foreign investors through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. The China A securities are monitored against their equivalent Stock Connect Securities. China Connect Securities are screened on a daily basis between the cut-off date and the review effective date.

- » If STOXX is informed 3 days before the review effective date about a China Connect Security ineligibility (not eligible to "both buy and sell") effective after the review effective date, the equivalent China A share will not be included in the index at the review effective date.
- » If STOXX is informed 2 days or 1 day before the review effective date about a China Connect Security ineligibility (not eligible to "both buy and sell") effective after the review effective date, the equivalent China A share will be deleted in line with Section 8.6.4. Delisting of the STOXX Calculation Guide.

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<sup>48</sup> [www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

## 27. iSTOXX CHINA ALL SHARES AM INDEX

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**Multiple share listings:** In case a company is present with multiple listings, only the most liquid share line by 3 month ADTV will be retained.

**Review frequency:** The reviews are conducted on a quarterly basis together with the indices in the universe.

### 27.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index.

**Fast exit:** The China A securities are monitored against their equivalent Stock Connect Securities. China Connect Securities are monitored on a daily basis. If there is an announcement that a China Connect Security is ineligible (not eligible to "both buy and sell") in the future, then the equivalent China A share index component is removed from the index with a two-day notice as outlined in chapter 8.6.4. of the STOXX Calculation guide.

**Fast entry:** Not applicable.

**Spin-offs:** Spun-off companies are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com). Index components are deleted from all STOXX indices in case of official delisting from the eligible stock exchange or ongoing bankruptcy proceedings.



## 28.EURO iSTOXX EQUAL INDUSTRY 50 EW INDEX

### 28.1. EURO iSTOXX EQUAL INDUSTRY 50 EW INDEX

#### 28.1.1. OVERVIEW

The EURO iSTOXX Equal Industry 50 EW Index is comprised of companies with high free-float market cap from the EURO STOXX® Index, chosen in a way that ensures diversification across industries by selecting an equal number of companies from each industry and allocating equal weights to each one of them.

**Universe:** The constituents of the EURO STOXX index

**Weighting scheme:** The index is price-weighted with weighting cap factors to achieve equal-weight.

**Base values and dates:** The following base values and dates apply: 100 on December 19, 2003

For a complete list please consult the data vendor code sheet on the website<sup>49</sup>. Customized solutions can be provided upon request.

**Index types and currencies:** Price, Net Return and Gross Return in EUR, USD

#### 28.1.2. INDEX REVIEW

##### Selection list:

The review cutoff date is the last dissemination day of the month preceding the review month. The index is reviewed in line with the EURO STOXX, i.e. the components of the EURO STOXX Index, effective on the upcoming review date, constitute the EURO iSTOXX Equal Industry 50 EW Index's selection list.

**Composition list:** all companies in the selection list are ranked by their free-float market capitalization, as of the review cut-off date - within their ICB Industry group. The 5 largest stocks from each of industry group are selected in the final index composition.

After the September 2020 review, ICB industry group as identified by the below table 'New ICB Industry' will be employed. Financials (30) and Real Estate (35) will be aggregated, considered as one single group and the 5 largest stocks will be selected from this combined group.

| New ICB Industry Group |                          |
|------------------------|--------------------------|
| 10                     | Technology               |
| 15                     | Telecommunications       |
| 20                     | Health Care              |
| 30 + 35                | Financials + Real Estate |
| 40                     | Consumer Discretionary   |
| 45                     | Consumer Staples         |
| 50                     | Industrials              |
| 55                     | Basic Materials          |
| 60                     | Energy                   |
| 65                     | Utilities                |

<sup>49</sup> [www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

## 28. EURO ISTOXX EQUAL INDUSTRY 50 EW INDEX

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In case one or more groups are comprised of less than five companies, the EURO iSTOXX Equal Industry 50 EW will have less than 50 components.

**Weighting cap factors:** The industries represented in the index, as well as the companies within each industry, are equally weighted. Weighted on a quarterly basis. After September 2020 review, ICB industry group as identified by the above table 'New ICB Industry' will be employed. However, Financials (30) and Real Estate (35) will be merged and allotted one-tenth weight.

The weightings are published on the second Friday of each quarter, one week prior to quarterly review implementation using Thursday's closing prices.

Weighting cap factor =  $(100,000,000,000 / \text{closing price of the stock in EUR})$  and rounded to integers

**Review frequency:** The index is reviewed quarterly in March, June, September and December, in line with the parent index. The implementation of the review is conducted after the close of the third Friday of the respective review month and becomes effective on the next index dissemination day.

**Derived indices:** The EURO iSTOXX Equal Industry 50 EW EUR Net Return Index serves as input for the EURO iSTOXX Equal Industry 50 EW NR Decrement 5% index.

### 28.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spun-off stocks are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com).

# 29.iSTOXX FRANCE GERMANY BENELUX 60 EQUAL WEIGHT INDEX

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## 29.1. iSTOXX FRANCE GERMANY BENELUX 60 EQUAL WEIGHT INDEX

### 29.1.1. OVERVIEW

The constituents of the iSTOXX France Germany Benelux 60 Equal Weight Index are selected from the STOXX Europe 600 index. The securities are ranked according to their free float market capitalization after excluding companies that do not fall under the following countries of classification: France, Germany, Belgium, Netherlands and Luxembourg. Companies with the highest free market capitalization are selected according to the following process: largest 40 companies from France, ten from Germany and ten from Belgium, Netherlands and Luxembourg (combined), producing a collection of 60 companies. The components are assigned equal weights and reviewed on a quarterly basis in March, June, September and December.

**Universe:** The STOXX Europe 600 Index, as observed on the review effective date defines the index universe.

**Weighting scheme:** Equal weighted

**Base values and dates:** 100 on June 20, 2008

**Index types and currencies:** Price, net and gross return in EUR and USD

**Dissemination calendar:** STOXX Europe Calendar

### 29.1.2. INDEX REVIEW

**Selection list:** From the universe, STOXX Europe 600, only securities from France, Germany, Belgium, Netherlands and Luxembourg are added to the selection list.

**Composition list:** All the remaining companies in the selection list are classified into three groups according to their unique country code: a) companies from France, b) companies from Germany, c) companies from Belgium, Netherlands and Luxembourg. The companies are ranked in descending order in terms of their free float market capitalization in their respective group. The final index composition list is comprised of the largest 40 companies from France, ten companies from Germany and ten from Belgium, Netherlands and Luxembourg.

**Review frequency:** The index is reviewed quarterly in March, June, September and December, in line with the parent index. The implementation of the review is conducted after the close of the third Friday of the respective review month and becomes effective on the next index dissemination day following the implementation day. The review cut-off date for the underlying data is the last trading day of the month preceding the review month.

**Weighting cap factors:** All components are equal-weighted on a quarterly basis. The weightings are published on the second Friday of each quarter, one week prior to quarterly review implementation using Thursday's closing prices. Weighting cap factor =  $(10,000,000,000 * \text{weight in percentage} / \text{closing price of the stock in EUR})$  and rounded to integers.

## 29. iSTOXX FRANCE GERMANY BENELUX 60 EQUAL WEIGHT INDEX

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**Derived Indices:** The iSTOXX France Germany Benelux 60 Equal Weight Net Return Index serves as an input for iSTOXX France Germany Benelux 60 Equal Weight NR Decrement 5% Index, see iSTOXX decrement guide.

### 29.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index.

**Mergers and takeovers:** Not applicable.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 30.EURO iSTOXX ENVIRONMENTAL 50 EQUAL WEIGHT INDEX

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## 30.1. EURO iSTOXX ENVIRONMENTAL 50 EQUAL WEIGHT INDEX

### 30.1.1. OVERVIEW

The EURO iSTOXX Environmental 50 Equal Weight Index tracks the performance of 50 liquid stocks that are selected from a pool of companies that are classed as leaders with regard to Environmental criteria.

**Universe:** The EURO STOXX® Index, as observed on the review effective date defines the index universe.

**Weighting scheme:** The index is price-weighted with a weighting cap factor to achieve equal weighting.

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 30.1.2. INDEX REVIEW

**Selection List:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date, all stocks in the universe are screened for the following indicators and a company must fulfil the following conditions in order to be included in the selection list:

- i. Not in contravention of Global Standards Screening (GSS) or involved in Controversial Weapons activities, as identified by Sustainalytics
- ii. Environmental (E), Social (S) and Governance (G) scores less than 12, as derived from Sustainalytics' ESG Risk ratings

If ESG data is not available for a security, then the security is removed from the universe.

Companies fulfilling the above conditions constitute the selection list.

**Composition list:** All companies on the Selection List are ranked in descending order based on their free-float market capitalization, as it is calculated on the review cut-off date. The 100 companies with the highest free-float market capitalization are selected for the next step of the selection process, and are ranked again in ascending order based on their Environmental (E) score, provided by Sustainalytics. The 50 companies with the lowest Environmental score are selected to compose the index. In case of identical Environmental scores, priority is assigned to the security with the highest free-float market capitalization. If less than 50 securities are available, the index will have a lower number of constituents.

## 30. EURO ISTOXX ENVIRONMENTAL 50 EQUAL WEIGHT INDEX

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**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last dissemination day of February, May, August and November respectively.

**Weighting and capping factors:** The constituents are equal weighted

$$w_i = \frac{1}{N}$$

where,

|       |                                        |
|-------|----------------------------------------|
| $w_i$ | target weight of component i           |
| N     | Number of components in the index (50) |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(100,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

**Derived Indices:** The EURO iSTOXX Environmental 50 Equal Weight serves as an input for the EURO iSTOXX Environmental 50 Equal Weight NR Decrement 5% index

### 30.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents

**Fast entry:** Not applicable

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 31.iSTOXX DEVELOPED AND EMERGING MARKETS EX USA PK VN REAL ESTATE INDEX

## 31.1. iSTOXX DEVELOPED AND EMERGING MARKETS EX USA PK VN REAL ESTATE INDEX

### 31.1.1. OVERVIEW

The iSTOXX Developed and Emerging Markets ex USA PK VN Real Estate Index represents the real estate sector in the developed and emerging markets excluding the United States, Pakistan and Vietnam. The index is screened for minimum market capitalization and liquidity.

**Universe:** The index universe is defined by the STOXX Developed and Emerging Markets Total Market index.

**Weighting scheme:** The indices are weighted according to free-float market capitalization.

**Base values and dates:** 1000 on December 19, 2008

**Index types and currencies:** Price, net return, gross return in EUR and USD.

**Dissemination calendar:** STOXX Global Calendar

### 31.1.2. INDEX REVIEW

**Composition list:** Only companies from the Real Estate super sector (Effective up until September 2020 review, identified as ICB 8600. Effective with September 2020 review, identified as ICB 3510) are selected. Companies from the United States, Pakistan, and Vietnam are excluded.

Companies are screened to meet for all the following criteria:

|                                           |                                                                                                                                                                                                                                                              |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total market capitalization               | Any new components to the index must have a total market capitalization of at least USD 250 million at cut-off date.<br>Existing components to the index must have a total market capitalization of at least USD 150 million at cut-off date.                |
| Free-Float market capitalization          | Any new components to the index must have a free-float market capitalization of at least USD 150 million at cut-off date.<br>Existing components to the index must have a free-float market capitalization of at least USD 100 million at cut-off date.      |
| 3-month Average Daily Traded Value (ADTV) | Any new components to the index must have a 3-month Average Daily Traded Value (ADTV) of at least USD 1.5 million at cut-off date.<br>Existing components must have a 3-month Average Daily Traded Value (ADTV) of at least USD 0.5 million at cut-off date. |

## 31. iSTOXX DEVELOPED AND EMERGING MARKETS EX USA PK VN REAL ESTATE INDEX

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Effective and starting with the December 2023 index review, the components that are already in the index at the cut-off date for the ordinary index review of December 2023, will be treated as current components.

**Review frequency:** The reviews are conducted on a quarterly basis in line with the parent index.

### 31.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com).



## 32.iSTOXX GLOBAL ESG EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

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### 32.1. iSTOXX GLOBAL ESG EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

#### 32.1.1. OVERVIEW

The iSTOXX Global ESG ex-Controversial Activities Select 30 Index tracks the performance of 30 liquid stocks with low volatility and high dividend yield. The components are selected from a pool of companies that are classed as leaders with regard to Environmental, Social and Governance criteria. Industry and country neutrality filters are applied in the selection process to ensure diversification. Companies that are non-compliant according to Norms Based Screening or are involved in Controversial Weapons activities, as identified by ISS-ESG, are excluded. Additionally, companies involved in Weapons (Civilian Firearms and Military equipment), Gambling, Pornography, Unconventional Oil & Gas, Fossil fuels, Thermal Coal, Nuclear Power, Tobacco, Aerospace and Defense are also excluded.

**Universe:** The index universe is defined by all the stocks included in the STOXX Global 1800 Index, as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

#### 32.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for their ESG scores, based on ISS-ESG ESG Performance Score. This metric provides a numerical score from 0 to 100 and is comparable over all rated entities. If for a company this information is not available, an ESG score of 0 is assigned. The 1800 companies are then ranked in descending order in terms of their ESG scores, and the 40% companies with the lowest ESG scores (i.e. 720 companies), are excluded from the selection process. In case two companies for a given cut-off date have the same ESG score, priority is given to the one with the highest dividend yield.

The remaining companies are then screened for the following indicators:

- i. 12-month historical net dividend yield<sup>50</sup>
- ii. 3-month and 12-month historical volatility in EUR
- iii. 3-month Average Daily Traded Volume (ADTV) in EUR

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<sup>50</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](https://www.stoxx.com).

## 32. iSTOXX GLOBAL ESG EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

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- iv. Weapons (Civilian Firearms and Military equipment), Pornography, Gambling, Unconventional Oil & Gas, Fossil fuels, Thermal Coal, Nuclear Power and Tobacco

If any of the fields i) to iv) above have missing information for a stock, then that company is excluded from the selection process.

The Selection list constitutes of all remaining stocks that fulfil the conditions below, in the order they are listed:

- 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 5 million EUR
- Effective up until September 2020 review, not belonging to the Aerospace or Defense ICB subsectors (2713, 2717 ICB codes).  
Effective with September 2020 review, not belonging to the Aerospace or Defense ICB subsectors (50201010, 50201020 ICB codes)
- Not identified as non-compliant with ISS- ESG Norms Based Screening.  
Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.
- Controversial Weapons: Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.
- Not have any Product Involvement in the following areas

### Weapons:

STOXX will exclude companies that ISS-ESG identifies to have:

#### i) Civilian Firearms:

» >10% revenues from involvement in the production of civilian firearms and/or the provision of related services

» >10% revenues from involvement in the distribution of civilian firearms

#### ii) Military equipment:

» >10% revenues from involvement in military equipment and services

### Pornography:

STOXX will exclude companies that ISS-ESG identifies to have:

» >25% revenue derived from involvement in the production of pornography

» >25% revenue derived from involvement in the distribution of pornography

### Gambling:

STOXX will exclude companies that ISS-STOXX identifies to have:

» >25% revenue derived from the operation or management of any activity involving the wagering of money on a game or event

» >25% revenue derived from services derived from services related to gambling

## 32. iSTOXX GLOBAL ESG EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

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### Unconventional Oil & Gas

»>0% revenues from oil and gas extraction through arctic drilling for the most recent fiscal year period

»>0% revenues from the extraction and processing of oil sands for the most recent fiscal year period

»>0% revenues from hydraulic fracturing for the most recent fiscal year period

### Fossil Fuels:

STOXX will exclude companies that ISS-STOXX identifies to have:

»>0% revenues from the extraction, refining and processing, and distribution of fossil fuels.

»> 0% revenues from revenues from services related to fossil fuels

»>25% revenues from electricity generation from fossil fuels

### Thermal Coal:

STOXX will exclude companies that ISS-ESG identifies to have:

» >0% of revenues from thermal coal mining, including any exposure to production or services. The values used for the maximum percentage of revenues are based on the best available data. This may include reported revenues, reported revenue percentages or revenue estimates based on available information.

»>0% revenues from generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available Information

### Nuclear Power:

STOXX will exclude companies that ISS-ESG identifies as having:

»>25% of revenues from the generation of electric power from nuclear fission

»>25% of revenues from the provision of services to the nuclear power industry, including the supply of key components, technical support and maintenance, and nuclear waste management

»>25% of revenues from involvement in uranium exploration, extraction, and processing.

### Tobacco:

STOXX will exclude companies that ISS-ESG identifies to have:

»>0% revenues from involvement in the production of tobacco products

»>0% revenues from services related to tobacco products

»>0% revenues from the wholesale or retail distribution of tobacco products

**Composition list:** The final composition list with the 30 securities is derived by following the steps below in the order they are listed.

- 1) All stocks from the selection list are first sorted in descending order in terms of 12-month historical net dividend yield and the top 150 (highest dividend yielding) stocks are selected. In case two companies for a given cut-off date have the same dividend yield, priority is given to the one with the lowest volatility (maximum between the 3-month and 12-month historical volatility in EUR)
- 2) Subsequently, from the remaining stocks, 5 securities from the USA with the lowest volatility (as defined above), are admitted in the composition list, ensuring a minimum number of 5 companies are representing the USA.
- 3) The remaining companies, which are still ranked in descending order in terms of dividend yield, are screened for eligibility in the final portfolio, starting from the one with the highest

## 32. iSTOXX GLOBAL ESG EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

dividend and progressively moving to the bottom of the ranking list, in such a way that the following conditions are met:

### a. Industry

Effective up until September 2020 review, maximum of 6 components out of the total 30 coming from each of 11 industrial groupings, identified based on the ICB Classification system, following the categorization below:

| Grouping           | ICB codes                         |
|--------------------|-----------------------------------|
| Oil & Gas          | Industry 1                        |
| Basic Materials    | Industry 1000                     |
| Industrials        | Industry 2000                     |
| Consumer Goods     | Industry 3000                     |
| Health Care        | Industry 4000                     |
| Consumer Services  | Industry 5000                     |
| Telecommunications | Industry 6000                     |
| Utilities          | Industry 7000                     |
| Financials         | Supersectors 8300, 8500, and 8700 |
| Real Estate        | Supersector 8600                  |
| Technology         | Industry 9000                     |

Effective with September 2020 review, maximum of 6 components out of the total 30 coming from each of 11 industrial groupings, identified based on the ICB Classification system, following the categorization below:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Energy                 | Industry 60 |
| Basic Materials        | Industry 55 |
| Industrials            | Industry 50 |
| Consumer Staples       | Industry 45 |
| Healthcare             | Industry 20 |
| Consumer Discretionary | Industry 40 |
| Telecommunications     | Industry 15 |
| Utilities              | Industry 65 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Technology             | Industry 10 |

### b. Region

Maximum of 15 components and minimum of 3 components coming from the 3 geographic regions below, according to their country of classification:

- North America : components of the STOXX North America 600 Index
- Europe: components of the STOXX Europe 600 Index
- Asia/Pacific: components of the STOXX Asia/Pacific 600 Index

## 32. iSTOXX GLOBAL ESG EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

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### c. Country

For each country  $i$ , a maximum number of components is calculated as follows, rounded to the nearest integer:

$$K_i = (\text{SXW1}_i + 10\%) * N$$

where:

- $K_i$  maximum number of components from country  $i$ , allowed for inclusion in the iSTOXX Global ESG ex-Controversial Activities Select 30 Index
- $\text{SXW1}_i$  weight of the components coming from country  $i$ , in the STOXX Global 1800 Index (parent index), as of the cutoff date
- $N$  number of constituents in the iSTOXX Global ESG ex-Controversial Activities Select 30 Index

- o A separate cap is applied for  $i = \text{UK}$ :

$$K_{\text{UK}} = 3$$

All eligible companies that fulfil the optimization process described in step 3, are then sorted in ascending order in terms of their volatility. The final composition list, consists of 30 companies: the 5 companies selected from step 2, and the 25 companies with the lowest volatility from the list of companies derived from step 3.

If the composition list cannot be completed with 30 stocks under the above constraints, or if rule 2 related to the minimum number of 5 US components is not met, then the number of stocks selected at step 1 (companies with highest net dividend yield) is incremented by 1, and the steps 2 and 3 are repeated. Further incrementing is applied to this number if necessary, and the process is repeated until 30 stocks are selected.

If constraint 3b, related to the minimum number of 3 components per geographic region is not met, then the maximum number of components allowed per region is decremented by 1, and step 3 is repeated.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last dissemination day of the month prior to the review month.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

- $w_i$  target weight of component  $i$
- $\sigma_i$  maximum between the 3-month and 12-month historical volatility of component  $i$ , as of review cut-off date, based on prices in EUR

## 32. iSTOXX GLOBAL ESG EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

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N            number of constituents in the index

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 32.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** On a monthly basis, in case a company which is an index constituent has a Norms Based Screening assessment of 'Red' or not rated, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 33.iSTOXX GLOBAL LOW CARBON EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

## 33.1. iSTOXX GLOBAL LOW CARBON EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

### 33.1.1. OVERVIEW

The iSTOXX Global Low Carbon ex-Controversial Activities Select 30 Index tracks the performance of 30 liquid stocks with low volatility and high dividend yield. The components are selected from a pool of companies with low carbon intensity figures. Industry and country neutrality filters are applied in the selection process to ensure diversification. Companies that are non-compliant according to Global Standards Screening (GSS) or are involved in Controversial Weapons activities, as identified by Sustainalytics, are excluded. Additionally, companies involved in Weapons (Small Arms and Military Contracting), Gambling, Adult Entertainment, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, Nuclear Power, Tobacco, Aerospace and Defense are also excluded.

**Universe:** The index universe is defined by all the stocks included in the STOXX Global 1800 Index, as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 33.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for their Carbon Intensity<sup>51</sup> from ISS ESG. The 1800 companies are ranked in descending order in terms of their Carbon Intensity scores, and the 30% companies with the highest intensity (i.e. 540 companies), are excluded from the selection process. Companies with missing Carbon Intensity information incorporated in the 30% of companies that are excluded (i.e. they are treated as if they have a Carbon Intensity equal to the maximum Carbon Intensity figure among the rest of the companies in the Universe with available information). In case two companies for a given cut-off date have the same Carbon Intensity, priority in the ranking is given to the one with the lowest dividend yield and will be excluded.

The remaining companies are then screened for the following indicators:

- i. 12-month historical net dividend yield<sup>52</sup>
- ii. 3-month and 12-month historical volatility in EUR
- iii. 3-month Average Daily Traded Volume (ADTV) in EUR

<sup>51</sup> Carbon Intensity = (Scope 1 + Scope 2 GHG emissions) / Revenue (USD million)

<sup>52</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](https://www.stoxx.com).

## 33. iSTOXX GLOBAL LOW CARBON EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

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- iv. Weapons (Small Arms and Military Contracting), Adult Entertainment, Gambling, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, Nuclear Power and Tobacco

If any of the fields i) to iv) above have missing information for a stock, then that company is excluded from the selection process.

The Selection list constitutes of all remaining stocks that fulfil the conditions below, in the order they are listed:

- 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 5 million EUR
- Effective up until September 2020 review, not belonging to the Aerospace or Defense ICB subsectors (2713, 2717 ICB codes)  
Effective with September 2020 review, not belonging to the Aerospace or Defense ICB subsectors (50201010, 50201020 ICB codes)
- Not identified as non-compliant with Sustainalytics Global Standards Screening (GSS).  
Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.
- Not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:
  - » Internal production or sale of controversial weapons
  - » The ultimate holding company owns >10% of voting rights of an involved company
  - » >10% of voting rights of a company is owned by the involved company
- Not have any Product Involvement in the following areas<sup>53</sup>:

### Weapons:

#### i) Small Arms:

STOXX will exclude companies that Sustainalytics identifies to have:

- » >10% revenues from manufacturing and selling assault weapons to civilian customers
- » >50% significant ownership of a company that manufactures and sells assault weapons to civilian customers
- » >10% revenues from manufacturing and selling small arms to military / law enforcement customers
- » >50% significant ownership of a company that manufactures and sells small arms to military / law enforcement customers
- » >10% revenues from manufacturing and selling key components of small arms
- » >50% significant ownership of a company that manufactures and sells key components of small arms
- » >10% revenues from retail and/or distribution of assault weapons
- » >50% significant ownership of a company involved in retail and/or distribution of assault weapons
- » >10% revenues from retail and/or distribution of small arms (non-assault weapons)

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<sup>53</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results



# 33. iSTOXX GLOBAL LOW CARBON EX- CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

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»>50% significant ownership of a company involved in retail and/or distribution of small arms (non-assault weapons)

»>10% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers

»>50% significant ownership of a company manufacturing and selling small arms (non-assault weapons) to civilian customers

## ii) **Military Contracting:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>10% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons

»>50% significant ownership of a company involved in manufacturing military weapons systems and/or integral, tailor made components of these weapons

»>10% revenues from tailor made products and/or services that support military weapons

»>50% significant ownership of a company involved in tailor made products and/or services that support military weapons

»>10% revenues from non-weapons related tailor-made products and/or services to the military or defence industry

»>50% significant ownership of a company involved in non-weapons related tailor-made products and/or services to the military or defence industry

## **Adult Entertainment:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>25% revenues from the production of adult entertainment and/or owns/operates adult entertainment establishments

»>50% significant ownership of another company with involvement in the production of adult entertainment and/or owns/operates adult entertainment establishments

»>25% revenues from the distribution of adult entertainment materials

»>50% significant ownership of another company with involvement in the distribution of adult entertainment

## **Gambling:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>25% revenues from owning and/or operating a gambling establishment

»>50% significant ownership of another company with involvement in owning and/or operating a gambling establishment

»>25% revenues from manufacturing specialized equipment used exclusively for gambling

»>50% significant ownership of another company with involvement in manufacturing specialized equipment used exclusively for gambling

»>25% revenues from providing supporting products/services to gambling operations

»>50% significant ownership of another company with involvement in providing supporting products/services to gambling operations

## **Unconventional Oil & Gas**

### i) **Arctic Oil and Gas Exploration:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues Oil & Gas exploration & extraction in Arctic regions

»>50% significant ownership (extraction) of a company that is involved in Oil & Gas exploration & extraction in Arctic regions

### ii) **Oil Sands:**

## 33. iSTOXX GLOBAL LOW CARBON EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

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STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

»>50% significant ownership of a company that is involved in extraction of oil sands

### iii) Shale Energy:

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from shale energy exploration and/or production

»>50% significant ownership of a company that is involved in shale energy exploration and/or production

### Conventional Oil & Gas:

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from oil and gas exploration, production, refining, transportation and/or storage

This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).

»>50% significant ownership of a company that is involved in exploration, production, refining, transportation and storage of oil and/or gas

»>0% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)

»>50% significant ownership of a company that is involved in the provision of tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage.

»>25% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

»>50% significant ownership of a company that is involved in involvement in the generation of electricity from oil and/or gas

### Thermal Coal:

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from thermal coal extraction (including thermal coal mining and exploration)

»>50% significant ownership of a company that is involved in the extraction of thermal coal

»>0% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

»>50% significant ownership of a company that is involved in the generating electricity from thermal coal

### Nuclear Power:

STOXX will exclude companies that Sustainalytics identifies as having:

»>25% revenues from nuclear power production:

- Utilities that own/operate nuclear power generators

Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power

»>50% significant ownership of a company involved in producing nuclear power

»>25% revenues from nuclear power supporting products / services, including:

- Design and construction of nuclear power plants
- Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls
- Special services, such as the transport of nuclear power materials, and nuclear plant maintenance;
- Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate

## 33. iSTOXX GLOBAL LOW CARBON EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

»>50% significant ownership of a company involved in providing products / services that support the nuclear power industry

»>25% revenues from nuclear power distribution, including:

- The resale or distribution of electricity generated from nuclear power;
- This applies to distributors, resellers and utilities that distribute nuclear power as a part of their energy mix

Note: In this category Sustainalytics tracks the percentage of a company's energy mix that is generated from nuclear power

»>50% significant ownership of a company involved in distribution of electricity generated from nuclear power

### **Tobacco:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from manufacturing tobacco products

»>50% significant ownership of a company that is involved in the manufacturing tobacco products

»>0% revenues from supplying tobacco-related products/services

»>50% significant ownership of a company that is involved in supplying tobacco-related products/services

»>0% revenues from the distribution and/or retail sale of tobacco products.

»>50% significant ownership of a company that is involved in distribution and/or retail sale (>10% total revenues) of tobacco products.

**Composition list:** The final composition list with the 30 securities is derived by following the below steps in the order they are listed.

- 1) All stocks from the selection list are first sorted in descending order in terms of 12-month historical net dividend yield and the top 120 (highest dividend yield) stocks are selected. In case two companies for a given cut-off date have the same dividend yield, priority is given to the one with the lowest volatility (maximum between the 3-month and 12-month historical volatility in EUR)
- 2) Subsequently, the remaining stocks are sorted in ascending order in terms of volatility (as defined above). The top 5 securities from the USA (lowest volatility) in this ranking process, are admitted in the composition list, ensuring a minimum number of 5 companies are representing the USA.
- 3) The remaining 25 companies, are the ones with the lowest volatility from the remaining stocks, and are selected in such a way that the following conditions are met:

#### **a. Industry**

Effective up until September 2020 review, maximum of 6 components out of the total 30 coming from each of 11 industrial groupings, identified based on the ICB Classification system, following the categorization below:

| Grouping          | ICB codes     |
|-------------------|---------------|
| Oil & Gas         | Industry 1    |
| Basic Materials   | Industry 1000 |
| Industrials       | Industry 2000 |
| Consumer Goods    | Industry 3000 |
| Health Care       | Industry 4000 |
| Consumer Services | Industry 5000 |

## 33. iSTOXX GLOBAL LOW CARBON EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

|                    |                                   |
|--------------------|-----------------------------------|
| Telecommunications | Industry 6000                     |
| Utilities          | Industry 7000                     |
| Financials         | Supersectors 8300, 8500, and 8700 |
| Real Estate        | Supersector 8600                  |
| Technology         | Industry 9000                     |

Effective with September 2020 review, maximum of 6 components out of the total 30 coming from each of 11 industrial groupings, identified based on the ICB Classification system, following the categorization below:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Energy                 | Industry 60 |
| Basic Materials        | Industry 55 |
| Industrials            | Industry 50 |
| Consumer Staples       | Industry 45 |
| Healthcare             | Industry 20 |
| Consumer Discretionary | Industry 40 |
| Telecommunications     | Industry 15 |
| Utilities              | Industry 65 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Technology             | Industry 10 |

### b. Region

Maximum of 15 components and minimum of 3 components coming from the 3 geographic regions below, according to their country classification:

- North America : components the STOXX North America 600 Index
- Europe: components of the STOXX Europe 600 Index
- Asia/Pacific: components of the STOXX Asia/Pacific 600 Index

### c. Country

For each country  $i$ , a maximum number of components is calculated as follows, rounded to the nearest integer:

$$K_i = (\text{SXW1}_i + 10\%) * N$$

where:

- $K_i$  maximum number of components from country  $i$ , allowed for inclusion in the iSTOXX Global Low Carbon ex-Controversial Activities Select 30 Index
- $\text{SXW1}_i$  weight of the components coming from country  $i$ , in the STOXX Global 1800 Index (parent index), as of the cutoff date
- $N$  number of constituents in the iSTOXX Global Low Carbon ex-Controversial Activities Select 30 Index

- A separate cap is applied for  $i = \text{UK}$ :

## 33. iSTOXX GLOBAL LOW CARBON EX-CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

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$$K_{UK} = 3$$

If the composition list cannot be completed with 30 stocks under the above constraints, or if rule 2 related to the minimum number of 5 US components is not met, then the number of stocks selected at step 1 (companies with highest net dividend yield) is incremented by 1, and the steps 2 and 3 are repeated. Further incrementing is applied to this number if necessary, and the process is repeated until 30 stocks are selected.

If constraint 3b, related to the minimum number of 3 components per geographic region is not met, then the maximum number of components allowed per region is decremented by 1, and step 3 is repeated.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

|            |                                                                                                                                     |
|------------|-------------------------------------------------------------------------------------------------------------------------------------|
| $w_i$      | target weight of component $i$                                                                                                      |
| $\sigma_i$ | maximum between the 3-month and 12-month historical volatility of component $i$ , as of review cut-off date, based on prices in EUR |
| $N$        | number of constituents in the index                                                                                                 |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 33.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

## 33. iSTOXX GLOBAL LOW CARBON EX- CONTROVERSIAL ACTIVITIES SELECT 30 INDEX

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**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 34.iSTOXX SINGAPORE DEVELOPED REITS INDEX

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### 34.1. iSTOXX SINGAPORE DEVELOPED REITS INDEX

#### 34.1.1. OVERVIEW

The iSTOXX Singapore Developed REITs index is designed to capture the performance of companies classified in the Real Estate sector, according to ICB classification, and whose revenues derive from Real Estate activities.

**Universe:** The index universe is defined by securities included in the STOXX World AC Universal All Cap Index, which are incorporated in Singapore.

**Weighting scheme:** The indices are weighted according to free-float market capitalization.

**Base values and dates:** The following base values and dates apply: 100 on December 21, 2012

**Index types and currencies:** Price, net return, gross return in EUR, USD and SGD.

**Dissemination calendar:** STOXX Global Calendar

#### 34.1.2. INDEX REVIEW

**Selection list:**

All securities in the universe are screened for the below information at the review cut-off date:

- i. 3-month Median Daily Traded Volume (MDTV) in USD
- ii. Free-float market capitalization in USD
- iii. ICB classification: stocks classified as belonging to the eligible ICB list
- iv. Revenue information, as captured by Revere's detailed industry classification system (RBICS)

If any of the fields i), ii), iii), and iv) above have missing information for a stock, then that company is excluded from the selection process.

The selection process consists of the following steps in the order they are listed:

Step 1.

**Size and liquidity screening:**

- Only constituents whose free-float market capitalization is greater than or equal to 800 million USD are eligible.
- Only constituents whose 3-month Median Daily Traded Volume (MDTV) in USD is greater than or equal to 2 million USD are eligible.

## 34. iSTOXX SINGAPORE DEVELOPED REITS INDEX

Step 2.

### ICB Classification screening:

- Only constituents whose ICB subsector classification belongs to the following ICB subsectors are eligible:

| ICB code | ICB Subsector           | Classification |
|----------|-------------------------|----------------|
| 35102000 | Diversified REITs       | Extended       |
| 35102010 | Health Care REITs       | Extended       |
| 35102015 | Hotel and Lodging REITs | Extended       |
| 35102020 | Industrial REITs        | Extended       |
| 35102025 | Infrastructure REITs    | Extended       |
| 35102030 | Office REITs            | Core           |
| 35102040 | Residential REITs       | Extended       |
| 35102045 | Retail REITs            | Core           |
| 35102050 | Storage REITs           | Extended       |
| 35102070 | Other Specialty REITs   | Extended       |

- Among the ICB subsectors listed above, Office REITs and Retail REITs, are identified as core real-estate ICB subsectors.

Step 3.

### RBICS sectors screening:

- Only constituents whose RBICS sector classification belongs to the following RBICS sectors are eligible.

| RBICS L6 ID  | RBICS L6 Sector                                 | Classification |
|--------------|-------------------------------------------------|----------------|
| 151010102515 | Full Service Hotels and Resorts                 | Core           |
| 151010102520 | Luxury Hotels and Resorts                       | Core           |
| 151010102525 | Mixed-Type Hotels, Motels and Resorts           | Core           |
| 151010151015 | Fitness and Recreational Sports Centers         | Core           |
| 151010152510 | Casinos and Casino Hotels                       | Core           |
| 151010251015 | International Full-Service Restaurants and Bars | Core           |
| 201520151010 | Home Builders                                   | Core           |
| 202510201510 | All Apparel Retail                              | Core           |
| 202520101015 | Home Centers and Hardware Stores                | Core           |
| 302515101510 | Diversified Real Estate Investment and Services | Core           |
| 302515102010 | Diversified Real Estate Developers              | Core           |
| 302515102015 | Commercial Real Estate Developers               | Core           |
| 302515102020 | Industrial Real Estate Developers               | Core           |
| 302515102025 | Residential Real Estate Developers              | Core           |
| 302515102510 | Diversified Real Estate Services and Brokerage  | Extended       |
| 302515102515 | Commercial Real Estate Services and Brokers     | Extended       |
| 302515102520 | Residential Real Estate Services and Brokerage  | Extended       |
| 302515151010 | Commercial and Residential Property Owners      | Core           |
| 302515151015 | Commercial Property Owners                      | Core           |
| 302515151020 | Residential Property Owners                     | Core           |
| 302520101010 | Diversified REITs                               | Core           |



## 34. iSTOXX SINGAPORE DEVELOPED REITS INDEX

|              |                                            |          |
|--------------|--------------------------------------------|----------|
| 302520151010 | Apartment Equity REITs                     | Core     |
| 302520151015 | Healthcare and Life Sciences Equity REITs  | Core     |
| 302520151020 | Hotel and Motel Equity REITs               | Core     |
| 302520151025 | Industrial and Warehouse Equity REITs      | Core     |
| 302520151030 | Land Equity REITs                          | Core     |
| 302520151035 | Manufactured Homes Equity REITs            | Core     |
| 302520151040 | Multi-Type Equity REITs                    | Core     |
| 302520151045 | Office Equity REITs                        | Core     |
| 302520151050 | Retail Equity REITs                        | Core     |
| 302520151055 | Self-Storage Equity REITs                  | Core     |
| 302520151060 | Student and Specialty Housing Equity REITs | Core     |
| 351515101010 | General and Acute Hospitals                | Core     |
| 351515101510 | Other Hospitals                            | Core     |
| 351515201010 | Assisted Living                            | Core     |
| 351515202010 | Other Long-Term Care Facilities            | Core     |
| 351515202510 | Skilled Nursing Facility (Nursing Home)    | Core     |
| 351515251010 | Diversified Patient Care                   | Core     |
| 351515302010 | Primary Patient Care                       | Core     |
| 401525101010 | Building Construction                      | Core     |
| 401525101020 | Other Infrastructure Construction          | Extended |
| 501015101510 | Asia/Pacific Department Stores             | Core     |
| 501015102010 | Europe Department Stores                   | Core     |
| 501015251010 | Off-Price Retail Stores                    | Core     |
| 502510101020 | Primary and Secondary Education            | Core     |
| 552010201010 | Colocation and Data Center Services        | Core     |

- Among the RBICS sectors listed above, Commercial Real Estate Services and Brokers, Other Infrastructure Construction, Residential Real Estate Services and Brokerage and Diversified Real Estate Services and Brokerage are identified as extended real-estate activities, while all others are identified as core real-estate activities.

Step 4.

### RBICS sector comparison screening:

- Only constituents whose aggregated revenues from RBICS core real-estate activities are greater than the aggregated revenues from the RBICS extended real-estate activities, are eligible.

Step 5.

### RBICS sectors threshold screening:

- Constituents whose ICB subsector belongs to the core real-estate ICB subsectors, must derive at least 65% of their aggregated revenues from the RBICS sectors (all sectors listed in Step 3) to be eligible. The threshold is set to 60% for current components.
- Constituents whose ICB subsector belongs to not core real-estate ICB subsectors, must derive at least 75% of their aggregated revenues from the RBICS sectors (all sectors listed in Step 3), to be eligible. The threshold is set to 70% for current components.

## 34. iSTOXX SINGAPORE DEVELOPED REITS INDEX

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Step 6.

**RBICS segments screening:**

- Constituents that derive more than 50% of their aggregate revenues from Fund management activities, are not eligible.

**Composition list:** All securities in the universe that passed the selection screenings are selected for final index composition.

**Review frequency:** The reviews are conducted semi-annually in March and September. The review cut-off date for the underlying data is the last dissemination day of the month prior to the review month.

**Weighting cap factors:** The components are not subject to component weight restrictions and capping. The weighting will be calculated by Free Float Market Cap, and will be FOL adjusted.

### 34.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spun-off companies are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com). Index components are deleted from all STOXX indices in case of official delisting from the eligible stock exchange or ongoing bankruptcy proceedings

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# 35. EURO iSTOXX RESPONSIBILITY SCREENED SELECT 30 INDEX

## 35.1. EURO iSTOXX RESPONSIBILITY SCREENED SELECT 30 INDEX

### 35.1.1. OVERVIEW

The EURO iSTOXX Responsibility Screened Select 30 Index tracks the performance of 30 liquid stocks with low volatility and high dividend yield. Industry and country neutrality filters are applied in the selection process to ensure diversification. Companies that are non-compliant with the Global Standards Screening (GSS) assessment or are involved in Controversial Weapons activities, as identified by Sustainalytics, are excluded. Additionally, companies involved in Military Contracting, Gambling, Adult Entertainment, Thermal Coal, Nuclear Power, Tobacco and Genetically Modified Plants and Seeds, are also excluded.

**Universe:** The index universe is defined by all the stocks included in the EURO STOXX Index, as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 35.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the below information:

- i. 3-month and 12-month historical volatility in EUR
- ii. 3-month Average Daily Traded Volume (ADTV) in EUR
- iii. 12-month historical gross dividend yield<sup>54</sup>
- iv. ESG scores, as sourced from Sustainalytics' ESG Risk Rating dataset
- v. Product Involvement information on: Thermal Coal, Tobacco, Nuclear Power, Adult Entertainment, Gambling, Alcohol, Genetically Modified Plants and Seeds and Weapons (Military Contracting)

If any of the fields i), ii), iv) and v) above have missing information for a stock, then that company is excluded from the selection process. If information on field iii) is missing, then a score of 0 is assigned to them instead.

The screening filters below are then applied on the initial universe, in the order they are listed, such that the selection list constitutes of stocks that:

- Are not identified as non-compliant with Sustainalytics Global Standards Screening (GSS). Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and

<sup>54</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

## 35. EURO ISTOXX RESPONSIBILITY SCREENED SELECT 30 INDEX

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Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

- Are not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:
  - » Internal production or sale of controversial weapons
  - » The ultimate holding company owns >10% of voting rights of an involved company
  - » >10% of voting rights of a company is owned by the involved company
- Do not have any Product Involvement in the following areas<sup>55</sup>:

### Thermal Coal:

STOXX will exclude companies that Sustainalytics identifies to have:

- » >25% revenues from thermal coal extraction (including thermal coal mining and exploration)
- » >25% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

### Tobacco:

STOXX will exclude companies that Sustainalytics identifies to have:

- » >0% revenues from manufacturing tobacco products
- » >5% revenues from supplying tobacco-related products/services

### Nuclear Power:

STOXX will exclude companies that Sustainalytics identifies as having:

- » >0% revenues from nuclear power production:
  - Utilities that own/operate nuclear power generators

Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power

» >5% revenues from nuclear power supporting products / services, including:

- Design and construction of nuclear power plants
- Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls
- Special services, such as the transport of nuclear power materials, and nuclear plant maintenance;
- Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate

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<sup>55</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results

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# 35. EURO ISTOXX RESPONSIBILITY SCREENED SELECT 30 INDEX

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## Adult Entertainment:

STOXX will exclude companies that Sustainalytics identifies to have:

- »>0% revenues from the production of adult entertainment and/or owns/operates adult entertainment establishments
- »>10% revenues from the distribution of adult entertainment materials

## Gambling:

STOXX will exclude companies that Sustainalytics identifies to have:

- »>0% revenues from owning and/or operating a gambling establishment
- »>0% revenues from manufacturing specialized equipment used exclusively for gambling
- »>0% revenues from providing supporting products/services to gambling operations

## Alcohol:

STOXX will exclude companies that Sustainalytics identifies as manufacturers of alcoholic beverages (>5% revenue threshold).

## Genetically Modified Plants and Seeds:

STOXX will exclude companies that Sustainalytics identifies as being involved in the development and/or cultivation of genetically modified seeds and/or plants (>0% revenue threshold).

## Military Contracting:

STOXX will exclude companies that Sustainalytics identifies to have:

- »>5% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons
- »>5% revenues from tailor made products and/or services that support military weapons

- In Sustainalytics' ESG Risk Rating dataset, lower scores represent less unmanaged risk. As such, companies are ranked in ascending order by ESG Risk Rating and must fall above the 25th percentile, within their respective peer group, as defined by Sustainalytics.
- Have 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 5 million EUR

**Composition list:** The final composition list with the 30 securities is derived by following the steps below:

- 1) All stocks from the selection list are first sorted in ascending order in terms of their volatility (maximum between the 3-month and 12-month historical volatility in EUR) and the top 50% lowest volatility stocks, rounded down to the previous integer, are selected. In case two companies for a given cutoff date have the same volatility, priority is given to the one with the highest historical gross dividend yield.
- 2) Subsequently, the remaining stocks are sorted in descending order in terms of their historical gross dividend yield. In case two companies have the same dividend yield, priority is given to the one with the lowest volatility. Moreover, if any companies with zero dividend yield are remaining at this step, they are excluded. The rest of the companies are individually

## 35. EURO ISTOXX RESPONSIBILITY SCREENED SELECT 30 INDEX

assessed from top to bottom in the ranking list, for eligibility in the index based on the two diversification constraints listed below. The final composition consists of the 30 companies with the highest dividend yield that ensure the conditions below apply:

### a. Industry

Effective up until September 2020 review, maximum of 6 components out of the total 30 coming from each of 11 industrial groupings, identified based on the ICB Classification system, following the categorization below:

| Grouping           | ICB codes                         |
|--------------------|-----------------------------------|
| Oil & Gas          | Industry 1                        |
| Basic Materials    | Industry 1000                     |
| Industrials        | Industry 2000                     |
| Consumer Goods     | Industry 3000                     |
| Health Care        | Industry 4000                     |
| Consumer Services  | Industry 5000                     |
| Telecommunications | Industry 6000                     |
| Utilities          | Industry 7000                     |
| Financials         | Supersectors 8300, 8500, and 8700 |
| Real Estate        | Supersector 8600                  |
| Technology         | Industry 9000                     |

Effective with September 2020 review, maximum of 6 components out of the total 30 coming from each of 11 industrial groupings, identified based on the ICB Classification system, following the categorization below:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Energy                 | Industry 60 |
| Basic Materials        | Industry 55 |
| Industrials            | Industry 50 |
| Consumer Staples       | Industry 45 |
| Healthcare             | Industry 20 |
| Consumer Discretionary | Industry 40 |
| Telecommunications     | Industry 15 |
| Utilities              | Industry 65 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Technology             | Industry 10 |

### b. Country

Maximum 6 companies per country

If the composition list cannot be completed with 30 stocks under the above constraints, then the number of stocks selected at step 1 (companies with companies with lowest volatility) is

# 35. EURO ISTOXX RESPONSIBILITY SCREENED SELECT 30 INDEX

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incremented by 1, and step 2 is repeated. Further incrementing is applied to this number if necessary, and the process is repeated until 30 stocks are selected.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last dissemination day of the month prior to the review month.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

$w_i$  target weight of component  $i$   
 $\sigma_i$  maximum between the 3-month and 12-month historical volatility of component  $i$ , as of review cut-off date, based on prices in EUR  
 $N$  number of constituents in the index

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

## 35.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All componentst are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 36.iSTOXX EUROPE RESPONSIBILITY LOW VOL 30 INDEX

## 36.1. iSTOXX EUROPE RESPONSIBILITY LOW VOL 30 INDEX

### 36.1.1. OVERVIEW

The iSTOXX Europe Responsibility Low Vol 30 Index tracks the performance of 30 liquid stocks with low volatility. Industry and country neutrality filters are applied in the selection process to ensure diversification. Companies that are non-compliant with the Global Standards Screening (GSS) assessment or are involved in Controversial Weapons activities, as identified by Sustainalytics, are excluded. Additionally, companies involved in Animal Testing, Weapons, Gambling, Adult Entertainment, Thermal Coal, Nuclear Power, Tobacco, Conventional Oil & Gas, Unconventional Oil & Gas Genetically Modified Plants and Seeds, are also excluded. Moreover, companies involved in incidents and events that may pose a business or reputation risk to a company due to the potential impact on stakeholders or the environment identified by Sustainalytics Controversies Research are excluded.

**Universe:** The index universe is defined by all the stocks included in the STOXX Europe 600 Index, as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 36.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the below information:

- i. 3-month and 12-month historical volatility in EUR
- ii. 3-month Average Daily Traded Volume (ADTV) in EUR
- iii. ESG scores, as sourced from Sustainalytics' ESG Risk Rating dataset
- iv. Product Involvement information on: Animal Testing, Weapons, Gambling, Adult Entertainment, Thermal Coal, Nuclear Power, Tobacco, Conventional Oil & Gas, Unconventional Oil & Gas and Genetically Modified Plants and Seeds.
- v. Controversies assessment on: Involvement in incidents with negative environmental, social and governance (ESG) implications.

If any of the fields i), ii), iii) and iv) above have missing information for a stock, then that company is excluded from the selection process. If information on field v) is missing, then a score of 0 is assigned to them instead.



## 36. iSTOXX EUROPE RESPONSIBILITY LOW VOL 30 INDEX

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The screening filters below are then applied on the initial universe, in the order they are listed, such that the selection list constitutes of stocks that:

1. In Sustainalytics' ESG Risk Rating dataset, lower scores represent less unmanaged risk. As such, companies are ranked in ascending order by ESG Risk Rating and must fall above the 20th percentile.
2. Are not identified as non-compliant with Sustainalytics Global Standards Screening (GSS). Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.
3. Are not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:
  - » Internal production or sale of controversial weapons
  - » The ultimate holding company owns >10% of voting rights of an involved company
  - » >10% of voting rights of a company is owned by the involved company
4. Do not have any Product Involvement in the following areas<sup>56</sup>:

**Animal Testing:**

»>0% revenues related to animal testing for non-pharmaceutical products

**Thermal Coal:**

»>5% revenues from thermal coal extraction (including thermal coal mining and exploration)

»>10% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

**Tobacco:**

»>5% revenues from manufacturing tobacco products

»>5% revenues from supplying tobacco-related products/services

»>5% revenues from the distribution and/or retail sale of tobacco products.

**Nuclear Power:**

»>0% revenues from nuclear power production:

- Utilities that own/operate nuclear power generators

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<sup>56</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results

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## 36. iSTOXX EUROPE RESPONSIBILITY LOW VOL 30 INDEX

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Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power

»>0% revenues from nuclear power supporting products / services, including:

- Design and construction of nuclear power plants
- Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls
- Special services, such as the transport of nuclear power materials, and nuclear plant maintenance;
- Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate

»>5% revenues from nuclear power distribution, including:

- The resale or distribution of electricity generated from nuclear power;
- This applies to distributors, resellers and utilities that distribute nuclear power as a part of their energy mix

Note: In this category Sustainalytics tracks the percentage of a company's energy mix that is generated from nuclear power

### **Adult Entertainment:**

»>0% revenues from the production of adult entertainment and/or owns/operates adult entertainment establishments

»>10% revenues from the distribution of adult entertainment materials

### **Gambling:**

»>0% revenues from owning and/or operating a gambling establishment

»>10% revenues from manufacturing specialized equipment used exclusively for gambling

»>10% revenues from providing supporting products/services to gambling operations

### **Alcohol:**

»>5% revenues from manufacturing alcoholic beverages

»>10% revenues from the distribution and/or retail of alcoholic beverages

### **Genetically Modified Plants and Seeds:**

»>0% revenues from the development and/or cultivation of genetically modified seeds and/or plants

»>0% revenues from growing genetically modified crops

### **Weapons**

#### **i) Small Arms:**

»>0% revenues from manufacturing and selling assault weapons to civilian customers

»>0% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers

»>0% revenues from manufacturing and selling key components of small arms

»>0% revenues from retail and/or distribution of assault weapons

»>0% revenues from retail and/or distribution of small arms (non-assault weapons)

»>0% revenues from manufacturing and selling small arms to military / law enforcement customers

## 36. iSTOXX EUROPE RESPONSIBILITY LOW VOL 30 INDEX

### ii) **Military Contracting:**

»>0% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons

»>5% revenues from non-weapons related tailor-made products and/or services to the military or defence industry

»>5% revenues from tailor made products and/or services that support military weapons

### **Conventional Oil & Gas:**

»>25% revenues from oil and gas exploration, production, refining, transportation and/or storage This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).

### **Unconventional Oil & Gas:**

#### i) **Arctic Oil and Gas Exploration:**

»>0% revenues Oil & Gas exploration & extraction in Arctic regions

#### ii) **Oil Sands:**

»>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

#### iii) **Shale Energy:**

»>0% revenues from shale energy exploration and/or production

5. Are not categorized in incidents in the following areas:

| <b>Controversies Sustainability</b>        | <b>Category Exclusion</b> |
|--------------------------------------------|---------------------------|
| Access to Basic Services                   | >= 4                      |
| Accounting and Taxation                    | >= 4                      |
| Animal Welfare - SC                        | >= 4                      |
| Animal Welfare                             | >= 4                      |
| Anti-Competitive Practices                 | >= 4                      |
| Bribery and Corruption - SC                | >= 4                      |
| Bribery and Corruption                     | >= 4                      |
| Business Ethics - SC                       | >= 4                      |
| Business Ethics                            | >= 4                      |
| Carbon Impact of Products                  | >= 4                      |
| Community Relations - SC                   | >= 4                      |
| Community Relations                        | >= 4                      |
| Corporate Governance                       | >= 4                      |
| Data Privacy and Security                  | >= 4                      |
| E.1.12 Operations Incidents                | >= 4                      |
| E.2.2 Environmental Supply Chain Incidents | >= 4                      |

# 36. iSTOXX EUROPE RESPONSIBILITY LOW VOL 30 INDEX

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|                                     |      |
|-------------------------------------|------|
| E.3.2 Product & Service Incidents   | >= 4 |
| Emissions, Effluents and Waste - SC | >= 4 |
| Emissions, Effluents and Waste      | >= 4 |
| Employees - Human Rights - SC       | >= 4 |
| Employees - Human Rights            | >= 4 |
| Energy Use and GHG Emissions - SC   | >= 4 |
| Energy Use and GHG Emissions        | >= 4 |
| Environmental Impact of Products    | >= 4 |
| G.1.5 Business Ethics Incidents     | >= 4 |
| G.2.13 Governance Incidents         | >= 4 |
| G.3.4 Public Policy Incidents       | >= 4 |
| Intellectual Property               | >= 4 |
| Labour Relations - SC               | >= 4 |
| Labour Relations                    | >= 4 |
| Land Use and Biodiversity - SC      | >= 4 |
| Land Use and Biodiversity           | >= 4 |
| Lobbying and Public Policy          | >= 4 |
| Marketing Practices                 | >= 4 |
| Media Ethics                        | >= 4 |
| Occupational Health and Safety - SC | >= 4 |
| Occupational Health and Safety      | >= 4 |
| Quality and Safety                  | >= 4 |
| Resilience                          | >= 4 |
| S.1.7 Employee Incidents            | >= 4 |
| S.2.3 Social Supply Chain Incidents | >= 4 |
| S.3.3 Customer Incidents            | >= 4 |
| S.4.3 Society & Community Incidents | >= 4 |
| Sanctions                           | >= 4 |
| Social Impact of Products           | >= 4 |
| Society - Human Rights - SC         | >= 4 |
| Society - Human Rights              | >= 4 |
| Water Use - SC                      | >= 4 |
| Water Use                           | >= 4 |
| Weapons                             | >= 4 |

6. Have 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 5 million EUR

## 36. iSTOXX EUROPE RESPONSIBILITY LOW VOL 30 INDEX

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**Composition list:** The final composition list with the 30 securities is derived by following the steps below:

- 1) Low Volatility filter applying the following criteria:
  - a. As a first step, the calculation of the maximum between the two Z -Scores (inverse of the 3-month and inverse of the 12-month price volatility in EUR)
  - b. Constituents with an absolute value of the Z – Score higher than 5 (|Z – Score| >5 ) in the step above are excluded.
- 2) Remaining Constituents are first sorted in ascending order in terms of their volatility (maximum between the 3-month and 12-month historical volatility in EUR) and the top 30 companies with the lowest volatility are selected considering the conditions below:

**a. Industry**

Maximum of 6 components out of the total 30 coming from each of 11 ICB industries.

**b. Country**

Maximum 6 companies per country

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last dissemination day of the month prior to the review month.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

|            |                                                                                                                                     |
|------------|-------------------------------------------------------------------------------------------------------------------------------------|
| $w_i$      | target weight of component $i$                                                                                                      |
| $\sigma_i$ | maximum between the 3-month and 12-month historical volatility of component $i$ , as of review cut-off date, based on prices in EUR |
| $N$        | number of constituents in the index                                                                                                 |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

## 36. iSTOXX EUROPE RESPONSIBILITY LOW VOL 30 INDEX

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### 36.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 37.iSTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX

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## 37.1. iSTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX

### 37.1.1. OVERVIEW

The iSTOXX Global Cities of Tomorrow Select 30 Index allows a targeted investment in the sustainable smart city megatrend. The index is comprised of 30 liquid stocks with low volatility and high dividend yield. The components are selected from a pool of companies that are addressing the needs of the cities and citizens of the future. These companies provide a diverse set of solutions, for which demand is constantly increasing as it is driven by growing urban population, limited natural resources and increasing focus on environmental sustainability. Moreover, eligible companies are screened by ESG risk rating scores to result in a selection of leaders with regards to environmental, social and governance criteria. Industry, region and country neutrality filters are applied in the selection process to ensure diversification.

Companies that are non-compliant with the Global Standards Screening (GSS) or are involved in Controversial Weapons activities, as identified by Sustainalytics, are excluded. Additionally, companies involved in Weapons (Small Arms and Military Contracting), Gambling, Adult Entertainment, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, Nuclear Power, Tobacco, Aerospace and Defense are also excluded.

Revere (RBICS) data allow a detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with substantial exposure to the 'sustainable smart city' megatrend.

**Universe:** The index universe is defined by all the stocks included in the STOXX Developed and Emerging Markets Total Market Index, as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Jun 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 37.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for ESG risk rating scores, as calculated by Sustainalytics' transparent ESG risk rating model. If for a company this information is not available, an ESG risk rating score of 100 is assigned instead. The companies in the parent index are then ranked in ascending order in terms of their ESG risk rating scores, and the 50% companies with the highest ESG risk rating scores, rounded upwards to the next integer, are

# 37. iSTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX

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excluded from the selection process. In case two companies for a given cutoff date have the same ESG risk rating score, priority is given to the one with the highest dividend yield. In case two securities have the same ESG risk rating score and dividend yield, then priority is given to the one with the lowest volatility (maximum between the 3-month and 12-month historical volatility in EUR).

The remaining companies are then screened for the following indicators:

- i. 12-month historical gross dividend yield<sup>57</sup>
- ii. 3-month and 12-month historical volatility in EUR
- iii. 3-month Average Daily Traded Volume (ADTV) in EUR
- iv. Product Involvement information in the categories: Weapons (Small Arms and Military Contracting), Adult Entertainment, Gambling, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, Nuclear Power and Tobacco
- v. Revenue information, as captured by Revere's detailed industry classification system (RBICS)

If any of the fields ii) to iv) above have missing information for a stock, then that company is excluded from the selection process.

If information for a company on field i) is missing, then the missing value is substituted by 0.

Information for field v) is refreshed on a semi-annual basis in June and December every year, such that for a given company in March and September reviews, revenue information from the previous December and June cutoff date is used. If this information is missing, then the company is excluded from the selection process

The Selection list constitutes of all remaining stocks that fulfil all the conditions below:

- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 5 million EUR
- **Global Standards Screening:** not identified as non-compliant with Sustainalytics Global Standards Screening (GSS).  
Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.
- **Controversial Weapons:** Not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:
  - » Internal production or sale of controversial weapons
  - » The ultimate holding company owns >10% of voting rights of an involved company
  - » >10% of voting rights of a company is owned by the involved company
- **Product Involvement:** Not have any Product Involvement in the following areas<sup>58</sup>:

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<sup>57</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](https://www.stoxx.com).

<sup>58</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results



# 37. iSTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX

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**Weapons:****i) Small Arms:**

STOXX will exclude companies that Sustainalytics identifies to have:

- »>10% revenues from manufacturing and selling assault weapons to civilian customers
- »>10% revenues from manufacturing and selling small arms to military / law enforcement customers
- »>10% revenues from manufacturing and selling key components of small arms
- »>10% revenues from retail and/or distribution of assault weapons
- »>10% revenues from retail and/or distribution of small arms (non-assault weapons)
- »>10% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers

**ii) Military Contracting:**

STOXX will exclude companies that Sustainalytics identifies to have:

- »>10% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons
- »>10% revenues from tailor made products and/or services that support military weapons
- »>10% revenues from non-weapons related tailor-made products and/or services to the military or defence industry

**Adult Entertainment:**

STOXX will exclude companies that Sustainalytics identifies to have:

- »>25% revenues from the production of adult entertainment and/or owns/operates adult entertainment establishments
- »>25% revenues from the distribution of adult entertainment materials

**Gambling:**

STOXX will exclude companies that Sustainalytics identifies to have:

- »>25% revenues from owning and/or operating a gambling establishment
- »>25% revenues from manufacturing specialized equipment used exclusively for gambling
- »>25% revenues from providing supporting products/services to gambling operations

**Tobacco:**

STOXX will exclude companies that Sustainalytics identifies to have:

- »>0% revenues from manufacturing tobacco products
- »>0% revenues from supplying tobacco-related products/services
- »>0% revenues from the distribution and/or retail sale of tobacco products.

**Thermal Coal:**

STOXX will exclude companies that Sustainalytics identifies to have:

- »>0% revenues from thermal coal extraction (including thermal coal mining and exploration)

# 37. iSTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX

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»>0% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

## **Conventional Oil & Gas:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from oil and gas exploration, production, refining, transportation and/or storage

This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).

»>0% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)

»>25% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

## **Unconventional Oil & Gas**

### **i) Arctic Oil and Gas Exploration:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues Oil & Gas exploration & extraction in Arctic regions

### **ii) Oil Sands:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

### **iii) Shale Energy:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from shale energy exploration and/or production

## **Nuclear Power:**

STOXX will exclude companies that Sustainalytics identifies as having:

»>25% revenues from nuclear power production:

Utilities that own/operate nuclear power generators

Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power

»>25% revenues from nuclear power supporting products / services, including:

Design and construction of nuclear power plants

Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls

Special services, such as the transport of nuclear power materials, and nuclear plant maintenance;

Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate

»>25% revenues from nuclear power distribution, including:

The resale or distribution of electricity generated from nuclear power;

# 37. iSTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX

This applies to distributors, resellers and utilities that distribute nuclear power as a part of their energy mix

Note: In this category Sustainalytics tracks the percentage of a company's energy mix that is generated from nuclear power

- **ICB exclusions** (supplementing Product Involvement): Effective up until September 2020 review, not belonging to the Aerospace or Defense ICB subsectors (2713, 2717 ICB codes). Effective with September 2020 review, not belonging to the Aerospace or Defense ICB subsectors (50201010, 50201020 codes).
- **Revenues**: Aggregated revenue exposure equal to or exceeding 25%, from the RBICS sectors associated with "Cities of Tomorrow" (see table below)
- **Multiple share lines**: in case a company is present with multiple listings in the eligible universe, only the most liquid share line is retained

## List of RBICS sectors associated with "Cities of Tomorrow" for the purposes of component selection

| Nr | RBICS SECTOR                                       | Nr  | RBICS SECTOR                                      |
|----|----------------------------------------------------|-----|---------------------------------------------------|
| 1  | 3D Modeling/Rapid Prototyping Automation Providers | 184 | International Mobile Satellite Services           |
| 2  | 3D Printing Services                               | 185 | Landfill Services                                 |
| 3  | Access Systems Manufacturing                       | 186 | Lasers and Optical Instrument Manufacturing       |
| 4  | Active and Intermediate Chemicals OEMs             | 187 | Latin America Banks                               |
| 5  | Africa Banks                                       | 188 | Life and Health Reinsurance                       |
| 6  | Air Purification and Filtration Equipment Products | 189 | Light Emitting Diode Discrete Semiconductors      |
| 7  | Air, Liquid and Gas Control Equipment Products     | 190 | Lime and Gypsum Products Manufacturing            |
| 8  | Alarm Systems Manufacturing                        | 191 | Liquid and Water Purification/Filtration Products |
| 9  | Alt. Energy Autonomous Heavy Duty Truck Makers     | 192 | Locks and Deadbolts Manufacturing                 |
| 10 | Alt. Energy Autonomous Transit Vehicle Production  | 193 | Manufactured Building Makers                      |
| 11 | Alt. Energy Motor Homes and Campers (RVs) Makers   | 194 | Mapping/Geographic Information Systems Software   |
| 12 | Alt. Energy Recreation Vehicle Manufacturing       | 195 | Metal Recycling Providers                         |
| 13 | Alternative Energy Boats Makers                    | 196 | Mexico Mixed Telecommunications Services          |
| 14 | Alternative Energy Car Manufacturers               | 197 | Mexico Video and Television Services              |
| 15 | Alternative Energy Heavy Duty Trucks Makers        | 198 | Mexico Wireless Telecommunications Services       |
| 16 | Alternative Energy Infrastructure Construction     | 199 | Mexico Wireline Telecommunication Services        |
| 17 | Alternative Energy Motorcycles Makers              | 200 | Microprocessor (MPU) Semiconductors               |
| 18 | Alternative Energy Transit Vehicles Makers         | 201 | Middle East and Africa Mixed Telecom Services     |
| 19 | Asia Excluding China Mixed Telecommunications      | 202 | Middle East and Africa Video/Television Services  |
| 20 | Asia Excluding China Video and Television Services | 203 | Middle East and Africa Wireless Telecom Services  |
| 21 | Asia Excluding China Wireless Telecom Services     | 204 | Middle East and Africa Wireline Telecom Services  |
| 22 | Asia Excluding China Wireline Telecom Services     | 205 | Middle East Banks                                 |

# 37. iSTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX

|    |                                                   |     |                                                    |
|----|---------------------------------------------------|-----|----------------------------------------------------|
| 23 | Asia/Pacific Investment Banking/Corporate Finance | 206 | Minimills Manufacturing Flats                      |
| 24 | Australia and New Zealand Banks                   | 207 | Mining and Excavation Equipment Manufacturing      |
| 25 | Australia/New Zealand Mixed Telecom Services      | 208 | Miscellaneous Mortgage Banking Services            |
| 26 | Australia/New Zealand Video/Television Services   | 209 | Mixed Architecture/Infrastructure Component Makers |
| 27 | Australia/New Zealand Wireless Telecom Services   | 210 | Mixed Building/Physical Security Equipment Makers  |
| 28 | Australia/New Zealand Wireline Telecom Services   | 211 | Mixed Electronic Transaction Processing            |
| 29 | Auto Insurance                                    | 212 | Mixed Environmental Control Machine Manufacturing  |
| 30 | Auto Reinsurance                                  | 213 | Mixed Heavy Building Materials/Aggregates Makers   |
| 31 | Automobile Financing                              | 214 | Mixed International Telecommunications Services    |
| 32 | Autonomous Vehicles Semiconductors                | 215 | Mixed Renewable Energy Generation Manufacturing    |
| 33 | Biologics OEMs                                    | 216 | Mixed Specialty and Commodity Chemical Makers      |
| 34 | Building Construction                             | 217 | Money Transfer Services                            |
| 35 | Building Maintenance and Engineering Services     | 218 | Monitoring and Control Sensor/Instrument Products  |
| 36 | Bulge Bracket Investment Banking                  | 219 | Mortgage Guaranty Insurance                        |
| 37 | Bus Transportation                                | 220 | Mortgage Loan Servicing                            |
| 38 | Business Intelligence/Data Warehousing Consulting | 221 | Mortgage Origination Services                      |
| 39 | Cabinets and Countertops Manufacturing            | 222 | Multi-Industry-Specific Factory Machinery Makers   |
| 40 | Cable Equipment                                   | 223 | Multinational Banks                                |
| 41 | Cable Interconnect Components                     | 224 | Multinational Internet Banks                       |
| 42 | Canada Banks                                      | 225 | Multinational Investment Banking Companies         |
| 43 | Canada Investment Banking and Corporate Finance   | 226 | Multi-Product Adhesive, Sealant and Paint Makers   |
| 44 | Canada Mixed Telecommunications Services          | 227 | Multi-Type Commercial Insurance                    |
| 45 | Canada Video and Television Services              | 228 | Multi-Type Core Infrastructure Equipment           |
| 46 | Canada Wireless Telecommunication Services        | 229 | Multi-Type Passenger Transportation                |
| 47 | Canada Wireline Telecommunication Services        | 230 | Multi-Type Residential Engineering Contractors     |
| 48 | Cardiology Surgical Devices                       | 231 | Multi-Type Supplemental Health Insurance           |
| 49 | Caribbean Banks                                   | 232 | Multi-Type United States Wireless Services         |
| 50 | Carrier Core (Backbone) Equipment                 | 233 | Multi-Type United States Wireline Services         |
| 51 | Carrier Edge Network Management Equipment         | 234 | Network Administration Software                    |
| 52 | Cellular Site Equipment                           | 235 | Network Design and Implementation Consulting       |
| 53 | Cement Manufacturing                              | 236 | Network Security Software                          |
| 54 | Central and Eastern Europe Mixed Telecom Services | 237 | Networking Semiconductors                          |
| 55 | Central and Eastern Europe Video/TV Services      | 238 | Neurology Devices                                  |
| 56 | Central and South America Mixed Telecom Services  | 239 | Northern Europe Banks                              |
| 57 | Central/Eastern Europe Wireless Telecom Services  | 240 | Oncology Devices                                   |
| 58 | Central/Eastern Europe Wireline Telecom Services  | 241 | Optoelectronics Electronic Components              |
| 59 | Central/South America Video/Television Services   | 242 | Oriented Strand Board (OSB) Manufacturing          |

# 37. iSTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX

|    |                                                    |     |                                                    |
|----|----------------------------------------------------|-----|----------------------------------------------------|
| 60 | Central/South America Wireless Telecom Services    | 243 | Other Asia/Pacific Banks                           |
| 61 | Central/South America Wireline Telecom Services    | 244 | Other Biopharmaceutical OEMs                       |
| 62 | China Banks                                        | 245 | Other Carrier Services                             |
| 63 | China Mixed Telecommunications Services            | 246 | Other Cellular Phones Manufacturing                |
| 64 | China Video and Television Services                | 247 | Other Chemistry Clinical Diagnostics Devices       |
| 65 | China Wireless Telecommunication Services          | 248 | Other Communications Semiconductors                |
| 66 | China Wireline Telecommunication Services          | 249 | Other Construction Wood Products Makers            |
| 67 | Clinical Limited Service CROs                      | 250 | Other Design and Engineering Software              |
| 68 | Closed Circuit Television (CCTV) Systems/Products  | 251 | Other Handheld and Smart Phone Software            |
| 69 | Colocation and Data Center Services                | 252 | Other Healthcare and Pharma Industry Software      |
| 70 | Commercial Mortgage Banking and Services           | 253 | Other Interconnect Components                      |
| 71 | Commercial Property Insurance                      | 254 | Other Local Area Networking Equipment              |
| 72 | Commercial Vehicle Commercial Insurance            | 255 | Other Memory Semiconductors                        |
| 73 | Compressor and Pumping Equipment Manufacturing     | 256 | Other Metal Processing and Recycling Providers     |
| 74 | Computer Aided Design (CAD) Software               | 257 | Other Network Software                             |
| 75 | Concrete Blocks, Bricks and Aggregates Makers      | 258 | Other Nonvolatile Memory Semiconductors            |
| 76 | Construction and Mining Machinery Distributors     | 259 | Other Optoelectronics Discrete Semiconductors      |
| 77 | Construction Commercial Insurance                  | 260 | Other Post-Secondary Education                     |
| 78 | Conventional Autonomous Transit Vehicles Makers    | 261 | Other Processor Semiconductors                     |
| 79 | Conventional Engine Autonomous Truck Makers        | 262 | Other Satellite Equipment                          |
| 80 | Credit Cards                                       | 263 | Other Telecommunications Industry Software         |
| 81 | Customer Premises Network Security Equipment       | 264 | Other Test and Measurement Equipment               |
| 82 | Data Storage Infrastructure Software               | 265 | Other United States Wireline Voice Services        |
| 83 | Data Transport Carrier Services                    | 266 | Other Waste Services                               |
| 84 | Decorative Component Manufacturing                 | 267 | Other Wide Area Networking (WAN) Equipment         |
| 85 | Design, Integration and Implementation Consulting  | 268 | Other Wireless Equipment                           |
| 86 | Diabetes Diagnostic Testing Devices                | 269 | Paints Manufacturing                               |
| 87 | Diabetes Home Monitoring Devices                   | 270 | Pan-Americas Investment Banking/Corporate Finance  |
| 88 | Disk Storage Systems                               | 271 | Pan-Americas Mixed Telecommunications Services     |
| 89 | Diversified Bioanalytical Instruments              | 272 | Pan-Asia/Pacific Mixed Telecommunications Services |
| 90 | Diversified Commercial Insurance                   | 273 | Pan-EMEA Banks                                     |
| 91 | Diversified Contract Manufacturing Organizations   | 274 | Pan-Europe Mixed Telecommunications Services       |
| 92 | Diversified Development and Manufacturing Services | 275 | Parking Facility Services                          |
| 93 | Diversified Electrical/Power System Manufacturing  | 276 | Passenger Car Rental                               |
| 94 | Diversified Healthcare Business Management         | 277 | Passenger Rail Transportation                      |
| 95 | Diversified Life and Health Insurance              | 278 | Patient Data Management Software                   |
| 96 | Diversified Mortgage Banking                       | 279 | Peer-to-Peer Lodging                               |

# 37. iSTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX

|     |                                                   |     |                                                    |
|-----|---------------------------------------------------|-----|----------------------------------------------------|
| 97  | Diversified Property and Casualty Reinsurance     | 280 | Peripheral Semiconductors                          |
| 98  | Diversified Residential Mortgage Banking/Services | 281 | Photovoltaic and Solar Cells and Systems Providers |
| 99  | Diversified Satellite Services                    | 282 | Photovoltaic Wafers                                |
| 100 | Diversified Semiconductor Manufacturing Services  | 283 | Pipes and Pipe Fittings Manufacturing              |
| 101 | Diversified Technology Hardware                   | 284 | Plumbing Fixtures and Trim Manufacturing           |
| 102 | Diversified United States Commercial Banks        | 285 | Point of Care Testing Kits                         |
| 103 | Drone Manufacturers                               | 286 | Power, Control and Mixed Signal Semiconductors     |
| 104 | Drone Parts Manufacturers                         | 287 | Programmable Logic Device Semiconductors           |
| 105 | Eastern Europe Banks                              | 288 | Property Reinsurance                               |
| 106 | Education Information and News Media and Sites    | 289 | Public Infrastructure Components Manufacturing     |
| 107 | Educational Support Services                      | 290 | Quantum Processor Semiconductors                   |
| 108 | Electric Vehicle Charging Stations                | 291 | Ready-Mix Concrete Makers                          |
| 109 | Electrical Systems and Equipment Manufacturing    | 292 | Real Estate Classifieds and Directories Sites      |
| 110 | Electronic Interconnect Components                | 293 | Real Estate Fund Managers                          |
| 111 | Electronic Payment Processing                     | 294 | Recycling Services                                 |
| 112 | Electronic Security Identification Equipment      | 295 | Residential Alternative Energy Contractors         |
| 113 | Electronic System Security Equipment              | 296 | Residential Electrical Engineering Contractors     |
| 114 | Electronic Waste Services                         | 297 | Residential General Engineering Contractors        |
| 115 | EMEA Investment Banking and Corporate Finance     | 298 | Residential HVAC Engineering Contractors           |
| 116 | Emission Control Services and Technologies        | 299 | Residential Mortgage REITs                         |
| 117 | Energy and Sustainability Management Services     | 300 | Residential Plumbing Engineering Contractors       |
| 118 | Energy Efficient Lighting and LED Manufacturing   | 301 | Residential Property Owners                        |
| 119 | Enterprise Middleware Software                    | 302 | Residential Remodeling Engineering Contractors     |
| 120 | Enterprise Security Management Software           | 303 | RF Analog and Mixed Signal Semiconductors          |
| 121 | Environmental Consulting                          | 304 | RFID Asset Tracking Equipment Manufacturing        |
| 122 | Environmental Restoration Services                | 305 | Security and Management Consulting                 |
| 123 | Environmental Services                            | 306 | Server Computer Systems                            |
| 124 | E-Signature Software                              | 307 | Smart Grid Technology and Smart Meter Products     |
| 125 | Europe Banks                                      | 308 | Smart Phone Manufacturing                          |
| 126 | Financial Guaranty Commercial Insurance           | 309 | Software Design and Engineering Consulting         |
| 127 | Fitness and Exercise Equipment                    | 310 | Soil Remediation                                   |
| 128 | Fitness and Recreational Sports Centers           | 311 | Solid Waste Recycling Equipment Manufacturing      |
| 129 | Fixed Microwave Systems Equipment                 | 312 | Southern Europe Banks                              |
| 130 | Flash Memory Semiconductors                       | 313 | Specialty Analog and Mixed Signal Semiconductors   |
| 131 | Flooring Manufacturing                            | 314 | Structural Support Component Manufacturing         |
| 132 | Food Delivery Services                            | 315 | Surgical Robotic Systems                           |
| 133 | Fuel Cell Equipment and Technology Providers      | 316 | Tandem Interconnection Services                    |
| 134 | Garbage Services                                  | 317 | Telecommunications Construction                    |

# 37. iSTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX

|     |                                                    |     |                                                    |
|-----|----------------------------------------------------|-----|----------------------------------------------------|
| 135 | General Analog and Mixed Signal Semiconductors     | 318 | Telecommunications Customer Relationship Software  |
| 136 | General Architectural Component Manufacturing      | 319 | Telecommunications Operations Support Software     |
| 137 | General Building Materials Distribution            | 320 | Test and Measurement Communications Equipment      |
| 138 | General Carrier Edge (Access) Equipment            | 321 | Tools and Outdoor Care Building Hand Tool Products |
| 139 | General Clinical Diagnostics Devices               | 322 | Traffic Safety and Management Equipment Products   |
| 140 | General Coatings and Paints Makers                 | 323 | Transportation Construction                        |
| 141 | General Commercial Finance                         | 324 | United States East South Central Commercial Banks  |
| 142 | General Communications Equipment                   | 325 | United States Internet Banks                       |
| 143 | General Communications Services                    | 326 | United States Long Distance Voice Services         |
| 144 | General Construction Materials Manufacturing       | 327 | United States Midwest Commercial Banks             |
| 145 | General Consumer Finance Services                  | 328 | United States Northeast Commercial Banks           |
| 146 | General Customer Premises Equipment (CPE)          | 329 | United States Pacific Commercial Banks             |
| 147 | General Infrastructure and Network Consulting      | 330 | United States Satellite Services                   |
| 148 | General Liability Commercial Insurance             | 331 | United States South Atlantic Commercial Banks      |
| 149 | General Surgical Devices                           | 332 | United States Southern Commercial Banks            |
| 150 | General United States Telecommunications Services  | 333 | United States Video and Television Services        |
| 151 | General Waste Collection                           | 334 | United States West South Central Commercial Banks  |
| 152 | Genetic Molecular Diagnostic Test Kits             | 335 | United States Western Commercial Banks             |
| 153 | Genetic Molecular Non-Diagnostic Test Kits         | 336 | United States Western Mountain Commercial Banks    |
| 154 | Geothermal Energy Equipment Manufacturing          | 337 | United States Wireless Business Data Services      |
| 155 | Government and Public Service Industry Software    | 338 | United States Wireless Voice Services              |
| 156 | Government IT Services                             | 339 | United States Wireline Business Data Services      |
| 157 | Grocery Delivery Services                          | 340 | United States Wireline Data Services               |
| 158 | Hardware, Plumbing and HVAC Supplies               | 341 | US Investment Banking and Corporate Finance        |
| 159 | Hazardous Materials Disposal                       | 342 | US Territories and Puerto Rico Commercial Banks    |
| 160 | Hazardous/Industrial Waste Disposal                | 343 | US Voice Over IP Telephony (VoIP) Services         |
| 161 | Health Insurance                                   | 344 | Utility Meter Manufacturing                        |
| 162 | Healthcare Management Software                     | 345 | Valuation and Appraisal Services                   |
| 163 | Healthcare Operations Support Software             | 346 | Vehicle Autonomous Control Electronics Makers      |
| 164 | Heating, Ventilation and Air Conditioning Products | 347 | Vehicle Autonomous Control Software                |
| 165 | Home and Office Virtual Reality Software           | 348 | Virtual Reality Design and Engineering Software    |
| 166 | Home Builders                                      | 349 | Virtual Reality Equipment                          |
| 167 | Home Builders and Manufactured Buildings           | 350 | Volatile Memory Semiconductors                     |
| 168 | Home Testing Clinical Diagnostics Devices          | 351 | Waste-to-Energy Services                           |
| 169 | Homeowners and Renters Insurance                   | 352 | Wastewater Residual Management                     |
| 170 | Household Robots                                   | 353 | Wastewater Treatment Services                      |
| 171 | Hydroelectric Power Generation Equipment Providers | 354 | Water Treatment Agents Manufacturing               |

# 37. iSTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX

|     |                                                       |     |                                                  |
|-----|-------------------------------------------------------|-----|--------------------------------------------------|
| 172 | Hydrogen Fuel Manufacturing                           | 355 | Wave Energy Equipment Manufacturing              |
| 173 | IC-Level Electronic Design Software                   | 356 | Western Europe Banks                             |
| 174 | IC-Level Intellectual Property Software Libraries     | 357 | Western Europe Mixed Telecommunications Services |
| 175 | Image Sensor and Image Capture Semiconductors         | 358 | Western Europe Video and Television Services     |
| 176 | Immunoassays Clinical Diagnostics Devices             | 359 | Western Europe Wireless Telecom Services         |
| 177 | Industrial and Engineering Hand Tool Manufacturing    | 360 | Western Europe Wireline Telecom Services         |
| 178 | Information Storage Systems                           | 361 | Wind Energy Equipment Manufacturing              |
| 179 | Infrastructure Consulting and Design Services         | 362 | Windows and Doors Manufacturing                  |
| 180 | Insulation Manufacturing                              | 363 | Wireless and Wi-Fi Equipment                     |
| 181 | Integrated Steel Mills Mixed Production Makers        | 364 | Wireless Infrastructure Services                 |
| 182 | Interior and Exterior Covering Materials Distribution | 365 | Wireline Equipment                               |
| 183 | International Fixed Satellite Services                | 366 | Wireline Infrastructure Services                 |

**Composition list:** The final composition list with the 30 securities is derived by following the steps below in the order they are listed.

- 1) All stocks from the selection list (Y) are first sorted in ascending order in terms of their volatility (maximum between the 3-month and 12-month historical volatility in EUR) and the top Z lowest volatility stocks, rounded down to the previous integer, are selected for the next step of the selection process, such that:  $Z = \text{round down to previous integer}(Y * 50\%)$ . In case two companies for a given cutoff date have the same volatility, priority is given to the one with the highest dividend yield (historical gross dividend yield).
- 2) Subsequently, the remaining companies (Z), are sorted in descending order in terms of their dividend yield, and if any companies with zero dividend yield are remaining at this step, they are excluded. The 30 stocks with the highest dividend yield are selected in the index, in such a way that the following conditions are met:

## a. Industry

Effective up until September 2020 review, maximum of 6 components out of the total 30 coming from each of 11 industrial groupings, identified based on the ICB Classification system, following the categorization below:

| Grouping           | ICB codes                         |
|--------------------|-----------------------------------|
| Oil & Gas          | Industry 1                        |
| Basic Materials    | Industry 1000                     |
| Industrials        | Industry 2000                     |
| Consumer Goods     | Industry 3000                     |
| Health Care        | Industry 4000                     |
| Consumer Services  | Industry 5000                     |
| Telecommunications | Industry 6000                     |
| Utilities          | Industry 7000                     |
| Financials         | Supersectors 8300, 8500, and 8700 |
| Real Estate        | Supersector 8600                  |
| Technology         | Industry 9000                     |



# 37. iSTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX

Effective with September 2020 review, maximum of 6 components out of the total 30 coming from each of 11 industrial groupings, identified based on the ICB Classification system, following the categorization below:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Energy                 | Industry 60 |
| Basic Materials        | Industry 55 |
| Industrials            | Industry 50 |
| Consumer Staples       | Industry 45 |
| Healthcare             | Industry 20 |
| Consumer Discretionary | Industry 40 |
| Telecommunications     | Industry 15 |
| Utilities              | Industry 65 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Technology             | Industry 10 |

## b. Region

12 components in the final compositions should be coming from the North America region (as defined below), 10 components from Europe, and 8 from the rest of the world.

The 3 aforementioned geographic regions are defined as follows:

- North America: components of the STOXX Developed and Emerging Total Market Index, that are also components of either the STOXX USA Total Market Index or the STOXX Canada Total Market index
- Europe: components of the STOXX Developed and Emerging Total Market Index, that are also components of the STOXX All Europe Total Market Index
- Rest of the world: all components of the STOXX Developed and Emerging Total Market Index that don't belong in any of the 2 above regions

## c. Country

For each country  $i$ , a maximum number of components is calculated as follows, rounded to the nearest integer:

$$K_i = (\text{SXGBM}_i + 10\%) * N$$

where:

- $K_i$  maximum number of components from country  $i$ , allowed for inclusion in the iSTOXX Global Cities of Tomorrow Select 30 Index
- $\text{SXGBM}_i$  weight of the components coming from country  $i$ , in the STOXX Global 3000 Index, as of the cutoff date
- $N$  number of constituents in the iSTOXX Global Cities of Tomorrow Select 30 Index

# 37. iSTOXX GLOBAL CITIES OF TOMORROW SELECT 30 INDEX

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If the composition list cannot be completed with 30 stocks under the above constraints, then the number of stocks selected at step 1 (companies with lowest volatility,  $Z$ ) is incremented by 1 ( $Z = Z + 1$ ), and step 2 is repeated. Further incrementing is applied to this number if necessary, and the process is repeated until 30 stocks are selected.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the RBICS revenue exposure data is the last dissemination day of November for the quarterly reviews performed in December and March, and similarly, the last dissemination day of May for the reviews performed in June and September. The review cut-off date for all other underlying data is the last dissemination day of the month prior to the review month.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

$w_i$  target weight of component  $i$   
 $\sigma_i$  maximum between the 3-month and 12-month historical volatility of component  $i$ , as of review cut-off date, based on prices in EUR  
 $N$  number of constituents in the index

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

## 37.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 38.iSTOXX ESG TREND SELECT 30 INDEX

### 38.1. iSTOXX GLOBAL ESG TREND SELECT 30 INDEX

#### 38.1.1. OVERVIEW

The iSTOXX Global ESG Trend Select 30 Index selects 30 liquid stocks with low volatility and high dividend yield, that have improved or maintained their ESG scores in the last year. Companies that are non-compliant with the Global Standards Screening (GSS) or are involved in Controversial Weapons activities, as identified by ISS-ESG, are excluded. Additionally, companies involved in Pornography, Gambling, Fossil Fuels, Unconventional Oil & Gas, Nuclear Power, Thermal Coal, Tobacco, Weapons (Civilian Firearms and Military equipment), Aerospace and Defense are also excluded. An additional filter excludes poor ESG performers from the index. Industry and country neutrality filters are applied to ensure diversification.

**Universe:** The index universe is defined by all the stocks included in the STOXX Global 1800 Index, as observed on the review effective dates

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

#### 38.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for their ESG scores, based on ISS-ESG ESG Performance Score. This metric provides a numerical score from 0 to 100 and is comparable over all rated entities.

- i. 12-month historical gross dividend yield<sup>59</sup>
- ii. 3-month and 12-month historical volatility in EUR
- iii. 3-month Average Daily Traded Volume (ADTV) in EUR
- iv. Current ESG scores, as calculated by ISS-ESG transparent ESG performance rating model
- v. ESG scores calculated by ISS-ESG in the corresponding review cutoff date one year prior to the current review cutoff date
- vi. Product Involvement information on: Pornography, Gambling, Unconventional Oil & Gas, Fossil Fuels, Thermal Coal, Nuclear Power, Tobacco and Weapons (Civilian Firearms and Military Equipment)

If any of the fields i) to vi) above have missing information for a stock, then that company is excluded from the selection process.

The screening filters below are then applied on the initial universe, in the order they are listed, such that the remaining stocks fulfil the conditions below:

- 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 5 million EUR

<sup>59</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

## 38. iSTOXX ESG TREND SELECT 30 INDEX

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- Suspension from trading for not more than 10% of the STOXX Calendar trading days:

$$\text{Min Number of Price Observations}_{\text{period}} = \text{Number of Trading Days}_{\text{period}} \times 0.9$$

- Effective up until September 2020 review, not belonging to the Aerospace or Defense ICB subsectors (2713, 2717 ICB codes).  
Effective with September 2020 review, not belonging to the Aerospace or Defense ICB subsectors (50201010, 50201020 ICB codes).
- **Norms Based Screening** : Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.
- **Controversial Weapons**: Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

### **Pornography:**

STOXX will exclude companies that ISS-ESG identifies to have:

- » >25% revenue derived from involvement in the production of pornography
- » >25% revenue derived from involvement in the distribution of pornography

### **Gambling:**

STOXX will exclude companies that ISS-ESG identifies to have:

- » >25% revenue derived from the operation or management of any activity involving the wagering of money on a game or event
- » >25% revenue derived from services related to gambling

### **Conventional Oil & Gas:**

STOXX will exclude companies that ISS-ESG identifies to have:

- » >0% revenues from the extraction, refining and processing, and distribution of fossil fuels.
- » > 0% revenues from revenues from services related to fossil fuels
- » >25% revenues from electricity generation from fossil fuels

### **Unconventional Oil & Gas**

- » >0% revenues from oil and gas extraction through arctic drilling for the most recent fiscal year period
- » >0% revenues from the extraction and processing of oil sands for the most recent fiscal year period
- » >0% revenues from hydraulic fracturing for the most recent fiscal year period

## 38. iSTOXX ESG TREND SELECT 30 INDEX

### Nuclear Power:

STOXX will exclude companies that ISS-ESG identifies as having:

- »>25% of revenues from the generation of electric power from nuclear fission
- »>25% of revenues from the provision of services to the nuclear power industry, including the supply of key components, technical support and maintenance, and nuclear waste management
- »>25% of revenues from involvement in uranium exploration, extraction, and processing.

### Thermal Coal:

STOXX will exclude companies that ISS-ESG identifies to have:

- »>0% of revenues from thermal coal mining, including any exposure to production or services. The values used for the maximum percentage of revenues are based on the best available data. This may include reported revenues, reported revenue percentages or revenue estimates based on available information.
- »>0% revenues from generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available information.

### Tobacco:

STOXX will exclude companies that ISS-ESG identifies to have:

- »>0% revenues from involvement in the production of tobacco products
- »>0% revenues from services related to tobacco products
- »>0% revenues from the wholesale or retail distribution of tobacco products

### Weapons:

#### i) Civilian Firearms:

STOXX will exclude companies that ISS-ESG identifies to have:

- »>10% revenues from involvement in the production of civilian firearms and/or the provision of related services
- »>10% revenues from involvement in the distribution of civilian firearms

#### ii) Military Equipment:

STOXX will exclude companies that ISS-ESG identifies to have:

- »>10% revenues from involvement in military equipment and services

For the resulting list of securities, the following steps are applied before the final selection list is obtained:

- 1) For each security in the resulting list, an ESG *trend* score is calculated as follows:

$$\text{ESG trend}_t = \text{ESG score}_t - \text{ESG score}_{t-1}$$

Where:

- $t$ : review cutoff date
- $t - 1$ : the corresponding review cutoff date, a year prior to  $t$
- $\text{ESG score}_t$ : the ESG score of the security on the review cutoff date  $t$
- $\text{ESG score}_{t-1}$ : the ESG score of the security on the cutoff date  $t - 1$ , the cutoff date a year prior to  $t$

- 2) Only securities with  $\text{ESG trend}_t \geq 0$  are considered for selection, and the rest are excluded from the list.

## 38. iSTOXX ESG TREND SELECT 30 INDEX

- 3) The remaining securities are sorted in descending order of their ESG score<sub>t</sub>, and only the top 80% (rounded down to the nearest integer) of the companies with highest ESG scores are considered for selection and constitute the selection list. In this ranking process, in case two companies have the same ESG score<sub>t</sub>, then priority is given to the one with the highest ESG trend<sub>t</sub>.

**Composition list:** The final composition list with the 30 securities is derived by following the steps below:

- 1) All securities from the selection list are first ranked in ascending order of their volatility (maximum between 3-month and 12-month historical volatility in EUR), and the 200 stocks with the lowest volatility are selected. In case two securities have the same volatility for a given review cutoff date, priority is given to the one with the highest historical gross dividend yield.
- 2) Subsequently, the remaining stocks are sorted in descending order in terms of their historical gross dividend yield, and if any companies with zero dividend yield are remaining at this step, they are excluded. Moreover, if two eligible securities have the same 12-month gross dividend yield, priority is given to the security with the lowest volatility (maximum between 3-month and 12-month historical volatility in EUR). The 30 securities with the highest dividend yield are selected in such a way that the following conditions are met:

### a. Country

For each country *i*, a maximum number of components is calculated as follows and rounded to the nearest integer:

$$K_i = (\text{SXW1}_i + 10\%) * N$$

where:

- $K_i$  maximum number of components from country *i*, allowed for inclusion in the iSTOXX Global ESG Trend Select 30 Index
- $\text{SXW1}_i$  weight of the components coming from country *i*, in the STOXX Global 1800 Index (parent index), as of the cutoff date
- $N$  number of constituents in the iSTOXX Global ESG Trend Select 30 Index

### b. Industry

Effective up until September 2020 review, 11 industrial groupings are defined, based on the ICB Classification system, following the categorization below:

| Grouping           | ICB codes                         |
|--------------------|-----------------------------------|
| Oil & Gas          | Industry 1                        |
| Basic Materials    | Industry 1000                     |
| Industrials        | Industry 2000                     |
| Consumer Goods     | Industry 3000                     |
| Health Care        | Industry 4000                     |
| Consumer Services  | Industry 5000                     |
| Telecommunications | Industry 6000                     |
| Utilities          | Industry 7000                     |
| Financials         | Supersectors 8300, 8500, and 8700 |
| Real Estate        | Supersector 8600                  |

## 38. iSTOXX ESG TREND SELECT 30 INDEX

|            |               |
|------------|---------------|
| Technology | Industry 9000 |
|------------|---------------|

Effective with September 2020 review, 11 industrial groupings are defined, based on the ICB Classification system, following the categorization below:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Energy                 | Industry 60 |
| Basic Materials        | Industry 55 |
| Industrials            | Industry 50 |
| Consumer Staples       | Industry 45 |
| Healthcare             | Industry 20 |
| Consumer Discretionary | Industry 40 |
| Telecommunications     | Industry 15 |
| Utilities              | Industry 65 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Technology             | Industry 10 |

For each industry  $j$  of the 11 industrial groupings above, a maximum number of components is calculated as follows and rounded to the nearest integer:

$$D_j = (SXW1_j + 10\%) * N$$

where:

- $D_j$  maximum number of components from industry  $j$ , allowed for inclusion in the iSTOXX Global ESG Trend Select 30 Index
- $SXW1_j$  weight of the components coming from industry  $j$ , in the STOXX Global 1800 Index (parent index), as of the cutoff date
- $N$  number of constituents in the iSTOXX Global ESG Trend Select 30 Index

If the composition list cannot be completed with 30 stocks under the above constraints, then the number of stocks selected at step 1 (200 companies with lowest volatility) is incremented by 1, initially to 201, and step 2 is repeated. Further incrementing is applied to this number if necessary, and the process is repeated until 30 stocks are selected

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last dissemination day of the month prior to the review month.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

$w_i$  target weight of component  $i$

## 38. iSTOXX ESG TREND SELECT 30 INDEX

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$\sigma_i$  maximum between the 3-month and 12-month historical volatility of component  $i$ , as of review cut-off date, based on prices in EUR

$N$  number of constituents in the index

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 38.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the corresponding universe, which remain in the STOXX Developed Markets Total Market Index are not deleted from the index.

**Fast exit:** On a monthly basis, in case a company which is an index constituent has a Norms Based Screening assessment of 'Red' or not rated, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stxxx.com](https://stxxx.com)



# 39.EURO iSTOXX ESG CHOICE 50 EW INDEX

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## 39.1. EURO iSTOXX ESG CHOICE 50 EW INDEX

### 39.1.1. OVERVIEW

The EURO iSTOXX ESG Choice 50 EW Index is constructed from the EURO STOXX index after standardized ESG exclusion screens are applied for Norms Based Screening, Controversial Weapons, Thermal Coal and Tobacco Producers. The objective is to identify 50 companies with the largest free-float market capitalization in the eligible universe after screening by the respective ESG scores to result in a selection of leaders with regards to environmental, social, and governance criteria.

**Universe:** The index universe is defined by all the stocks included in the EURO STOXX, as observed on the review effective date.

**Weighting scheme:** the index is price-weighted with weighting cap factors to achieve equal weighting

**Base values and dates:** 100 on March 16, 2012

**Index types and currencies:** Price, Net and Gross Return in EUR, USD

**Dissemination calendar:** STOXX Europe calendar

### 39.1.2. INDEX REVIEW

**Selection list:**

The review cut-off date is the last dissemination day of the month preceding the review month of the index.

From the universe, a set of exclusion criteria are applied which follow the Norms Based Screening, a set of definitions for Controversial Weapons, Tobacco and Coal.

**Norms Based Screening:**

Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

**Controversial Weapons:**

Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

## 39. EURO ISTOXX ESG CHOICE 50 EW INDEX

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**Tobacco:**

»>0% revenues from involvement in the production of tobacco products

**Thermal Coal:**

STOXX excludes companies that ISS-ESG identifies as having:

» >25% of revenues from thermal coal mining, including any exposure to production or services. The values used for the maximum percentage of revenues are based on the best available data. This may include reported revenues, reported revenue percentages or revenue estimates based on available information.

» >25% revenues from generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available Information

All stocks in the eligible universe are then screened for their individual Environment, Social and Governance scores, as calculated by ISS-ESG's Numeric ESG rating assessment. If for a company this information is not available, the company will be excluded from the selection process. For the remaining eligible companies in the universe, a percentile rank is assigned for each of the three criteria i.e. each company has a rating for environmental, social and governance sustainability score.

The selection of leading companies in terms of sustainability is based the following steps:

**Minimum Filter (Top 50%):**

Only companies that are ranked in the top 50% in all three criteria are eligible

**Leadership Filter (Top 25%):**

A leadership filter is then applied to each of the criterion individually. The eligible company must rank in the top 25% in at least one field of corporate sustainability i.e. environment, social, or governance sustainability.

**Composition list:** The largest 50 companies in terms of free-float market capitalization of the selection list are selected for the final composition list.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December, in line with the parent index. The review effective date is the dissemination day following the third Friday of each review month.

**Weighting cap factors:** The constituents are equal weighted on a quarterly basis, based on the closing prices in EUR (pi) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(100,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

**Derived indices:** The EURO iSTOXX ESG Choice 50 EW EUR Net Return Index serves as the input for the EURO iSTOXX ESG Choice 50 EW NR Decrement 4% Index

## 39. EURO ISTOXX ESG CHOICE 50 EW INDEX

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### 39.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** On a monthly basis, in case a company which is an index constituent has a Norms Based Screening assessment of 'Red' or not rated, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 40.EURO iSTOXX ESG CORE LEADERS 50 INDEX

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## 40.1. EURO iSTOXX ESG CORE LEADERS 50 INDEX

### 40.1.1. OVERVIEW

The EURO iSTOXX ESG Core Leaders 50 Index is constructed from the EURO STOXX index after standardized ESG exclusion screens are applied for Norms Based Screening, Controversial Weapons, Thermal Coal and Tobacco Producers. The objective is to identify 50 companies with the largest free-float market capitalization in the eligible universe after screening by the respective ESG scores to result in a selection of leaders with regards to environmental, social, and governance criteria.

**Universe:** The index universe is defined by all the stocks included in the EURO STOXX, as observed on the review effective date.

**Weighting scheme:** the index is price-weighted with weighting cap factors based on the environmental, social and governance scores.

**Base values and dates:** 100 on March 16, 2012

**Index types and currencies:** Price, Net and Gross Return in EUR, USD

**Dissemination calendar:** STOXX Europe calendar

### 40.1.2. INDEX REVIEW

**Selection list:**

The review cut-off date is the last dissemination day of the month preceding the review month of the index.

From the universe, a set of exclusion criteria are applied which follow Norms Based Screening, a set of definitions for Controversial Weapons, Tobacco and Coal.

**Norms Based Screening:**

Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

**Controversial Weapons:**

Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent

## 40. EURO ISTOXX ESG CORE LEADERS 50 INDEX

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companies up to and including the ultimate parent. Companies that have been flagged as “Red” are excluded.

### **Tobacco:**

»>0% revenues from involvement in the production of tobacco products

### **Thermal Coal:**

STOXX excludes companies that ISS-ESG identifies as having:

» >25% of revenues from thermal coal mining, including any exposure to production or services. The values used for the maximum percentage of revenues are based on the best available data. This may include reported revenues, reported revenue percentages or revenue estimates based on available information.

» >25% revenues from generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available Information

All stocks in the eligible universe are then screened for their individual Environment, Social and Governance scores, as calculated by ISS-ESG's Numeric ESG rating assessment. If for a company this information is not available, the company will be excluded from the selection process. For the remaining eligible companies in the universe, a percentile rank is assigned for each of the three criteria i.e. each company has a rating for environmental, social and governance sustainability score.

The selection of leading companies in terms of sustainability is based the following steps:

#### **Minimum Filter (Top 50%):**

Only companies that are ranked in the top 50% in all three criteria are eligible

#### **Leadership Filter (Top 25%):**

A leadership filter is then applied to each of the criterion individually. The eligible company must rank in the top 25% in at least one field of corporate sustainability i.e. environment, social, or governance sustainability.

**Composition list:** The largest 50 companies in terms of free-float market capitalization of the selection list are selected for the final composition list.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December, in line with the parent index. The review effective date is the dissemination day following the third Friday of each review month.

**Weighting cap factors:** The components in the index are weighted according to the average of the three criteria percentile ranks:

$$w_i = \frac{ESG\ Rank_i}{\sum_{j=1}^N ESG\ Rank_j}$$

Where

w<sub>i</sub> = weight of component i

## 40. EURO ISTOXX ESG CORE LEADERS 50 INDEX

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$$ESG\ Rank_i = \sum_{j=E,S,G} \frac{1}{3} \cdot Rank_{i,j}$$

N = number of components in the index

Weighting cap factors are based on the closing prices in EUR (pi) of the Thursday prior to the second Friday of the review month:

Weighting cap factor = (100,000,000,000 x wi / pi), rounded to the nearest integer value.

**Derived indices:** The EURO iSTOXX ESG Core Leaders 50 EUR Net Return Index serves as the input for the EURO iSTOXX ESG Core Leaders 50 NR Decrement 4% Index

### 40.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** On a monthly basis, in case a company which is an index constituent has a Norms Based Screening assessment of 'Red' or not rated, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 41.EURO iSTOXX EQUAL INDUSTRY ESG 30 INDEX

## 41.1. EURO iSTOXX EQUAL INDUSTRY ESG 30 INDEX

### 41.1.1. OVERVIEW

The EURO iSTOXX Equal Industry ESG 30 Index is comprised of companies from the EURO STOXX® Index that have demonstrated a comparatively good performance with regards to Environmental, Social and Governance criteria, compared to their industry peers. Moreover, the components are chosen in a way that ensures diversification across all industries by selecting an equal number of companies from each industry and allocating equal weights to each one of them.

**Universe:** The index universe is defined by all the stocks included in the EURO STOXX Index, as observed on the review effective dates

**Weighting scheme:** The index is price-weighted with weighting cap factors to achieve a total weight of 10% per industry and equal weights among the components coming from each of them.

**Base values and dates:** The following base values and dates apply: 100 on Mar 19, 2003

**Index types and currencies:** Price, Net Return and Gross Return in EUR, USD

**Dissemination calendar:** STOXX Europe calendar

### 41.1.2. INDEX REVIEW

**Selection list:** The review cutoff date is the last dissemination day of the month preceding the review month, and upon this date all stocks in the base universe are screened for their current ESG scores, sourced from ISS-ESG ESG Performance Score. This metric provides a numerical score from 0 to 100 and is comparable over all rated entities. If this information is missing for a given stock, then that company is excluded from the selection. All remaining companies, constitute the selection list.

Moreover, all companies are screened for involvement in Controversial Weaponry and compliance with the ISS-ESG Norms Based Screening as defined below:

- Non-compliance as per ISS-ESG Norms Based Screening  
Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.
- Involvement in Controversial Weapons activities, as identified by ISS-ESG.  
Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

## 41. EURO ISTOXX EQUAL INDUSTRY ESG 30 INDEX

If a company is considered non-compliant with the Norms Based Screening, or involved in controversial weaponry, then an ESG score of 0 is assigned to it.

**Composition list:** Effective up until September 2020 review, all companies in the selection list are ranked by their free-float market capitalization, as of the review cut-off date - within their ICB Industry group. The six largest stocks from each industry group are selected for the next step of the selection process. In case one or more groups are comprised of less than six companies, less than 60 companies are allowed to proceed to the next step of the selection process.

Consequently, the remaining companies are sorted by their ESG scores in descending order within their corresponding ICB industries, and the three companies with the highest ESG scores from each industry are selected in the final composition list. In case two companies have the same ESG score, priority goes to the one with the highest free float market capitalization.

Effective with September 2020 review, each security in the selection list is allocated to one of ten industry groupings according to their ICB code, as follows:

| Grouping               | ICB codes            |
|------------------------|----------------------|
| Technology             | Industry 10          |
| Telecommunications     | Industry 15          |
| Health Care            | Industry 20          |
| Financials             | Industries 30 and 35 |
| Consumer Discretionary | Industry 40          |
| Consumer Staples       | Industry 45          |
| Industrials            | Industry 50          |
| Basic Materials        | Industry 55          |
| Energy                 | Industry 60          |
| Utilities              | Industry 65          |

**Weighting cap factors:** The industries represented in the index, as well as the companies within each industry, are equally weighted. The weightings are published on the second Friday of each quarter, one week prior to quarterly review implementation using Thursday's closing prices. Weighting cap factor =  $(100,000,000,000 / \text{closing price of the stock in EUR})$  and rounded to integers

**Review frequency:** The index is reviewed quarterly in March, June, September and December, in line with the parent index. The implementation of the review is conducted after the close of the third Friday of the respective review month and becomes effective on the next index dissemination day.

**Derived indices:** The EURO iSTOXX Equal Industry ESG 30 EUR Net Return Index serves as input for the EURO iSTOXX Equal Industry ESG 30 NR Decrement 5% and the EURO iSTOXX Equal Industry ESG 30 NR Decrement 4% indices

### 41.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable



## 41. EURO ISTOXX EQUAL INDUSTRY ESG 30 INDEX

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**Fast entry:** Not applicable

**Spin-offs:** Spun-off stocks are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com).

# 42.iSTOXX GLOBAL RESPONSIBLE WASTE MANAGEMENT SELECT 30 INDEX

## 42.1. iSTOXX GLOBAL RESPONSIBLE WASTE MANAGEMENT SELECT 30 INDEX

### 42.1.1. OVERVIEW

The iSTOXX Global Responsible Waste Management Select 30 Index is comprised of 30 liquid stocks with low volatility and high dividend yield that are selected from a pool of companies that are taking initiatives and implementing strong programmes within their business models towards efficient waste management. Industry and country neutrality filters are applied in the selection process to ensure diversification.

Companies that are non-compliant with the Global Standards Screening (GSS) or are involved in Controversial Weapons activities, as identified by Sustainalytics, are excluded. Additionally, companies involved in Weapons (Small Arms and Military Contracting), Gambling, Adult Entertainment, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, Nuclear Power, Tobacco, Aerospace and Defense are also excluded.

**Universe:** The index universe is defined by all the stocks included in the STOXX Global 1800 Index, as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 42.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the following indicators:

- i. 12-month historical gross dividend yield<sup>60</sup>
- ii. 3-month and 12-month historical volatility in EUR
- iii. 3-month Average Daily Traded Volume (ADTV) in EUR
- iv. Product Involvement information in the categories: Weapons (Small Arms and Military Contracting), Adult Entertainment, Gambling, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, Nuclear Power and Tobacco
- v. Scores on seven Environmental Key Performance Indicators from Sustainalytics' risk rating model that relate to the practices of collecting, transporting, processing or disposing of,

<sup>60</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

## 42. iSTOXX GLOBAL RESPONSIBLE WASTE MANAGEMENT SELECT 30 INDEX

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managing and monitoring various waste materials. The seven indicators are defined as follows:

- a. E.1.2.4.1 Hazardous Materials Spills (previously E.1.2.4 Oil Spill Disclosure & Performance): This indicator provides an assessment of the company's spills, or releases of hazardous substances, such as oil..
- b. E.1.2.6.2 Tailings Management Programmes: This indicator assesses the strength of the company's tailings management programmes, including policies, procedures, governance and initiatives that help reduce the volume of tailings and prevent catastrophic failures..
- c. E.1.3.2 Hazardous Waste Management: This indicator assesses the strength of the company's initiatives to reduce hazardous waste from its own operations.
- d. E.2.1.7 Recycled Material Use: This indicator provides an assessment of the company's data on its use of recycled and/or re-used raw material and on its performance in this matter.
- e. E.3.1.1 Sustainable Products & Services: This indicator analyzes whether the company offers sustainability related products or services.
- f. E.3.1.6 Eco-Design: This indicator provides an assessment of whether there are policies and programmes to systematically consider environmental aspects at the R&D or design stage of products.
- g. E.3.1.7 End-of-Life Product Stewardship Programmes: This indicator provides an assessment of whether the company has end-of-life product management programmes and targets, and whether initiatives are taken to take-back or recycle these products.

If any of the fields ii) to iv) above have missing information for a stock, then that company is excluded from the selection process.

If information for a company on field i) is missing, then the missing value is substituted by 0.

The Selection list constitutes of all remaining stocks that fulfil all the conditions below:

- **Global Standards and Controversial Weapons:**

o Not identified as non-compliant with Sustainalytics Global Standards Screening (GSS). Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

o Not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:

» Internal production or sale of controversial weapons

» The ultimate holding company owns >10% of voting rights of an involved company

» >10% of voting rights of a company is owned by the involved company

- **Product Involvement:** Not have any Product Involvement in the following areas<sup>61</sup>:

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<sup>61</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take

## 42. iSTOXX GLOBAL RESPONSIBLE WASTE MANAGEMENT SELECT 30 INDEX

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**Weapons:****i) Small Arms:**

STOXX will exclude companies that Sustainalytics identifies to have:

- »>10% revenues from manufacturing and selling assault weapons to civilian customers
- »>10% revenues from manufacturing and selling small arms to military / law enforcement customers
- »>10% revenues from manufacturing and selling key components of small arms
- »>10% revenues from retail and/or distribution of assault weapons
- »>10% revenues from retail and/or distribution of small arms (non-assault weapons) assault weapons)
- »>10% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers

**ii) Military Contracting:**

STOXX will exclude companies that Sustainalytics identifies to have:

- »>10% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons
- »>10% revenues from tailor made products and/or services that support military weapons
- »>10% revenues from non-weapons related tailor-made products and/or services to the military or defence industry

**Adult Entertainment:**

STOXX will exclude companies that Sustainalytics identifies to have:

- »>25% revenues from the production of adult entertainment and/or owns/operates adult entertainment establishments
- »>25% revenues from the distribution of adult entertainment materials

**Gambling:**

STOXX will exclude companies that Sustainalytics identifies to have:

- »>25% revenues from owning and/or operating a gambling establishment
- »>25% revenues from manufacturing specialized equipment used exclusively for gambling
- »>25% revenues from providing supporting products/services to gambling operations

**Tobacco:**

STOXX will exclude companies that Sustainalytics identifies to have:

- »>0% revenues from manufacturing tobacco products
- »>0% revenues from supplying tobacco-related products/services
- »>0% revenues from the distribution and/or retail sale of tobacco products.

**Thermal Coal:**

STOXX will exclude companies that Sustainalytics identifies to have:

- »>0% revenues from thermal coal extraction (including thermal coal mining and exploration)

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claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results

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## 42. iSTOXX GLOBAL RESPONSIBLE WASTE MANAGEMENT SELECT 30 INDEX

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»>0% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

### **Conventional Oil & Gas:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from oil and gas exploration, production, refining, transportation and/or storage

This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).

»>0% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)

»>25% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

### **Unconventional Oil & Gas**

#### **i) Arctic Oil and Gas Exploration:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues Oil & Gas exploration & extraction in Arctic regions

#### **ii) Oil Sands:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

#### **iii) Shale Energy:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from shale energy exploration and/or production

### **Nuclear Power:**

STOXX will exclude companies that Sustainalytics identifies as having:

»>25% revenues from nuclear power production:

Utilities that own/operate nuclear power generators

Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power

»>25% revenues from nuclear power supporting products / services, including:

Design and construction of nuclear power plants

Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls

Special services, such as the transport of nuclear power materials, and nuclear plant maintenance;

Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate

»>25% revenues from nuclear power distribution, including:

The resale or distribution of electricity generated from nuclear power;

This applies to distributors, resellers and utilities that distribute nuclear power as a part of their energy mix

## 42. iSTOXX GLOBAL RESPONSIBLE WASTE MANAGEMENT SELECT 30 INDEX

Note: In this category Sustainalytics tracks the percentage of a company's energy mix that is generated from nuclear power

- **ICB exclusions** (supplementing Product Involvement): Effective up until September 2020 review, not belonging to the Aerospace or Defence ICB subsectors (2713, 2717 ICB codes). Effective with September 2020 review, not belonging to the Aerospace or Defence ICB subsectors (50201010, 50201020 ICB codes).
- **Environmental Key Performance Indicators:** Having a score on the seven environmental KPIs, that exceeds the thresholds displayed in the table below.

| Indicator Number | Indicator Name                     | Threshold        |
|------------------|------------------------------------|------------------|
| E.1.2.4          | Oil Spill Disclosure & Performance | 25 <sup>62</sup> |
| E.1.2.6.2        | Mineral Waste Management           | 25 <sup>63</sup> |
| E.1.3.2          | Hazardous Waste Management         | 25 <sup>64</sup> |
| E.2.1.7          | Recycled Material Use              | 0 <sup>65</sup>  |
| E.3.1.6          | Eco-Design                         | 0 <sup>66</sup>  |
| E.3.1.1          | Sustainable Products & Services    | 0 <sup>67</sup>  |
| E.3.1.7          | Product Stewardship Programmes     | 0 <sup>68</sup>  |

Assessment of these KPIs does not apply for all peer groups: companies for which scores on specific or all of the KPIs above are not available, are considered eligible for selection at this stage, as assessment of the above indicators may not relate to their business model.

- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 7 million EUR
- **Multiple share lines:** in case a company is present with multiple listings in the eligible universe, only the most liquid share line is retained

Effective up until September 2020 review, all securities that remain after the application of the exclusion filters above, constitute the Selection list. Each security is allocated to one of eleven industry groupings according to their ICB code, as follows:

| Grouping        | ICB codes     |
|-----------------|---------------|
| Oil & Gas       | Industry 1    |
| Basic Materials | Industry 1000 |

<sup>62</sup> This translates to a company reporting a reduced or at the very minimum a stable (+/- 2.5%) total volume of oil spills

<sup>63</sup> This translates to a company having at least an adequate programme with regards to initiatives the company takes to manage risk associated with mineral waste

<sup>64</sup> This translates to a company having at least an adequate programme with regards to initiatives the company takes to reduce hazardous waste from its own operations

<sup>65</sup> A strictly positive threshold set for this KPI results in excluding of companies that do not make use of any recycled or re-used material for their products

<sup>66</sup> A strictly positive threshold set for this KPI results in excluding of companies for which there is no evidence of environmental impact being considered at the design stage of new products

<sup>67</sup> A strictly positive threshold set for this KPI results in excluding of companies for which there is no evidence of them offering any sustainability-related products or services

<sup>68</sup> A strictly positive threshold set for this KPI results in excluding of companies that have no programme for end-of-life product management or do not disclose whether they do or not

## 42. iSTOXX GLOBAL RESPONSIBLE WASTE MANAGEMENT SELECT 30 INDEX

|                    |                                  |
|--------------------|----------------------------------|
| Industrials        | Industry 2000                    |
| Consumer Goods     | Industry 3000                    |
| Health Care        | Industry 4000                    |
| Consumer Services  | Industry 5000                    |
| Telecommunications | Industry 6000                    |
| Utilities          | Industry 7000                    |
| Financials         | Supersectors 8300, 8500 and 8700 |
| Real Estate        | Supersector 8600                 |
| Technology         | Industry 9000                    |

Effective with September 2020 review, all securities that remain after the application of the exclusion filters above, constitute the Selection list. Each security is allocated to one of eleven industry groupings according to their ICB code, as follows:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Energy                 | Industry 60 |
| Basic Materials        | Industry 55 |
| Industrials            | Industry 50 |
| Consumer Staples       | Industry 45 |
| Healthcare             | Industry 20 |
| Consumer Discretionary | Industry 40 |
| Telecommunications     | Industry 15 |
| Utilities              | Industry 65 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Technology             | Industry 10 |

**Composition list:** The following Equal Strength Ratio is calculated:

$$ESR = \sqrt{\frac{30}{N}}$$

where,

N = number of stocks in the selection list

All stocks from the selection list are sorted within their respective industry groups in descending order in terms of dividend yield, and companies are selected for the next step of the selection process based on the ESR:

number of companies to select in industry A (Dividend screen) = round to nearest integer (ESR \* N<sub>A</sub>)

where,

A = one of the 11 industrial groupings

N<sub>A</sub> = number of stocks in the selection list from industry A

## 42. iSTOXX GLOBAL RESPONSIBLE WASTE MANAGEMENT SELECT 30 INDEX

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In case of identical dividend yields between 2 companies in the same industry, priority is assigned to the stock with the lowest volatility (maximum between the 3-month and 12-month historical volatility in EUR).

Subsequently, the remaining companies, are sorted in ascending order in terms of their volatility (maximum between the 3-month and 12-month historical volatility in EUR), and if any companies with zero dividend yield are remaining at this step, they are excluded. The 30 stocks with the lowest volatility are selected in the index, in such a way that the following conditions are met:

### a. Industry

Maximum of 5 components out of the total 30 coming from each of 11 industrial groupings, as defined above

### b. Country

For each country  $i$ , a maximum number of components is calculated as follows, rounded to the nearest integer:

$$K_i = (SXW1_i + 10\%) * N$$

where:

$K_i$  = maximum number of components from country  $i$ , allowed for inclusion in the iSTOXX Global Responsible Waste Management Select 30 Index

$SXW1_i$  = weight of the components coming from country  $i$ , in the STOXX Global 1800 Index, as of the cutoff date

$N$  = number of constituents in the iSTOXX Global Responsible Waste Management Select 30 Index

If the composition list cannot be completed with 30 stocks under the above constraints, then the industry constraint is relaxed by allowing an additional company per industry. Further incrementing is applied to this number if necessary, and the process is repeated until 30 stocks are selected.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for all underlying data is the last dissemination day of the month prior to the review month.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

$w_i$  = target weight of component  $i$

$\sigma_i$  = maximum between the 3-month and 12-month historical volatility of component  $i$ , as of review cut-off date, based on prices in EUR

$N$  = number of constituents in the index

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:



## 42. iSTOXX GLOBAL RESPONSIBLE WASTE MANAGEMENT SELECT 30 INDEX

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Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 42.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the corresponding universe (STOXX Global 1800 Index), which remain in the STOXX Developed Markets Total Market Index are not deleted from the index.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 43. EURO iSTOXX 50 CARBON ADAPTATION INDEX

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### 43.1. EURO iSTOXX 50 CARBON ADAPTATION INDEX

#### 43.1.1. OVERVIEW

The EURO iSTOXX 50 Carbon Adaptation Index tracks the composition of the EURO STOXX 50® Index, and re-weights the securities according to their carbon emissions. Companies that have low emission intensities are assigned higher weights than those with high emission intensities. The EURO iSTOXX 50 Carbon Adaptation Index aims to reduce the overall carbon footprint of the index while tracking the same securities as the liquid EURO STOXX 50® benchmark index.

**Universe:** The index universe is defined by the EURO STOXX 50® Index

**Weighing scheme:** The index is price-weighted with weighting cap factors determined according to constituents' Carbon Intensity rank

**Base values and dates:** 100 on December 19, 2011

For a complete list please consult the data vendor code sheet on the website<sup>69</sup>. Customized solutions can be provided upon request.

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

#### 43.1.2. INDEX REVIEW

**Composition list:** The review cutoff date of the index is the last dissemination day of the month preceding the review date. The components of the EURO STOXX 50® Index, effective on the following review date, constitute the EURO iSTOXX 50 Carbon Adaptation Index's composition list.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review effective date is the dissemination day following the third Friday of each review month.

**Weighting and cap factors:** at each cutoff date, the components of the index are screened according to their Carbon Intensity from ISS ESG as defined:

Carbon Intensity = (Scope 1 + Scope 2 GHG emissions) / Revenue (USD million)

The data consists of both reported and estimated data. Scope 1 refers to direct greenhouse gas emissions coming from sources owned or controlled by the company, whereas Scope 2 accounts for indirect greenhouse gas emissions from consumption of purchased electricity, heat or steam.

The index components are ranked in ascending order of their Carbon Intensity. Companies with no Carbon Intensity data are ranked at the bottom of the list, i.e. they are treated as if their Carbon Intensity indication is equal to the maximum Carbon Intensity figure among the rest of the

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<sup>69</sup>

[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

## 43. EURO ISTOXX 50 CARBON ADAPTATION INDEX

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companies in the universe. In case two companies for a given cutoff date have the same Carbon Intensity, priority is given to the one with the highest free float market capitalization.

Securities that rank in the top 50% of the list, i.e. 25 securities that have the lowest Carbon Intensity are each assigned a weight of 3%. The remaining 25 securities with the highest Carbon Intensity figures, or no intensity data, are each assigned a weight of 1%.

Weighting cap factor = weight \* (100,000,000,000 / closing price of the stock in EUR), rounded to Integers

The weighting cap factors are calculated based on the closing prices of the Thursday prior to the second Friday of the review month.

**Derived indices:** the EURO iSTOXX 50 Carbon Adaptation EUR Gross Return Index serves as the underlying for the EURO iSTOXX 50 Carbon Adaptation GR Decrement 5% Index.

### 43.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spun-off companies are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

## 44.iSTOXX EUROPE TOTAL MARKET FOOD PRODUCERS CAPPED 30-15 INDEX

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### 44.1. iSTOXX EUROPE TOTAL MARKET FOOD PRODUCERS CAPPED 30-15 INDEX

#### 44.1.1. OVERVIEW

The objective of the iSTOXX Europe Total Market Food Producers Capped 30-15 index is to provide the broadest possible representation of the Food Producers ICB sector in Europe. The index is capped in order to prevent the two largest constituents from dominating the index.

**Universe:** The index has the same composition as the STOXX Europe Total Market Food Producers index.

**Weighting scheme:** The index is weighted according to Free Float Market Capitalization.

**Base values and dates:** The following base values and dates apply: 1000 on Dec 21, 2012

**Index types and currencies:** Price, Net Return and Gross Return in CHF.

#### 44.1.2. INDEX REVIEW

The index has the same composition of the STOXX Europe Total Market Food Producers.

**Review frequency:** The reviews are conducted on a quarterly basis, together with the STOXX Europe Total Market Food Producers index.

**Weighting cap factors:** Constituents are capped so that the largest component may have a maximum weight of 30% and the second-largest of 15%.  
Capping occurs on a quarterly basis, based on the prices of the Thursday prior to the second Friday of the review month.

#### 44.1.3. ONGOING MAINTENANCE

**Replacements:** performed in line with the STOXX Europe Total Market Food Producers index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** performed in line with the STOXX Europe Total Market Food Producers index.

**Mergers and takeovers:** performed in line with the STOXX Europe Total Market Food Producers index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com)

# 45.EURO iSTOXX OCEAN CARE 40 INDEX

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## 45.1. EURO iSTOXX OCEAN CARE 40 INDEX

### 45.1.1. OVERVIEW

The EURO iSTOXX Ocean Care 40 Index is comprised of 40 large and liquid stocks selected from a pool of companies that are taking initiatives and are implementing strong programmes within their business models towards efficient water management and have strong environmental policies.

**Universe:** EURO STOXX

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the free float market capitalization and Ocean Care KPI score of the constituents.

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, net and gross return in EUR and USD

### 45.1.2. INDEX REVIEW

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the following indicators:

- Average Daily Traded Volume (ADTV) in EUR
- The scores on 12 Environmental Key Performance Indicators from Sustainalytics' Risk Ratings model that relate to environmental policies.
- The 12 indicators relating to Ocean Care (Ocean Care KPI) are defined as follows:
  - o E.1.1 Environmental Policy: This indicator provides an assessment of the quality of the company's commitment to protect the environment.
  - o E.1.2 Environmental Management System: This indicator provides an assessment of the quality and scope of a company's Environmental Management System.
  - o E.1.2.1 Biodiversity Programmes: This indicator provides an assessment of the quality of programmes to protect biodiversity.
  - o E.1.2.4.1 Hazardous Material Spills (previously E.1.2.4 Oil Spill Disclosure & Performance): This indicator provides an assessment of the company's spills, or releases of hazardous substances, such as oil.
  - o E.1.2.7 Water Intensity: This indicator provides an assessment of the company's external cost of water-related impacts.
  - o E.1.3.2 Hazardous Waste Management: This indicator assesses the strength of the company's initiatives to reduce hazardous waste from its own operations.
  - o E.1.2.7.4 Water Stewardship Commitment (previously E.1.3.4 Water Management Programmes): This indicator provides an assessment of the strength and credibility of a company's commitment to water stewardship.
  - o E.1.9 Carbon Intensity: This indicator provides an assessment of the carbon intensity of a company relative to its peers. The carbon intensity of a company is calculated by dividing the annual CO<sub>2</sub> e.q. emissions of a company by annual revenues (t.CO<sub>2</sub>e.q./USD m. revenues).

## 45. EURO ISTOXX OCEAN CARE 40 INDEX

- E.2.1.1 Supplier Environmental Programmes: This indicator provides an assessment of whether the company has any programmes to improve the environmental performance of its suppliers.
  - E.1.12 Operations Incidents: This controversy indicator includes: Emissions, Effluents and Waste, Energy Use and GHG Emissions, Land Use and Biodiversity and Water Use.
  - E.2.2 Environmental Supply Chain Incidents: This controversy indicator includes: Emissions, Effluents and Waste – Supply Chain, Energy Use and GHG Emissions – Supply Chain, Land Use and Biodiversity – Supply Chain and Water Use – Supply Chain.
  - E.3.2 Product & Service Incidents: This controversy indicator includes: Environmental Impact of Products and Carbon Impact of Products.
- The last 3 controversy indicators are mapped to an equivalent 0-100 indicator score accordingly: 0 -> 100, 1 -> 99, 2 -> 80, 3 -> 50, 4 -> 20, 5 -> 0.
  - Companies that don't have any KPI's data are no eligible for the selection list.

The Selection list constitutes of all stocks of the parent index that fulfil the conditions below:

- 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 10 million EUR
- Each Ocean Care KPI with a score greater than 0
- Risk level less than 2 in Controversy Level: Operations Incidents - Emissions, Effluents and Waste.

For each company of the selection list the *adjusted\_ffmcap* is calculated,

$$adjusted\_ffmcap_i = avg(Ocean\ Care\ KPI)_i * ffmcap_i$$

where

$Avg(Ocean\ Care\ KPI)_i$  = the company average score of the twelve Ocean Care KPI

$ffmcap_i$  = free-float market capitalization of the company at cut-off date

The companies are then ranked in descending order in terms of their *adjusted\_ffmcap*.

### Composition list:

The largest 2 companies in terms of *adjusted\_ffmcap* for each ICB supersector are selected. To reach 40 companies, the remaining companies are selected from the largest companies, giving priority to companies from the current composition if they are ranked above 48, and not selecting more than 1 additional company from each ICB supersector.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

### Weighting cap factors:

Target weight calculations: The target weight is defined according to the product of the ESG Score and the free-float market capitalization:

## 45. EURO ISTOXX OCEAN CARE 40 INDEX

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$$w_i = \frac{adjusted\_ffmcap_i}{\sum_{j \text{ in comp list}}^m adjusted\_ffmcap_j}$$

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 8%.

### 45.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently

# 46.iSTOXX USA OCEAN CARE 40 INDEX

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## 46.1. iSTOXX USA OCEAN CARE 40 INDEX

### 46.1.1. OVERVIEW

The iSTOXX USA Ocean Care 40 Index is comprised of 40 large and liquid stocks selected from a pool of companies that are taking initiatives and are implementing strong programmes within their business models towards efficient water management and have strong environmental policies.

**Universe:** STOXX Global 1800

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the free float market capitalization and Ocean Care KPI score of the constituents.

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, net and gross return in EUR and USD

### 46.1.2. INDEX REVIEW

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the following indicators:

- Average Daily Traded Volume (ADTV) in EUR
- The scores on 12 Environmental Key Performance Indicators from Sustainalytics' Risk Ratings model that relate to environmental policies.
- The 12 indicators relating to Ocean Care (Ocean Care KPI) are defined as follows:
  - o E.1.1 Environmental Policy: This indicator provides an assessment of the quality of the company's commitment to protect the environment.
  - o E.1.2 Environmental Management System: This indicator provides an assessment of the quality and scope of a company's Environmental Management System.
  - o E.1.2.1 Biodiversity Programmes: This indicator provides an assessment of the quality of programmes to protect biodiversity.
  - o E.1.2.4.1 Hazardous Material Spills (previously E.1.2.4 Oil Spill Disclosure & Performance): This indicator provides an assessment of the company's spills, or releases of hazardous substances, such as oil.
  - o E.1.2.7 Water Intensity: This indicator provides an assessment of the company's external cost of water-related impacts.
  - o E.1.3.2 Hazardous Waste Management: This indicator assesses the strength of the company's initiatives to reduce hazardous waste from its own operations.
  - o E.1.2.7.4 Water Stewardship Commitment (previously E.1.3.4 Water Management Programmes): This indicator provides an assessment of the strength and credibility of a company's commitment to water stewardship.
  - o E.1.9 Carbon Intensity: This indicator provides an assessment of the carbon intensity of a company relative to its peers. The carbon intensity of a company is calculated by dividing the annual CO<sub>2</sub> e.q. emissions of a company by annual revenues (t.CO<sub>2</sub>eq./USD m. revenues).



## 46. iSTOXX USA OCEAN CARE 40 INDEX

- E.2.1.1 Supplier Environmental Programmes: This indicator provides an assessment of whether the company has any programmes to improve the environmental performance of its suppliers.
  - E.1.12 Operations Incidents: This controversy indicator includes: Emissions, Effluents and Waste, Energy Use and GHG Emissions, Land Use and Biodiversity and Water Use.
  - E.2.2 Environmental Supply Chain Incidents: This controversy indicator includes: Emissions, Effluents and Waste – Supply Chain, Energy Use and GHG Emissions – Supply Chain, Land Use and Biodiversity – Supply Chain and Water Use – Supply Chain.
  - E.3.2 Product & Service Incidents: This controversy indicator includes: Environmental Impact of Products and Carbon Impact of Products.
- The last 3 controversy indicators are mapped to an equivalent 0-100 indicator score accordingly: 0 -> 100, 1 -> 99, 2 -> 80, 3 -> 50, 4 -> 20, 5 -> 0
  - Product Involvement information in the categories: Tobacco Production, Thermal Coal Extraction, Thermal Coal Power Generation, Military Contracting Weapons, Military Contracting Weapon related products or services.

Companies that don't have any Ocean Care KPI's data or don't have Product Involvement information are no eligible for the selection list.

The Selection list constitutes of all the US securities of the parent index that fulfil the conditions below:

- 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 10 million EUR
- Not identified as non-compliant with Sustainalytics Global Standards Screening (GSS). Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.
- Not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:
  - » Internal production or sale of controversial weapons
  - » The ultimate holding company owns >10% of voting rights of an involved company
  - » >10% of voting rights of a company is owned by the involved company
- Each Ocean Care KPI with a score greater than 0
- Risk level less than 2 in Controversy Level: Operations Incidents - Emissions, Effluents and Waste.

### **Tobacco:**

STOXX will exclude companies that Sustainalytics identifies to have:

- >0% revenues from manufacturing tobacco products

## 46. iSTOXX USA OCEAN CARE 40 INDEX

### Thermal Coal:

STOXX will exclude companies that Sustainalytics identifies to have:

- >5% revenues from thermal coal extraction (including thermal coal mining and exploration)
- >5% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

### Military Contracting:

STOXX will exclude companies that Sustainalytics identifies to have:

- >10% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons
- >10% revenues from tailor made products and/or services that support military weapons

For each company of the selection list the adjusted\_ffmcap is calculated,

$$\text{adjusted\_ffmcap}_i = \text{avg}(\text{Ocean Care KPI})_i * \text{ffmcap}_i$$

where

$\text{Avg}(\text{Ocean Care KPI})_i$  = the company average score of the twelve Ocean Care KPI

$\text{ffmcap}_i$  = free-float market capitalization of the company at cut-off date

The companies are then ranked in descending order in terms of their adjusted\_ffmcap.

### Composition list:

The largest 40 companies in terms of adjusted\_ffmcap are selected

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

### Weighting cap factors:

Target weight calculations: The target weight is defined according to the product of the ESG Score and the free-float market capitalization:

$$w_i = \frac{\text{adjusted\_ffmcap}_i}{\sum_{j \text{ in comp list}}^{40} \text{adjusted\_ffmcap}_j}$$

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 46.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

## 46. iSTOXX USA OCEAN CARE 40 INDEX

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**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently

## 47.iSTOXX GLOBAL ETHICAL SELECT 30 INDEX

### 47.1. iSTOXX GLOBAL ETHICAL SELECT 30 INDEX

#### 47.1.1. OVERVIEW

The iSTOXX Global Ethical Select 30 Index is comprised of 30 liquid stocks with low volatility and high dividend yields that are selected from a pool of companies that are in alignment with the moral and social teachings of the Christian religion (social, environmental, ethical and economic responsibility), with particular reference to the Austrian Conference Board of Catholic Bishops. Industry and country filters are applied in the selection process to ensure diversification.

Companies that are non-compliant as per the Global Standards Screening (GSS) or are involved in Controversial Weapons activities, as identified by Sustainalytics, are excluded. Additionally, companies involved in Weapons (Small Arms and Military Contracting), Animal Testing, Fur and Specialty Retail, Adult Entertainment, Alcoholic Beverages, Gambling, Tobacco, Abortion, Contraceptives, Human Embryonic Stem Cells, Genetically Modified Plants and Seeds, Pesticides, Palm Oil, Predatory Lending, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, and Nuclear Power are also excluded.

**Universe:** The index universe is defined as all stocks from the STOXX Global 1800 index

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents with a cap at 10%.

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, net and gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

#### 47.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the following indicators:

- i. 12-monthly historical gross dividend yield<sup>70</sup>
- ii. 3-month and 12-month historical volatility in EUR
- iii. 3-month Average Daily Traded Volume (ADTV) in EUR
- iv. Product Involvement information in the categories: Weapons (Small Arms and Military Contracting), Controversial Weapons, Animal Testing, Fur and Specialty Retail, Adult Entertainment, Alcoholic Beverages, Gambling, Tobacco, Abortion, Contraceptives, Human Embryonic Stem Cells, Genetically Modified Plants and Seeds, Pesticides, Palm Oil, Predatory Lending, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, and Nuclear Power

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<sup>70</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

## 47. iSTOXX GLOBAL ETHICAL SELECT 30 INDEX

If any of the fields ii) to iv) above have missing information for a stock, then that company is excluded from the selection process.

If information for a company on field i) is missing, then the missing value is substituted by 0.

The Selection list consists of all remaining stocks that fulfil all the conditions below:

- **Global Standards and Controversial Weapons:**

- o Not identified as non-compliant with Sustainalytics Global Standards Screening (GSS). Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

- o Not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:

- » Internal production or sale of controversial weapons

- » The ultimate holding company owns >10% of voting rights of an involved company

- » >10% of voting rights of a company is owned by the involved company

- **Product Involvement:** Not have any Product Involvement in the following areas<sup>71</sup>:

**Weapons:**

i. **Small Arms:**

STOXX will exclude companies that Sustainalytics identifies to have:

- » >10% revenues from manufacturing and selling assault weapons to civilian customers

- » >10% revenues from manufacturing and selling small arms to military / law enforcement customers

- » >10% revenues from manufacturing and selling key components of small arms

- » >10% revenues from retail and/or distribution of assault weapons

- » >10% revenues from retail and/or distribution of small arms (non-assault weapons)

assault weapons)

- » >10% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers

ii. **Military Contracting:**

STOXX will exclude companies that Sustainalytics identifies to have:

- » >10% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons

- » >10% revenues from tailor made products and/or services that support military weapons

- » >10% revenues from non-weapons related tailor-made products and/or services to the military or defence industry

**Animal Testing:**

STOXX will exclude companies that Sustainalytics identifies to have:

<sup>71</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results

## 47. iSTOXX GLOBAL ETHICAL SELECT 30 INDEX

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»>0% revenues related to animal testing for pharmaceutical products, medical devices and biotechnology

»>0% revenues related to animal testing for non-pharmaceutical products

»>0% revenues where based on the company's activities and products, the company is likely to be involved in animal testing for pharmaceutical products, medical devices and biotechnology

»>0% revenues where based on the company's activities and products, the company is likely to be involved in animal testing for non-pharmaceutical products

### **Fur and Specialty Leather:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from manufacturing products made from fur or specialty leather

»>0% revenues from the distribution and/or retail of products made from fur or specialty retail

### **Adult Entertainment:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from the production of adult entertainment and/or owns/operates adult entertainment establishments

»>10% revenues from the distribution of adult entertainment materials

### **Alcoholic Beverages:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>10% revenues from manufacturing alcoholic beverages

»>10% revenues from supplying alcohol-related products/services to alcoholic beverage manufacturers

»>10% revenues from the distribution and/or retail of alcoholic beverages

### **Gambling:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from owning and/or operating a gambling establishment

»>0% revenues from manufacturing specialized equipment used exclusively for gambling

»>0% revenues from providing supporting products/services to gambling operations

### **Tobacco:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from manufacturing tobacco products

»>0% revenues from supplying tobacco-related products/services

»>10% revenues from the distribution and/or retail sale of tobacco products.

### **Abortion:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from the owning or operating one or more acute care hospitals or surgical centres

»>0% revenues from manufacturing drugs that have abortifacient properties

### **Contraceptives:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>10% revenues from manufacturing contraceptives

## 47. iSTOXX GLOBAL ETHICAL SELECT 30 INDEX

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### Human Embryonic Stem Cells:

STOXX will exclude companies that Sustainalytics identifies to have:

- »>0% revenues from the use of human embryonic stem cells
- »>0% revenues from the use of fetal cell lines for vaccine or biologics development
- »>0% revenues from developing technologies that enable human embryonic stem cell research

### Genetically Modified Plants and Seeds:

STOXX will exclude companies that Sustainalytics identifies to have:

- »>5% revenues from the development and/or cultivation of genetically modified seeds and/or plants
- »>5% revenues from growing genetically modified crops

### Pesticides:

STOXX will exclude companies that Sustainalytics identifies to have:

- »>5% revenues from manufacturing pesticides
- »>5% revenues from the distribution and/or retail sale of pesticides

### Palm Oil:

STOXX will exclude companies that Sustainalytics identifies to have:

- »>0% revenues from the production and/or distribution of palm oil

### Predatory Lending:

STOXX will exclude companies that Sustainalytics identifies to have:

- »>0% revenues from predatory lending activities

### Thermal Coal:

STOXX will exclude companies that Sustainalytics identifies to have:

- »>0% revenues from thermal coal extraction (including thermal coal mining and exploration)
- »>0% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

### Conventional Oil & Gas:

STOXX will exclude companies that Sustainalytics identifies to have:

- »>0% revenues from oil and gas exploration, production, refining, transportation and/or storage
- This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).
- »>0% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)
  - »>25% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

### Unconventional Oil & Gas

#### i) Arctic Oil and Gas Exploration:

STOXX will exclude companies that Sustainalytics identifies to have:

- »>0% revenues Oil & Gas exploration & extraction in Arctic regions

#### ii) Oil Sands:

STOXX will exclude companies that Sustainalytics identifies to have:

## 47. iSTOXX GLOBAL ETHICAL SELECT 30 INDEX

»>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

iii) **Shale Energy:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from shale energy exploration and/or production

**Nuclear Power:**

STOXX will exclude companies that Sustainalytics identifies as having:

»>10% revenues from nuclear power production:

Utilities that own/operate nuclear power generators

Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power

»>10% revenues from nuclear power supporting products / services, including:

Design and construction of nuclear power plants

Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls

Special services, such as the transport of nuclear power materials, and nuclear plant maintenance;

Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate

»>10% revenues from nuclear power distribution, including:

The resale or distribution of electricity generated from nuclear power;

This applies to distributors, resellers and utilities that distribute nuclear power as a part of their energy mix

Note: In this category Sustainalytics tracks the percentage of a company's energy mix that is generated from nuclear power

If information on any of the above fields is missing for a company, then it is excluded from the eligible universe.

- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 10 million EUR
- **Multiple share lines:** in case a company is present with multiple listings in the eligible universe, only the most liquid share line is retained

All securities that remain after the application of the exclusion filters above, constitute the Selection list. Effective up until September 2020 review, each security is allocated to one of eleven industry groupings according to their ICB code, as follows:

| Grouping           | ICB codes     |
|--------------------|---------------|
| Oil & Gas          | Industry 1    |
| Basic Materials    | Industry 1000 |
| Industrials        | Industry 2000 |
| Consumer Goods     | Industry 3000 |
| Health Care        | Industry 4000 |
| Consumer Services  | Industry 5000 |
| Telecommunications | Industry 6000 |
| Utilities          | Industry 7000 |



## 47. iSTOXX GLOBAL ETHICAL SELECT 30 INDEX

|             |                                  |
|-------------|----------------------------------|
| Financials  | Supersectors 8300, 8500 and 8700 |
| Real Estate | Supersector 8600                 |
| Technology  | Industry 9000                    |

Effective with September 2020 review, each security is allocated to one of eleven industry groupings according to their ICB code, as follows:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Energy                 | Industry 60 |
| Basic Materials        | Industry 55 |
| Industrials            | Industry 50 |
| Consumer Staples       | Industry 45 |
| Healthcare             | Industry 20 |
| Consumer Discretionary | Industry 40 |
| Telecommunications     | Industry 15 |
| Utilities              | Industry 65 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Technology             | Industry 10 |

**Composition list:** The following Equal Strength Ratio is calculated:

$$ESR = \sqrt{\frac{30}{N}}$$

where,

N = number of stocks in the selection list

The final composition list with the 30 securities is derived by following the steps below:

- 1) All securities from the selection list are first ranked in descending order of their historical gross dividend yield, and the number of stocks with the highest dividend yield are selected.

number of companies to select (Dividend screen) = round down of (ESR \* N)

In case two securities have the same dividend yield for a given review cutoff date, priority is given to the one with the lowest volatility (maximum between 3-month and 12-month historical volatility in EUR).

- 2) Subsequently, the remaining stocks are sorted in ascending order in terms of their volatility (maximum between 3-month and 12-month historical volatility in EUR), and if any companies with zero dividend yield are remaining at this step, they are excluded. Moreover, if two eligible securities have the same volatility, priority is given to the security with the highest dividend yield. The 30 securities with the lowest volatility (maximum between 3-month and 12-month historical volatility in EUR) are selected in such a way that the following conditions are met:

### a. Country

For each country i, a maximum number of components is calculated as follows and rounded to the nearest integer:

## 47. iSTOXX GLOBAL ETHICAL SELECT 30 INDEX

$$K_i = (SXW1_i + 10\%) * N$$

where:

$K_i$  maximum number of components from country i, allowed for inclusion in iSTOXX Global Ethical Select 30 Index

$SXW1_i$  weight of the components coming from country i, in the STOXX Global 1800 Index (parent index), as of the cutoff date

$N$  number of constituents in the iSTOXX Global Ethical Select 30 Index

### b. Industry

Effective up until September 2020 review, 11 industrial groupings are defined, based on the ICB Classification system, following the categorization below:

| Grouping           | ICB codes                         |
|--------------------|-----------------------------------|
| Oil & Gas          | Industry 1                        |
| Basic Materials    | Industry 1000                     |
| Industrials        | Industry 2000                     |
| Consumer Goods     | Industry 3000                     |
| Health Care        | Industry 4000                     |
| Consumer Services  | Industry 5000                     |
| Telecommunications | Industry 6000                     |
| Utilities          | Industry 7000                     |
| Financials         | Supersectors 8300, 8500, and 8700 |
| Real Estate        | Supersector 8600                  |
| Technology         | Industry 9000                     |

Effective with September 2020 Review, 11 industrial groupings are defined, based on the ICB Classification system, following the categorization below:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Energy                 | Industry 60 |
| Basic Materials        | Industry 55 |
| Industrials            | Industry 50 |
| Consumer Staples       | Industry 45 |
| Healthcare             | Industry 20 |
| Consumer Discretionary | Industry 40 |
| Telecommunications     | Industry 15 |
| Utilities              | Industry 65 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Technology             | Industry 10 |

## 47. iSTOXX GLOBAL ETHICAL SELECT 30 INDEX

For each industry  $j$  of the 11 industrial groupings above, a maximum number of components is calculated as follows and rounded to the nearest integer:

$$D_j = (SXW1_j + 10\%) * N$$

where:

$D_j$  maximum number of components from industry  $j$ , allowed for inclusion in the iSTOXX Global Ethical Select 30 Index

$SXW1_j$  weight of the components coming from industry  $j$ , in the STOXX Global 1800 Index (parent index), as of the cutoff date

$N$  number of constituents in the iSTOXX Global Ethical Select 30 Index

If the composition list cannot be completed with 30 stocks under the above constraints, then the number of stocks selected at step 1 is incremented by 1, and step 2 is repeated. Further incrementing is applied to this number if necessary, and the process is repeated until 30 stocks are selected

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last dissemination day of February, May, August and November respectively.

### Weighting cap factors:

Target weights are calculated based on the historical volatility of the selected components:

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^{30} \frac{1}{\sigma_j}}$$

where,

$w_i$  target weight of component  $i$

$\sigma_i$  maximum between the 3-month and 12-month historical volatility of component  $i$  as of review cut-off date, based on prices in EUR

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(100,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 47.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced. Deletions from the corresponding universe (STOXX Global 1800 Index), which remain in the STOXX Global Total Market Index are not deleted from the index.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening

## 47. iSTOXX GLOBAL ETHICAL SELECT 30 INDEX

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assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 48.EURO iSTOXX ESG WEIGHTED 50 INDEX

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### 48.1. EURO iSTOXX ESG WEIGHTED 50 INDEX

#### 48.1.1. OVERVIEW

The EURO iSTOXX ESG Weighted 50 Index tracks the performance of the 50 largest securities from the EURO STOXX Index that are not involved in fossil fuels. Industry neutrality filters are applied in the selection process to ensure diversification.

STOXX will exclude companies that are not compliant based on the Sustainalytics Global Standards Screening assessment, have Severe Controversy Rating (Category 5) or are involved in Controversial Weapons. Moreover, companies involved in Conventional Oil & Gas, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy) or Thermal Coal are also not eligible for selection.

**Universe:** The index universe is defined by all the stocks included in the EURO STOXX Index, as observed on the review effective date.

**Weighting scheme:** The index is price-weighted with weighting cap factors determined according to the constituents' ESG ranks

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, net and gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

#### 48.1.2. INDEX REVIEW

**Selection list:**

The review cut-off date is the last dissemination day of the month preceding the review month of the index.

On the review cut-off date, the securities in the selection list are screened for the following indicators:

- i. ESG scores, as sourced from Sustainalytics' ESG Risk Rating dataset
- ii. Product involvement in: Conventional Oil & Gas, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy) and Thermal Coal

If any of the fields i) to ii) above have missing information for a stock, then that company is not eligible for selection.

The Selection list constitutes of all remaining stocks that fulfil the conditions below, in the order they are listed:

- Not identified as non-compliant with Sustainalytics Global Standards Screening (GSS). Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

## 48. EURO ISTOXX ESG WEIGHTED 50 INDEX

- Do not have Severe Controversy Rating (Category 5). Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.
- Not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:
  - » Internal production or sale of controversial weapons
  - » The ultimate holding company owns >10% of voting rights of an involved company
  - » >10% of voting rights of a company is owned by the involved company
- STOXX will exclude companies that Sustainalytics identifies to have a "Severe" ESG Risk Rating
- Not have any Product Involvement in the following areas<sup>72</sup>:

### Conventional Oil & Gas:

STOXX will exclude companies that Sustainalytics identifies to have:

- » >0% revenues from oil and gas exploration, production, refining, transportation and/or storage  
This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).
- » >0% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)
- » >0% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

### Unconventional Oil & Gas

#### i) Arctic Oil and Gas Exploration:

STOXX will exclude companies that Sustainalytics identifies to have:

- » >0% revenues Oil & Gas exploration & extraction in Arctic regions

#### ii) Oil Sands:

STOXX will exclude companies that Sustainalytics identifies to have:

- » >0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

#### iii) Shale Energy:

STOXX will exclude companies that Sustainalytics identifies to have:

- » >0% revenues from shale energy exploration and/or production

### Thermal Coal:

STOXX will exclude companies that Sustainalytics identifies to have:

- » >0% revenues from thermal coal extraction (including thermal coal mining and exploration)

<sup>72</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results

## 48. EURO ISTOXX ESG WEIGHTED 50 INDEX

»>0% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

### Composition list:

Effective up until September 2020 review, each of the remaining securities in the selection list are allocated to one of the ten industry groupings according to their ICB code as follows:

| Grouping           | ICB codes     |
|--------------------|---------------|
| Oil & Gas          | Industry 1    |
| Basic Materials    | Industry 1000 |
| Industrials        | Industry 2000 |
| Consumer Goods     | Industry 3000 |
| Health Care        | Industry 4000 |
| Consumer Services  | Industry 5000 |
| Telecommunications | Industry 6000 |
| Utilities          | Industry 7000 |
| Financials         | Industry 8000 |
| Technology         | Industry 9000 |

Effective with September 2020 review, each of the remaining securities in the selection list are allocated to one of the ten industry groupings according to their ICB code as follows:

| Grouping               | ICB codes            |
|------------------------|----------------------|
| Technology             | Industry 10          |
| Telecommunications     | Industry 15          |
| Health Care            | Industry 20          |
| Financials             | Industries 30 and 35 |
| Consumer Discretionary | Industry 40          |
| Consumer Staples       | Industry 45          |
| Industrials            | Industry 50          |
| Basic Materials        | Industry 55          |
| Energy                 | Industry 60          |
| Utilities              | Industry 65          |

The securities are then ranked in decreasing order of their free float market capitalization. In case two companies for a given cut-off date have the same free float market capitalization, priority is given to the one with the highest ESG score. The 50 largest securities are then selected, with a maximum of 8 components out of the total 50 coming from each of the 10 industrial groupings.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

## 48. EURO ISTOXX ESG WEIGHTED 50 INDEX

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### Weighting and capping factors:

The selected 50 securities are ranked in descending order of their ESG scores, so that the securities with the highest risk ratings are ranked at the top, and those with the lowest risk ratings at the bottom of the list. In case two securities have the same ESG score for a given cut-off date, priority is given to the one with higher free float market capitalization (i.e. the larger security is given a higher ranking, and larger weight). The securities are then issued linearly increasing weights:

$$w_1 = 0.5\%$$

$$step = \frac{100\% - 50 * w_1}{49 * 25} = \frac{3\%}{49}$$

$$w_i = w_1 + step * (i - 1)$$

where:

$w_1$  weight of the security with the highest ESG score

$i$   $i^{th}$  security

$w_i$  weight of the  $i^{th}$  security

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 48.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)



# 49.iSTOXX GERMANY REAL ESTATE CAPPED 20 INDEX

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## 49.1. iSTOXX GERMANY REAL ESTATE CAPPED 20 INDEX

### 49.1.1. OVERVIEW

The iSTOXX Germany Real Estate Capped 20 index is a capped index with all German real estate included in the STOXX® Global Total Market index. Every 6 months all components are rebalanced and capped to 20%.

**Universe:** Effective up until September 2020 review, all the companies of the STOXX Global Total Market Index, with ICB supersector codes 8600 and country Germany. Effective with September 2020 review, all the companies of the STOXX Global Total Market Index, with ICB supersector codes 3510 and country Germany.

**Weighting scheme:** The indices are weighted according to Free Float Market Capitalization

**Base values and dates:** 1000 on Sep 16, 2016

**Index types and currencies:** Price, Net Return and Gross Return in EUR

**Dissemination Calendar:** STOXX Europe calendar

### 49.1.2. INDEX REVIEW

**Review frequency:** The reviews are conducted on a semi-annual basis in March and September together with the parent index.

**Weighting cap factors:** The components are capped to 20% at review.

### 49.1.3. ONGOING MAINTENANCE

**Replacements:** Not applicable.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** performed in line with the STOXX Global Total Market Index

**Mergers and takeovers:** performed in line with the STOXX Global Total Market Index

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com)

# 50.iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

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## 50.1. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

### 50.1.1. OVERVIEW

The iSTOXX Cross-Atlantic Sustainable Infrastructure Select 30 Index tracks companies involved in the construction and deployment of public infrastructure works in the US, Canada and Europe, and that show the highest environmental standards. Final index screens select stocks with the lowest volatilities and highest dividend yields.

Index constituents provide assets and services needed to meet one of the biggest endeavors of the 21<sup>st</sup> century: the upgrading of public infrastructure in developed markets to support growing populations, urbanization, technological advancements and climate change. A list of more than 500 business sectors categorized by Revere (RBICS) help determine which companies derive revenues from the infrastructure theme.

The index excludes companies that are non-compliant with Sustainalytics Global Standards Screening, and those involved with weapons, adult entertainment, gambling, oil & gas, thermal coal, nuclear power or tobacco. It incorporates those with the highest scores in 15 Key Performance Indicators for environmental practices and programs within their operations and management.

The final composition list is made up of the 30 companies from the pre-selected universe that have the lowest volatilities and highest dividend yields, observing caps in the representation of ICB sectors and countries to ensure diversification.

**Universe:** The index universe is defined by all stocks included in the STOXX Europe Total Market, STOXX USA Total Market and STOXX Canada Total Market indices, as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in local currency) of the constituents.

**Base values and dates:** 100 on Jun 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 50.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the following indicators:

- i. 12-month historical net dividend yield<sup>73</sup>
- ii. 3-month and 12-month historical volatility in local currency

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<sup>73</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

## 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

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- iii. 3-month Average Daily Traded Volume (ADTV) in EUR
  - iv. Product Involvement information in the categories: Weapons (Small Arms and Military Contracting), Adult Entertainment, Gambling, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, Nuclear Power and Tobacco
  - v. Revenue information, as captured by Revere's detailed industry classification system (RBICS)
  - vi. Scores on 15 Environmental Key Performance Indicators from Sustainalytics' model that relate to sustainable infrastructure. The 15 indicators are defined as follows:
    - a. E.1.2.1 Biodiversity Programmes: This indicator provides an assessment of the quality of programmes to protect biodiversity.
    - b. E.1.2.7 Water Intensity: This indicator provides an assessment of the company's external cost of water-related impacts.
    - c. E.1.2.7.4 Water Stewardship Commitment (previously E.1.3.4 Water Management Programmes): This indicator provides an assessment of the quality of programmes to reduce fresh water use.
    - d. E.1.7.1 Green Logistics Programmes: This indicator provides an assessment of the quality of a company's programmes to improve the environmental performance of its own logistics and fleet management.
    - e. E.2.1 Supplier Environmental Policy: This indicator provides an assessment of the quality of a company's supplier environmental commitment and initiatives.
    - f. E.2.1.6 Green Outsourced Logistics Programmes: This indicator provides an assessment of the quality of a company's programmes to reduce GHGs from outsourced logistic services.
    - g. E.2.1.7 Recycled Material Use: This indicator provides an assessment of the company's data on its use of recycled and/or re-used raw material and on its performance in this matter.
    - h. E.3.1.3 Fleet Emissions: This indicator provides an assessment of a carmaker's sales-weighted fleet average CO2 emissions.
    - i. E.3.1.5 Sustainable Mobility Products: This indicator provides an assessment of the company's initiatives to make products that improve sustainability in transport vehicles.
    - j. E.3.1.6 Eco-Design: This indicator provides an assessment of whether there are policies and programmes to systematically consider environmental aspects at the R&D or design stage of products.
    - k. E.3.1.7 End-of-Life Product Stewardship Programmes: This indicator provides an assessment of whether the company has end-of-life product management programmes and targets, and whether initiatives are taken to take-back or recycle these products.
    - l. E.3.1.12 Real Estate LCA: This indicator provides an assessment of the amount of new real estate projects to which the company applies a Life Cycle Analysis (LCA).
    - m. E.3.1.25 Green Buildings Commitment (previously E.3.1.13 Green Buildings Investments): This indicator provides an assessment of whether the company has any programmes to increase investments in sustainable buildings and whether it has defined any quantitative targets with clear deadlines for reaching these targets.
    - n. E.3.1.14 Share of Green Buildings: This indicator provides an assessment of the share of sustainable buildings as a percentage of the total property portfolio.
    - o. E.3.1.17 Carbon Intensity of Generation: This indicator provides an assessment of the energy mix generated by a utility provider and determines how carbon intensive it is.
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## 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

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If any of the fields ii) to iv) above have missing information for a stock, then that company is excluded from the selection process.

If information for a company on field i) is missing, then the missing value is substituted by 0. Information for field v) is refreshed on a semi-annual basis in June and December every year, such that for a given company in March and September reviews, revenue information from the previous December and June cutoff date is used. If this information is missing, then the company is excluded from the selection process.

The Selection list constitutes of all remaining stocks that fulfil all the conditions below:

- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 5 million EUR
- **Revenues:** Aggregated revenue exposure equal to or exceeding 10%, from the RBICS sectors associated with "Infrastructure" (see table below)
- **Global Standards:** Not identified as non-compliant with Sustainalytics Global Standards Screening (GSS).  
Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.
- **Controversial Weapons:** Not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:
  - » Internal production or sale of controversial weapons
  - » The ultimate holding company owns >10% of voting rights of an involved company
  - » >10% of voting rights of a company is owned by the involved company
- **Product Involvement:** Not have any Product Involvement in the following areas<sup>74</sup>:

### Weapons:

#### i) Small Arms:

STOXX will exclude companies that Sustainalytics identifies to have:

- » >10% revenues from manufacturing and selling assault weapons to civilian customers
- » >50% significant ownership of a company that manufactures and sells assault weapons to civilian customers
- » >10% revenues from manufacturing and selling small arms to military / law enforcement customers
- » >50% significant ownership of a company that manufactures and sells small arms to military / law enforcement customers
- » >10% revenues from manufacturing and selling key components of small arms

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<sup>74</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results

## 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

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»>50% significant ownership of a company that manufactures and sells key components of small arms

»>10% revenues from retail and/or distribution of assault weapons

»>50% significant ownership of a company involved in retail and/or distribution of assault weapons

»>10% revenues from retail and/or distribution of small arms (non-assault weapons)

»>50% significant ownership of a company involved in retail and/or distribution of small arms (non-assault weapons)

»>10% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers

»>50% significant ownership of a company manufacturing and selling small arms (non-assault weapons) to civilian customers

### ii) **Military Contracting:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>10% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons

»>50% significant ownership of a company involved in manufacturing military weapons systems and/or integral, tailor made components of these weapons

»>10% revenues from tailor made products and/or services that support military weapons

»>50% significant ownership of a company involved in tailor made products and/or services that support military weapons

»>10% revenues from non-weapons related tailor-made products and/or services to the military or defence industry

»>50% significant ownership of a company involved in non-weapons related tailor-made products and/or services to the military or defence industry

### **Adult Entertainment:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>25% revenues from the production of adult entertainment and/or owns/operates adult entertainment establishments

»>50% significant ownership of another company with involvement in the production of adult entertainment and/or owns/operates adult entertainment establishments

»>25% revenues from the distribution of adult entertainment materials

»>50% significant ownership of another company with involvement in the distribution of adult entertainment

### **Gambling:**

STOXX will exclude companies that Sustainalytics identifies to have:

»>25% revenues from owning and/or operating a gambling establishment

»>50% significant ownership of another company with involvement in owning and/or operating a gambling establishment

»>25% revenues from manufacturing specialized equipment used exclusively for gambling

»>50% significant ownership of another company with involvement in manufacturing specialized equipment used exclusively for gambling

»>25% revenues from providing supporting products/services to gambling operations

»>50% significant ownership of another company with involvement in providing supporting products/services to gambling operations

## 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

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### Unconventional Oil & Gas

#### i) Arctic Oil and Gas Exploration:

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues Oil & Gas exploration & extraction in Arctic regions

»>50% significant ownership (extraction) of a company that is involved in Oil & Gas exploration & extraction in Arctic regions

#### ii) Oil Sands:

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

»>50% significant ownership of a company that is involved in extraction of oil sands

#### iii) Shale Energy:

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from shale energy exploration and/or production

»>50% significant ownership of a company that is involved in shale energy exploration and/or production

### Conventional Oil & Gas:

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from oil and gas exploration, production, refining, transportation and/or storage

This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).

»>50% significant ownership of a company that is involved in exploration, production, refining, transportation and storage of oil and/or gas

»>0% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)

»>50% significant ownership of a company that is involved in the provision of tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage.

»>25% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

»>50% significant ownership of a company that is involved in involvement in the generation of electricity from oil and/or gas

### Thermal Coal:

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from thermal coal extraction (including thermal coal mining and exploration)

»>50% significant ownership of a company that is involved in the extraction of thermal coal

»>0% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

»>50% significant ownership of a company that is involved in the generating electricity from thermal coal

### Nuclear Power:

STOXX will exclude companies that Sustainalytics identifies as having:

»>25% revenues from nuclear power production:

## 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

- Utilities that own/operate nuclear power generators  
Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power
- »>50% significant ownership of a company involved in producing nuclear power
- »>25% revenues from nuclear power supporting products / services, including:
  - Design and construction of nuclear power plants
  - Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls
  - Special services, such as the transport of nuclear power materials, and nuclear plant maintenance;
  - Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate
- »>50% significant ownership of a company involved in providing products / services that support the nuclear power industry
- »>25% revenues from nuclear power distribution, including:
  - The resale or distribution of electricity generated from nuclear power;
  - This applies to distributors, resellers and utilities that distribute nuclear power as a part of their energy mix
 Note: In this category Sustainalytics tracks the percentage of a company's energy mix that is generated from nuclear power
- »>50% significant ownership of a company involved in distribution of electricity generated from nuclear power

### Tobacco:

STOXX will exclude companies that Sustainalytics identifies to have:

- »>0% revenues from manufacturing tobacco products
- »>50% significant ownership of a company that is involved in the manufacturing tobacco products
- »>0% revenues from supplying tobacco-related products/services
- »>50% significant ownership of a company that is involved in supplying tobacco-related products/services
- »>0% revenues from the distribution and/or retail sale of tobacco products.
- »>50% significant ownership of a company that is involved in distribution and/or retail sale (>10% total revenues) of tobacco products.

- **Environmental Key Performance Indicators:** Having a score on the 15 environmental KPIs, that exceeds the thresholds displayed in the table below, in at least half the KPIs for which the company is assessed.

| Indicator Number | Indicator Name                        | Threshold |
|------------------|---------------------------------------|-----------|
| E.1.2.1          | Biodiversity Programmes               | 25        |
| E.1.2.7          | Water Intensity                       | 25        |
| E.1.2.7.4        | Water Stewardship Commitment          | 25        |
| E.1.7.1          | Green Logistics Programmes            | 0         |
| E.2.1            | Supplier Environmental Policy         | 0         |
| E.2.1.6          | Green Outsourced Logistics Programmes | 0         |



## 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

|          |                                            |    |
|----------|--------------------------------------------|----|
| E.2.1.7  | Recycled Material Use                      | 20 |
| E.3.1.3  | Fleet Emissions                            | 30 |
| E.3.1.5  | Sustainable Mobility Products              | 0  |
| E.3.1.6  | Eco-Design                                 | 0  |
| E.3.1.7  | End-of-Life Product Stewardship Programmes | 0  |
| E.3.1.12 | Real Estate LCA                            | 0  |
| E.3.1.25 | Green Buildings Commitment                 | 0  |
| E.3.1.14 | Share of Green Buildings                   | 10 |
| E.3.1.17 | Carbon Intensity of Generation             | 25 |

Assessment of these KPIs does not apply for all peer groups, and for certain companies some of these KPIs are not applicable to their business model. KPIs for which ESG research is not available, are not taken into account for the purposes of this exercise. Example: If a company is assessed in 3 KPIs out of the 15, then that company will be eligible for the next step of the selection process if it displays a score that exceeds the corresponding threshold in at least 2 of the 3 indicators.

- **Multiple share lines:** in case a company is present with multiple listings in the eligible universe after the application of all the filters above, then only the most liquid share line is retained

### List of RBICS sectors associated with “Infrastructure” for the purposes of component selection:

| Nr | RBICS SECTOR                                       | Nr  | RBICS SECTOR                                      |
|----|----------------------------------------------------|-----|---------------------------------------------------|
| 1  | Access Systems Manufacturing                       | 286 | Latin America Mixed Wholesale Power               |
| 2  | Adhesives and Sealants Manufacturing               | 287 | Latin America Natural Gas Pipeline and Storage    |
| 3  | Africa and Non-US Americas Air Passenger Services  | 288 | Latin America Natural Gas Wholesale Power         |
| 4  | Air Freight Transportation Operators               | 289 | Latin America Nuclear Wholesale Power             |
| 5  | Air Purification and Filtration Equipment Products | 290 | Latin America Petroleum Storage and Transport     |
| 6  | Air Transport Infrastructure and Support Providers | 291 | Latin America Propane and LPG Marketing and Dist. |
| 7  | Air, Liquid and Gas Control Equipment Products     | 292 | Latin America Residential Decentralized Power     |
| 8  | Airport/Flight Support Infrastructure Operators    | 293 | Latin America Solar Wholesale Power               |
| 9  | Alarm Systems Manufacturing                        | 294 | Latin America Traditional Fuel Wholesale Power    |
| 10 | Alt. Energy Autonomous Heavy Duty Truck Makers     | 295 | Latin America Wind Wholesale Power                |
| 11 | Alt. Energy Autonomous Transit Vehicle Production  | 296 | Light Emitting Diode Discrete Semiconductors      |
| 12 | Alt. Energy Motor Homes and Campers (RVs) Makers   | 297 | Lighting Equipment and Components Manufacturing   |
| 13 | Alt. Energy Recreation Vehicle Manufacturing       | 298 | Lighting Fixtures and Light Bulbs Manufacturing   |
| 14 | Alternative Energy Boats Makers                    | 299 | Lime and Gypsum Products Manufacturing            |
| 15 | Alternative Energy Car Manufacturers               | 300 | Linen and Uniform Supply Services                 |
| 16 | Alternative Energy Heavy Duty Trucks Makers        | 301 | Liquid and Water Purification/Filtration Products |



# 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

|    |                                                    |     |                                                    |
|----|----------------------------------------------------|-----|----------------------------------------------------|
| 17 | Alternative Energy Infrastructure Construction     | 302 | Liquid Petroleum and Other Liquids Transportation  |
| 18 | Alternative Energy Motorcycles Makers              | 303 | LNG (Liquid Natural Gas) Transportation            |
| 19 | Alternative Energy Transit Vehicles Makers         | 304 | Locks and Deadbolts Manufacturing                  |
| 20 | Ambulance (Transportation)                         | 305 | Luxury Hotels and Resorts                          |
| 21 | Ambulatory and Outpatient Care                     | 306 | Manufactured Building Makers                       |
| 22 | Americas Natural Gas Utilities                     | 307 | Manufactured Homes Equity REITs                    |
| 23 | Americas Water Utilities                           | 308 | Metal Recycling Providers                          |
| 24 | Apartment Equity REITs                             | 309 | Mexico Mixed Telecommunications Services           |
| 25 | Architectural Glass Manufacturing                  | 310 | Mexico Video and Television Services               |
| 26 | Asia Excluding China Mixed Telecommunications      | 311 | Mexico Wireless Telecommunications Services        |
| 27 | Asia Excluding China Video and Television Services | 312 | Mexico Wireline Telecommunication Services         |
| 28 | Asia Excluding China Wireless Telecom Services     | 313 | Microprocessor (MPU) Semiconductors                |
| 29 | Asia Excluding China Wireline Telecom Services     | 314 | Middle East and Africa Biomass Wholesale Power     |
| 30 | Asia/Pacific Air Passenger Service Providers       | 315 | Middle East and Africa CNG and LNG Distributors    |
| 31 | Asia/Pacific CNG and LNG Distributors              | 316 | Middle East and Africa Geothermal Wholesale Power  |
| 32 | Asia/Pacific Crude Oil Liquid Pipeline/Storage     | 317 | Middle East and Africa Mixed Alt. Wholesale Power  |
| 33 | Asia/Pacific Electric Power Utilities              | 318 | Middle East and Africa Mixed Telecom Services      |
| 34 | Asia/Pacific Natural Gas Pipeline and Storage      | 319 | Middle East and Africa Mixed Trad. Wholesale Power |
| 35 | Asia/Pacific Natural Gas Utilities                 | 320 | Middle East and Africa Mixed Wholesale Power       |
| 36 | Asia/Pacific Petroleum Storage and Transport       | 321 | Middle East and Africa Natural Gas Utilities       |
| 37 | Asia/Pacific Propane and LPG Marketing and Dist.   | 322 | Middle East and Africa Natural Gas Wholesale Power |
| 38 | Asia/Pacific Rail Transportation                   | 323 | Middle East and Africa Nuclear Wholesale Power     |
| 39 | Asia/Pacific Water Utilities                       | 324 | Middle East and Africa Solar Wholesale Power       |
| 40 | Asphalt Manufacturing                              | 325 | Middle East and Africa Video/Television Services   |
| 41 | Asphalt, Cement and Concrete Product Manufacturing | 326 | Middle East and Africa Wind Wholesale Power        |
| 42 | Asset Tracking GPS Systems Manufacturing           | 327 | Middle East and Africa Wireless Telecom Services   |
| 43 | Assisted Living                                    | 328 | Middle East and Africa Wireline Telecom Services   |
| 44 | Australia/New Zealand Mixed Telecom Services       | 329 | Middle East/Africa Crude Oil Liq. Pipeline/Storage |
| 45 | Australia/New Zealand Video/Television Services    | 330 | Middle East/Africa Hydroelectric Wholesale Power   |
| 46 | Australia/New Zealand Wireless Telecom Services    | 331 | Middle East/Africa Industrial Decentralized Power  |
| 47 | Australia/New Zealand Wireline Telecom Services    | 332 | Middle East/Africa Nat. Gas Pipeline and Storage   |
| 48 | Autonomous Control Ship Builders                   | 333 | Middle East/Africa Petroleum Storage and Transport |

# 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

|    |                                                  |     |                                                    |
|----|--------------------------------------------------|-----|----------------------------------------------------|
| 49 | Autonomous Drone Manufacturers                   | 334 | Middle East/Africa Propane and LPG Mktg. and Dist. |
| 50 | Autonomous Drone Parts Manufacturers             | 335 | Middle East/Africa Residential Decentralized Power |
| 51 | Autonomous Transport Control Software            | 336 | Mideast/Africa Mixed Fossil Fuel Wholesale Power   |
| 52 | Autonomous Vehicles Semiconductors               | 337 | Minimills Manufacturing Flats                      |
| 53 | Backup, Emergency and Standby Power Products     | 338 | Minimills Manufacturing Longs                      |
| 54 | Biodiesel Fuel Manufacturing                     | 339 | Minimills Tubular Product Makers                   |
| 55 | Budget Hotels and Motels                         | 340 | Mining and Excavation Equipment Manufacturing      |
| 56 | Building Components Automation Providers         | 341 | Mixed Architecture/Infrastructure Component Makers |
| 57 | Building Construction                            | 342 | Mixed Building/Physical Security Equipment Makers  |
| 58 | Building Maintenance and Engineering Services    | 343 | Mixed Commercial Transportation Equipment Makers   |
| 59 | Bus Transportation                               | 344 | Mixed Cruise and Land-Based Accommodations         |
| 60 | Business Event and Conference Organizers         | 345 | Mixed Environmental Control Machine Manufacturing  |
| 61 | Cabinets and Countertops Manufacturing           | 346 | Mixed Heating and Cooling Equipment Manufacturing  |
| 62 | Cable Interconnect Components                    | 347 | Mixed Heavy Building Materials/Aggregates Makers   |
| 63 | Canada Alternative Wholesale Power               | 348 | Mixed Industrial Electrical Product Manufacturing  |
| 64 | Canada Biomass Wholesale Power                   | 349 | Mixed International Telecommunications Services    |
| 65 | Canada Fossil Fuel Wholesale Power               | 350 | Mixed Renewable Energy Generation Manufacturing    |
| 66 | Canada Geothermal Wholesale Power                | 351 | Mixed Specialty and Commodity Chemical Makers      |
| 67 | Canada Hydroelectric Wholesale Power             | 352 | Mixed-Type Hotels, Motels and Resorts              |
| 68 | Canada Industrial Decentralized Power            | 353 | Monitoring and Control Sensor/Instrument Products  |
| 69 | Canada Mixed Telecommunications Services         | 354 | Multinational Electric Power Utilities             |
| 70 | Canada Mixed Wholesale Power                     | 355 | Multinational Transmission, Dist., and Storage     |
| 71 | Canada Natural Gas Pipeline and Storage          | 356 | Multi-National Water Utilities                     |
| 72 | Canada Natural Gas Wholesale Power               | 357 | Multinational Wholesale Power                      |
| 73 | Canada Nuclear Wholesale Power                   | 358 | Multiple Services to Buildings and Dwellings       |
| 74 | Canada Residential Decentralized Wholesale Power | 359 | Multi-Product Adhesive, Sealant and Paint Makers   |
| 75 | Canada Solar Wholesale Power                     | 360 | Multi-Region Air Passenger Transportation          |
| 76 | Canada Traditional Fuel Wholesale Power          | 361 | Multi-Size Trucking Road Transportation            |
| 77 | Canada Video and Television Services             | 362 | Multi-Type Commercial Engineering Contractors      |
| 78 | Canada Wind Wholesale Power                      | 363 | Multi-Type Core Infrastructure Equipment           |
| 79 | Canada Wireless Telecommunication Services       | 364 | Multi-Type Deep Sea and Offshore Shipping          |
| 80 | Canada Wireline Telecommunication Services       | 365 | Multi-Type Equity REITs                            |
| 81 | Carbon Capture Services and Technologies         | 366 | Multi-Type Industrial Engineering Contractors      |

# 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

|     |                                                   |     |                                                    |
|-----|---------------------------------------------------|-----|----------------------------------------------------|
| 82  | Carbon Transportation and Sequestration Services  | 367 | Multi-Type Passenger Transportation                |
| 83  | Carrier Core (Backbone) Equipment                 | 368 | Multi-Type Petroleum Transportation                |
| 84  | Cellular Site Equipment                           | 369 | Multi-Type Residential Engineering Contractors     |
| 85  | Cement Manufacturing                              | 370 | Multi-Type Resource/Construction Machinery Makers  |
| 86  | Central and Eastern Europe Mixed Telecom Services | 371 | Multi-Type Small Appliances and Accessories Makers |
| 87  | Central and Eastern Europe Video/TV Services      | 372 | Multi-type Specialty Engineering Contractors       |
| 88  | Central and South America Mixed Telecom Services  | 373 | Multi-Type United States Wireless Services         |
| 89  | Central/Eastern Europe Wireless Telecom Services  | 374 | Multi-Type United States Wireline Services         |
| 90  | Central/Eastern Europe Wireline Telecom Services  | 375 | National Electric Utilities                        |
| 91  | Central/South America Video/Television Services   | 376 | Natural Gas Infrastructure Construction            |
| 92  | Central/South America Wireless Telecom Services   | 377 | Natural Resource/Construction Machinery Products   |
| 93  | Central/South America Wireline Telecom Services   | 378 | Network Administration Software                    |
| 94  | China Alternative Wholesale Power                 | 379 | Network Security Software                          |
| 95  | China Biomass Wholesale Power                     | 380 | Networking Semiconductors                          |
| 96  | China Fossil Fuel Wholesale Power                 | 381 | Nuclear Waste Handling and Disposal                |
| 97  | China Geothermal Wholesale Power                  | 382 | Office Equity REITs                                |
| 98  | China Hydroelectric Wholesale Power               | 383 | Operation and Maintenance Services                 |
| 99  | China Industrial Decentralized Power              | 384 | Optoelectronics Electronic Components              |
| 100 | China Mixed Telecommunications Services           | 385 | Oriented Strand Board (OSB) Manufacturing          |
| 101 | China Mixed Wholesale Power                       | 386 | Other Americas Electric Power Utilities            |
| 102 | China Natural Gas Wholesale Power                 | 387 | Other Americas Railroad Transportation             |
| 103 | China Nuclear Wholesale Power                     | 388 | Other Asia/Pac Mixed Fossil Fuel Wholesale Power   |
| 104 | China Residential Decentralized Power             | 389 | Other Asia/Pacific Biomass Wholesale Power         |
| 105 | China Solar Wholesale Power                       | 390 | Other Asia/Pacific Geothermal Wholesale Power      |
| 106 | China Traditional Fuel Wholesale Power            | 391 | Other Asia/Pacific Hydroelectric Wholesale Power   |
| 107 | China Video and Television Services               | 392 | Other Asia/Pacific Industrial Decentralized Power  |
| 108 | China Wind Wholesale Power                        | 393 | Other Asia/Pacific Mixed Alt. Wholesale Power      |
| 109 | China Wireless Telecommunication Services         | 394 | Other Asia/Pacific Mixed Trad. Wholesale Power     |
| 110 | China Wireline Telecommunication Services         | 395 | Other Asia/Pacific Mixed Wholesale Power           |
| 111 | Closed Circuit Television (CCTV) Systems/Products | 396 | Other Asia/Pacific Natural Gas Wholesale Power     |
| 112 | CNG and LNG Distributors                          | 397 | Other Asia/Pacific Nuclear Wholesale Power         |
| 113 | Colocation and Data Center Services               | 398 | Other Asia/Pacific Residential Decentralized Power |
| 114 | Commercial Alternative Energy Contractors         | 399 | Other Asia/Pacific Solar Wholesale Power           |
| 115 | Commercial and Public Service Vehicles Makers     | 400 | Other Asia/Pacific Wind Wholesale Power            |

# 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

|     |                                                    |     |                                                    |
|-----|----------------------------------------------------|-----|----------------------------------------------------|
| 116 | Commercial and Residential Property Owners         | 401 | Other Building Materials and Garden Supply Stores  |
| 117 | Commercial Electrical Contractors                  | 402 | Other Carrier Services                             |
| 118 | Commercial General Contractors                     | 403 | Other Communications Semiconductors                |
| 119 | Commercial HVACR Engineering Contractors           | 404 | Other Construction Wood Products Makers            |
| 120 | Commercial Mortgage Banking and Services           | 405 | Other Hospitals                                    |
| 121 | Commercial Plumbing Engineering Contractors        | 406 | Other Household Products Manufacturing             |
| 122 | Commercial Property Owners                         | 407 | Other Infrastructure Construction                  |
| 123 | Commercial Real Estate Developers                  | 408 | Other Interconnect Components                      |
| 124 | Commercial Real Estate Services and Brokers        | 409 | Other International Energy Utilities               |
| 125 | Commercial Remodeling and Fit-Out Contractors      | 410 | Other Local Area Networking Equipment              |
| 126 | Commercial Transportation Equipment Distributors   | 411 | Other Long-Term Care Facilities                    |
| 127 | Commercial Vehicle Safety/Electronics Parts Makers | 412 | Other Memory Semiconductors                        |
| 128 | Commercial/Public Service Vehicle Component Makers | 413 | Other Metal Processing and Recycling Providers     |
| 129 | Communications Infrastructure Software             | 414 | Other Nonvolatile Memory Semiconductors            |
| 130 | Compressor and Pumping Equipment Manufacturing     | 415 | Other Optoelectronics Discrete Semiconductors      |
| 131 | Computer Aided Design (CAD) Software               | 416 | Other Pipeline and Energy Storage Services         |
| 132 | Concrete Blocks, Bricks and Aggregates Makers      | 417 | Other Post-Secondary Education                     |
| 133 | Container Deep Sea and Offshore Shipping           | 418 | Other Processor Semiconductors                     |
| 134 | Conventional Autonomous Transit Vehicles Makers    | 419 | Other Road Transportation                          |
| 135 | Conventional Engine Autonomous Truck Makers        | 420 | Other Small Home Appliances Makers                 |
| 136 | Correctional Institutions                          | 421 | Other Test and Measurement Equipment               |
| 137 | Crude Oil Liquid Pipeline and Storage              | 422 | Other United States Electric Utilities             |
| 138 | Crude Oil Transportation                           | 423 | Other United States Energy Utilities               |
| 139 | Customer Premises Network Security Equipment       | 424 | Other Waste Services                               |
| 140 | Data Center Equity REITs                           | 425 | Other Water Transportation                         |
| 141 | Data Transport Carrier Services                    | 426 | Other Wide Area Networking (WAN) Equipment         |
| 142 | Decorative Component Manufacturing                 | 427 | Other Wireless Equipment                           |
| 143 | Design, Integration and Implementation Consulting  | 428 | Paints Manufacturing                               |
| 144 | Disk Storage Systems                               | 429 | Pan-Americas Mixed Telecommunications Services     |
| 145 | Diverse Business Process Outsourcing Services      | 430 | Pan-Americas Mixed Wholesale Power                 |
| 146 | Diverse Construction and Engineering Services      | 431 | Pan-Asia/Pacific Mixed Telecommunications Services |
| 147 | Diversified Consumer Vehicle Manufacturing         | 432 | Pan-Asia/Pacific Wholesale Power                   |
| 148 | Diversified Electrical/Power System Manufacturing  | 433 | Pan-Europe Mixed Telecommunications Services       |
| 149 | Diversified Household Products Makers              | 434 | Parking Facility Services                          |
| 150 | Diversified Patient Care                           | 435 | Passenger Rail Transportation                      |

# 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

|     |                                                   |     |                                                    |
|-----|---------------------------------------------------|-----|----------------------------------------------------|
| 151 | Diversified Real Estate Developers                | 436 | Peripheral Semiconductors                          |
| 152 | Diversified Real Estate Investment and Services   | 437 | Pest Control Services                              |
| 153 | Diversified Real Estate Services and Brokerage    | 438 | Petroleum Liquid Pipeline and Storage              |
| 154 | Diversified REITs                                 | 439 | Petroleum Storage and Transportation               |
| 155 | Diversified Residential Mortgage Banking/Services | 440 | Photovoltaic and Solar Cells and Systems Providers |
| 156 | Diversified Semiconductor Manufacturing Services  | 441 | Photovoltaic Wafers                                |
| 157 | Diversified Technology Hardware                   | 442 | Pipes and Pipe Fittings Manufacturing              |
| 158 | Dredging and Marine Construction                  | 443 | Plumbing Fixtures and Trim Manufacturing           |
| 159 | Dry Bulk Deep Sea and Offshore Shipping           | 444 | Plywood, Hardwood and Softwood Veneer Products     |
| 160 | Education Information and News Media and Sites    | 445 | Power Generation Infrastructure Construction       |
| 161 | Educational Support Services                      | 446 | Power, Control and Mixed Signal Semiconductors     |
| 162 | Electric Vehicle Charging Stations                | 447 | Primary Patient Care                               |
| 163 | Electrical Systems and Equipment Manufacturing    | 448 | Process Plants, Utilities and Energy Construction  |
| 164 | Electricity Infrastructure Construction           | 449 | Professional/Contractor Suppliers                  |
| 165 | Electronic Interconnect Components                | 450 | Programmable Logic Device Semiconductors           |
| 166 | Electronic Security Identification Equipment      | 451 | Propane and LPG Marketing and Distribution         |
| 167 | Electronic System Security Equipment              | 452 | Public Infrastructure Components Manufacturing     |
| 168 | Electronic Waste Services                         | 453 | Quantum Processor Semiconductors                   |
| 169 | Emission Control Services and Technologies        | 454 | Radio Broadcasting                                 |
| 170 | Energy and Sustainability Management Services     | 455 | Rail Equipment Manufacturers                       |
| 171 | Energy Efficient Lighting and LED Manufacturing   | 456 | Ready-Mix Concrete Makers                          |
| 172 | Energy Plant Infrastructure Construction          | 457 | Real Estate and Construction Industry Software     |
| 173 | Enterprise Middleware Software                    | 458 | Recycling Services                                 |
| 174 | Enterprise Security Management Software           | 459 | Refined Petroleum and Other Liquid Transportation  |
| 175 | Environmental Consulting                          | 460 | Rehabilitation Patient Care                        |
| 176 | Environmental Restoration Services                | 461 | Residential Alternative Energy Contractors         |
| 177 | Environmental Services                            | 462 | Residential Electrical Engineering Contractors     |
| 178 | Europe Air Passenger Service Providers            | 463 | Residential General Engineering Contractors        |
| 179 | Europe Alternative Wholesale Power                | 464 | Residential HVAC Engineering Contractors           |
| 180 | Europe Biomass Wholesale Power                    | 465 | Residential Mortgage REITs                         |
| 181 | Europe CNG and LNG Distributors                   | 466 | Residential Plumbing Engineering Contractors       |
| 182 | Europe Crude Oil Liquid Pipeline/Storage          | 467 | Residential Property Owners                        |
| 183 | Europe Fossil Fuel Wholesale Power                | 468 | Residential Real Estate Developers                 |
| 184 | Europe Geothermal Wholesale Power                 | 469 | Residential Real Estate Services and Brokerage     |
| 185 | Europe Hydroelectric Wholesale Power              | 470 | Residential Remodeling Engineering Contractors     |
| 186 | Europe Industrial Decentralized Power             | 471 | Retail Equity REITs                                |
| 187 | Europe Mixed Wholesale Power                      | 472 | RF Analog and Mixed Signal Semiconductors          |

# 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

|     |                                                    |     |                                                    |
|-----|----------------------------------------------------|-----|----------------------------------------------------|
| 188 | Europe Natural Gas Pipeline and Storage            | 473 | RFID Asset Tracking Equipment Manufacturing        |
| 189 | Europe Natural Gas Utilities                       | 474 | Road Transportation Infrastructure and Support     |
| 190 | Europe Natural Gas Wholesale Power                 | 475 | Security and Management Consulting                 |
| 191 | Europe Nuclear Wholesale Power                     | 476 | Security Systems Services                          |
| 192 | Europe Petroleum Storage and Transport             | 477 | Self-Storage Equity REITs                          |
| 193 | Europe Propane and LPG Marketing and Dist.         | 478 | Server Computer Systems                            |
| 194 | Europe Residential Decentralized Power             | 479 | Sewage and Water Infrastructure Construction       |
| 195 | Europe Solar Wholesale Power                       | 480 | Ship Builders and Ship Repairs                     |
| 196 | Europe Traditional Fuel Wholesale Power            | 481 | Shipping Infrastructure and Services (Ports)       |
| 197 | Europe Wind Wholesale Power                        | 482 | Skilled Nursing Facility (Nursing Home)            |
| 198 | Europe, Middle East and Africa Electric Utilities  | 483 | Smart Grid Technology and Smart Meter Products     |
| 199 | Europe, Middle East and Africa Rail Transportation | 484 | Smart Phone Manufacturing                          |
| 200 | Europe, Middle East and Africa Water Utilities     | 485 | Soil Remediation                                   |
| 201 | Express Couriers                                   | 486 | Solid Waste Recycling Equipment Manufacturing      |
| 202 | Fixed Microwave Systems Equipment                  | 487 | Specialized Patient Care                           |
| 203 | Flash Memory Semiconductors                        | 488 | Specialty Analog and Mixed Signal Semiconductors   |
| 204 | Flooring Manufacturing                             | 489 | Structural Support Component Manufacturing         |
| 205 | Freight Less-Than-Truckload Road Transportation    | 490 | Student and Specialty Housing Equity REITs         |
| 206 | Freight Truckload Road Transportation              | 491 | Technology Equipment Support and Installation      |
| 207 | Fuel Cell Equipment and Technology Providers       | 492 | Telecommunications Construction                    |
| 208 | Fuel, Component and Maintenance Providers          | 493 | Telecommunications Customer Relationship Software  |
| 209 | Full Service Hotels and Resorts                    | 494 | Telemedicine                                       |
| 210 | Garbage Services                                   | 495 | Test and Measurement Communications Equipment      |
| 211 | General Analog and Mixed Signal Semiconductors     | 496 | Title Commercial Insurance                         |
| 212 | General and Acute Hospitals                        | 497 | Toll Road Operators                                |
| 213 | General and Mixed-Type Software                    | 498 | Tools and Outdoor Care Building Hand Tool Products |
| 214 | General Architectural Component Manufacturing      | 499 | Tower Equity REITs                                 |
| 215 | General Building Materials Distribution            | 500 | Traditional Energy Infrastructure Construction     |
| 216 | General Carrier Edge (Access) Equipment            | 501 | Traffic Safety and Management Equipment Products   |
| 217 | General Coatings and Paints Makers                 | 502 | Transit Vehicle Body/Engines/Thermal Parts Makers  |
| 218 | General Communications Equipment                   | 503 | Transportation Construction                        |
| 219 | General Construction Materials Manufacturing       | 504 | Transportation Industry Software                   |
| 220 | General Customer Premises Equipment (CPE)          | 505 | United States Air Passenger Service Providers      |
| 221 | General Delivery and Logistics Providers           | 506 | United States Biomass Wholesale Power              |



# 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

|     |                                                    |     |                                                  |
|-----|----------------------------------------------------|-----|--------------------------------------------------|
| 222 | General Facilities and Other Support Services      | 507 | United States Class I Railroad Transportation    |
| 223 | General Oil and Gas Operations Support Activities  | 508 | United States Geothermal Wholesale Power         |
| 224 | General Security Services                          | 509 | United States Hydroelectric Wholesale Power      |
| 225 | General Transportation and Related Services        | 510 | United States Industrial Decentralized Power     |
| 226 | General Transportation Equipment Manufacturing     | 511 | United States Midwest Electric Utilities         |
| 227 | General United States Telecommunications Services  | 512 | United States Midwest Natural Gas Utilities      |
| 228 | General Waste Collection                           | 513 | United States Mixed Alternative Wholesale Power  |
| 229 | Geothermal Energy Equipment Manufacturing          | 514 | United States Natural Gas Utilities              |
| 230 | Global Energy Utilities                            | 515 | United States Northeast Electric Utilities       |
| 231 | Government and Public Service Industry Software    | 516 | United States Northeast Natural Gas Utilities    |
| 232 | Government IT Services                             | 517 | United States Nuclear Wholesale Power            |
| 233 | Greenhouse Gas Emission Services                   | 518 | United States Residential Decentralized Power    |
| 234 | Hardware, Plumbing and HVAC Supplies               | 519 | United States Satellite Services                 |
| 235 | Hazardous Materials Disposal                       | 520 | United States Short-Line Railroad Transportation |
| 236 | Hazardous/Industrial Waste Disposal                | 521 | United States Solar Wholesale Power              |
| 237 | Healthcare and Life Sciences Equity REITs          | 522 | United States South Atlantic Electric Utilities  |
| 238 | Healthcare General Support Services                | 523 | United States South Electric Utilities           |
| 239 | Healthcare Management Software                     | 524 | United States South Natural Gas Utilities        |
| 240 | Healthcare Operations Support Software             | 525 | United States Transmission, Dist., and Storage   |
| 241 | Heating, Ventilation and Air Conditioning Products | 526 | United States Video and Television Services      |
| 242 | Heavy Duty Trucks and Trailers Makers              | 527 | United States Water Utilities                    |
| 243 | Home Builders                                      | 528 | United States West Electric Utilities            |
| 244 | Home Builders and Manufactured Buildings           | 529 | United States West Natural Gas Utilities         |
| 245 | Home Centers and Hardware Stores                   | 530 | United States Wind Wholesale Power               |
| 246 | Home Healthcare                                    | 531 | United States Wireless Business Data Services    |
| 247 | Hotel and Motel Equity REITs                       | 532 | United States Wireline Business Data Services    |
| 248 | Household Robot Makers                             | 533 | United States Wireline Data Services             |
| 249 | Hydroelectric Power Generation Equipment Providers | 534 | US and Canada CNG and LNG Distributors           |
| 250 | Hydrogen Fuel Manufacturing                        | 535 | US and Canada Crude Oil Liquid Pipeline/Storage  |
| 251 | IC-Level Electronic Design Software                | 536 | US and Canada Natural Gas Pipeline and Storage   |
| 252 | IC-Level Intellectual Property Software Libraries  | 537 | US and Canada Petroleum Storage and Transport    |
| 253 | Industrial and Construction Additive Manufacturing | 538 | US and Canada Propane and LPG Mktg. and Dist.    |
| 254 | Industrial and Engineering Hand Tool Manufacturing | 539 | US Fossil Fuel Wholesale Power                   |
| 255 | Industrial and Warehouse Equity REITs              | 540 | US Mixed Traditional Fuel Wholesale Power        |
| 256 | Industrial Glass Products Manufacturing            | 541 | US Mixed Wholesale Power                         |
| 257 | Industrial Real Estate Developers                  | 542 | US Natural Gas Pipeline and Storage              |
| 258 | Infrastructure Consulting and Design Services      | 543 | US Natural Gas Wholesale Power                   |
| 259 | Inland Waterways Shipping                          | 544 | US Voice Over IP Telephony (VoIP) Services       |

# 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

|     |                                                       |     |                                                  |
|-----|-------------------------------------------------------|-----|--------------------------------------------------|
| 260 | Insulation Manufacturing                              | 545 | US West South Central Electric Utilities         |
| 261 | Integrated Specialty Steel Mills Manufacturing        | 546 | Utility Infrastructure Construction              |
| 262 | Integrated Steel Mills Manufacturing Longs            | 547 | Utility Meter Manufacturing                      |
| 263 | Integrated Steel Mills Mixed Production Makers        | 548 | Vacation Ownership Operators                     |
| 264 | Interior and Exterior Covering Materials Distribution | 549 | Vehicle Autonomous Control Electronics Makers    |
| 265 | Intermodal/Multimodal Services                        | 550 | Vehicle Autonomous Control Software              |
| 266 | International Electricity Generator Utilities         | 551 | Vision Health Services                           |
| 267 | International Fixed Satellite Services                | 552 | Volatile Memory Semiconductors                   |
| 268 | International Mobile Satellite Services               | 553 | Waste-to-Energy Services                         |
| 269 | International Natural Gas Pipeline and Storage        | 554 | Wastewater Residual Management                   |
| 270 | International Natural Gas Utilities                   | 555 | Wastewater Treatment Services                    |
| 271 | Internet Building Materials / Garden Supply Retail    | 556 | Water Transportation (Ferry Service)             |
| 272 | Janitorial and Industrial Cleaning Services           | 557 | Water Treatment Agents Manufacturing             |
| 273 | Land Equity REITs                                     | 558 | Wave Energy Equipment Manufacturing              |
| 274 | Landfill Services                                     | 559 | Western Europe Mixed Telecommunications Services |
| 275 | Landscaping Services                                  | 560 | Western Europe Video and Television Services     |
| 276 | Lasers and Optical Instrument Manufacturing           | 561 | Western Europe Wireless Telecom Services         |
| 277 | Latin America Alternative Wholesale Power             | 562 | Western Europe Wireline Telecom Services         |
| 278 | Latin America Biomass Wholesale Power                 | 563 | Wind Energy Equipment Manufacturing              |
| 279 | Latin America CNG and LNG Distributors                | 564 | Windows and Doors Manufacturing                  |
| 280 | Latin America Crude Oil Liquid Pipeline/Storage       | 565 | Wireless and Wi-Fi Equipment                     |
| 281 | Latin America Electric Power Utilities                | 566 | Wireless Infrastructure Services                 |
| 282 | Latin America Fossil Fuel Wholesale Power             | 567 | Wireline Equipment                               |
| 283 | Latin America Geothermal Wholesale Power              | 568 | Wireline Infrastructure Services                 |
| 284 | Latin America Hydroelectric Wholesale Power           | 569 | Wires and Cables Manufacturing                   |
| 285 | Latin America Industrial Decentralized Power          |     |                                                  |

**Composition list:** The final composition list with the 30 securities is derived by following the steps below in the order they are listed.

- 1) All stocks from the selection list (Y) are first sorted in ascending order in terms of their volatility (maximum between the 3-month and 12-month historical volatility in local currency) and the top Z lowest volatility stocks, rounded down to the previous integer, are selected for the next step of the selection process, such that:  $Z = \text{round down to previous integer}(Y * 50\%)$ . In case two companies for a given cutoff date have the same volatility, priority is given to the one with the highest dividend yield (historical net dividend yield).
- 2) Subsequently, the remaining companies (Z), are sorted in descending order in terms of their dividend yield, and if any companies with zero dividend yield are remaining at this step, they are excluded. The 30 stocks with the highest dividend yield are selected in the index, in such a way that the following conditions are met:



## 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

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### a. Sector

Maximum of 6 components out of the total 30 coming from each ICB Sector (Level 3).

### b. Country

Maximum of 7 components out of the total 30 coming from each country.

If the composition list cannot be completed with 30 stocks under the above constraints, then the number of stocks selected at step 1 (companies with lowest volatility,  $Z$ ) is incremented by 1 ( $Z = Z + 1$ ), and step 2 is repeated. Further incrementing is applied to this number if necessary, and the process is repeated until 30 stocks are selected.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the RBICS revenue exposure data is the last dissemination day of November for the quarterly reviews performed in December and March, and similarly, the last dissemination day of May for the reviews performed in June and September. The review cut-off date for all other underlying data is the last dissemination day of the month prior to the review month.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

|            |                                                                                                                                                               |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| $w_i$      | target weight of component $i$                                                                                                                                |
| $\sigma_i$ | maximum between the 3-month and 12-month historical volatility of component $i$ , as of review cut-off date, based on prices in the security's local currency |
| $N$        | number of constituents in the index                                                                                                                           |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 50.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

## 50. iSTOXX CROSS-ATLANTIC SUSTAINABLE INFRASTRUCTURE SELECT 30 INDEX

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**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 51.iSTOXX ITALY SMALL AND MID CAP INDEX

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## 51.1. iSTOXX ITALY SMALL AND MID CAP INDEX

### 51.1.1. OVERVIEW

The index is designed to represent small and mid-sized capitalization companies in Italy. This is achieved by selecting the constituents of the STOXX Italy Total Market that do not qualify for the STOXX Italy 45 index

The iSTOXX Italy Small and Mid Cap Index represents mid and small capitalisation companies with a variable number of components across Italy.

**Universe:** The index universe is defined by the parent index the STOXX Italy Total Market, as observed on the review effective date defines the index universe

**Weighting scheme:** The indices are weighted according to Free Float Market Capitalization with a capping factor of 5%.

**Base values and dates:** 1000 on Dec 24, 2012

**Index types and currencies:** Price, net return, gross return in EUR

**Dissemination calendar:** STOXX Europe calendar.

### 51.1.2. INDEX REVIEW

**Composition list:** The index composition is created by excluding from the parent index STOXX Italy Total Market the constituents of the STOXX Italy 45 on the review date.

**Review frequency:** The reviews are conducted on a quarterly basis together with the parent indices the STOXX Italy Total Market and the STOXX Italy 45. The respective review cut-off date is specified in the sections 6.1.2 and 7.1.2 of the STOXX Index Methodology Guide.

**Weighting cap factors:** The cap factor limits the maximum weighting for a stock to 5% at the time of the review. Weighting cap factors are updated during the regular quarterly index reviews.

### 51.1.3. ONGOING MAINTENANCE

**Replacements:** The handling of replacements is specified in the sections 6.1.3 and 7.1.3 of the STOXX Index Methodology Guide.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** The handling of spin-offs is specified in the sections 6.1.3 and 7.1.3 of the STOXX Index Methodology Guide.

## 52.iSTOXX MEGATRENDS SELECT INDICES

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### 52.1. iSTOXX GLOBAL MEGATRENDS SELECT 50 INDEX

#### 52.1.1. OVERVIEW

The iSTOXX Global Megatrends Select 50 Index tracks companies that are exposed to a defined set of demographic and technological megatrends that are expected to change the world as we know it. Final index screens select stocks with the lowest volatilities and highest dividend yields.

The index constituents are linked to one or more of the following themes: Infrastructure, Sharing Economy, Industry 4.0, Smart Cities, Housing Construction, Next Generation Telecoms, Millennials, Fintech, Silver Economy. These companies or components of their business lines are positioned to benefit from long-term structural trends as their products and services are necessary to cater the needs of the growing populations and the citizens of the future and are expected to play a key part in addressing the challenges of rapid urbanization and growth consumerism globally. Revere (RBICS) data allow a detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with substantial exposure to the respective themes.

Environmental, Social and Governance considerations are also taken into account in the selection process as the index excludes companies in breach of Global Standards Screening (GSS), and those involved with weapons, adult entertainment, gambling, oil & gas, thermal coal, nuclear power and tobacco. Global Standards Screening (GSS) identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

The final composition list is made up of the 50 companies from the pre-selected universe that have the lowest volatilities and highest dividend yields, observing caps in the representation of ICB sectors and countries to ensure diversification.

**Universe:** The index universe is defined by all stocks included in the STOXX Global Total Market index, as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Jun 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

#### 52.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the following indicators:

- i. 12-month historical gross dividend yield<sup>75</sup>
- ii. 3-month and 12-month historical volatility in EUR

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<sup>75</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

## 52. iSTOXX MEGATRENDS SELECT INDICES

- iii. 3-month Average Daily Traded Volume (ADTV) in EUR
- iv. Product Involvement information in the categories: Weapons (Small Arms and Military Contracting), Adult Entertainment, Gambling, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, Nuclear Power and Tobacco
- v. Revenue information, as captured by Revere's detailed industry classification system (RBICS)

If any of the fields ii) to iv) above have missing information for a stock, then that company is excluded from the selection process.

If information for a company on field i) is missing, then the missing value is substituted by 0.

Information for field v) is refreshed on a semi-annual basis in June and December every year, such that for a given company in March and September reviews, revenue information from the previous December and June cut-off date is used. If this information is missing, then the company is excluded from the selection process.

The Selection list constitutes of all remaining stocks that fulfil all the conditions below:

- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 10million EUR
- **Revenues:** Revenue exposure equal to or exceeding 25%, from the aggregation of the RBICS sectors associated with "Megatrends" (please see table below).
- **Global Standards:** Not identified as non-compliant with Sustainalytics Global Standards Screening (GSS).  
Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.
- **Controversial Weapons:** Not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:
  - » Internal production or sale of controversial weapons
  - » The ultimate holding company owns >10% of voting rights of an involved company
  - » >10% of voting rights of a company is owned by the involved company
- **Product Involvement:** Not have any Product Involvement in the following areas<sup>76</sup>. STOXX will exclude companies that Sustainalytics identifies to have:

### Weapons:

#### i) Small Arms:

- » >10% revenues from manufacturing and selling assault weapons to civilian customers
- » >10% revenues from manufacturing and selling small arms to military / law enforcement customers
- » >10% revenues from manufacturing and selling key components of small arms
- » >10% revenues from retail and/or distribution of assault weapons
- » >10% revenues from retail and/or distribution of small arms (non-assault weapons)

<sup>76</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results

## 52. iSTOXX MEGATRENDS SELECT INDICES

»>10% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers

### ii) **Military Contracting:**

»>10% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons

»>10% revenues from tailor made products and/or services that support military weapons

»>10% revenues from non-weapons related tailor-made products and/or services to the military or defence industry

### **Adult Entertainment:**

»>25% revenues from the production of adult entertainment and/or owns/operates adult entertainment establishments

»>25% revenues from the distribution of adult entertainment materials

### **Gambling:**

»>25% revenues from owning and/or operating a gambling establishment

»>25% revenues from manufacturing specialized equipment used exclusively for gambling

»>25% revenues from providing supporting products/services to gambling operations

### **Unconventional Oil & Gas**

#### i) **Arctic Oil and Gas Exploration:**

»>0% revenues Oil & Gas exploration & extraction in Arctic regions

#### ii) **Oil Sands:**

»>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

#### iii) **Shale Energy:**

»>0% revenues from shale energy exploration and/or production

### **Conventional Oil & Gas:**

»>0% revenues from oil and gas exploration, production, refining, transportation and/or storage

This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).

»>0% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)

»>25% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

### **Thermal Coal:**

»>0% revenues from thermal coal extraction (including thermal coal mining and exploration)

»>0% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

### **Nuclear Power:**

»>0% revenues from nuclear power production:

- Utilities that own/operate nuclear power generators

Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power

»>5% revenues from nuclear power supporting products / services, including:

## 52. iSTOXX MEGATRENDS SELECT INDICES

- Design and construction of nuclear power plants
- Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls
- Special services, such as the transport of nuclear power materials, and nuclear plant maintenance;
- Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate

»>25% revenues from nuclear power distribution, including:

- The resale or distribution of electricity generated from nuclear power;
- This applies to distributors, resellers and utilities that distribute nuclear power as a part of their energy mix

Note: In this category Sustainalytics tracks the percentage of a company's energy mix that is generated from nuclear power

### **Tobacco:**

»>0% revenues from manufacturing tobacco products

»>0% revenues from supplying tobacco-related products/services

»>0% revenues from the distribution and/or retail sale of tobacco products.

- **Multiple share lines:** in case a company is present with multiple listings in the eligible universe after the application of all the filters above, then only the most liquid share line is retained.

### **List of RBICS sectors associated with "Megatrends" for the purposes of component selection:**

| Nr | RBICS SECTOR                                       | Nr  | RBICS SECTOR                                      |
|----|----------------------------------------------------|-----|---------------------------------------------------|
| 1  | 3D Modeling/Rapid Prototyping Automation Providers | 293 | Latin America Geothermal Wholesale Power          |
| 2  | 3D Printing Services                               | 294 | Latin America Hydroelectric Wholesale Power       |
| 3  | Access Systems Manufacturing                       | 295 | Latin America Industrial Decentralized Power      |
| 4  | Activewear and Outerwear Apparel Production        | 296 | Latin America Mixed Wholesale Power               |
| 5  | Airport/Flight Support Infrastructure Operators    | 297 | Latin America Natural Gas Pipeline and Storage    |
| 6  | Alarm Systems Manufacturing                        | 298 | Latin America Natural Gas Wholesale Power         |
| 7  | Alt. Energy Autonomous Heavy Duty Truck Makers     | 299 | Latin America Petroleum Storage and Transport     |
| 8  | Alt. Energy Autonomous Transit Vehicle Production  | 300 | Latin America Propane and LPG Marketing and Dist. |
| 9  | Alt. Energy Motor Homes and Campers (RVs) Makers   | 301 | Latin America Residential Decentralized Power     |
| 10 | Alt. Energy Recreation Vehicle Manufacturing       | 302 | Latin America Solar Wholesale Power               |
| 11 | Alternative Energy Boats Makers                    | 303 | Latin America Traditional Fuel Wholesale Power    |
| 12 | Alternative Energy Car Manufacturers               | 304 | Latin America Wind Wholesale Power                |
| 13 | Alternative Energy Heavy Duty Trucks Makers        | 305 | Lime and Gypsum Products Manufacturing            |
| 14 | Alternative Energy Infrastructure Construction     | 306 | Locks and Deadbolts Manufacturing                 |
| 15 | Alternative Energy Motorcycles Makers              | 307 | Lower Respiratory Biopharmaceuticals              |
| 16 | Alternative Energy Transit Vehicles Makers         | 308 | Luxury Hotels and Resorts                         |
| 17 | Alternative Exchanges and ECNs                     | 309 | Machine Vision and Quality Control Manufacturing  |
| 18 | Ambulatory and Outpatient Care                     | 310 | Manufactured Building Makers                      |
| 19 | Americas Natural Gas Utilities                     | 311 | Manufacturing Industry Software                   |

## 52. iSTOXX MEGATRENDS SELECT INDICES

|    |                                                    |     |                                                    |
|----|----------------------------------------------------|-----|----------------------------------------------------|
| 20 | Americas Water Utilities                           | 312 | Mapping/Geographic Information Systems Software    |
| 21 | Anesthesiology Devices                             | 313 | Market Makers and Specialists                      |
| 22 | Application Management Consulting                  | 314 | Media Download and Streaming Digital Content Sites |
| 23 | Asia Excluding China Mixed Telecommunications      | 315 | Mexico Mixed Telecommunications Services           |
| 24 | Asia Excluding China Video and Television Services | 316 | Mexico Video and Television Services               |
| 25 | Asia Excluding China Wireless Telecom Services     | 317 | Mexico Wireless Telecommunications Services        |
| 26 | Asia Excluding China Wireline Telecom Services     | 318 | Mexico Wireline Telecommunication Services         |
| 27 | Asia/Pacific CNG and LNG Distributors              | 319 | Microprocessor (MPU) Semiconductors                |
| 28 | Asia/Pacific Crude Oil Liquid Pipeline/Storage     | 320 | Middle East and Africa Biomass Wholesale Power     |
| 29 | Asia/Pacific Electric Power Utilities              | 321 | Middle East and Africa CNG and LNG Distributors    |
| 30 | Asia/Pacific Natural Gas Pipeline and Storage      | 322 | Middle East and Africa Geothermal Wholesale Power  |
| 31 | Asia/Pacific Natural Gas Utilities                 | 323 | Middle East and Africa Mixed Alt. Wholesale Power  |
| 32 | Asia/Pacific Petroleum Storage and Transport       | 324 | Middle East and Africa Mixed Telecom Services      |
| 33 | Asia/Pacific Propane and LPG Marketing and Dist.   | 325 | Middle East and Africa Mixed Trad. Wholesale Power |
| 34 | Asia/Pacific Rail Transportation                   | 326 | Middle East and Africa Mixed Wholesale Power       |
| 35 | Asia/Pacific Water Utilities                       | 327 | Middle East and Africa Natural Gas Utilities       |
| 36 | Assisted Living                                    | 328 | Middle East and Africa Natural Gas Wholesale Power |
| 37 | Athletic Footwear Production                       | 329 | Middle East and Africa Solar Wholesale Power       |
| 38 | Audio Multimedia Semiconductors                    | 330 | Middle East and Africa Video/Television Services   |
| 39 | Australia/New Zealand Mixed Telecom Services       | 331 | Middle East and Africa Wind Wholesale Power        |
| 40 | Australia/New Zealand Video/Television Services    | 332 | Middle East and Africa Wireless Telecom Services   |
| 41 | Australia/New Zealand Wireless Telecom Services    | 333 | Middle East and Africa Wireline Telecom Services   |
| 42 | Australia/New Zealand Wireline Telecom Services    | 334 | Middle East/Africa Crude Oil Liq. Pipeline/Storage |
| 43 | Automated Teller Machines (ATMs)                   | 335 | Middle East/Africa Hydroelectric Wholesale Power   |
| 44 | Automated Teller Machines (ATMs) Hardware Makers   | 336 | Middle East/Africa Industrial Decentralized Power  |
| 45 | Automotive Enterprise Management Software          | 337 | Middle East/Africa Nat. Gas Pipeline and Storage   |
| 46 | Automotive Industry Software                       | 338 | Middle East/Africa Petroleum Storage and Transport |
| 47 | Autonomous Drone Manufacturers                     | 339 | Middle East/Africa Propane and LPG Mktg. and Dist. |
| 48 | Autonomous Drone Parts Manufacturers               | 340 | Middle East/Africa Residential Decentralized Power |
| 49 | Autonomous Vehicles Semiconductors                 | 341 | Mideast/Africa Mixed Fossil Fuel Wholesale Power   |
| 50 | Biodiesel Fuel Manufacturing                       | 342 | Minimills Manufacturing Flats                      |
| 51 | Blockchain Technology                              | 343 | Mining and Excavation Equipment Manufacturing      |
| 52 | Budget Hotels and Motels                           | 344 | Mixed Apparel and Footwear Production              |
| 53 | Building Construction                              | 345 | Mixed Architecture/Infrastructure Component Makers |



## 52. iSTOXX MEGATRENDS SELECT INDICES

|    |                                                    |     |                                                   |
|----|----------------------------------------------------|-----|---------------------------------------------------|
| 54 | Building Maintenance and Engineering Services      | 346 | Mixed Building/Physical Security Equipment Makers |
| 55 | Burial Casket Manufacturing                        | 347 | Mixed Electronic Transaction Processing           |
| 56 | Bus Transportation                                 | 348 | Mixed Heavy Building Materials/Aggregates Makers  |
| 57 | Business Intelligence Software                     | 349 | Mixed International Telecommunications Services   |
| 58 | Business Intelligence/Data Warehousing Consulting  | 350 | Mixed Renewable Energy Generation Manufacturing   |
| 59 | Cabinets and Countertops Manufacturing             | 351 | Mixed Specialty and Commodity Chemical Makers     |
| 60 | Cable Interconnect Components                      | 352 | Mixed Usage Travel Arrangement and Reservation    |
| 61 | Canada Alternative Wholesale Power                 | 353 | Mixed-Type Hotels, Motels and Resorts             |
| 62 | Canada Biomass Wholesale Power                     | 354 | Mobile Platform Applications Software             |
| 63 | Canada Fossil Fuel Wholesale Power                 | 355 | Money Transfer Services                           |
| 64 | Canada Geothermal Wholesale Power                  | 356 | Monitoring and Control Sensor/Instrument Products |
| 65 | Canada Hydroelectric Wholesale Power               | 357 | Multi-Industry-Specific Factory Machinery Makers  |
| 66 | Canada Industrial Decentralized Power              | 358 | Multinational Electric Power Utilities            |
| 67 | Canada Mixed Telecommunications Services           | 359 | Multinational Transmission, Dist., and Storage    |
| 68 | Canada Mixed Wholesale Power                       | 360 | Multi-National Water Utilities                    |
| 69 | Canada Natural Gas Pipeline and Storage            | 361 | Multinational Wholesale Power                     |
| 70 | Canada Natural Gas Wholesale Power                 | 362 | Multi-Product Adhesive, Sealant and Paint Makers  |
| 71 | Canada Residential Decentralized Wholesale Power   | 363 | Multi-Tactic Enterprise Solutions Consulting      |
| 72 | Canada Solar Wholesale Power                       | 364 | Multi-Type Equity REITs                           |
| 73 | Canada Traditional Fuel Wholesale Power            | 365 | Multi-Type Financial Data Content Providers/Sites |
| 74 | Canada Video and Television Services               | 366 | Multi-Type Games Software                         |
| 75 | Canada Wind Wholesale Power                        | 367 | Multi-Type Leasing Services                       |
| 76 | Canada Wireless Telecommunication Services         | 368 | Multi-Type Passenger Transportation               |
| 77 | Canada Wireline Telecommunication Services         | 369 | Multi-Type Residential Engineering Contractors    |
| 78 | Cardiology Medical Devices                         | 370 | Multi-Type United States Wireless Services        |
| 79 | Cardiology Surgical Devices                        | 371 | Multi-Type United States Wireline Services        |
| 80 | Cardiovascular System Biopharmaceuticals           | 372 | Musculoskeletal System Biopharmaceuticals         |
| 81 | Career Classifieds and Directories Media and Sites | 373 | Natural Gas Infrastructure Construction           |
| 82 | Carrier Core (Backbone) Equipment                  | 374 | Network Administration Software                   |
| 83 | Carrier Edge Network Management Equipment          | 375 | Network Design and Implementation Consulting      |
| 84 | Casinos and Casino Hotels                          | 376 | Network Security Software                         |
| 85 | Cellular Site Equipment                            | 377 | Networking Semiconductors                         |
| 86 | Cement Manufacturing                               | 378 | Neurology Biopharmaceuticals                      |
| 87 | Central and Eastern Europe Mixed Telecom Services  | 379 | Neurology Devices                                 |
| 88 | Central and Eastern Europe Video/TV Services       | 380 | Nutraceuticals                                    |
| 89 | Central and South America Mixed Telecom Services   | 381 | Nutritional Supplement OEMs                       |

## 52. iSTOXX MEGATRENDS SELECT INDICES

|     |                                                   |     |                                                    |
|-----|---------------------------------------------------|-----|----------------------------------------------------|
| 90  | Central/Eastern Europe Wireless Telecom Services  | 382 | Ocean-Going Cruise Lines                           |
| 91  | Central/Eastern Europe Wireline Telecom Services  | 383 | Off-Price Retail Stores                            |
| 92  | Central/South America Video/Television Services   | 384 | Oncology Devices                                   |
| 93  | Central/South America Wireless Telecom Services   | 385 | Online Game Websites and Software                  |
| 94  | Central/South America Wireline Telecom Services   | 386 | Operating Systems Software                         |
| 95  | China Alternative Wholesale Power                 | 387 | Operation and Maintenance Services                 |
| 96  | China Biomass Wholesale Power                     | 388 | Ophthalmology Biopharmaceuticals                   |
| 97  | China Fossil Fuel Wholesale Power                 | 389 | Ophthalmology Devices                              |
| 98  | China Geothermal Wholesale Power                  | 390 | Optoelectronics Electronic Components              |
| 99  | China Hydroelectric Wholesale Power               | 391 | Oriented Strand Board (OSB) Manufacturing          |
| 100 | China Industrial Decentralized Power              | 392 | Other Americas Electric Power Utilities            |
| 101 | China Mixed Telecommunications Services           | 393 | Other Americas Railroad Transportation             |
| 102 | China Mixed Wholesale Power                       | 394 | Other Asia/Pac Mixed Fossil Fuel Wholesale Power   |
| 103 | China Natural Gas Wholesale Power                 | 395 | Other Asia/Pacific Biomass Wholesale Power         |
| 104 | China Residential Decentralized Power             | 396 | Other Asia/Pacific Geothermal Wholesale Power      |
| 105 | China Solar Wholesale Power                       | 397 | Other Asia/Pacific Hydroelectric Wholesale Power   |
| 106 | China Traditional Fuel Wholesale Power            | 398 | Other Asia/Pacific Industrial Decentralized Power  |
| 107 | China Video and Television Services               | 399 | Other Asia/Pacific Mixed Alt. Wholesale Power      |
| 108 | China Wind Wholesale Power                        | 400 | Other Asia/Pacific Mixed Trad. Wholesale Power     |
| 109 | China Wireless Telecommunication Services         | 401 | Other Asia/Pacific Mixed Wholesale Power           |
| 110 | China Wireline Telecommunication Services         | 402 | Other Asia/Pacific Natural Gas Wholesale Power     |
| 111 | City Guides Content Providers and Sites           | 403 | Other Asia/Pacific Residential Decentralized Power |
| 112 | Closed Circuit Television (CCTV) Systems/Products | 404 | Other Asia/Pacific Solar Wholesale Power           |
| 113 | CNG and LNG Distributors                          | 405 | Other Asia/Pacific Wind Wholesale Power            |
| 114 | Colocation and Data Center Services               | 406 | Other Automation Support Product Manufacturing     |
| 115 | Commercial Bank and Credit Union Software         | 407 | Other Automotive Equipment Rental                  |
| 116 | Commodities Trading Services                      | 408 | Other Building Materials and Garden Supply Stores  |
| 117 | Communication and Collaboration Content Sites     | 409 | Other Carrier Services                             |
| 118 | Computer Aided Design (CAD) Software              | 410 | Other Classifieds and Directories Media and Sites  |
| 119 | Concrete Blocks, Bricks and Aggregates Makers     | 411 | Other Communications Semiconductors                |
| 120 | Console Games Software                            | 412 | Other Construction Wood Products Makers            |
| 121 | Construction and Mining Machinery Distributors    | 413 | Other Design and Engineering Software              |
| 122 | Consumer Electronics and Appliance Rental         | 414 | Other Hospitals                                    |
| 123 | Conventional Autonomous Transit Vehicles Makers   | 415 | Other Interconnect Components                      |
| 124 | Conventional Engine Autonomous Truck Makers       | 416 | Other International Energy Utilities               |
| 125 | Correctional Institutions                         | 417 | Other Local Area Networking Equipment              |
| 126 | Credit and Information Bureaus                    | 418 | Other Long-Term Care Facilities                    |

## 52. iSTOXX MEGATRENDS SELECT INDICES

|     |                                                    |     |                                                    |
|-----|----------------------------------------------------|-----|----------------------------------------------------|
| 127 | Crude Oil Liquid Pipeline and Storage              | 419 | Other Memory Semiconductors                        |
| 128 | Cryptocurrency Mining                              | 420 | Other Metal Processing and Recycling Providers     |
| 129 | Cryptocurrency Trading and Exchanges               | 421 | Other Network Software                             |
| 130 | Cryptomining Hosting                               | 422 | Other Nonvolatile Memory Semiconductors            |
| 131 | Cryptomining Semiconductors                        | 423 | Other Oncology Biopharmaceuticals                  |
| 132 | Cryptomining Systems                               | 424 | Other Optoelectronics Discrete Semiconductors      |
| 133 | Customer Premises Network Security Equipment       | 425 | Other Orthopedics Devices                          |
| 134 | Data Storage Infrastructure Software               | 426 | Other Pipeline and Energy Storage Services         |
| 135 | Data Transport Carrier Services                    | 427 | Other Post-Secondary Education                     |
| 136 | Decorative Component Manufacturing                 | 428 | Other Processor Semiconductors                     |
| 137 | Dental Devices                                     | 429 | Other Sporting and Athletic Goods                  |
| 138 | Dietary and Naturopathic Supplements               | 430 | Other Test and Measurement Equipment               |
| 139 | Disk Storage Systems                               | 431 | Other United States Electric Utilities             |
| 140 | Diverse Asset Management and Financial Advisors    | 432 | Other United States Energy Utilities               |
| 141 | Diverse Business Process Outsourcing Services      | 433 | Other Waste Services                               |
| 142 | Diverse Construction and Engineering Services      | 434 | Other Water Transportation                         |
| 143 | Diverse Institutional/High-Net Advisory Finance    | 435 | Other Wide Area Networking (WAN) Equipment         |
| 144 | Diversified Brokerage Services                     | 436 | Other Wireless Equipment                           |
| 145 | Diversified Electrical/Power System Manufacturing  | 437 | Paints Manufacturing                               |
| 146 | Diversified Enterprise Resource Planning Software  | 438 | Pan-Americas Mixed Telecommunications Services     |
| 147 | Diversified Finance Industry Software              | 439 | Pan-Americas Mixed Wholesale Power                 |
| 148 | Diversified Healthcare Business Management         | 440 | Pan-Asia/Pacific Mixed Telecommunications Services |
| 149 | Diversified Patient Care                           | 441 | Pan-Asia/Pacific Wholesale Power                   |
| 150 | Diversified Semiconductor Manufacturing Services   | 442 | Pan-Europe Mixed Telecommunications Services       |
| 151 | Diversified Technology Hardware                    | 443 | Parking Facility Services                          |
| 152 | Ear, Nose and Throat (ENT) Devices                 | 444 | Passenger Car Rental                               |
| 153 | Education Information and News Media and Sites     | 445 | Passenger Rail Transportation                      |
| 154 | Educational Support Services                       | 446 | Payment Processing Software                        |
| 155 | Electric Vehicle Charging Stations                 | 447 | Peer-to-Peer Lodging                               |
| 156 | Electrical Systems and Equipment Manufacturing     | 448 | Pension Fund Managers                              |
| 157 | Electricity Infrastructure Construction            | 449 | Performing Arts and Exhibitions                    |
| 158 | Electronic Gaming/Entertainment Electronics Makers | 450 | Peripheral Semiconductors                          |
| 159 | Electronic Interconnect Components                 | 451 | Petroleum Liquid Pipeline and Storage              |
| 160 | Electronic Payment Processing                      | 452 | Petroleum Storage and Transportation               |
| 161 | Electronic Security Identification Equipment       | 453 | Pharmacies and Drug Stores                         |
| 162 | Electronic System Security Equipment               | 454 | Photovoltaic and Solar Cells and Systems Providers |
| 163 | Electronic Waste Services                          | 455 | Photovoltaic Wafers                                |

## 52. iSTOXX MEGATRENDS SELECT INDICES

|     |                                                    |     |                                                   |
|-----|----------------------------------------------------|-----|---------------------------------------------------|
| 164 | Embedded Automotive Software                       | 456 | Pipes and Pipe Fittings Manufacturing             |
| 165 | Emission Control Services and Technologies         | 457 | Plastic and Reconstructive Surgery Devices        |
| 166 | Energy and Sustainability Management Services      | 458 | Plumbing Fixtures and Trim Manufacturing          |
| 167 | Energy Efficient Lighting and LED Manufacturing    | 459 | Point of Care Testing Kits                        |
| 168 | Energy Plant Infrastructure Construction           | 460 | Point-of-Sale (POS) Terminal Manufacturing        |
| 169 | Enterprise Blockchain Technology                   | 461 | Power Generation Infrastructure Construction      |
| 170 | Enterprise Middleware Software                     | 462 | Power, Control and Mixed Signal Semiconductors    |
| 171 | Enterprise Security Management Software            | 463 | Primary Patient Care                              |
| 172 | Environmental Consulting                           | 464 | Private Wealth Managers                           |
| 173 | Environmental Restoration Services                 | 465 | Process Plants, Utilities and Energy Construction |
| 174 | Environmental Services                             | 466 | Programmable Logic Device Semiconductors          |
| 175 | E-Signature Software                               | 467 | Propane and LPG Marketing and Distribution        |
| 176 | Europe Alternative Wholesale Power                 | 468 | Public Infrastructure Components Manufacturing    |
| 177 | Europe Biomass Wholesale Power                     | 469 | Quantum Processor Semiconductors                  |
| 178 | Europe CNG and LNG Distributors                    | 470 | Radio Broadcasting                                |
| 179 | Europe Crude Oil Liquid Pipeline/Storage           | 471 | Ready-Mix Concrete Makers                         |
| 180 | Europe Fossil Fuel Wholesale Power                 | 472 | Real Estate Classifieds and Directories Sites     |
| 181 | Europe Geothermal Wholesale Power                  | 473 | Recycling Services                                |
| 182 | Europe Hydroelectric Wholesale Power               | 474 | Residential Alternative Energy Contractors        |
| 183 | Europe Industrial Decentralized Power              | 475 | Residential Electrical Engineering Contractors    |
| 184 | Europe Mixed Wholesale Power                       | 476 | Residential General Engineering Contractors       |
| 185 | Europe Natural Gas Pipeline and Storage            | 477 | Residential HVAC Engineering Contractors          |
| 186 | Europe Natural Gas Utilities                       | 478 | Residential Plumbing Engineering Contractors      |
| 187 | Europe Natural Gas Wholesale Power                 | 479 | Residential Remodeling Engineering Contractors    |
| 188 | Europe Petroleum Storage and Transport             | 480 | Retail Advisory Services                          |
| 189 | Europe Propane and LPG Marketing and Dist.         | 481 | Retail Brokerage Services                         |
| 190 | Europe Residential Decentralized Power             | 482 | Retail Industry Software                          |
| 191 | Europe Solar Wholesale Power                       | 483 | RF Analog and Mixed Signal Semiconductors         |
| 192 | Europe Traditional Fuel Wholesale Power            | 484 | RFID Asset Tracking Equipment Manufacturing       |
| 193 | Europe Wind Wholesale Power                        | 485 | Securities Exchanges                              |
| 194 | Europe, Middle East and Africa Electric Utilities  | 486 | Security and Management Consulting                |
| 195 | Europe, Middle East and Africa Rail Transportation | 487 | Server Computer Systems                           |
| 196 | Europe, Middle East and Africa Water Utilities     | 488 | Sewage and Water Infrastructure Construction      |
| 197 | Events, Tickets and Mixed-Type Recreation          | 489 | Shipping Infrastructure and Services (Ports)      |
| 198 | Express Couriers                                   | 490 | Skilled Nursing Facility (Nursing Home)           |
| 199 | Finance and Banking Systems Production             | 491 | Smart Grid Technology and Smart Meter Products    |
| 200 | Finance Information and News Media and Sites       | 492 | Smart Phone Manufacturing                         |
| 201 | Financial and Compliance ERP Software              | 493 | Software Design and Engineering Consulting        |

## 52. iSTOXX MEGATRENDS SELECT INDICES

|     |                                                   |     |                                                    |
|-----|---------------------------------------------------|-----|----------------------------------------------------|
| 202 | Fitness and Exercise Equipment                    | 494 | Soil Remediation                                   |
| 203 | Fitness and Recreational Sports Centers           | 495 | Solid Waste Recycling Equipment Manufacturing      |
| 204 | Fixed Microwave Systems Equipment                 | 496 | Specialized Patient Care                           |
| 205 | Flash Memory Semiconductors                       | 497 | Specialty Analog and Mixed Signal Semiconductors   |
| 206 | Flooring Manufacturing                            | 498 | Sporting Goods Stores                              |
| 207 | Food Delivery Services                            | 499 | Structural Support Component Manufacturing         |
| 208 | Fuel Cell Equipment and Technology Providers      | 500 | Student and Specialty Housing Equity REITs         |
| 209 | Full Service Hotels and Resorts                   | 501 | Supply Chain ERP Software                          |
| 210 | Funeral and Cemetery Services                     | 502 | Team, Individual and Other Sports Manufacturing    |
| 211 | Garbage Services                                  | 503 | Telecommunications Construction                    |
| 212 | General Analog and Mixed Signal Semiconductors    | 504 | Telecommunications Customer Relationship Software  |
| 213 | General and Acute Hospitals                       | 505 | Telemedicine                                       |
| 214 | General Architectural Component Manufacturing     | 506 | Test and Measurement Communications Equipment      |
| 215 | General Building Materials Distribution           | 507 | Toll Road Operators                                |
| 216 | General Carrier Edge (Access) Equipment           | 508 | Tools and Outdoor Care Building Hand Tool Products |
| 217 | General Coatings and Paints Makers                | 509 | Tour Operators                                     |
| 218 | General Communications Equipment                  | 510 | Trade Execution Services                           |
| 219 | General Construction Materials Manufacturing      | 511 | Trading Software                                   |
| 220 | General Customer Premises Equipment (CPE)         | 512 | Traditional Energy Infrastructure Construction     |
| 221 | General Death Care Services                       | 513 | Transportation Construction                        |
| 222 | General Delivery and Logistics Providers          | 514 | Travel Agencies                                    |
| 223 | General Enterprise Management Software            | 515 | Travel Publishers                                  |
| 224 | General Entertainment Content Providers and Sites | 516 | Truck, Trailer and Recreational Vehicle Rental     |
| 225 | General Factory Automation Makers                 | 517 | Type 1 Diabetes Biopharmaceuticals                 |
| 226 | General Information Technology (IT) Consulting    | 518 | United States Biomass Wholesale Power              |
| 227 | General Infrastructure and Network Consulting     | 519 | United States Class I Railroad Transportation      |
| 228 | General Security Services                         | 520 | United States Geothermal Wholesale Power           |
| 229 | General United States Telecommunications Services | 521 | United States Hydroelectric Wholesale Power        |
| 230 | General Waste Collection                          | 522 | United States Industrial Decentralized Power       |
| 231 | Geothermal Energy Equipment Manufacturing         | 523 | United States Midwest Electric Utilities           |
| 232 | Global Energy Utilities                           | 524 | United States Midwest Natural Gas Utilities        |
| 233 | Grocery Delivery Services                         | 525 | United States Mixed Alternative Wholesale Power    |
| 234 | Handheld and Smart Phone Games Software           | 526 | United States Natural Gas Utilities                |
| 235 | Hardware, Plumbing and HVAC Supplies              | 527 | United States Northeast Electric Utilities         |
| 236 | Hazardous Materials Disposal                      | 528 | United States Northeast Natural Gas Utilities      |
| 237 | Hazardous/Industrial Waste Disposal               | 529 | United States Residential Decentralized Power      |
| 238 | Healthcare and Life Sciences Equity REITs         | 530 | United States Satellite Services                   |

## 52. iSTOXX MEGATRENDS SELECT INDICES

|     |                                                       |     |                                                  |
|-----|-------------------------------------------------------|-----|--------------------------------------------------|
| 239 | Healthcare Consulting                                 | 531 | United States Short-Line Railroad Transportation |
| 240 | Healthcare General Support Services                   | 532 | United States Solar Wholesale Power              |
| 241 | Healthcare Management Software                        | 533 | United States South Atlantic Electric Utilities  |
| 242 | Healthcare Operations Support Software                | 534 | United States South Electric Utilities           |
| 243 | Heating, Ventilation and Air Conditioning Products    | 535 | United States South Natural Gas Utilities        |
| 244 | Hematological Oncology Biopharmaceuticals             | 536 | United States Transmission, Dist., and Storage   |
| 245 | Home Builders                                         | 537 | United States Video and Television Services      |
| 246 | Home Builders and Manufactured Buildings              | 538 | United States Water Utilities                    |
| 247 | Home Healthcare                                       | 539 | United States West Electric Utilities            |
| 248 | Home Testing Clinical Diagnostics Devices             | 540 | United States West Natural Gas Utilities         |
| 249 | Household Robot Makers                                | 541 | United States Wind Wholesale Power               |
| 250 | Hydroelectric Power Generation Equipment Providers    | 542 | United States Wireless Business Data Services    |
| 251 | Hydrogen Fuel Manufacturing                           | 543 | United States Wireline Business Data Services    |
| 252 | IC-Level Electronic Design Software                   | 544 | United States Wireline Data Services             |
| 253 | IC-Level Intellectual Property Software Libraries     | 545 | Urology Biopharmaceuticals                       |
| 254 | Image Sensor and Image Capture Semiconductors         | 546 | Urology Devices                                  |
| 255 | Industrial and Engineering Hand Tool Manufacturing    | 547 | US and Canada CNG and LNG Distributors           |
| 256 | Industrial and Warehouse Equity REITs                 | 548 | US and Canada Crude Oil Liquid Pipeline/Storage  |
| 257 | Industrial Equipment Leasing Services                 | 549 | US and Canada Natural Gas Pipeline and Storage   |
| 258 | Industrial Robots and Robotic Assembly Line Makers    | 550 | US and Canada Petroleum Storage and Transport    |
| 259 | Information Storage Systems                           | 551 | US and Canada Propane and LPG Mktg. and Dist.    |
| 260 | Institutional Brokerage Services                      | 552 | US Fossil Fuel Wholesale Power                   |
| 261 | Institutional Financial and Research Content Sites    | 553 | US Mixed Traditional Fuel Wholesale Power        |
| 262 | Insulation Manufacturing                              | 554 | US Mixed Wholesale Power                         |
| 263 | Insurance Software                                    | 555 | US Natural Gas Pipeline and Storage              |
| 264 | Integrated Steel Mills Mixed Production Makers        | 556 | US Natural Gas Wholesale Power                   |
| 265 | Interior and Exterior Covering Materials Distribution | 557 | US Voice Over IP Telephony (VoIP) Services       |
| 266 | International Electricity Generator Utilities         | 558 | US West South Central Electric Utilities         |
| 267 | International Fixed Satellite Services                | 559 | Utility Infrastructure Construction              |
| 268 | International Mobile Satellite Services               | 560 | Utility Meter Manufacturing                      |
| 269 | International Natural Gas Pipeline and Storage        | 561 | Vacation Ownership Operators                     |
| 270 | International Natural Gas Utilities                   | 562 | Vehicle Autonomous Control Electronics Makers    |
| 271 | Internet Accessories Retail                           | 563 | Vehicle Autonomous Control Software              |
| 272 | Internet Apparel Retail                               | 564 | Virtual Reality Design and Engineering Software  |
| 273 | Internet Department Stores                            | 565 | Virtual Reality Equipment                        |
| 274 | Internet Discount Stores                              | 566 | Volatile Memory Semiconductors                   |
| 275 | Internet Electronics Retail                           | 567 | Waste-to-Energy Services                         |

## 52. iSTOXX MEGATRENDS SELECT INDICES

|     |                                                 |     |                                                  |
|-----|-------------------------------------------------|-----|--------------------------------------------------|
| 276 | Internet Entertainment Retail                   | 568 | Wastewater Residual Management                   |
| 277 | Internet Footwear Retail                        | 569 | Wastewater Treatment Services                    |
| 278 | Internet Off-Price Retail                       | 570 | Water Transportation (Ferry Service)             |
| 279 | Internet Pharmacies and Drug Retail             | 571 | Wave Energy Equipment Manufacturing              |
| 280 | Internet Warehouse / Superstore Retail          | 572 | Wearable Technology                              |
| 281 | Investment Management/Brokerage Software        | 573 | Web Search Sites and Software                    |
| 282 | Issuance and Securitization Services            | 574 | Western Europe Mixed Telecommunications Services |
| 283 | Joint Replacement and Reconstruction Devices    | 575 | Western Europe Video and Television Services     |
| 284 | Land Equity REITs                               | 576 | Western Europe Wireless Telecom Services         |
| 285 | Landfill Services                               | 577 | Western Europe Wireline Telecom Services         |
| 286 | Lasers and Optical Instrument Manufacturing     | 578 | Wind Energy Equipment Manufacturing              |
| 287 | Latin America Alternative Wholesale Power       | 579 | Windows and Doors Manufacturing                  |
| 288 | Latin America Biomass Wholesale Power           | 580 | Winter Sports                                    |
| 289 | Latin America CNG and LNG Distributors          | 581 | Wireless and Wi-Fi Equipment                     |
| 290 | Latin America Crude Oil Liquid Pipeline/Storage | 582 | Wireless Infrastructure Services                 |
| 291 | Latin America Electric Power Utilities          | 583 | Wireline Equipment                               |
| 292 | Latin America Fossil Fuel Wholesale Power       | 584 | Wireline Infrastructure Services                 |

**Composition list:** The final composition list with the 50 securities is derived by following the steps below in the order they are listed.

- 1) All stocks from the selection list (Y) are first sorted in ascending order in terms of their volatility (maximum between the 3-month and 12-month historical volatility in EUR) and the top Z lowest volatility stocks, rounded down to the previous integer, are selected for the next step of the selection process, such that:  $Z = \text{round down to previous integer}(Y * 50\%)$ . In case two companies for a given cutoff date have the same volatility, priority is given to the one with the highest dividend yield (historical gross dividend yield).
- 2) Subsequently, the remaining companies (Z), are sorted in descending order in terms of their dividend yield, and if any companies with zero dividend yield are remaining at this step, they are excluded. The 50 stocks with the highest dividend yield are selected in the index, in such a way that the following conditions are met:

**a. Country**

For each country i, a maximum number of components K is calculated as follows and rounded to the nearest integer, such that diversification is ensured and the country profile of the iSTOXX Global Megatrends Select 50 Index does not deviate much from the corresponding weights of the STOXX Global 3000 Index. Moreover, for countries, that are represented in the STOXX Global 3000 Index, with a weight exceeding 20%, a minimum number of components L is also calculated in a similar fashion:

$$K_i = (SXGBM_i + 10\%) * N$$

$$L_i = (SXGBM_i - 10\%) * N$$

where:

$K_i$  maximum number of components from country i, allowed for inclusion in the iSTOXX Global Megatrends Select 50 Index

## 52. iSTOXX MEGATRENDS SELECT INDICES

- $L_i$  minimum number of components from country  $i$ , to be included in the iSTOXX Global Megatrends Select 50 Index
- $SXGBM_i$  weight of the components coming from country  $i$ , in the STOXX Global 3000 Index, as of the cutoff date
- $N$  number of constituents in the iSTOXX Global Megatrends Select 50 Index (50)

**b. Industry**

Effective up until September 2020 review, 11 industrial groupings are defined, based on the ICB Classification system, following the categorization below:

| Grouping           | ICB codes                         |
|--------------------|-----------------------------------|
| Oil & Gas          | Industry 1                        |
| Basic Materials    | Industry 1000                     |
| Industrials        | Industry 2000                     |
| Consumer Goods     | Industry 3000                     |
| Health Care        | Industry 4000                     |
| Consumer Services  | Industry 5000                     |
| Telecommunications | Industry 6000                     |
| Utilities          | Industry 7000                     |
| Financials         | Supersectors 8300, 8500, and 8700 |
| Real Estate        | Supersector 8600                  |
| Technology         | Industry 9000                     |

Effective with September 2020 review, 11 industrial groupings are defined, based on the ICB Classification system, following the categorization below:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Energy                 | Industry 60 |
| Basic Materials        | Industry 55 |
| Industrials            | Industry 50 |
| Consumer Staples       | Industry 45 |
| Healthcare             | Industry 20 |
| Consumer Discretionary | Industry 40 |
| Telecommunications     | Industry 15 |
| Utilities              | Industry 65 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Technology             | Industry 10 |

For each industry  $j$  of the 11 industrial groupings above, a maximum number of components is calculated as follows and rounded to the nearest integer:

$$D_j = (SXGBM_j + 10\%) * N$$

where:

- $D_j$  maximum number of components from industry  $j$ , allowed for inclusion in the iSTOXX Global Megatrends Select 50 Index



## 52. iSTOXX MEGATRENDS SELECT INDICES

|           |                                                                                                          |
|-----------|----------------------------------------------------------------------------------------------------------|
| $SXGBM_j$ | weight of the components coming from country $j$ , in the STOXX Global 3000 Index, as of the cutoff date |
| $N$       | number of constituents in the iSTOXX Global Megatrends Select 50 Index (50)                              |

If the composition list cannot be completed with 50 stocks under the above constraints, then the number of stocks selected at step 1 (companies with lowest volatility,  $Z$ ) is incremented by 1 ( $Z = Z + 1$ ), and step 2 is repeated. Further incrementing is applied to this number if necessary, and the process is repeated until 50 stocks are selected.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the RBICS revenue exposure data is the last dissemination day of November for the quarterly reviews performed in December and March, and similarly, the last dissemination day of May for the reviews performed in June and September. The review cut-off date for all other underlying data is the last dissemination day of the month prior to the review month.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

|            |                                                                                                                                     |
|------------|-------------------------------------------------------------------------------------------------------------------------------------|
| $w_i$      | target weight of component $i$                                                                                                      |
| $\sigma_i$ | maximum between the 3-month and 12-month historical volatility of component $i$ , as of review cut-off date, based on prices in EUR |
| $N$        | number of constituents in the index                                                                                                 |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 52.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

## 52. iSTOXX MEGATRENDS SELECT INDICES

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**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

## 52. iSTOXX MEGATRENDS SELECT INDICES

### 52.2. EURO iSTOXX MEGATRENDS SELECT 30 INDEX

#### 52.2.1. OVERVIEW

The EURO iSTOXX Megatrends Select 30 Index tracks companies that are exposed to a defined set of demographic and technological megatrends that are expected to change the world as we know it. Final index screens select stocks with the lowest volatilities and highest dividend yields.

The index constituents are linked to one or more of the following themes: Infrastructure, Sharing Economy, Industry 4.0, Smart Cities, Housing Construction, Next Generation Telecoms, Millennials, Fintech, Silver Economy. These companies or components of their business lines are positioned to benefit from long-term structural trends as their products and services are necessary to cater the needs of the growing populations and the citizens of the future and are expected to play a key part in addressing the challenges of rapid urbanization and growth consumerism globally. Revere (RBICS) data allow a detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with substantial exposure to the respective themes.

The index excludes companies that Sustainalytics considers to be non-compliant with the Global Standards Screening and/or involved in controversial weapons.

The final composition list is made up of the 30 companies from the pre-selected universe that have the lowest volatilities and highest dividend yields, observing caps in the representation of ICB sectors and countries to ensure diversification.

**Universe:** The index universe is defined by all stocks included in the EURO STOXX Total Market index, as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Jun 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

#### 52.2.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the following indicators:

- i. 12-month historical gross dividend yield<sup>77</sup>
- ii. 3-month and 12-month historical volatility in EUR
- iii. 3-month Average Daily Traded Volume (ADTV) in EUR
- iv. Revenue information, as captured by Revere's detailed industry classification system (RBICS)

If any of the fields ii) or iii) above have missing information for a stock, then that company is excluded from the selection process.

<sup>77</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

## 52. iSTOXX MEGATRENDS SELECT INDICES

If information for a company on field i) is missing, then the missing value is substituted by 0. Information for field iv) is refreshed on a semi-annual basis in June and December every year, such that for a given company in March and September reviews, revenue information from the previous December and June cut-off date is used. If this information is missing, then the company is excluded from the selection process.

The Selection list constitutes of all remaining stocks that fulfil all the conditions below:

- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 10 million EUR
- **Revenues:** Revenue exposure equal to or exceeding 25%, from the aggregation of the RBICS sectors associated with "Megatrends" (please see table below).
- **Global Standards Screening:** compliant with the Global Standard Screening (GSS). Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.
- **Controversial Weapons:** Not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:
  - » Internal production or sale of controversial weapons
  - » The ultimate holding company owns >10% of voting rights of an involved company
  - » >10% of voting rights of a company is owned by the involved company
- **Multiple share lines:** in case a company is present with multiple listings in the eligible universe after the application of all the filters above, then only the most liquid share line is retained.

### List of RBICS sectors associated with "Megatrends" for the purposes of component selection:

| Nr | RBICS SECTOR                                       | Nr  | RBICS SECTOR                                      |
|----|----------------------------------------------------|-----|---------------------------------------------------|
| 1  | 3D Modeling/Rapid Prototyping Automation Providers | 293 | Latin America Geothermal Wholesale Power          |
| 2  | 3D Printing Services                               | 294 | Latin America Hydroelectric Wholesale Power       |
| 3  | Access Systems Manufacturing                       | 295 | Latin America Industrial Decentralized Power      |
| 4  | Activewear and Outerwear Apparel Production        | 296 | Latin America Mixed Wholesale Power               |
| 5  | Airport/Flight Support Infrastructure Operators    | 297 | Latin America Natural Gas Pipeline and Storage    |
| 6  | Alarm Systems Manufacturing                        | 298 | Latin America Natural Gas Wholesale Power         |
| 7  | Alt. Energy Autonomous Heavy Duty Truck Makers     | 299 | Latin America Petroleum Storage and Transport     |
| 8  | Alt. Energy Autonomous Transit Vehicle Production  | 300 | Latin America Propane and LPG Marketing and Dist. |
| 9  | Alt. Energy Motor Homes and Campers (RVs) Makers   | 301 | Latin America Residential Decentralized Power     |
| 10 | Alt. Energy Recreation Vehicle Manufacturing       | 302 | Latin America Solar Wholesale Power               |
| 11 | Alternative Energy Boats Makers                    | 303 | Latin America Traditional Fuel Wholesale Power    |
| 12 | Alternative Energy Car Manufacturers               | 304 | Latin America Wind Wholesale Power                |
| 13 | Alternative Energy Heavy Duty Trucks Makers        | 305 | Lime and Gypsum Products Manufacturing            |
| 14 | Alternative Energy Infrastructure Construction     | 306 | Locks and Deadbolts Manufacturing                 |
| 15 | Alternative Energy Motorcycles Makers              | 307 | Lower Respiratory Biopharmaceuticals              |
| 16 | Alternative Energy Transit Vehicles Makers         | 308 | Luxury Hotels and Resorts                         |
| 17 | Alternative Exchanges and ECNs                     | 309 | Machine Vision and Quality Control Manufacturing  |
| 18 | Ambulatory and Outpatient Care                     | 310 | Manufactured Building Makers                      |
| 19 | Americas Natural Gas Utilities                     | 311 | Manufacturing Industry Software                   |
| 20 | Americas Water Utilities                           | 312 | Mapping/Geographic Information Systems Software   |
| 21 | Anesthesiology Devices                             | 313 | Market Makers and Specialists                     |

## 52. iSTOXX MEGATRENDS SELECT INDICES

|    |                                                    |     |                                                    |
|----|----------------------------------------------------|-----|----------------------------------------------------|
| 22 | Application Management Consulting                  | 314 | Media Download and Streaming Digital Content Sites |
| 23 | Asia Excluding China Mixed Telecommunications      | 315 | Mexico Mixed Telecommunications Services           |
| 24 | Asia Excluding China Video and Television Services | 316 | Mexico Video and Television Services               |
| 25 | Asia Excluding China Wireless Telecom Services     | 317 | Mexico Wireless Telecommunications Services        |
| 26 | Asia Excluding China Wireline Telecom Services     | 318 | Mexico Wireline Telecommunication Services         |
| 27 | Asia/Pacific CNG and LNG Distributors              | 319 | Microprocessor (MPU) Semiconductors                |
| 28 | Asia/Pacific Crude Oil Liquid Pipeline/Storage     | 320 | Middle East and Africa Biomass Wholesale Power     |
| 29 | Asia/Pacific Electric Power Utilities              | 321 | Middle East and Africa CNG and LNG Distributors    |
| 30 | Asia/Pacific Natural Gas Pipeline and Storage      | 322 | Middle East and Africa Geothermal Wholesale Power  |
| 31 | Asia/Pacific Natural Gas Utilities                 | 323 | Middle East and Africa Mixed Alt. Wholesale Power  |
| 32 | Asia/Pacific Petroleum Storage and Transport       | 324 | Middle East and Africa Mixed Telecom Services      |
| 33 | Asia/Pacific Propane and LPG Marketing and Dist.   | 325 | Middle East and Africa Mixed Trad. Wholesale Power |
| 34 | Asia/Pacific Rail Transportation                   | 326 | Middle East and Africa Mixed Wholesale Power       |
| 35 | Asia/Pacific Water Utilities                       | 327 | Middle East and Africa Natural Gas Utilities       |
| 36 | Assisted Living                                    | 328 | Middle East and Africa Natural Gas Wholesale Power |
| 37 | Athletic Footwear Production                       | 329 | Middle East and Africa Solar Wholesale Power       |
| 38 | Audio Multimedia Semiconductors                    | 330 | Middle East and Africa Video/Television Services   |
| 39 | Australia/New Zealand Mixed Telecom Services       | 331 | Middle East and Africa Wind Wholesale Power        |
| 40 | Australia/New Zealand Video/Television Services    | 332 | Middle East and Africa Wireless Telecom Services   |
| 41 | Australia/New Zealand Wireless Telecom Services    | 333 | Middle East and Africa Wireline Telecom Services   |
| 42 | Australia/New Zealand Wireline Telecom Services    | 334 | Middle East/Africa Crude Oil Liq. Pipeline/Storage |
| 43 | Automated Teller Machines (ATMs)                   | 335 | Middle East/Africa Hydroelectric Wholesale Power   |
| 44 | Automated Teller Machines (ATMs) Hardware Makers   | 336 | Middle East/Africa Industrial Decentralized Power  |
| 45 | Automotive Enterprise Management Software          | 337 | Middle East/Africa Nat. Gas Pipeline and Storage   |
| 46 | Automotive Industry Software                       | 338 | Middle East/Africa Petroleum Storage and Transport |
| 47 | Autonomous Drone Manufacturers                     | 339 | Middle East/Africa Propane and LPG Mktg. and Dist. |
| 48 | Autonomous Drone Parts Manufacturers               | 340 | Middle East/Africa Residential Decentralized Power |
| 49 | Autonomous Vehicles Semiconductors                 | 341 | Mideast/Africa Mixed Fossil Fuel Wholesale Power   |
| 50 | Biodiesel Fuel Manufacturing                       | 342 | Minimills Manufacturing Flats                      |
| 51 | Blockchain Technology                              | 343 | Mining and Excavation Equipment Manufacturing      |
| 52 | Budget Hotels and Motels                           | 344 | Mixed Apparel and Footwear Production              |
| 53 | Building Construction                              | 345 | Mixed Architecture/Infrastructure Component Makers |
| 54 | Building Maintenance and Engineering Services      | 346 | Mixed Building/Physical Security Equipment Makers  |
| 55 | Burial Casket Manufacturing                        | 347 | Mixed Electronic Transaction Processing            |
| 56 | Bus Transportation                                 | 348 | Mixed Heavy Building Materials/Aggregates Makers   |
| 57 | Business Intelligence Software                     | 349 | Mixed International Telecommunications Services    |
| 58 | Business Intelligence/Data Warehousing Consulting  | 350 | Mixed Renewable Energy Generation Manufacturing    |

## 52. iSTOXX MEGATRENDS SELECT INDICES

|     |                                                    |     |                                                   |
|-----|----------------------------------------------------|-----|---------------------------------------------------|
| 59  | Cabinets and Countertops Manufacturing             | 351 | Mixed Specialty and Commodity Chemical Makers     |
| 60  | Cable Interconnect Components                      | 352 | Mixed Usage Travel Arrangement and Reservation    |
| 61  | Canada Alternative Wholesale Power                 | 353 | Mixed-Type Hotels, Motels and Resorts             |
| 62  | Canada Biomass Wholesale Power                     | 354 | Mobile Platform Applications Software             |
| 63  | Canada Fossil Fuel Wholesale Power                 | 355 | Money Transfer Services                           |
| 64  | Canada Geothermal Wholesale Power                  | 356 | Monitoring and Control Sensor/Instrument Products |
| 65  | Canada Hydroelectric Wholesale Power               | 357 | Multi-Industry-Specific Factory Machinery Makers  |
| 66  | Canada Industrial Decentralized Power              | 358 | Multinational Electric Power Utilities            |
| 67  | Canada Mixed Telecommunications Services           | 359 | Multinational Transmission, Dist., and Storage    |
| 68  | Canada Mixed Wholesale Power                       | 360 | Multi-National Water Utilities                    |
| 69  | Canada Natural Gas Pipeline and Storage            | 361 | Multinational Wholesale Power                     |
| 70  | Canada Natural Gas Wholesale Power                 | 362 | Multi-Product Adhesive, Sealant and Paint Makers  |
| 71  | Canada Residential Decentralized Wholesale Power   | 363 | Multi-Tactic Enterprise Solutions Consulting      |
| 72  | Canada Solar Wholesale Power                       | 364 | Multi-Type Equity REITs                           |
| 73  | Canada Traditional Fuel Wholesale Power            | 365 | Multi-Type Financial Data Content Providers/Sites |
| 74  | Canada Video and Television Services               | 366 | Multi-Type Games Software                         |
| 75  | Canada Wind Wholesale Power                        | 367 | Multi-Type Leasing Services                       |
| 76  | Canada Wireless Telecommunication Services         | 368 | Multi-Type Passenger Transportation               |
| 77  | Canada Wireline Telecommunication Services         | 369 | Multi-Type Residential Engineering Contractors    |
| 78  | Cardiology Medical Devices                         | 370 | Multi-Type United States Wireless Services        |
| 79  | Cardiology Surgical Devices                        | 371 | Multi-Type United States Wireline Services        |
| 80  | Cardiovascular System Biopharmaceuticals           | 372 | Musculoskeletal System Biopharmaceuticals         |
| 81  | Career Classifieds and Directories Media and Sites | 373 | Natural Gas Infrastructure Construction           |
| 82  | Carrier Core (Backbone) Equipment                  | 374 | Network Administration Software                   |
| 83  | Carrier Edge Network Management Equipment          | 375 | Network Design and Implementation Consulting      |
| 84  | Casinos and Casino Hotels                          | 376 | Network Security Software                         |
| 85  | Cellular Site Equipment                            | 377 | Networking Semiconductors                         |
| 86  | Cement Manufacturing                               | 378 | Neurology Biopharmaceuticals                      |
| 87  | Central and Eastern Europe Mixed Telecom Services  | 379 | Neurology Devices                                 |
| 88  | Central and Eastern Europe Video/TV Services       | 380 | Nutraceuticals                                    |
| 89  | Central and South America Mixed Telecom Services   | 381 | Nutritional Supplement OEMs                       |
| 90  | Central/Eastern Europe Wireless Telecom Services   | 382 | Ocean-Going Cruise Lines                          |
| 91  | Central/Eastern Europe Wireline Telecom Services   | 383 | Off-Price Retail Stores                           |
| 92  | Central/South America Video/Television Services    | 384 | Oncology Devices                                  |
| 93  | Central/South America Wireless Telecom Services    | 385 | Online Game Websites and Software                 |
| 94  | Central/South America Wireline Telecom Services    | 386 | Operating Systems Software                        |
| 95  | China Alternative Wholesale Power                  | 387 | Operation and Maintenance Services                |
| 96  | China Biomass Wholesale Power                      | 388 | Ophthalmology Biopharmaceuticals                  |
| 97  | China Fossil Fuel Wholesale Power                  | 389 | Ophthalmology Devices                             |
| 98  | China Geothermal Wholesale Power                   | 390 | Optoelectronics Electronic Components             |
| 99  | China Hydroelectric Wholesale Power                | 391 | Oriented Strand Board (OSB) Manufacturing         |
| 100 | China Industrial Decentralized Power               | 392 | Other Americas Electric Power Utilities           |
| 101 | China Mixed Telecommunications Services            | 393 | Other Americas Railroad Transportation            |
| 102 | China Mixed Wholesale Power                        | 394 | Other Asia/Pac Mixed Fossil Fuel Wholesale Power  |
| 103 | China Natural Gas Wholesale Power                  | 395 | Other Asia/Pacific Biomass Wholesale Power        |
| 104 | China Residential Decentralized Power              | 396 | Other Asia/Pacific Geothermal Wholesale Power     |

## 52. iSTOXX MEGATRENDS SELECT INDICES

|     |                                                   |     |                                                    |
|-----|---------------------------------------------------|-----|----------------------------------------------------|
| 105 | China Solar Wholesale Power                       | 397 | Other Asia/Pacific Hydroelectric Wholesale Power   |
| 106 | China Traditional Fuel Wholesale Power            | 398 | Other Asia/Pacific Industrial Decentralized Power  |
| 107 | China Video and Television Services               | 399 | Other Asia/Pacific Mixed Alt. Wholesale Power      |
| 108 | China Wind Wholesale Power                        | 400 | Other Asia/Pacific Mixed Trad. Wholesale Power     |
| 109 | China Wireless Telecommunication Services         | 401 | Other Asia/Pacific Mixed Wholesale Power           |
| 110 | China Wireline Telecommunication Services         | 402 | Other Asia/Pacific Natural Gas Wholesale Power     |
| 111 | City Guides Content Providers and Sites           | 403 | Other Asia/Pacific Residential Decentralized Power |
| 112 | Closed Circuit Television (CCTV) Systems/Products | 404 | Other Asia/Pacific Solar Wholesale Power           |
| 113 | CNG and LNG Distributors                          | 405 | Other Asia/Pacific Wind Wholesale Power            |
| 114 | Colocation and Data Center Services               | 406 | Other Automation Support Product Manufacturing     |
| 115 | Commercial Bank and Credit Union Software         | 407 | Other Automotive Equipment Rental                  |
| 116 | Commodities Trading Services                      | 408 | Other Building Materials and Garden Supply Stores  |
| 117 | Communication and Collaboration Content Sites     | 409 | Other Carrier Services                             |
| 118 | Computer Aided Design (CAD) Software              | 410 | Other Classifieds and Directories Media and Sites  |
| 119 | Concrete Blocks, Bricks and Aggregates Makers     | 411 | Other Communications Semiconductors                |
| 120 | Console Games Software                            | 412 | Other Construction Wood Products Makers            |
| 121 | Construction and Mining Machinery Distributors    | 413 | Other Design and Engineering Software              |
| 122 | Consumer Electronics and Appliance Rental         | 414 | Other Hospitals                                    |
| 123 | Conventional Autonomous Transit Vehicles Makers   | 415 | Other Interconnect Components                      |
| 124 | Conventional Engine Autonomous Truck Makers       | 416 | Other International Energy Utilities               |
| 125 | Correctional Institutions                         | 417 | Other Local Area Networking Equipment              |
| 126 | Credit and Information Bureaus                    | 418 | Other Long-Term Care Facilities                    |
| 127 | Crude Oil Liquid Pipeline and Storage             | 419 | Other Memory Semiconductors                        |
| 128 | Cryptocurrency Mining                             | 420 | Other Metal Processing and Recycling Providers     |
| 129 | Cryptocurrency Trading and Exchanges              | 421 | Other Network Software                             |
| 130 | Cryptomining Hosting                              | 422 | Other Nonvolatile Memory Semiconductors            |
| 131 | Cryptomining Semiconductors                       | 423 | Other Oncology Biopharmaceuticals                  |
| 132 | Cryptomining Systems                              | 424 | Other Optoelectronics Discrete Semiconductors      |
| 133 | Customer Premises Network Security Equipment      | 425 | Other Orthopedics Devices                          |
| 134 | Data Storage Infrastructure Software              | 426 | Other Pipeline and Energy Storage Services         |
| 135 | Data Transport Carrier Services                   | 427 | Other Post-Secondary Education                     |
| 136 | Decorative Component Manufacturing                | 428 | Other Processor Semiconductors                     |
| 137 | Dental Devices                                    | 429 | Other Sporting and Athletic Goods                  |
| 138 | Dietary and Naturopathic Supplements              | 430 | Other Test and Measurement Equipment               |
| 139 | Disk Storage Systems                              | 431 | Other United States Electric Utilities             |
| 140 | Diverse Asset Management and Financial Advisors   | 432 | Other United States Energy Utilities               |
| 141 | Diverse Business Process Outsourcing Services     | 433 | Other Waste Services                               |
| 142 | Diverse Construction and Engineering Services     | 434 | Other Water Transportation                         |
| 143 | Diverse Institutional/High-Net Advisory Finance   | 435 | Other Wide Area Networking (WAN) Equipment         |
| 144 | Diversified Brokerage Services                    | 436 | Other Wireless Equipment                           |
| 145 | Diversified Electrical/Power System Manufacturing | 437 | Paints Manufacturing                               |
| 146 | Diversified Enterprise Resource Planning Software | 438 | Pan-Americas Mixed Telecommunications Services     |
| 147 | Diversified Finance Industry Software             | 439 | Pan-Americas Mixed Wholesale Power                 |
| 148 | Diversified Healthcare Business Management        | 440 | Pan-Asia/Pacific Mixed Telecommunications Services |
| 149 | Diversified Patient Care                          | 441 | Pan-Asia/Pacific Wholesale Power                   |
| 150 | Diversified Semiconductor Manufacturing Services  | 442 | Pan-Europe Mixed Telecommunications Services       |
| 151 | Diversified Technology Hardware                   | 443 | Parking Facility Services                          |
| 152 | Ear, Nose and Throat (ENT) Devices                | 444 | Passenger Car Rental                               |



## 52. iSTOXX MEGATRENDS SELECT INDICES

|     |                                                    |     |                                                    |
|-----|----------------------------------------------------|-----|----------------------------------------------------|
| 153 | Education Information and News Media and Sites     | 445 | Passenger Rail Transportation                      |
| 154 | Educational Support Services                       | 446 | Payment Processing Software                        |
| 155 | Electric Vehicle Charging Stations                 | 447 | Peer-to-Peer Lodging                               |
| 156 | Electrical Systems and Equipment Manufacturing     | 448 | Pension Fund Managers                              |
| 157 | Electricity Infrastructure Construction            | 449 | Performing Arts and Exhibitions                    |
| 158 | Electronic Gaming/Entertainment Electronics Makers | 450 | Peripheral Semiconductors                          |
| 159 | Electronic Interconnect Components                 | 451 | Petroleum Liquid Pipeline and Storage              |
| 160 | Electronic Payment Processing                      | 452 | Petroleum Storage and Transportation               |
| 161 | Electronic Security Identification Equipment       | 453 | Pharmacies and Drug Stores                         |
| 162 | Electronic System Security Equipment               | 454 | Photovoltaic and Solar Cells and Systems Providers |
| 163 | Electronic Waste Services                          | 455 | Photovoltaic Wafers                                |
| 164 | Embedded Automotive Software                       | 456 | Pipes and Pipe Fittings Manufacturing              |
| 165 | Emission Control Services and Technologies         | 457 | Plastic and Reconstructive Surgery Devices         |
| 166 | Energy and Sustainability Management Services      | 458 | Plumbing Fixtures and Trim Manufacturing           |
| 167 | Energy Efficient Lighting and LED Manufacturing    | 459 | Point of Care Testing Kits                         |
| 168 | Energy Plant Infrastructure Construction           | 460 | Point-of-Sale (POS) Terminal Manufacturing         |
| 169 | Enterprise Blockchain Technology                   | 461 | Power Generation Infrastructure Construction       |
| 170 | Enterprise Middleware Software                     | 462 | Power, Control and Mixed Signal Semiconductors     |
| 171 | Enterprise Security Management Software            | 463 | Primary Patient Care                               |
| 172 | Environmental Consulting                           | 464 | Private Wealth Managers                            |
| 173 | Environmental Restoration Services                 | 465 | Process Plants, Utilities and Energy Construction  |
| 174 | Environmental Services                             | 466 | Programmable Logic Device Semiconductors           |
| 175 | E-Signature Software                               | 467 | Propane and LPG Marketing and Distribution         |
| 176 | Europe Alternative Wholesale Power                 | 468 | Public Infrastructure Components Manufacturing     |
| 177 | Europe Biomass Wholesale Power                     | 469 | Quantum Processor Semiconductors                   |
| 178 | Europe CNG and LNG Distributors                    | 470 | Radio Broadcasting                                 |
| 179 | Europe Crude Oil Liquid Pipeline/Storage           | 471 | Ready-Mix Concrete Makers                          |
| 180 | Europe Fossil Fuel Wholesale Power                 | 472 | Real Estate Classifieds and Directories Sites      |
| 181 | Europe Geothermal Wholesale Power                  | 473 | Recycling Services                                 |
| 182 | Europe Hydroelectric Wholesale Power               | 474 | Residential Alternative Energy Contractors         |
| 183 | Europe Industrial Decentralized Power              | 475 | Residential Electrical Engineering Contractors     |
| 184 | Europe Mixed Wholesale Power                       | 476 | Residential General Engineering Contractors        |
| 185 | Europe Natural Gas Pipeline and Storage            | 477 | Residential HVAC Engineering Contractors           |
| 186 | Europe Natural Gas Utilities                       | 478 | Residential Plumbing Engineering Contractors       |
| 187 | Europe Natural Gas Wholesale Power                 | 479 | Residential Remodeling Engineering Contractors     |
| 188 | Europe Petroleum Storage and Transport             | 480 | Retail Advisory Services                           |
| 189 | Europe Propane and LPG Marketing and Dist.         | 481 | Retail Brokerage Services                          |
| 190 | Europe Residential Decentralized Power             | 482 | Retail Industry Software                           |
| 191 | Europe Solar Wholesale Power                       | 483 | RF Analog and Mixed Signal Semiconductors          |
| 192 | Europe Traditional Fuel Wholesale Power            | 484 | RFID Asset Tracking Equipment Manufacturing        |
| 193 | Europe Wind Wholesale Power                        | 485 | Securities Exchanges                               |
| 194 | Europe, Middle East and Africa Electric Utilities  | 486 | Security and Management Consulting                 |
| 195 | Europe, Middle East and Africa Rail Transportation | 487 | Server Computer Systems                            |
| 196 | Europe, Middle East and Africa Water Utilities     | 488 | Sewage and Water Infrastructure Construction       |
| 197 | Events, Tickets and Mixed-Type Recreation          | 489 | Shipping Infrastructure and Services (Ports)       |
| 198 | Express Couriers                                   | 490 | Skilled Nursing Facility (Nursing Home)            |
| 199 | Finance and Banking Systems Production             | 491 | Smart Grid Technology and Smart Meter Products     |
| 200 | Finance Information and News Media and Sites       | 492 | Smart Phone Manufacturing                          |
| 201 | Financial and Compliance ERP Software              | 493 | Software Design and Engineering Consulting         |
| 202 | Fitness and Exercise Equipment                     | 494 | Soil Remediation                                   |
| 203 | Fitness and Recreational Sports Centers            | 495 | Solid Waste Recycling Equipment Manufacturing      |
| 204 | Fixed Microwave Systems Equipment                  | 496 | Specialized Patient Care                           |



## 52. iSTOXX MEGATRENDS SELECT INDICES

|     |                                                    |     |                                                    |
|-----|----------------------------------------------------|-----|----------------------------------------------------|
| 205 | Flash Memory Semiconductors                        | 497 | Specialty Analog and Mixed Signal Semiconductors   |
| 206 | Flooring Manufacturing                             | 498 | Sporting Goods Stores                              |
| 207 | Food Delivery Services                             | 499 | Structural Support Component Manufacturing         |
| 208 | Fuel Cell Equipment and Technology Providers       | 500 | Student and Specialty Housing Equity REITs         |
| 209 | Full Service Hotels and Resorts                    | 501 | Supply Chain ERP Software                          |
| 210 | Funeral and Cemetery Services                      | 502 | Team, Individual and Other Sports Manufacturing    |
| 211 | Garbage Services                                   | 503 | Telecommunications Construction                    |
| 212 | General Analog and Mixed Signal Semiconductors     | 504 | Telecommunications Customer Relationship Software  |
| 213 | General and Acute Hospitals                        | 505 | Telemedicine                                       |
| 214 | General Architectural Component Manufacturing      | 506 | Test and Measurement Communications Equipment      |
| 215 | General Building Materials Distribution            | 507 | Toll Road Operators                                |
| 216 | General Carrier Edge (Access) Equipment            | 508 | Tools and Outdoor Care Building Hand Tool Products |
| 217 | General Coatings and Paints Makers                 | 509 | Tour Operators                                     |
| 218 | General Communications Equipment                   | 510 | Trade Execution Services                           |
| 219 | General Construction Materials Manufacturing       | 511 | Trading Software                                   |
| 220 | General Customer Premises Equipment (CPE)          | 512 | Traditional Energy Infrastructure Construction     |
| 221 | General Death Care Services                        | 513 | Transportation Construction                        |
| 222 | General Delivery and Logistics Providers           | 514 | Travel Agencies                                    |
| 223 | General Enterprise Management Software             | 515 | Travel Publishers                                  |
| 224 | General Entertainment Content Providers and Sites  | 516 | Truck, Trailer and Recreational Vehicle Rental     |
| 225 | General Factory Automation Makers                  | 517 | Type 1 Diabetes Biopharmaceuticals                 |
| 226 | General Information Technology (IT) Consulting     | 518 | United States Biomass Wholesale Power              |
| 227 | General Infrastructure and Network Consulting      | 519 | United States Class I Railroad Transportation      |
| 228 | General Security Services                          | 520 | United States Geothermal Wholesale Power           |
| 229 | General United States Telecommunications Services  | 521 | United States Hydroelectric Wholesale Power        |
| 230 | General Waste Collection                           | 522 | United States Industrial Decentralized Power       |
| 231 | Geothermal Energy Equipment Manufacturing          | 523 | United States Midwest Electric Utilities           |
| 232 | Global Energy Utilities                            | 524 | United States Midwest Natural Gas Utilities        |
| 233 | Grocery Delivery Services                          | 525 | United States Mixed Alternative Wholesale Power    |
| 234 | Handheld and Smart Phone Games Software            | 526 | United States Natural Gas Utilities                |
| 235 | Hardware, Plumbing and HVAC Supplies               | 527 | United States Northeast Electric Utilities         |
| 236 | Hazardous Materials Disposal                       | 528 | United States Northeast Natural Gas Utilities      |
| 237 | Hazardous/Industrial Waste Disposal                | 529 | United States Residential Decentralized Power      |
| 238 | Healthcare and Life Sciences Equity REITs          | 530 | United States Satellite Services                   |
| 239 | Healthcare Consulting                              | 531 | United States Short-Line Railroad Transportation   |
| 240 | Healthcare General Support Services                | 532 | United States Solar Wholesale Power                |
| 241 | Healthcare Management Software                     | 533 | United States South Atlantic Electric Utilities    |
| 242 | Healthcare Operations Support Software             | 534 | United States South Electric Utilities             |
| 243 | Heating, Ventilation and Air Conditioning Products | 535 | United States South Natural Gas Utilities          |
| 244 | Hematological Oncology Biopharmaceuticals          | 536 | United States Transmission, Dist., and Storage     |
| 245 | Home Builders                                      | 537 | United States Video and Television Services        |
| 246 | Home Builders and Manufactured Buildings           | 538 | United States Water Utilities                      |
| 247 | Home Healthcare                                    | 539 | United States West Electric Utilities              |
| 248 | Home Testing Clinical Diagnostics Devices          | 540 | United States West Natural Gas Utilities           |
| 249 | Household Robot Makers                             | 541 | United States Wind Wholesale Power                 |
| 250 | Hydroelectric Power Generation Equipment Providers | 542 | United States Wireless Business Data Services      |
| 251 | Hydrogen Fuel Manufacturing                        | 543 | United States Wireline Business Data Services      |
| 252 | IC-Level Electronic Design Software                | 544 | United States Wireline Data Services               |
| 253 | IC-Level Intellectual Property Software Libraries  | 545 | Urology Biopharmaceuticals                         |
| 254 | Image Sensor and Image Capture Semiconductors      | 546 | Urology Devices                                    |

## 52. iSTOXX MEGATRENDS SELECT INDICES

|     |                                                       |     |                                                  |
|-----|-------------------------------------------------------|-----|--------------------------------------------------|
| 255 | Industrial and Engineering Hand Tool Manufacturing    | 547 | US and Canada CNG and LNG Distributors           |
| 256 | Industrial and Warehouse Equity REITs                 | 548 | US and Canada Crude Oil Liquid Pipeline/Storage  |
| 257 | Industrial Equipment Leasing Services                 | 549 | US and Canada Natural Gas Pipeline and Storage   |
| 258 | Industrial Robots and Robotic Assembly Line Makers    | 550 | US and Canada Petroleum Storage and Transport    |
| 259 | Information Storage Systems                           | 551 | US and Canada Propane and LPG Mktg. and Dist.    |
| 260 | Institutional Brokerage Services                      | 552 | US Fossil Fuel Wholesale Power                   |
| 261 | Institutional Financial and Research Content Sites    | 553 | US Mixed Traditional Fuel Wholesale Power        |
| 262 | Insulation Manufacturing                              | 554 | US Mixed Wholesale Power                         |
| 263 | Insurance Software                                    | 555 | US Natural Gas Pipeline and Storage              |
| 264 | Integrated Steel Mills Mixed Production Makers        | 556 | US Natural Gas Wholesale Power                   |
| 265 | Interior and Exterior Covering Materials Distribution | 557 | US Voice Over IP Telephony (VoIP) Services       |
| 266 | International Electricity Generator Utilities         | 558 | US West South Central Electric Utilities         |
| 267 | International Fixed Satellite Services                | 559 | Utility Infrastructure Construction              |
| 268 | International Mobile Satellite Services               | 560 | Utility Meter Manufacturing                      |
| 269 | International Natural Gas Pipeline and Storage        | 561 | Vacation Ownership Operators                     |
| 270 | International Natural Gas Utilities                   | 562 | Vehicle Autonomous Control Electronics Makers    |
| 271 | Internet Accessories Retail                           | 563 | Vehicle Autonomous Control Software              |
| 272 | Internet Apparel Retail                               | 564 | Virtual Reality Design and Engineering Software  |
| 273 | Internet Department Stores                            | 565 | Virtual Reality Equipment                        |
| 274 | Internet Discount Stores                              | 566 | Volatile Memory Semiconductors                   |
| 275 | Internet Electronics Retail                           | 567 | Waste-to-Energy Services                         |
| 276 | Internet Entertainment Retail                         | 568 | Wastewater Residual Management                   |
| 277 | Internet Footwear Retail                              | 569 | Wastewater Treatment Services                    |
| 278 | Internet Off-Price Retail                             | 570 | Water Transportation (Ferry Service)             |
| 279 | Internet Pharmacies and Drug Retail                   | 571 | Wave Energy Equipment Manufacturing              |
| 280 | Internet Warehouse / Superstore Retail                | 572 | Wearable Technology                              |
| 281 | Investment Management/Brokerage Software              | 573 | Web Search Sites and Software                    |
| 282 | Issuance and Securitization Services                  | 574 | Western Europe Mixed Telecommunications Services |
| 283 | Joint Replacement and Reconstruction Devices          | 575 | Western Europe Video and Television Services     |
| 284 | Land Equity REITs                                     | 576 | Western Europe Wireless Telecom Services         |
| 285 | Landfill Services                                     | 577 | Western Europe Wireline Telecom Services         |
| 286 | Lasers and Optical Instrument Manufacturing           | 578 | Wind Energy Equipment Manufacturing              |
| 287 | Latin America Alternative Wholesale Power             | 579 | Windows and Doors Manufacturing                  |
| 288 | Latin America Biomass Wholesale Power                 | 580 | Winter Sports                                    |
| 289 | Latin America CNG and LNG Distributors                | 581 | Wireless and Wi-Fi Equipment                     |
| 290 | Latin America Crude Oil Liquid Pipeline/Storage       | 582 | Wireless Infrastructure Services                 |
| 291 | Latin America Electric Power Utilities                | 583 | Wireline Equipment                               |
| 292 | Latin America Fossil Fuel Wholesale Power             | 584 | Wireline Infrastructure Services                 |

**Composition list:** The final composition list with the 30 securities is derived by following the steps below in the order they are listed.

- 1) All stocks from the selection list (Y) are first sorted in ascending order in terms of their volatility (maximum between the 3-month and 12-month historical volatility in EUR) and the top 60 lowest volatility stocks are selected for the next step of the selection process. In case two companies for a given cutoff date have the same volatility, priority is given to the one with the highest dividend yield (historical gross dividend yield).
- 2) Subsequently, the remaining companies, are sorted in descending order in terms of their dividend yield, and if any companies with zero dividend yield are remaining at this step, they are excluded. The 30 stocks with the highest dividend yield are selected in the index, in such a way that the following conditions are met:

**a. Country**

## 52. iSTOXX MEGATRENDS SELECT INDICES

For each country  $i$ , a maximum number of components  $K$  is calculated as follows and rounded to the nearest integer, such that diversification is ensured and the country profile of the EURO iSTOXX Megatrends Select 30 Index does not deviate much from the corresponding weights of the EURO STOXX 50 Index.

$$K_i = (SX5E_i + 10\%) * N$$

where:

- $K_i$  maximum number of components from country  $i$ , allowed for inclusion in the EURO iSTOXX Megatrends Select 30 Index
- $SX5E_i$  weight of the components coming from country  $i$ , in the EURO STOXX 50, as of the cutoff date
- $N$  number of constituents in the EURO iSTOXX Megatrends Select 30 Index (30)

### b. Industry

For each industry  $j$  of the 11 ICB Industries, a maximum number of components is calculated as follows and rounded to the nearest integer:

$$L_j = (SX5E_j + 10\%) * N$$

where:

- $L_j$  maximum number of components from industry  $j$ , allowed for inclusion in the EURO iSTOXX Megatrends Select 30 Index
- $SX5E_j$  weight of the components coming from country  $j$ , in the EURO STOXX 50 Index, as of the cutoff date
- $N$  number of constituents in the EURO iSTOXX Megatrends Select 30 Index (30)

If the composition list cannot be completed with 30 stocks under the above constraints, then the securities with the highest dividend yield that did not pass the diversification assessment, are admitted in the index composition until this is complete with 30 securities.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the RBICS revenue exposure data is the last dissemination day of November for the quarterly reviews performed in December and March, and similarly, the last dissemination day of May for the reviews performed in June and September. The review cut-off date for all other underlying data is the last dissemination day of the month prior to the review month.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

- $w_i$  target weight of component  $i$
- $\sigma_i$  maximum between the 3-month and 12-month historical volatility of component  $i$ , as of review cut-off date, based on prices in EUR
- $N$  number of constituents in the index

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

## 52. iSTOXX MEGATRENDS SELECT INDICES

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Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 52.2.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

# 53.iSTOXX GLOBAL 5G & NEXGEN TELECOMMUNICATION COMPONENTS INDEX

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## 53.1. iSTOXX GLOBAL 5G & NEXGEN TELECOMMUNICATION COMPONENTS INDEX

### 53.1.1. OVERVIEW

The iSTOXX Global 5G & NexGen Telecommunication Components Index is comprised of companies that stand to benefit from the continuous technological advancement in the telecommunications industry. The index focuses specifically on companies providing the network equipment, infrastructure and semiconductors required for the rollout of telecommunications services.

The index selects profitable companies that derive significant revenues from 32 sectors associated with the innovative communications technology theme, based on FactSet Revere (RBICS) data. Companies with the lowest investments in research and development are excluded, as are those that fail to meet thresholds of size and liquidity. Final selection into the index is determined by company size.

The investment universe consists of all stocks in France, Germany, Japan, Netherlands, South Korea, United Kingdom, United States, Hong Kong and Taiwan. Also included are China A shares listed in Shanghai/Shenzhen that are participants of the Stock Connect Program, as well as Chinese ADRs and so-called P Chips, Red Chips and H-Shares. The index is free-float market-capitalization-weighted with weight caps, and has a maximum constituency number of 100.

**Universe:** The index universe is defined by all stocks included in the indices below, as observed on the review effective date:

- STOXX China A Total Market: *only shares available to foreign investors through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect*
- STOXX China ADR Total Market
- STOXX China H Total Market
- STOXX China P Chips Total Market
- STOXX China Red Chips Total Market
- STOXX France Total Market
- STOXX Germany Total Market
- STOXX Hong Kong Total Market
- STOXX Japan Total Market
- STOXX Netherlands Total Market
- STOXX South Korea Total Market
- STOXX Taiwan Total Market
- STOXX UK Total Market
- STOXX USA Total Market

**Secondary lines eligibility:** All the share lines of a company are eligible for the selection.

## 53. iSTOXX GLOBAL 5G & NEXGEN TELECOMMUNICATION COMPONENTS INDEX

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**Weighting scheme:** The indices are weighted according to free-float market capitalization, with a cap of 6% at security level. Furthermore, the sum of the weights of all components of the index that are originally coming from the STOXX China A Total Market Index, is capped at 10%.

**Base values and dates:** 100 on Sep 18, 2015

**Index types and currencies:** Price, net and gross return in EUR and USD

**Dissemination calendar:** STOXX America calendar

### 53.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the index universe are screened for all of the following criteria (applied in the order in which they are listed):

**Minimum liquidity:** free-float market capitalization and 3-month average daily trading value (ADTV) equal to or greater than 500,000,000 USD and 2,000,000 USD respectively. In the case of current components, the above thresholds are lowered to 375,000,000 USD and 1,500,000 USD instead.

**Revenues:** more than 30% revenues generated within the aggregate of the RBICS sectors associated to the NexGen Innovative Technology (see table below).

**Profitability:** strictly positive Return on Equity (ROE) and Earnings per Share (EPS) in the last 12 months.

**Innovation:** All remaining companies (Y), are sorted in descending order by their last 12 months' Research & Development (R&D) Expense-to-Sales ratio, and the top Z companies with the highest R&D-to-Sales ratio, rounded down to the previous integer, are selected for the next step of the selection process, such that:  $Z = \text{round down to previous integer}(Y * 80\%)$ .

If data for any of the indicators above is missing, a value of 0 is used instead.

All remaining companies constitute the selection list., with a minimum number of 50 securities targeted. If the screening process described above results in being too restrictive, the process is repeated with relaxed liquidity (step 1) and innovation (step 4) filters, such that:

- the minimum liquidity filters for all companies (including current index components) are relaxed to 300,000,000 USD free-float market capitalization and 1,000,000 USD 3-month ADTV respectively.
- all companies remaining after step 3 with a strictly positive R&D-to-Sales ratio, will constitute the selection list

**List of RBICS sectors associated with the 5G & NexGen Telecommunication Components for the purposes of constituent selection:**

| Nr | NexGen Innovative Technology              |
|----|-------------------------------------------|
| 1  | Cable Interconnect Components             |
| 2  | Cellular Site Equipment                   |
| 3  | Electronic Materials Manufacturing        |
| 4  | Flexible Circuit Manufacturing            |
| 5  | General Carrier Edge (Access) Equipment   |
| 6  | General Metal Parts and Components Makers |

## 53. iSTOXX GLOBAL 5G & NEXGEN TELECOMMUNICATION COMPONENTS INDEX

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- 7 Lasers and Optical Instrument Manufacturing
- 8 Magnetic Passive Electronic Components
- 9 Multimedia Semiconductors
- 10 Multi-Process Assembly Services
- 11 Optoelectronics Electronic Components
- 12 Other Communications Semiconductors
- 13 Other Front End Processing Equipment Makers
- 14 Other Interconnect Components
- 15 Other Interconnect Fabrication Services
- 16 Other Passive Capacitor Electronic Components
- 17 Other Passive Electronic Components
- 18 Other Power Analog and Mixed Signal Semiconductors
- 19 Other Specialized Semiconductors
- 20 Other Test and Measurement Equipment
- 21 Photolithography Equipment Manufacturing
- 22 Printed Circuit Board/Wiring Board Manufacturing
- 23 Programmable Logic Device Semiconductors
- 24 Security and Identification Semiconductors
- 25 Semiconductor Assembly and Packaging Services
- 26 Semiconductor Foundry Services
- 27 Semiconductor Packaging and Testing Services
- 28 Semiconductor Testing Services
- 29 Semiconductors Distributors
- 30 Test and Measurement Communications Equipment
- 31 Turnkey Assembly Manufacturing Services
- 32 Wireless and Wi-Fi Equipment
- 33 Wireline Equipment

**Composition list:** All companies in the selection are sorted in descending order by their free-float market capitalization, and the 100 highest ranking companies are selected for inclusion in the index. China A securities are monitored against their equivalent Stock Connect Securities. China Connect Securities are screened on a daily basis between the cut-off date and the review effective date.

- » If STOXX is informed 3 days before the review effective date about a China Connect Security ineligibility (not eligible to “both buy and sell”) effective after the review effective date, the equivalent China A share will not be included in the index at the review effective date.
- » If STOXX is informed 2 days or 1 day before the review effective date about a China Connect Security ineligibility (not eligible to “both buy and sell”) effective after the review effective date, the equivalent China A share will be deleted in line with Section 8.6.4. Delisting of the STOXX Calculation Guide.

**Review frequency:** The index is reviewed annually in September. The review cut-off date for the observation of the parent index, liquidity, profitability, R&D and revenues is the last index dissemination day in August. The review effective date is first dissemination date following the third Friday of September. No further capping applies between reviews. Number of shares and Free Float are reviewed quarterly.

## 53. iSTOXX GLOBAL 5G & NEXGEN TELECOMMUNICATION COMPONENTS INDEX

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**Weighting cap factors:** Components are capped at a maximum weight subject to the capped weights calculations below. Cap factors are calculated annually in September. They are published on the second Friday of September, based on the stocks' closing prices of the preceding Thursday.

Target weight calculation: The target weight is defined according to the free-float market capitalization:

$$w_i = \frac{\text{ffmcap}_i}{\sum_{j \text{ in comp list}}^m \text{ffmcap}_j}$$

where:

- $\text{ffmcap}_i$  the free-float market capitalization of company i, using close price in USD on the Thursday preceding the second Friday of the review month
- $m$  the number of components in the iSTOXX Global 5G & NexGen Telecommunication Components index

Capped weight calculations: The capped weights  $cw_i$  are derived from the target weights via an iterative process that minimizes the relative squared difference between the target weights and the capped weights while maintaining the following conditions:

- » single stock cap for company i of 6%, and
- » a "China A Stock Connect" grouping cap of 10%: the sum of the weights of all components of the index that are originally coming from the STOXX China A Total Market Index, is capped at 10%.

To that end, any excess weight is redistributed from a company to the rest of the components of the index that are not already subject to capping under the above rules, proportionally to their weight in the index.

### 53.1.3. ONGOING MAINTENANCE

**Replacements:** Stocks deleted from the indices constituting the parent universe are not replaced.

**Fast exit:** The China A securities are monitored against their equivalent Stock Connect Securities. China Connect Securities are monitored on a daily basis. If there is an announcement that a China Connect Security is ineligible (not eligible to "both buy and sell") in the future, then the equivalent China A share index component is removed from the index with a two-day notice as outlined in chapter 8.6.4. of the STOXX Calculation guide.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently



# 54.iSTOXX GLOBAL PROFITABILITY SELECT 30 INDEX

## 54.1. iSTOXX GLOBAL PROFITABILITY SELECT 30 INDEX

### 54.1.1. OVERVIEW

The iSTOXX Global Profitability Select 30 Index is comprised of 30 profitable, liquid stocks with low volatility and high dividend yields. The components are weighted by the inverse of the volatility.

**Universe:** The index universe is defined as all stocks from the STOXX Global 1800 index

**Weighting scheme:** The index is price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 54.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the following indicators:

- i. 12-month historical gross dividend dividend yield<sup>78</sup>
- ii. 3-month and 12-month historical volatility in EUR
- iii. 3-month Average Daily Traded Volume (ADTV) in EUR

If any of the fields ii) and iii) above have missing information for a stock, then that company is excluded from the selection process.

If information for a company on field i) is missing, then the missing value is substituted by 0.

- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 8 million EUR
- **Multiple share lines:** in case a company is present with multiple listings in the eligible universe, only the most liquid share line is retained

Effective up until September 2020 review, all securities that remain after the application of the exclusion filters above, are allocated to one of the eleven industry groupings according to their ICB code, as follows:

| Grouping        | ICB codes     |
|-----------------|---------------|
| Oil & Gas       | Industry 1    |
| Basic Materials | Industry 1000 |
| Industrials     | Industry 2000 |
| Consumer Goods  | Industry 3000 |

<sup>78</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

## 54. iSTOXX GLOBAL PROFITABILITY SELECT 30 INDEX

|                    |                                  |
|--------------------|----------------------------------|
| Health Care        | Industry 4000                    |
| Consumer Services  | Industry 5000                    |
| Telecommunications | Industry 6000                    |
| Utilities          | Industry 7000                    |
| Financials         | Supersectors 8300, 8500 and 8700 |
| Real Estate        | Supersector 8600                 |
| Technology         | Industry 9000                    |

Effective with September 2020 review, all securities that remain after the application of the exclusion filters above, are allocated to one of the eleven industry groupings according to their ICB code, as follows:

| Grouping               | ICB codes   |
|------------------------|-------------|
| Energy                 | Industry 60 |
| Basic Materials        | Industry 55 |
| Industrials            | Industry 50 |
| Consumer Staples       | Industry 45 |
| Healthcare             | Industry 20 |
| Consumer Discretionary | Industry 40 |
| Telecommunications     | Industry 15 |
| Utilities              | Industry 65 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Technology             | Industry 10 |

For each security, the following 4 profitability metrics are calculated:

- i. Return on Assets:

$$RoA_{i,t_0} = \frac{\text{Net Income before Extraordinary Items}_{i,t_0}}{\text{Total Assets}_{i,t_0}}$$

- ii. Cash-flows from Operations to Total Assets ratio:

$$CFOTA_{i,t_0} = \frac{\text{Cash flows from Operations}_{i,t_0}}{\text{Total Assets}_{i,t_0}}$$

- iii. One-year change in Return on Assets:

$$1Y\Delta RoA_{i,t_0} = RoA_{i,t_0} - RoA_{i,t_0-12m}$$

- iv. Negative Accruals:

$$NegAcc_{i,t_0} = CFOTA_{i,t_0} - RoA_{i,t_0}$$

where,

$t_0$  cut-off date

For each security, each metric is converted into a z-score by subtracting the mean of the metric in the industry each security is allocated to and dividing by the standard deviation of the metric in the industry each security is allocated to. If information for a security is missing and a z-score for a profitability metric cannot be calculated, then a z-score of 0 is assigned to this metric. Finally, the 4-profitability z-scores are summed up and a total score is calculated for each security.

## 54. iSTOXX GLOBAL PROFITABILITY SELECT 30 INDEX

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All securities are sorted by their total score in descending order in the industry they belong to. The top 50% (highest total score) of the securities, rounded down to the previous integer, in each industry, are included to the next step of the selection process.

The included stocks are sorted in ascending order in terms of volatility (as defined above). The top 50% (lowest volatility) of these securities, rounded down to the previous integer, are selected and constitute the selection list.

**Composition list:** Stocks in the selection list are ranked in descending order in terms of 12-month historical dividend yield and the top 30 (highest dividend yield) stocks are selected in the index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last dissemination day of February, May, August and November respectively.

**Weighting cap factors:** Target weights are calculated based on the historical volatility of the selected components:

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^{30} \frac{1}{\sigma_j}}$$

where,

|            |                                                                                                                                 |
|------------|---------------------------------------------------------------------------------------------------------------------------------|
| $w_i$      | target weight of component i                                                                                                    |
| $\sigma_i$ | maximum between the 3-month and 12-month historical volatility of component i as of review cut-off date, based on prices in EUR |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(100,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 54.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com)

# 55.iSTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE HIGH DIVIDEND 30 INDEX

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## 55.1. iSTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE HIGH DIVIDEND 30 INDEX

### 55.1.1. OVERVIEW

The iSTOXX AI Global Artificial Intelligence High Dividend 30 Index allows a targeted investment in companies from a wide range of industries that invest heavily in the development of new AI technologies. These companies are well positioned to benefit from the growing trend towards automation. The index is comprised of 30 liquid stocks with high dividend yield, weighted by the inverse of their volatility.

Sustainability criteria are incorporated in the selection process and only securities ranking in terms of ESG score in the top half of the investable universe are considered eligible for selection. Moreover, companies that are non-compliant with the Global Standards Screening (GSS) or are involved in Controversial Weapon activities, as identified by Sustainalytics, are excluded. Additionally, companies involved in Weapons (Small Arms and Military Contracting), Gambling, Adult Entertainment, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, Nuclear Power and Tobacco are also excluded.

**Universe:** The index universe is defined by all the stocks included in the STOXX Developed and Emerging Markets Total Market Index, as observed on the review effective date.

**Weighting scheme:** The index is price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on March 18, 2013

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 55.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for ESG risk rating scores, as calculated by Sustainalytics' transparent ESG risk rating model. If for a company this information is not available, an ESG risk rating score of 100 is assigned to the security instead. The companies in the parent index are then ranked in ascending order in terms of their ESG risk rating scores, and the 50% companies with the highest ESG risk rating scores, rounded to the next integer, are excluded from the selection process. In case two companies for a given cut-off date have the same ESG risk rating score, priority is given to the one with the highest free-float market capitalization.

The remaining companies are then screened for the following indicators:

# 55. iSTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE HIGH DIVIDEND 30 INDEX

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- i. 12-month historical gross dividend yield<sup>79</sup>
- ii. 3-month and 12-month historical volatility in EUR
- iii. Product Involvement information in the categories: Weapons (Small Arms and Military Contracting), Adult Entertainment, Gambling, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, Nuclear Power and Tobacco

If any of the fields ii) and iii) above have missing information for a stock, then that company is excluded from the selection process.

If information for a company on field i) is missing, then the missing value is substituted by 0.

The screening filters below are then applied on the remaining securities:

- **Global Standards Screening:** STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment.

Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

- **Controversial Weapons:** STOXX will exclude companies that Sustainalytics identifies to be involved with controversial weapons

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale of controversial weapons
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

- **Product Involvement:** STOXX will exclude companies that Sustainalytics identifies to have

## Weapons:

### i) Small Arms:

- » >10% revenues from manufacturing and selling assault weapons to civilian customers
- » >10% revenues from manufacturing and selling small arms to military / law enforcement customers
- » >10% revenues from manufacturing and selling key components of small arms
- » >10% revenues from retail and/or distribution of assault weapons
- » >10% revenues from retail and/or distribution of small arms (non-assault weapons)
- » >10% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers

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<sup>79</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](https://www.stoxx.com).

# 55. iSTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE HIGH DIVIDEND 30 INDEX

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**ii) Military Contracting:**

- »>10% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons
- »>10% revenues from tailor made products and/or services that support military weapons
- »>10% revenues from non-weapons related tailor-made products and/or services to the military or defence industry

**Adult Entertainment:**

- »>25% revenues from the production of adult entertainment and/or owns/operates adult entertainment establishments
- »>25% revenues from the distribution of adult entertainment materials

**Gambling:**

- »>25% revenues from owning and/or operating a gambling establishment
- »>25% revenues from manufacturing specialized equipment used exclusively for gambling
- »>25% revenues from providing supporting products/services to gambling operations

**Tobacco:**

- »>0% revenues from manufacturing tobacco products
- »>0% revenues from supplying tobacco-related products/services
- »>0% revenues from the distribution and/or retail sale of tobacco products.

**Thermal Coal:**

- »>0% revenues from thermal coal extraction (including thermal coal mining and exploration)
- »>0% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

**Conventional Oil & Gas:**

- »>0% revenues from oil and gas exploration, production, refining, transportation and/or storage
- This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).
- »>0% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)
  - »>25% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

**Unconventional Oil & Gas****i) Arctic Oil and Gas Exploration:**

- »>0% revenues Oil & Gas exploration & extraction in Arctic regions

**ii) Oil Sands:**

- »>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

**iii) Shale Energy:**

- »>0% revenues from shale energy exploration and/or production

# 55. iSTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE HIGH DIVIDEND 30 INDEX

## Nuclear Power:

»>25% revenues from nuclear power production:

Utilities that own/operate nuclear power generators

Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power

»>25% revenues from nuclear power supporting products / services, including:

Design and construction of nuclear power plants

Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls

Special services, such as the transport of nuclear power materials, and nuclear plant maintenance;

Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate

»>25% revenues from nuclear power distribution, including:

The resale or distribution of electricity generated from nuclear power;

This applies to distributors, resellers and utilities that distribute nuclear power as a part of their energy mix

Note: In this category Sustainalytics tracks the percentage of a company's energy mix that is generated from nuclear power

- **Minimum liquidity:** 3-month average daily trading value (ADTV) greater than or equal to 1 million EUR.
- **Exposure in Artificial Intelligence:** for a security to be eligible for selection, it must derive at least 10% of revenues generated within the aggregate of the FactSet RBICS sectors associated with AI.

The AI associated FactSet RBICS sectors are:

| Nr | RBICS SECTOR                                  |
|----|-----------------------------------------------|
| 1  | Artificial Intelligence Productivity Software |
| 2  | Automotive Industry Software                  |
| 3  | Autonomous Drone Manufacturers                |
| 4  | Business Intelligence Software                |
| 5  | Colocation and Data Center Services           |
| 6  | Communication and Collaboration Content Sites |
| 7  | Data Storage Drives and Peripherals           |
| 8  | Data Storage Media                            |
| 9  | Data Transport Carrier Services               |
| 10 | Disk Storage Systems                          |
| 11 | Enterprise Blockchain Technology              |
| 12 | Enterprise Middleware Software                |
| 13 | E-Signature Software                          |
| 14 | Flash Memory Semiconductors                   |
| 15 | General and Mixed-Type Software               |
| 16 | General Communications Equipment              |
| 17 | Imaging Laboratories                          |
| 18 | International Mobile Satellite Services       |
| 19 | Manufacturing Industry Software               |
| 20 | Microprocessor (MPU) Semiconductors           |

| Nr | RBICS SECTOR                                      |
|----|---------------------------------------------------|
| 21 | Mixed Large-Scale Processing Computer Systems     |
| 22 | Monitoring and Control Sensor/Instrument Products |
| 23 | Networking Semiconductors                         |
| 24 | Other Automation Support Product Manufacturing    |
| 25 | Other Memory Semiconductors                       |
| 26 | Other Processor Semiconductors                    |
| 27 | Other Programmable Logic and ASIC Semiconductors  |
| 28 | Programmable Logic Device Semiconductors          |
| 29 | Quantum Computing Systems                         |
| 30 | Quantum Processor Semiconductors                  |
| 31 | Server Computer Systems                           |
| 32 | Surgical Robotic Systems                          |
| 33 | Vehicle Autonomous Control Electronics Makers     |
| 34 | Vehicle Autonomous Control Software               |
| 35 | Video Multimedia Semiconductors                   |
| 36 | Volatile Memory Semiconductors                    |
| 37 | Web Search Sites and Software                     |
| 38 | Wireless and Wi-Fi Equipment                      |
| 39 | Wireless Infrastructure Services                  |

# 55. iSTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE HIGH DIVIDEND 30 INDEX

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**Composition list:** Stocks in the selection list are ranked in descending order in terms of their dividend yield and the top 30 (highest dividend yield) stocks are selected in the index. In case of identical dividend yields, the stock with the lowest volatility is given preference.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for all other underlying data is the last dissemination day of the month prior to the review month.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where,

|            |                                                                                                                                 |
|------------|---------------------------------------------------------------------------------------------------------------------------------|
| $w_i$      | target weight of component i                                                                                                    |
| $\sigma_i$ | maximum between the 3-month and 12-month historical volatility of component i as of review cut-off date, based on prices in EUR |
| N          | number of constituents in the index                                                                                             |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

## 55.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)



# 56.iSTOXX CORE EURO & GLOBAL WATER INDEX

## 56.1. iSTOXX CORE EURO & GLOBAL WATER INDEX

### 56.1.1. OVERVIEW

The iSTOXX Core Euro & Global Water Index combines 40 large and liquid companies from the EURO STOXX Index (the core) with 10 companies selected from the STOXX Developed Markets Total Market Index which are very liquid and have revenue exposure to water related products (the satellite).

Companies that Sustainalytics considers to be non-compliant based on the Sustainalytics Global Standards Screening assessment or to be involved with controversial weapons are excluded. Additionally, companies that generate above 10% of their revenues from conventional Oil & Gas or are involved in thermal coal extraction or in unconventional Oil & Gas are excluded.

#### Universe:

- Core: EURO STOXX
- Satellite: STOXX Developed Markets Total Market

**Weighting scheme:** The index is price-weighted with a weighting cap factor to achieve equal weighting.

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 56.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in both universes are screened for the following indicators:

- 3-month Average Daily Traded Volume (ADTV) in EUR
- Product Involvement information in the categories: Unconventional Oil & Gas (Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal.

If any of the fields above have missing information for a stock, then that company is excluded from the selection process.

The Selection lists consists of all remaining stocks that fulfil all the conditions below:

- **Global Standards Screening:** STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

## 56. iSTOXX CORE EURO & GLOBAL WATER INDEX

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- **Controversial Weapons:** STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale of controversial weapons
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

- **Product Involvement:** Not have any Product Involvement in the following areas:

### 1) Thermal coal:

STOXX will exclude companies that Sustainalytics identifies to have:

- » >0% revenues from thermal coal extraction (including thermal coal mining and exploration)

### 2) Conventional Oil & Gas:

STOXX will exclude companies that Sustainalytics identifies to have:

- » >10% revenues from oil and gas exploration, production, refining, transportation and/or storage. This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).

### 3) Unconventional Oil & Gas

#### Oil Sands:

STOXX will exclude companies that Sustainalytics identifies to have:

- » >0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

#### Shale Energy:

STOXX will exclude companies that Sustainalytics identifies to have:

- » >0% revenues from shale energy exploration and/or production

- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 10 million EUR

### Composition list:

Core: the largest 40 companies in terms of free-float market capitalization of the selection list are selected from the core composition list.

Satellite: The Satellite composition list with 10 securities is derived by following the steps below:

- 1) For each security in the satellite selection list, the revenue coming from water related products is calculated as follows:

$$\text{water rev}(i) = \text{water\_cwwi}(i) + \text{water\_cwws}(i) + \text{water\_cws}(i) + \text{water\_cwss}(i) + \text{water\_rwwi}(i) + \text{water\_rws}(i) + \text{water\_tw}(i) + \text{water\_wa}(i) + \text{water\_wla}(i)$$

## 56. iSTOXX CORE EURO & GLOBAL WATER INDEX

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where:

- water\_cwwi: revenue coming from Construction Wastewater Infrastructure
- water\_cwws: revenue coming from Construction Wastewater Services
- water\_cwsi: revenue coming from Construction Water Supply Infrastructure
- water\_cwss: revenue coming from Construction Water Supply Services
- water\_rwwi: revenue coming from Renewal Wastewater Infrastructure
- water\_rwsi: revenue coming from Renewal Water Supply Infrastructure
- water\_tw: revenue coming from Technologies Water
- water\_wa: revenue coming from Water Adaptation
- water\_wla: revenue coming from Wetlands Adaptation

- 2) All securities from the selection list are ranked in descending order of their free-float market capitalization, and the top 10 stocks having water\_rev\_i greater or equal than 25% are selected.

If 10 companies are not found, Step 2) is repeated with a threshold lowered by 5% and the largest companies are added to the previous step until 10 companies are found or the threshold reach 5%. If still no enough companies are found, the composition list is completed with largest securities from the core selection list that are not already selected in the core composition list.

The final composition list is derived by merging the core composition list and the satellite composition list.

**Weighting and capping factors:** The constituents are equal weighted

$$w_i = \frac{1}{N}$$

Where:

$w_i$  target weight of component i

N Number of components in the index (50)

Weighting cap factors are based on the closing prices in EUR (pi) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(100,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

### 56.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

## 56. iSTOXX CORE EURO & GLOBAL WATER INDEX

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**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 57.EURO iSTOXX WOMEN IN MANAGEMENT HIGH DIVIDEND 30 INDEX

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## 57.1. EURO iSTOXX WOMEN IN MANAGEMENT HIGH DIVIDEND 30 INDEX

### 57.1.1. OVERVIEW

The EURO iSTOXX Women in Management High Dividend 30 Index tracks the performance of 30 liquid high dividend-paying stocks. The components are selected from a pool of companies with high percentage of women executives among their ranks. Industry and country neutrality filters are applied in the selection process to ensure diversification. Companies that are non-compliant with the Global Standards Screening (GSS) or are involved in Controversial Weapons activities, as identified by Sustainalytics, are excluded.

**Universe:** The index universe is defined by all the stocks included in the EURO STOXX Index, as observed on the review effective date.

**Weighting scheme:** The indices are free-float market capitalization weighted

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 57.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, while the review effective date is the first index dissemination date following the 3<sup>rd</sup> Friday of the review month. Upon the review cut-off date all stocks in the index universe are screened for their percentage of female executive members, and in case this information is missing for any of them, then the missing value is substituted by 0. The securities are sorted in descending order in terms of their percentage of female executive members, and the top 50% companies, rounded down to the previous integer, with the highest percentages in that key performance indicator, are considered eligible for inclusion in the Selection list. In case two companies for a given cut-off date have the same percentage of women executives, priority is given to the one with the highest dividend yield. Following the ranking process, if there are any companies remaining in the top 50% with an indication of 0% female executive members, then these companies are also dropped such that only companies with higher than 0 values are considered.

The filters below are applied in the remaining securities, in the order they are listed:

- **Liquidity screening:** Securities with 3-month Average Daily Traded Volume (ADTV) in EUR below 20 million EUR are excluded
- **Global Standards Screening:** STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment.

Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD)

## 57. EURO ISTOXX WOMEN IN MANAGEMENT HIGH DIVIDEND 30 INDEX

Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

- **Controversial Weapons:** STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale of controversial weapons
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

**Composition list:** All stocks from the selection list are screened for their historical net dividend yield.<sup>80</sup>

If this information is not available for a security, then the missing value is substituted by 0.

The companies are sorted in descending order in terms of their dividend yield and the top 30 (highest dividend yield) stocks are selected in such a way that the following conditions are met:

### a. Industry

Effective up until September 2020 review, 11 industrial groupings are identified based on the ICB Classification system, following the categorization below:

| Grouping           | ICB codes                         |
|--------------------|-----------------------------------|
| Oil & Gas          | Industry 1                        |
| Basic Materials    | Industry 1000                     |
| Industrials        | Industry 2000                     |
| Consumer Goods     | Industry 3000                     |
| Health Care        | Industry 4000                     |
| Consumer Services  | Industry 5000                     |
| Telecommunications | Industry 6000                     |
| Utilities          | Industry 7000                     |
| Financials         | Supersectors 8300, 8500, and 8700 |
| Real Estate        | Supersector 8600                  |
| Technology         | Industry 9000                     |

Effective with September 2020 review, 11 industrial groupings are identified based on the ICB Classification system, following the categorization below:

| Grouping        | ICB codes   |
|-----------------|-------------|
| Energy          | Industry 60 |
| Basic Materials | Industry 55 |
| Industrials     | Industry 50 |

<sup>80</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](https://www.stoxx.com).

## 57. EURO ISTOXX WOMEN IN MANAGEMENT HIGH DIVIDEND 30 INDEX

|                        |             |
|------------------------|-------------|
| Consumer Staples       | Industry 45 |
| Healthcare             | Industry 20 |
| Consumer Discretionary | Industry 40 |
| Telecommunications     | Industry 15 |
| Utilities              | Industry 65 |
| Financials             | Industry 30 |
| Real Estate            | Industry 35 |
| Technology             | Industry 10 |

For each industrial grouping  $i$ , a maximum number of components is calculated as follows, rounded to the nearest integer:

$$K_i = (SX5E_i + 20\%) * N$$

where:

$K_i$  maximum number of components from industry  $i$ , allowed for inclusion in the EURO iSTOXX Women in Management High Dividend 30 Index

$SX5E_i$  weight of the components coming from industry  $i$ , in the EURO STOXX 50 Index, as of the cutoff date

$N$  number of constituents in the EURO iSTOXX Women in Management High Dividend 30 Index

### b. Country

For each country  $j$ , a maximum number of components is calculated as follows, rounded to the nearest integer:

$$L_j = (SX5E_j + 20\%) * N$$

where:

$L_j$  maximum number of components from country  $j$ , allowed for inclusion in the EURO iSTOXX Women in Management High Dividend 30 Index

$SX5E_j$  weight of the components coming from country  $j$ , in the EURO STOXX 50 Index, as of the cutoff date

If the composition list cannot be completed with 30 stocks under the above constraints, the highest dividend yielding stocks that do not comply with the above industry and country constraints are selected to complete the composition list.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

**Weighting and capping factors:** Weights are calculated based on the selected components' free-float market capitalization. Components are capped at a maximum weight of 10%.

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month.

## 57. EURO ISTOXX WOMEN IN MANAGEMENT HIGH DIVIDEND 30 INDEX

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### 57.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)



## 58.EURO iSTOXX AMBITION CLIMAT PAB INDEX

### 58.1. EURO iSTOXX AMBITION CLIMAT PAB INDEX

#### 58.1.1. OVERVIEW

The EURO iSTOXX Ambition Climat PAB Index tracks the performance of liquid securities from the EURO STOXX Total Market Index. The index<sup>81</sup> is constructed to follow the EU Paris-aligned Benchmark (EU PAB) requirements outlined in the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks<sup>82</sup>. The index is designed to help investors shift towards a low-carbon economy and align investments to the Paris Climate Agreement.

Companies identified as non-compliant based on Sustainalytics Global Standards Screening (GSS) assessment, are involved in anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium and white phosphorus weapons or display a Severe (Category 5) Controversy Rating, as identified by Sustainalytics, are not eligible for selection. Tobacco Producers and Distributors, as identified by ISS ESG, are also not eligible. Securities that generate revenues above a certain threshold from coal, oil and gas exploration or processing activities are excluded. Furthermore, securities that derive higher than 10% of their revenues from thermal coal-based power generation, or higher than 50% from power generation with carbon intensity of lifecycle emissions higher than 100gCO<sub>2</sub>e/kWh are not considered for selection. Furthermore, STOXX will exclude companies that ISS ESG assesses to have significant obstruction in the following UN SDGs: SDG 12 Responsible Consumption and Production, SDG 13 Climate Action, SDG 14 Life Below Water and SDG 15 Life On Land.

The weighting process will follow an optimization process to meet the minimum requirements detailed in the Commission Delegated Regulation (EU) 2020/1818. EURO iSTOXX Ambition Climat PAB Index aims to reduce its greenhouse gases (GHG) intensity by at least 50% when compared to the benchmark index. Additionally, it is designed to meet the year on year 7% decarbonization target. Scope 1, Scope 2 and Scope 3 emissions are used in the total emission considerations<sup>83</sup>. All of these emissions, including Scope 3, are used across all sectors from the first date of index construction.

The methodology ensures that the index exposure to 'High Climate Impact sectors', sectors that are key to low-carbon transition, is not underweighted relative to the investment universe. STOXX will classify the eligible securities into two sectoral groups: 'High Climate Impact' and 'Low Climate

<sup>81</sup> [Regulation \(EU\) 2019/2089 amending Regulation \(EU\) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R2089) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R2089>

<sup>82</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R1818>

<sup>83</sup> <https://www.issgovernance.com/esg>

As a first step, ISS ESG collects all publicly available self-reported greenhouse gas emissions data from corporate disclosures such as CDP and CSR reports. Once self-reported emissions data from all available sources is collected, the data is tested for trustworthiness. Estimations are based on ISS ESG's proprietary subsector-specific models across ISS ESG's climate-specific industry classification system. This allows for benchmarking of non-reporting companies against their reporting peers. More details are available here <https://www.issgovernance.com/file/publications/methodology/Carbon-Footprint-Methodology.pdf>

## 58. EURO ISTOXX AMBITION CLIMAT PAB INDEX

Impact'. This is based on the securities' NACE industry classification<sup>84</sup>. The securities in the EURO iSTOXX Ambition Climat PAB Index are weighted such that the total weight of the high climate impact components is at least equal to the total high climate impact weight of the EURO STOXX TMI (EURO STOXX Total Market Index).

ISS ESG tracks companies that have disclosed science-based targets with the Science Based Targets initiative (SBTi)<sup>85</sup>. This comprises a list of securities that are setting greenhouse gas emission reduction targets in line with the goals of the Paris Agreement, i.e. to keep "global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius."<sup>86</sup> STOXX will use this information to identify which of these three groups companies belong to: (a) companies with concrete targets and emission reduction targets verified by SBTi, (b) companies that have committed to the SBTi but do not yet have approved targets, and (c) those that have not yet committed with the SBTi. The EURO iSTOXX Ambition Climat PAB Index overweighs companies with SBTi approved targets, and even more so those with SBTi approved targets and consistent 7% or more reduction in annual GHG intensity. Starting in March 2021, securities that have not committed to the science-based initiatives will be underweighted incrementally and will not be eligible for selection starting in March 2023. Similarly, securities that are committed but do not have SBTi verified targets will be subjected to incremental underweighting. This is with the intention of incentivizing companies to commit and set science-based targets.

Green and brown energy revenue shares will be used in the construction of the index to ensure the total green share / brown revenue share of the EURO iSTOXX Ambition Climat PAB Index is at least four times that of the benchmark's green to brown revenue share. ISS ESG classifies revenues from renewable energy sources such as wind, solar, hydro, biomass and geo-thermal sources, and nuclear power as green revenues. In addition to these, the definition of green revenues extends to revenues that contribute to UN Sustainable Development Goal (SDG) 13, Climate Action<sup>87</sup>. On the other hand, revenues from fossil fuels or revenues that are obstructive to UN Sustainable Development Goal (SDG) 13 are considered as brown revenues.

In addition, the index aims to have its Mean Species Abundance (MSA) over EVIC no greater than that of the benchmark, and its EU Taxonomy reported revenue alignment at least equal to 10%.

ISS ESG's Carbon Risk Rating data assesses companies' capacity to manage future climate change related challenges and opportunities arising from the transition to a low-carbon economy. The risk rating considers companies' risk profiles, industry-specific challenges, companies' positive impact

<sup>84</sup> Stocks in the NACE Section codes: A, B, C, D, E, F, G, H, L are classified as "High Climate Impact" and stocks in the NACE section codes: I, J, K, M, N, O, P, Q, R, S, T, U as "Low Climate Impact". Further information regarding NACE can be found on [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical\\_classification\\_of\\_economic\\_activities\\_in\\_the\\_European\\_Community\\_\(NACE\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical_classification_of_economic_activities_in_the_European_Community_(NACE))

<sup>85</sup> <https://sciencebasedtargets.org/>; the SBTi is a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and one of the We Mean Business Coalition commitments

<sup>86</sup> <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

<sup>87</sup> SDG 13, Take urgent action to combat climate change and its impacts, is one of the UN Sustainable Development Goals (UN SDGs)

## 58. EURO ISTOXX AMBITION CLIMAT PAB INDEX

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and ability to seize opportunities. STOXX uses this forward-looking CO<sub>2</sub> risk analysis to overweight climate leaders while laggards are underweighted.

**Universe:** The index universe is defined by all the stocks included in the EURO STOXX Total Market Index, as observed on the review effective date.

**Weighting scheme:** The index is price-weighted with weighting cap factors determined according to an optimization process to meet the EU PAB recommendations

**Base values and dates:** 100 on Mar 19, 2018

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 58.1.2. INDEX REVIEW

**Selection list:**

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date, a set of exclusionary criteria are applied on the EURO STOXX Total Market Index.

**Global Standards Screening:**

STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

**Controversial Weapons:**

STOXX will exclude the companies that Sustainalytics identifies to be involved in anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium and white phosphorus weapons. The criteria for involvement are:

- » Internal production or sale
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

**Controversy Ratings:**

STOXX will exclude companies that Sustainalytics identifies to have a Controversy Rating of Category 5 (Severe).

Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest Event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.

## 58. EURO ISTOXX AMBITION CLIMAT PAB INDEX

### Tobacco:

STOXX will exclude companies that ISS-ESG identifies to be tobacco producers (0% revenue threshold).

STOXX will exclude companies that ISS-ESG identifies to be tobacco distributors (10% revenue threshold).

The remaining securities in the universe list are screened for the following fundamental values (i and ii) and ISS ESG carbon and climate related indicators (iii to xii):

- i. 3-month Average Daily Traded Volume (ADTV) in EUR
- ii. Enterprise value including cash (EVIC) based on the fiscal year data for the end of the last calendar year
- iii. Emissions data: Scope 1, Scope 2 and Scope 3 emissions.  
The GHG Protocol Corporate Standard classifies companies' greenhouse gas (GHG) emissions as direct and indirect emissions<sup>88</sup>. Direct emissions, also known as Scope 1 emissions, refer to GHG waste produced and consumed by the reporting entity. For instance, on-site generation and use of energy is tracked under Scope 1. In contrast, indirect emissions, comprised of Scope 2 and Scope 3 emissions, occur as a consequence of the reporting company, but are generated by another entity. Scope 2 includes acquired/ purchased energy brought into the company's reporting boundary as a form of: electricity, steam, heating and cooling, and the rest of the indirect emissions form Scope 3 emissions. Any emissions associated with upstream and downstream processes, excluding Scope 2 emissions, are accrued towards Scope 3. Business travel, processing of sold products, transportation and distribution are all examples of Scope 3 emissions<sup>89</sup>.
- iv. Percentage of revenues from coal: this looks at the securities' revenue generated from coal exploration, production (excluding power generation), distribution, and supporting products and services. Power generation revenue share is considered separately and detailed in vi.
- v. Percentage of revenues from fossil fuel exploration, production (excluding power generation), distribution and provision of supporting products and services: this looks at companies' revenue share in fossil fuels, including coal, oil, gas, Arctic drilling, hydraulic fracturing and oil sands. Power generation revenue share is considered separately and detailed in vii.
- vi. Thermal coal-based power generation revenues: this looks at percentage of revenues derived from power generation coming solely from thermal coal.
- vii. Power Generation revenue percentage coming from coal, oil and gas: electricity generation lifecycle assessment shows that GHG emissions coming from coal, oil and natural gas exceed 100 gCO<sub>2</sub>e/kWh; similar assessment on renewable energy and nuclear power sources shows that the lifecycle GHG emissions is well below 100 gCO<sub>2</sub>e/kWh<sup>90</sup>. For this data point, ISS ESG considers coal, oil and gas-based power generation revenues.
- viii. UN SDGs: the ISS ESG SDG Impact Rating identifies companies' positive and negative impact towards the UN Sustainable Development Goals (UN SDGs) across three pillars: Product & Services, Operations and Controversies. STOXX will use the dataset to minimize index exposure to obstructions in the 4 environmental related UN SDGs, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action, SDG 14 Life Below Water and SDG

<sup>88</sup> [https://ghgprotocol.org/sites/default/files/standards/Scope%20%20Guidance\\_Final\\_Sept26.pdf](https://ghgprotocol.org/sites/default/files/standards/Scope%20%20Guidance_Final_Sept26.pdf)

<sup>89</sup> [http://www.ghgprotocol.org/sites/default/files/ghgp/standards/Scope3\\_Calculation\\_Guidance\\_0.pdf](http://www.ghgprotocol.org/sites/default/files/ghgp/standards/Scope3_Calculation_Guidance_0.pdf)

<sup>90</sup> [https://www.ipcc.ch/site/assets/uploads/2018/03/SRREN\\_Full\\_Report-1.pdf](https://www.ipcc.ch/site/assets/uploads/2018/03/SRREN_Full_Report-1.pdf)

## 58. EURO ISTOXX AMBITION CLIMAT PAB INDEX

15 Life On Land, by screening out companies identified to have significant obstruction in these areas.

- ix. Carbon Risk Rating: ISS ESG evaluates companies' capacity to cope with future challenges related to climate change and to seize opportunities arising from a transition to a low-carbon economy. This data will be used to overweigh climate leaders, and climate laggards will be underweighted.
- x. Carbon Budget: ISS ESG Carbon Budget data helps assess companies' alignment with different scenarios. STOXX will use this Carbon Budget data in the EURO iSTOXX Ambition Climat PAB Index to ensure the index is aligned with the IEA Sustainable Development Scenario (SDS) pathway until 2050.

The ISS ESG scenario analysis combines the IEA scenario with the Sectoral Decarbonization Approach (SDA) by allocating a share of a global carbon budget to every company based on its market share and the IEA/SDA emissions scenario associated with its sector.

- xi. Percentage of revenues from green sources: revenues coming from renewable energy sources such as: Wind, Solar, Hydro, Biomass and Geo-thermal sources. Nuclear Power is also considered as a green revenue source. In addition to these, the definition of green revenues extends to revenues that contribute to UN Sustainable Development Goal (SDG) 13, Climate Action<sup>91</sup>.
- xii. Percentage of revenues from brown sources: any revenues from fossil fuels (coal, oil, gas, Arctic drilling, hydraulic fracturing and oil sands) and the provision of supporting products or services is considered as brown revenue. The definition of brown revenues also extends to revenues that are obstructive to UN Sustainable Development Goal (SDG) 13, Climate Action.

Green and brown energy revenue shares will be used in the construction of the indices to ensure the total green share / brown revenue share of the EURO iSTOXX Ambition Climat PAB Index is at least four times that of the EURO STOXX Total Market Index's green to brown revenue shares.

- xiii. Science-based Climate Targets: ISS ESG tracks securities that have disclosed science-based targets in line with the level of decarbonization required to keep global temperature increase below 2°C. STOXX will use this data to identify which of the following three groups companies fall into:
  - a. companies with concrete targets and emission reduction targets verified by the SBTi
  - b. companies that have committed with the SBTi but do not yet have approved science-based targets. Committed companies have 24 months to have their targets approved and published by the SBTi
  - c. companies that have not committed with SBTi

Securities with targets verified by the SBTi will be overweighed in the index. Securities with no commitments or no SBTi approved targets will be subjected to incremental underweighting and securities with no commitments will not be eligible for selection starting 2023.

- xiv. Mean Species Abundance (MSA): The Mean Species Abundance based on ISS ESG Biodiversity Impact Assessment Tool (BIAT) is a metric used to quantify the impact of corporates on biodiversity. It describes impacts in terms of the mean abundance of original species relative to their abundance in undisturbed ecosystems. MSA is defined over both area and time (unit: MSA.km2.year), and larger MSA values indicate a greater negative impact on biodiversity.

<sup>91</sup> SDG 13, Take urgent action to combat climate change and its impacts, is one of the UN Sustainable Development Goals (UN SDGs)

## 58. EURO ISTOXX AMBITION CLIMAT PAB INDEX

- xv. EU Taxonomy – Total Reported Aligned Revenues: ISS ESG identifies the percentage value of reported revenue derived from activities that are Taxonomy-aligned across all Taxonomy objectives. For aggregated issuers, including funds, this factor provides a weighted average value based on the performance of holdings.

If any of the i to ix or xiv fields are unavailable for a security, the company will not be eligible for selection. Additionally, if a security does not have green, brown revenue share data or EU Taxonomy revenue, STOXX will assume the revenue share in these areas to be zero. STOXX will assume that a security is not committed if no science-based climate target data is available for it.

The selection list constitutes of all the remaining stocks that fulfil the conditions below:

- Liquidity requirements: 3-month ADTV equal to or exceeding 3 million EUR
- Activity exclusions: Companies that generate revenues above the specific thresholds with respect to the activities below are not eligible for selection:
  - o STOXX will exclude companies that ISS ESG identifies to have higher than 1% revenues from coal exploration, production (excluding power generation), distribution and supporting product and services
  - o STOXX will exclude companies that ISS ESG identifies to have higher than 10% revenues from fossil fuel exploration, production (excluding power generation), distribution and supporting products and services
  - o STOXX will exclude companies that ISS ESG identifies to have higher than 10% revenues from thermal coal-based power generation
  - o STOXX will exclude companies that ISS ESG identifies to have higher than 50% revenues from power generation with carbon intensity of lifecycle GHG emissions higher than 100g CO<sub>2</sub>e/kWh
- STOXX will exclude companies that ISS ESG assesses to have significant obstruction to the UN Sustainable Development Goals (SDGs) 12, 13, 14 and 15

### Composition list:

The final composition list comprises all the securities that fulfil the requirements listed above. The securities' weights are derived through an optimization process and designed to meet the following requirements:

| EU PAB Minimum requirements                                                                                                                                                                             | EURO iSTOXX Ambition Climat PAB Index                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Minimum Scope 1+2+3 GHG intensity reduction compared to EURO STOXX TMI. The GHG intensity of a security is calculated as:                                                                               | At least 60% (includes a 10% buffer)                                                                                  |
| $\frac{\text{Scope 1} + \text{Scope 2} + \text{Scope 3 GHG Emissions}}{\text{Enterprise Value including Cash (in MEUR)}}$                                                                               |                                                                                                                       |
| Year-on-year self-decarbonization per annum relative to the levels at inception in accordance with the global decarbonization trajectory implied by IPCC's 1.5°C scenario with no or limited overshoot. | At least 7% on average per annum since index launch, after taking in consideration any inflation in enterprise values |

## 58. EURO ISTOXX AMBITION CLIMAT PAB INDEX

|                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum exposure to sectors highly exposed to climate change issues compared to the EURO STOXX TMI            | At least equal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| These sectors are identified as "High Climate Impact" based on NACE section codes <sup>92</sup>               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Corporate target setting (CTS)                                                                                | <p>The Corporate target setting score aims to ensure that companies with Science Based Target are overweighed and that:</p> <ul style="list-style-type: none"> <li>- by 2023, all companies in the index are committed to reducing their GHG emissions, and</li> <li>- by 2025, all companies in the index without SBTi approved science-based targets will have a target weight reduction of 80%.</li> </ul> <p>In more details:</p> <ol style="list-style-type: none"> <li>1. Companies that have science-based targets approved and reported through the Science Based Target initiative and have reduced their total GHG emission intensity (Scope 1,2 and 3 emissions) by an average of at least 7% per annum for at least 3 consecutive years will have their weights increased by 1/3</li> <li>2. Companies that have science-based targets approved and reported through the Science Based Target initiative but have not fulfilled the above carbon reduction criteria will have their weights increased by 1/5</li> <li>3. Companies that are committed to reducing their GHG emissions but do not yet have science-based targets approved by the Science Based Target initiative will have their weights reduced by Y/5 until the reduction reaches 4/5 where Y is the number of years since 2020</li> <li>4. Companies that are not committed to reducing their GHG emissions will have their weight reduced by Y/3 where Y is the number of years since 2020</li> </ol> |
| Additional considerations                                                                                     | EURO iSTOXX Ambition Climat PAB Index                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Alignment with ISS ESG scenario alignment approach for the IEA Sustainable Development Scenario (SDS) pathway | The emissions pathway of the indices must be below the carbon budget for the SDS pathway of the current year and 2050                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Carbon Risk Rating tilt                                                                                       | Climate leaders are overweighed, and climate laggards are underweighted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

<sup>92</sup> Stocks in the NACE Section codes: A, B, C, D, E, F, G, H, L are classified as "High Climate Impact" and stocks in the NACE section codes: I, J, K, M, N, O, P, Q, R, S, T, U as "Low Climate Impact". Further information regarding NACE can be found on [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical\\_classification\\_of\\_economic\\_activities\\_in\\_the\\_European\\_Community\\_\(NACE\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical_classification_of_economic_activities_in_the_European_Community_(NACE))



## 58. EURO ISTOXX AMBITION CLIMAT PAB INDEX

|                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum green share / brown share ratio compared to the EURO STOXX TMI        | At least 4 times                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Diversification                                                               | Exposure to a single NACE Section is within 5% of the of the EURO STOXX Total Market Index exposure<br>If the EURO STOXX Total Market Index exposure in any of the NACE Sections is greater than 30%, an additional maximum exposure constraint on the NACE Division <sup>93</sup> weights will be imposed for the PAB index. In this case, the EURO iSTOXX Ambition Climat PAB Index exposure to a single NACE Division (within the NACE Section) cannot exceed the EURO STOXX TMI exposure by higher than 5%<br>Country exposure is within 5% of the country weight in EURO STOXX Total Market Index |
| Weight capping                                                                | Maximum weight: 4.5%<br>Minimum weight: 0.01%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Biodiversity: Mean Species Abundance over EVIC compared to the EURO STOXX TMI | At most equal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| EU Taxonomy alignment: Total Reported Aligned Revenue                         | At least 10%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

**Weighting and capping factors:**

The weights are derived through an optimization process with the goal to have a portfolio which is in line or beyond the decarbonization trajectory from the IPCC's 1.5°C scenario and that overweighs companies with a clear and proved evidence-based carbon reduction target as verified by SBTi.

**Target weight calculations:**

The target weight is defined according to the free-float market capitalization subject to the corporate target setting and carbon risk rating multipliers, as follows:

$$w_i = \frac{\text{ffmcap}_i \cdot \text{CTS}_i \cdot \text{CRS}_i}{\sum_j^n \text{ffmcap}_j \cdot \text{CTS}_j \cdot \text{CRS}_j}$$

Where:

- $\text{CTS}_i$  = (1 + 1/3) if a company has verified science-based targets in accordance to the SBTi and has reduced its GHG intensity by an average of at least 7% per annum for at least 3 consecutive years  
= (1 + 1/5) if a company has verified science-based targets in accordance to the SBTi but has not fulfilled the above GHG intensity reduction criteria  
= (1 – min(4/5, Y/5)) if a company is committed to reducing its GHG emissions but does not have science-based targets approved by the SBTi  
= (1 – min(1, Y/3)) if a company is not committed to reducing its GHG emissions  
Y number of years since 2020. Y is 0 for 2020 and earlier years

<sup>93</sup> NACE Division is a step lower (more granular) from the NACE Section code



## 58. EURO ISTOXX AMBITION CLIMAT PAB INDEX

|           |                                                                                  |
|-----------|----------------------------------------------------------------------------------|
| $N$       | number of components in the index                                                |
| $CRS_i$   | $= (1 + CR\_z_i)$ if $CR\_z_i > 0$<br>$= (1 - CR\_z_i)^{-1}$ if $CR\_z_i \leq 0$ |
| $CR\_z_i$ | = zeta score of the company's Carbon Risk Rating, as defined by ISS ESG          |

### Capped weight calculations:

The capped weights  $cw_i$  are derived from target weights via an optimization that minimizes the relative squared difference between the target weights and the capped weights while ensuring that the year-on-year self-decarbonization fulfils the criteria of at least 7% on average starting from 2022 with respect to 2021. The optimization is performed to arrive at the weights subject to constraints to ensure that the composition fulfils the minimum requirements:

$$cw_i = \operatorname{argmin}_{cw} \left( \sum_{i=1}^n \left( \frac{(cw_i - w_i)^2}{w_i} \right) \cdot \frac{1}{n} + \frac{(\text{Previous year's GHG intensity reduction} - 0.07)^2}{0.07} \right)$$

The previous year's GHG intensity reduction is calculated starting from 2022 with respect to 2021 as:

$$1 - \left( \frac{\text{Index GHG Intensity}_{\text{current}} \cdot (\text{Inflation Adjustment Factor})}{\text{Index GHG Intensity}_{\text{previous year-end}}} \right)$$

where  $\text{Index GHG Intensity}_t = \sum_{i=1}^n (w_{i,t} \cdot \text{Security GHG Intensity}_{i,t})$  and  $w_{i,t}$  is the weight of company  $i$  in the index at time  $t$ .

In calculating the previous year's GHG intensity reduction, the current GHG intensity is multiplied by the enterprise value inflation adjustment factor<sup>94</sup> in order to reflect the effects of inflation in enterprise values as an increasing average enterprise value of the index constituents could lead to an overall GHG intensity reduction where no actual GHG emissions reductions took place.

The following are the constraints of the optimization:

- Maximum security weight of 4.5% and minimum security weight of 0.01%
- The GHG intensity reduction of the index,  $\sum_{i=1}^n (cw_i \cdot \text{Security GHG Intensity}_i)$  should be at least 60% when compared to the EURO STOXX TMI GHG Intensity
- Year-on-year GHG intensity reduction of at least 7% starting from 2022 with respect to 2021. The year-on-year carbon reduction included is calculated as:

$$1 - \left( \frac{\text{Index GHG Intensity}_{\text{current}} \cdot \text{Cumulative Inflation Adjustment Factor}}{\text{Index GHG Intensity}_{2021 \text{ year-end}}} \right)^{1/T}$$

where  $T$  is the number of years since 2021

- The green revenue share / brown revenue share of the index,  $\frac{\sum_{i=1}^n (cw_i \cdot \text{Green Revenue \%}_i)}{\sum_{i=1}^n (cw_i \cdot \text{Brown Revenue \%}_i)}$ , is at least 4 times that of the EURO STOXX TMI

<sup>94</sup> The enterprise value inflation adjustment factor is computed by dividing the average enterprise value of the index constituents at the end of calendar year by the average enterprise value of the index constituents at the end of the previous calendar year and has a minimum value of 1

## 58. EURO ISTOXX AMBITION CLIMAT PAB INDEX

- e) The total exposure of components in the “High Climate Impact” according to NACE classification is at least equal to the EURO STOXX TMI
- f) The exposure to a single NACE Section code is within 5% of the EURO STOXX TMI exposure. If the EURO STOXX TMI exposure in any of the NACE Sections is greater than 30%, an additional maximum exposure constraint on the NACE Division<sup>95</sup> weights will be imposed for the PAB index. In this case, the EURO iSTOXX Ambition Climat PAB Index exposure to a single NACE Division (within the NACE Section) cannot exceed the EURO STOXX TMI exposure by higher than 5%
- g) The exposure to a country is within 5% of the EURO STOXX TMI
- h) The emission pathway of the index must be below its carbon budget for the IEA Sustainable Development Scenario (SDS) pathway of the current year and 2050. This is to ensure that the index is aligned with the SDS pathway decarbonization trajectory until 2050.
- i) EU taxonomy alignment: Total Reported Aligned Revenue is at least 10%
- j) Mean Species Abundance (MSA): The Mean Species Abundance over Enterprise Value including Cash (MSA/EVIC) score based on ISS ESG Biodiversity Impact Assessment Tool (BIAT) is at most equal to the score of the EURO STOXX TMI.

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### Review frequency:

The review is conducted on an annual basis in March. On a quarterly basis in June, September and December, the indices are rebalanced to consider changes in free-float or shares in issue, or ISS ESG carbon and climate related indicators. Furthermore, current components are screened for compliance and involvement. The cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

### 58.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

<sup>95</sup> NACE Division is a step lower (more granular) from the NACE Section code

## 58. EURO ISTOXX AMBITION CLIMAT PAB INDEX

### 58.1.4. SUMMARY

|                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Summary                                                                                                                                                                                                | EURO iSTOXX Ambition Climat PAB Index                                                                                                                                                                                                                                                                                                                                                                                             |
| Universe                                                                                                                                                                                               | EURO STOXX Total Market Index                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Screens</b>                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Baseline Exclusions                                                                                                                                                                                    | Global Standards Screening<br>Controversial Weapons<br>Tobacco producers and distributors<br>Significant obstruction to the UN Sustainable Development Goals (SDGs) 12, 13, 14 and 15<br>Severe (level 5) Controversy Rating                                                                                                                                                                                                      |
| Liquidity Requirements                                                                                                                                                                                 | 3-month ADTV equal to or exceeding 3 million EUR                                                                                                                                                                                                                                                                                                                                                                                  |
| Activity Exclusions                                                                                                                                                                                    | Revenues from Coal activities: higher than 1%<br>Revenues from Fossil Fuel activities: higher than 10%<br>Revenues from power generation coming from Coal: higher than 10%<br>Revenues from power generation coming from Coal, Oil & Gas: higher than 50%<br>EU Taxonomy alignment: Total Reported Aligned Revenue (atleast 10%)<br>Biodiversity: Mean Species Abundance over EVIC compared to the EURO STOXX TMI (at most equal) |
| <b>Weighing process: weights derived through an optimization process to meet EU PAB requirements</b>                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Minimum Scope 1+2+3 GHG intensity reduction compared to the EURO STOXX TMI.                                                                                                                            | At least 60% (includes a 10% buffer)                                                                                                                                                                                                                                                                                                                                                                                              |
| Scope 1, 2 and 3 emissions, are used across all sectors from the first date of index construction                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Year-on-year self-decarbonisation per annum relative to the levels at inception in accordance with the global decarbonization trajectory implied by IPCC's 1.5°C scenario with no or limited overshoot | At least 7% on average per annum since index launch, after taking in consideration any inflation in enterprise values                                                                                                                                                                                                                                                                                                             |
| Minimum green share / brown share ratio compared to the EURO STOXX TMI                                                                                                                                 | At least 4 times                                                                                                                                                                                                                                                                                                                                                                                                                  |

# 58. EURO ISTOXX AMBITION CLIMAT PAB INDEX

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|---------------------------------------------------------------------------------------------|----------------|
| Minimum exposure of sectors highly exposed to climate change compared to the EURO STOXX TMI | At least equal |
|---------------------------------------------------------------------------------------------|----------------|

# 59.iSTOXX EUROPE ESG LEADERS ADDITIONAL EXCLUSIONS SELECT 30 INDEX

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## 59.1. iSTOXX EUROPE ESG LEADERS ADDITIONAL EXCLUSIONS SELECT 30 INDEX

### 59.1.1. OVERVIEW

The iSTOXX Europe ESG Leaders Additional Exclusions Select 30 Index captures the performance of 30 European stocks with low volatility and high dividends from the STOXX Global ESG Leaders Index.

STOXX will exclude companies that are non-compliant with the Global Standards Screening (GSS) or are involved in Controversial Weapon activities, as identified by Sustainalytics. Additionally, companies involved in Tobacco, Thermal Coal and Military Contracting are also excluded.

The component selection process also excludes all stocks whose 3-month or 12-month historical volatilities are the highest. Among the remaining stocks, the 30 with the highest 12-month historical dividend yields are selected to be included in the index.

Those constituents are weighted according to the inverse of their volatility, with a cap at 10%. The indices are reviewed quarterly.

**Universe:** The index universe is defined by all European stocks from the STOXX Global ESG Leaders, as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of their historical volatility (maximum between their 3-month and 12-month historical volatility).

**Base values and dates:** 100 on March 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR

**Dissemination calendar:** STOXX Europe calendar

### 59.1.2. INDEX REVIEW

**Selection list:**

The review cut-off date is the last trading day of the month preceding the review month of the index.

The following screening filters below are applied on the securities:

**Global Standards Screening:** STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment.

Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

# 59. iSTOXX EUROPE ESG LEADERS ADDITIONAL EXCLUSIONS SELECT 30 INDEX

**Controversial Weapons:** STOXX will exclude companies that Sustainalytics identifies to be involved with controversial weapons

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale of controversial weapons
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

**Product Involvement:** STOXX will exclude companies that Sustainalytics identifies to have

- **Military Contracting:**

» >10% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons

» >10% revenues from tailor made products and/or services that support military weapons

- **Tobacco:**

» >0% revenues from manufacturing tobacco products

» >5% revenues from the distribution and/or retail sale of tobacco products.

- **Thermal Coal:**

» >0% revenues from thermal coal extraction (including thermal coal mining and exploration)

» >10% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

All companies in respect of which their Product Involvement cannot be determined, do not qualify for selection.

All remaining stocks are screened for their 12-month historical dividend yield<sup>96</sup>. If the value is not available for a stock, the company is removed from the base universe. Additionally, if there are more than 10% of trading days suspension, the company is excluded:

$$\text{Min Number of Price Observations}_{12m \text{ Period}} = \text{Number of Trading Days}_{12m \text{ Period}} \times 0.9$$

**Composition list:**

The following Equal Strength Ratio is calculated

$$ESR = \sqrt{\frac{x}{N}}$$

where,

N Number of stocks in the Eligible Universe

x Number of stocks in the final index (30)

<sup>96</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

## 59. iSTOXX EUROPE ESG LEADERS ADDITIONAL EXCLUSIONS SELECT 30 INDEX

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All stocks from the Eligible Universe are sorted in ascending order in terms of volatility (maximum between the 3-month and 12-month historical volatility in EUR) and companies are selected based on the ESR:

*number of companies to select (Volatility screen) = round down of (ESR x N)*

All selected stocks are ranked in descending order in terms of dividend yield and the highest ranked 30 stocks are selected for the final index. In case of identical dividend yields, priority goes to the stock with the lowest volatility from the volatility screen.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

**Weighting cap factors:** The weighting cap factors are calculated based on the inverse of their historical volatility. The weights are based on the prices of the Thursday prior to the second Friday of the review month:

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^{30} \frac{1}{\sigma_j}}$$

where:

$w_i$  target weight of component (i)

$\sigma_i$  Maximum between the historical 12-months and 3-months volatility of component (i), based on prices converted to EUR

Weighting cap factor = (100,000,000,000 x  $w_i$  / closing price of the stock in EUR), rounded to integers.

Additionally, components are capped at a maximum weight of 10%.

### 59.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com).

# 60.iSTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE 100 INDEX

## 60.1. iSTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE 100 INDEX

### 60.1.1. OVERVIEW

The iSTOXX AI Global Artificial Intelligence 100 Index allows a targeted investment in 100 companies from a wide range of industries that invest heavily in the development of new AI technologies. These companies are therefore considered to be well-positioned to benefit from the increased adoption of AI technologies. Revere (RBICS) data allow a detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with substantial positive AI exposure.

**Universe:** The index universe is defined by all the stocks included in the STOXX Developed and Emerging Markets Total Market Index, as observed on the review effective date.

**Weighting scheme:** Equal Weighted

**Base values and dates:** 100 on March 18, 2013

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 60.1.2. INDEX REVIEW

**Selection list:**

Companies in the index universe are screened for all the following criteria (applied in the order in which they are listed):

**Revenues:** more than 25% of revenues over the past year generated within the aggregate of the RBICS sectors associated with AI (see table below)

List of RBICS sectors associated with AI for the purposes of constituent selection:

| Nr | RBIC L6 Name                                    |
|----|-------------------------------------------------|
| 1  | A.I./Large Scale Processing Graphics Controller |
| 2  | Artificial Intelligence Productivity Software   |
| 3  | Automotive Industry Software                    |
| 4  | Autonomous Drone Manufacturers                  |
| 5  | Business Intelligence Software                  |
| 6  | Colocation and Data Center Services             |
| 7  | Communication and Collaboration Content Sites   |
| 8  | Computer/Gaming Graphics Accelerator/Controller |
| 9  | Data Center Graphics Accelerator/Controller     |
| 10 | Data Storage Drives and Peripherals             |
| 11 | Data Storage Media                              |
| 12 | Data Transport Carrier Services                 |



# 60. iSTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE 100 INDEX

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|    |                                                   |
|----|---------------------------------------------------|
| 13 | Disk Storage Systems                              |
| 14 | Enterprise Blockchain Technology                  |
| 15 | Enterprise Middleware Software                    |
| 16 | E-Signature Software                              |
| 17 | Flash Memory Semiconductors                       |
| 18 | General and Mixed-Type Software                   |
| 19 | General Communications Equipment                  |
| 20 | General Graphics Accelerator/Controller           |
| 21 | Handheld Graphics Accelerator/Controller          |
| 22 | Imaging Laboratories                              |
| 23 | International Mobile Satellite Services           |
| 24 | Manufacturing Industry Software                   |
| 25 | Microprocessor (MPU) Semiconductors               |
| 26 | Mixed Large-Scale Processing Computer Systems     |
| 27 | Monitoring and Control Sensor/Instrument Products |
| 28 | Networking Semiconductors                         |
| 29 | Other Automation Support Product Manufacturing    |
| 30 | Other Memory Semiconductors                       |
| 31 | Other Processor Semiconductors                    |
| 32 | Other Programmable Logic and ASIC Semiconductors  |
| 33 | Programmable Logic Device Semiconductors          |
| 34 | Quantum Computing Systems                         |
| 35 | Quantum Processor Semiconductors                  |
| 36 | Server Computer Systems                           |
| 37 | Surgical Robotic Systems                          |
| 38 | Vehicle Autonomous Control Electronics Makers     |
| 39 | Vehicle Autonomous Control Software               |
| 40 | Video Multimedia Semiconductors                   |
| 41 | Volatile Memory Semiconductors                    |
| 42 | Web Search Sites and Software                     |
| 43 | Wireless and Wi-Fi Equipment                      |
| 44 | Wireless Infrastructure Services                  |
| 45 | Finance Information and News Media and Sites      |
| 46 | Neural Processor (NPU) Semiconductors             |

**Multiple share lines:** in case a company is present with multiple listings in the parent Universe, only the most liquid share line will be kept.

## 60. iSTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE 100 INDEX

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**AI Pure Play:** Only companies with aggregated revenues exposure equal or greater than the median value computed among the selected companies from the previous screens will be available for selection.

**Minimum liquidity:** 3-month average daily trading value (ADTV) greater than 5 million EUR

**Composition list:** Stocks in the selection list are ranked in descending order in terms of free-float market cap, as of review cut-off date, and if there are more than 100 companies, the top 100 are selected.

**Review frequency:** The index composition is reviewed annually in June. The review cut-off date is the last trading day of the preceding May.

**Weighting and cap factors:** Index weighting cap factors are recalculated quarterly in March, June, September, and December. They are published on the second Friday of each of those months and based on the stocks' prices of the preceding Thursday.

**Weighting cap factor calculation:**

$$wfi = \frac{1}{N} \times 100,000,000,000$$

rounded to the closest integer and where:

$N$  is the number of companies in the index

$pi$  = close price in EUR of company  $i$  on the Thursday preceding the second Friday of the review month

$wfi$  = weighting cap factor of company  $i$ .

### 60.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 61.iSTOXX EUROPE LONGEVITY SELECT 50 INDEX

## 61.1. iSTOXX EUROPE LONGEVITY SELECT 50 INDEX

### 61.1.1. OVERVIEW

The iSTOXX Europe Longevity Select 50 index aims to select 50 low volatility and high dividend paying stocks among diversified industries from the STOXX Europe 600 index, and weigh them by the inverse of their volatility. The companies are chosen from sectors that might potentially benefit from the ageing population in Europe.

**Universe:** All stocks from the STOXX Europe 600 index whose Industry Classification, as defined by ICB, falls into one of the following groups:

| Industry              | ICB Subsector                   | ICB Code |
|-----------------------|---------------------------------|----------|
| Telecom, Media & Tech | Computer Services               | 10101010 |
| Telecom, Media & Tech | Software                        | 10101015 |
| Telecom, Media & Tech | Consumer Digital Services       | 10101020 |
| Telecom, Media & Tech | Semiconductors                  | 10102010 |
| Infrastructure        | Electronic Components           | 10102015 |
| Telecom, Media & Tech | Production Technology Equipment | 10102020 |
| Telecom, Media & Tech | Computer Hardware               | 10102030 |
| Telecom, Media & Tech | Electronic Office Equipment     | 10102035 |
| Telecom, Media & Tech | Telecommunications Equipment    | 15101010 |
| Telecom, Media & Tech | Cable Television Services       | 15102010 |
| Telecom, Media & Tech | Telecommunications Services     | 15102015 |
| Pharmaceuticals       | Health Care Facilities          | 20101010 |
| Pharmaceuticals       | Health Care Management Services | 20101020 |
| Pharmaceuticals       | Health Care Services            | 20101025 |
| Pharmaceuticals       | Health Care: Misc.              | 20101030 |
| Pharmaceuticals       | Medical Equipment               | 20102010 |
| Pharmaceuticals       | Medical Supplies                | 20102015 |
| Pharmaceuticals       | Medical Services                | 20102020 |
| Pharmaceuticals       | Biotechnology                   | 20103010 |
| Pharmaceuticals       | Pharmaceuticals                 | 20103015 |
| Finance               | Banks                           | 30101010 |
| Finance               | Consumer Lending                | 30201020 |
| Finance               | Mortgage Finance                | 30201025 |
| Finance               | Financial Data Providers        | 30201030 |
| Finance               | Diversified Financial Services  | 30202000 |
| Finance               | Asset Managers and Custodians   | 30202010 |
| Finance               | Investment Services             | 30202015 |
| Real Estate           | Mortgage REITs: Diversified     | 30203000 |
| Real Estate           | Mortgage REITs: Commercial      | 30203010 |
| Real Estate           | Mortgage REITs: Residential     | 30203020 |

## 61. iSTOXX EUROPE LONGEVITY SELECT 50 INDEX

|                       |                                          |          |
|-----------------------|------------------------------------------|----------|
| Finance               | Life Insurance                           | 30301010 |
| Finance               | Full Line Insurance                      | 30302010 |
| Finance               | Insurance Brokers                        | 30302015 |
| Finance               | Reinsurance                              | 30302020 |
| Finance               | Property and Casualty Insurance          | 30302025 |
| Real Estate           | Real Estate Holding and Development      | 35101010 |
| Real Estate           | Real Estate Services                     | 35101015 |
| Real Estate           | Diversified REITs                        | 35102000 |
| Real Estate           | Health Care REITs                        | 35102010 |
| Real Estate           | Hotel and Lodging REITs                  | 35102015 |
| Real Estate           | Industrial REITs                         | 35102020 |
| Real Estate           | Infrastructure REITs                     | 35102025 |
| Real Estate           | Office REITs                             | 35102030 |
| Real Estate           | Residential REITs                        | 35102040 |
| Real Estate           | Retail REITs                             | 35102045 |
| Real Estate           | Storage REITs                            | 35102050 |
| Real Estate           | Timber REITs                             | 35102060 |
| Real Estate           | Other Specialty REITs                    | 35102070 |
| Leisure & Luxury      | Auto Services                            | 40101010 |
| Leisure & Luxury      | Tires                                    | 40101015 |
| Leisure & Luxury      | Automobiles                              | 40101020 |
| Leisure & Luxury      | Auto Parts                               | 40101025 |
| Leisure & Luxury      | Vending and Catering Service             | 40201060 |
| Leisure & Luxury      | Consumer Electronics                     | 40203010 |
| Leisure & Luxury      | Electronic Entertainment                 | 40203040 |
| Leisure & Luxury      | Toys                                     | 40203045 |
| Leisure & Luxury      | Recreational Products                    | 40203050 |
| Leisure & Luxury      | Recreational Vehicles and Boats          | 40203055 |
| Leisure & Luxury      | Photography                              | 40203060 |
| Telecom, Media & Tech | Entertainment                            | 40301010 |
| Telecom, Media & Tech | Media Agencies                           | 40301020 |
| Telecom, Media & Tech | Publishing                               | 40301030 |
| Telecom, Media & Tech | Radio and TV Broadcasters                | 40301035 |
| Leisure & Luxury      | Airlines                                 | 40501010 |
| Leisure & Luxury      | Travel and Tourism                       | 40501015 |
| Leisure & Luxury      | Casinos and Gambling                     | 40501020 |
| Leisure & Luxury      | Hotels and Motels                        | 40501025 |
| Leisure & Luxury      | Recreational Services                    | 40501030 |
| Leisure & Luxury      | Restaurants and Bars                     | 40501040 |
| Infrastructure        | Construction                             | 50101010 |
| Infrastructure        | Engineering and Contracting Services     | 50101015 |
| Infrastructure        | Building, Roofing/Wallboard and Plumbing | 50101020 |
| Infrastructure        | Building: Climate Control                | 50101025 |
| Infrastructure        | Cement                                   | 50101030 |
| Infrastructure        | Building Materials: Other                | 50101035 |

## 61. iSTOXX EUROPE LONGEVITY SELECT 50 INDEX

|                |                                          |          |
|----------------|------------------------------------------|----------|
| Infrastructure | Aerospace                                | 50201010 |
| Infrastructure | Defense                                  | 50201020 |
| Infrastructure | Electrical Components                    | 50202010 |
| Infrastructure | Electronic Equipment: Control and Filter | 50202020 |
| Infrastructure | Electronic Equipment: Gauges and Meters  | 50202025 |
| Infrastructure | Electronic Equipment: Pollution Control  | 50202030 |
| Infrastructure | Electronic Equipment: Other              | 50202040 |
| Resources      | Paints and Coatings                      | 50203010 |
| Resources      | Plastics                                 | 50203015 |
| Resources      | Glass                                    | 50203020 |
| Infrastructure | Machinery: Industrial                    | 50204000 |
| Infrastructure | Machinery: Agricultural                  | 50204010 |
| Infrastructure | Machinery: Construction and Handling     | 50204020 |
| Infrastructure | Machinery: Engines                       | 50204030 |
| Infrastructure | Machinery: Tools                         | 50204040 |
| Infrastructure | Machinery: Specialty                     | 50204050 |
| Infrastructure | Trucking                                 | 50206010 |
| Infrastructure | Commercial Vehicles and Parts            | 50206015 |
| Infrastructure | Railroads                                | 50206020 |
| Infrastructure | Railroad Equipment                       | 50206025 |
| Infrastructure | Marine Transportation                    | 50206030 |
| Infrastructure | Delivery Services                        | 50206040 |
| Infrastructure | Commercial Vehicle-Equipment Leasing     | 50206050 |
| Infrastructure | Transportation Services                  | 50206060 |
| Resources      | Diversified Materials                    | 55101000 |
| Resources      | Forestry                                 | 55101010 |
| Resources      | Paper                                    | 55101015 |
| Resources      | Textile Products                         | 55101020 |
| Resources      | General Mining                           | 55102000 |
| Resources      | Iron and Steel                           | 55102010 |
| Infrastructure | Metal Fabricating                        | 55102015 |
| Resources      | Aluminum                                 | 55102035 |
| Resources      | Copper                                   | 55102040 |
| Resources      | Nonferrous Metals                        | 55102050 |
| Resources      | Diamonds and Gemstones                   | 55103020 |
| Resources      | Gold Mining                              | 55103025 |
| Resources      | Platinum and Precious Metals             | 55103030 |
| Resources      | Chemicals: Diversified                   | 55201000 |
| Resources      | Chemicals and Synthetic Fibers           | 55201010 |
| Resources      | Fertilizers                              | 55201015 |
| Resources      | Specialty Chemicals                      | 55201020 |
| Resources      | Integrated Oil and Gas                   | 60101000 |
| Resources      | Oil: Crude Producers                     | 60101010 |
| Resources      | Offshore Drilling and Other Services     | 60101015 |
| Resources      | Oil Refining and Marketing               | 60101020 |

# 61. iSTOXX EUROPE LONGEVITY SELECT 50 INDEX

|                |                             |          |
|----------------|-----------------------------|----------|
| Resources      | Oil Equipment and Services  | 60101030 |
| Resources      | Pipelines                   | 60101035 |
| Resources      | Coal                        | 60101040 |
| Resources      | Alternative Fuels           | 60102010 |
| Resources      | Renewable Energy Equipment  | 60102020 |
| Infrastructure | Alternative Electricity     | 65101010 |
| Infrastructure | Conventional Electricity    | 65101015 |
| Infrastructure | Multi-Utilities             | 65102000 |
| Infrastructure | Gas Distribution            | 65102020 |
| Infrastructure | Water                       | 65102030 |
| Infrastructure | Waste and Disposal Services | 65103035 |

**Weighting scheme:** Price-weighted with a weighting cap factor according to the inverse of the 12-months historical volatility in EUR, and additionally with weighting cap limit of 5% per constituent

**Base value and date:** 100 as of Mar 22, 2004

**Index types and currencies:** Price, net and gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

## 61.1.2. INDEX REVIEW

### Selection list

The review cut-off date is the last trading day of the month preceding the review of the index.

- » All stocks in the relevant base universe are screened for their 12-months historical volatility in EUR and their 3-month ADTV in EUR. If either one of these values is not available for a stock, the company is removed from the base universe. If information for a company on its dividend yield is missing, then the missing value is substituted by 0.
- » Companies with 3-month ADTV below 5 million EUR are excluded.
- » The remaining constituents – composing the selection universe – are grouped into 7 industry clusters following the ICB matching table provided above (Finance, Infrastructure, Leisure & Luxury, Pharmaceuticals, Resources, Real Estate and Telecom & Media & Tech).
- » In each group, all constituents are ranked according to the historical dividend yield<sup>97</sup> in descending order and the top x% is selected for the next step, where x is calculated as following:

$$x = \sqrt{\frac{50}{N}} \text{ with } N \text{ being the total number of stocks in the Selection Universe}$$

If any of the companies with zero dividend yield are remaining at this step, they are excluded.

To create the selection list all remaining stocks are then ranked according to their historical volatility in ascending order and given a rank (with rank 1 being for the lowest volatility stocks).

<sup>97</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

# 61. iSTOXX EUROPE LONGEVITY SELECT 50 INDEX

## Component selection

- » The highest ranked 40 stocks of the selection list are selected
- » The remaining 10 stocks are selected from the highest ranked current stocks (already in the index before the review) ranked between 41 and 60
- » If the number of stocks selected is still below 50, the highest ranked remaining stocks (not in the index before the review) are selected until there are 50 stocks in the final index
- » A maximum of 15 constituents per industry group can be selected (with no minimum numbers of constituents per industry). If one industry group reaches the limit of 15 members, no further companies from that group are eligible for the index inclusion.
- » A maximum number of  $L$  constituents per country  $i$  can be selected. For each country ( $i$ ), the maximum number of components ( $L$ ) is calculated as follows, rounded to the nearest integer:

$$L_i = (\text{SXXP}_i + 10\%) * N$$

where:

$L_i$  maximum number of components from country  $i$ , allowed for inclusion in the iSTOXX Europe Longevity Select 50 Index

$\text{SXXP}_i$  weight of the components coming from country  $i$ , in the STOXX Europe 600 Index, as of the cutoff date

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

$w_i$  target weight of component  $i$

$\sigma_i$  12-month historical volatility of component  $i$ , as of review cut-off date, based on prices in EUR

$N$  number of constituents in the index (50)

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 5%.

### 61.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the parent index, STOXX Europe 600, which remain in the STOXX Total Market Index are not deleted from the index.

## 61. iSTOXX EUROPE LONGEVITY SELECT 50 INDEX

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**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off is not added permanently to the index



# 62.iSTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX

## 62.1. iSTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX

### 62.1.1. OVERVIEW

The iSTOXX Global Transformation Select 30 Index represents an investment targeted at key areas driving deep societal and economic change in our fast-evolving world. The index tracks 30 liquid stocks with low volatility and high dividend yield. Components are selected from a global pool of companies that provide diverse solutions as consumers change their habits and governments and industries adopt new processes and priorities. Selected businesses address trends including improved connectivity, Industry 4.0, sustainable growth and better healthcare. These trends themselves are underpinned by the growing use of technology and connectivity solutions, an increasing focus on environmental sustainability, and healthcare demand; all catalyzed by the COVID-19 crisis and rising public awareness of these drivers brought by the pandemic.

Eligible companies are also screened to select leaders in ESG criteria and to exclude those involved in undesirable activities from a responsibility point of view. Industry and country neutrality filters are applied in the selection process to ensure diversification.

Revere (RBICS) data allow a detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with substantial exposure to the 'sustainable smart city' megatrend.

**Universe:** The index universe is defined by all the stocks included in the STOXX Developed and Emerging Markets Total Market Index, excluding Taiwan securities, as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Jun 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 62.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for ESG risk rating scores, as calculated by Sustainalytics' transparent ESG risk rating model. If for a company this information is not available, an ESG risk rating score of 100 is assigned instead. The companies in the parent index are then ranked in ascending order in terms of their ESG risk rating scores, and the 50% companies with the highest ESG risk rating scores, rounded upwards to the next integer, are excluded from the selection process. In case two companies for a given cutoff date have the same ESG risk rating score, priority is given to the one with the highest dividend yield. In case two securities have the same ESG risk rating score and dividend yield, then priority is given to the one with the lowest volatility (maximum between the 3-month and 12-month historical volatility in EUR).

## 62. iSTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX

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The remaining companies are then screened for the following indicators:

- i. 12-month historical gross dividend yield<sup>98</sup>
- ii. 3-month and 12-month historical volatility in EUR
- iii. 3-month Average Daily Traded Volume (ADTV) in EUR
- iv. Product Involvement information in the categories: Weapons (Small Arms and Military Contracting), Adult Entertainment, Gambling, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, Nuclear Power and Tobacco
- v. Revenue information, as captured by Revere's detailed industry classification system (RBICS)

If any of the fields ii) to iv) above have missing information for a stock, then that company is excluded from the selection process.

If information for a company on field i) is missing, then the missing value is substituted by 0.

Information for field v) is refreshed on a semi-annual basis in June and December every year, such that for a given company in March and September reviews, revenue information from the previous December and June cutoff date is used. If this information is missing, then the company is excluded from the selection process

The Selection list constitutes of all remaining stocks that fulfil all the conditions below:

- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 5 million EUR
- **Global Standards Screening:** compliant with the Global Standard Screening (GSS). Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.
- **Controversial Weapons:** Not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:
  - » Internal production or sale of controversial weapons
  - » The ultimate holding company owns >10% of voting rights of an involved company
  - » >10% of voting rights of a company is owned by the involved company
- **Product Involvement:** Not have any Product Involvement in the following areas<sup>99</sup>. STOXX will exclude companies that Sustainalytics identifies to have:

### Weapons:

#### i) Small Arms:

- » >10% revenues from manufacturing and selling assault weapons to civilian customers

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<sup>98</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](https://www.stoxx.com).

<sup>99</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results

## 62. iSTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX

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»>10% revenues from manufacturing and selling small arms to military / law enforcement customers

»>10% revenues from manufacturing and selling key components of small arms

»>10% revenues from retail and/or distribution of assault weapons

»>10% revenues from retail and/or distribution of small arms (non-assault weapons)

»>10% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers

### ii) **Military Contracting:**

»>10% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons

»>10% revenues from tailor made products and/or services that support military weapons

»>10% revenues from non-weapons related tailor-made products and/or services to the military or defence industry

### **Adult Entertainment:**

»>25% revenues from the production of adult entertainment and/or owns/operates adult entertainment establishments

»>25% revenues from the distribution of adult entertainment materials

### **Gambling:**

»>25% revenues from owning and/or operating a gambling establishment

»>25% revenues from manufacturing specialized equipment used exclusively for gambling

»>25% revenues from providing supporting products/services to gambling operations

### **Unconventional Oil & Gas**

#### i) **Arctic Oil and Gas Exploration:**

»>0% revenues Oil & Gas exploration & extraction in Arctic regions

#### ii) **Oil Sands:**

»>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

#### iii) **Shale Energy:**

»>0% revenues from shale energy exploration and/or production

### **Conventional Oil & Gas:**

»>0% revenues from oil and gas exploration, production, refining, transportation and/or storage

This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).

»>0% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)

»>25% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

### **Thermal Coal:**

»>0% revenues from thermal coal extraction (including thermal coal mining and exploration)

»>0% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

### **Nuclear Power:**

## 62. iSTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX

»>25% revenues from nuclear power production:

- Utilities that own/operate nuclear power generators  
Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power

»>25% revenues from nuclear power supporting products / services, including:

- Design and construction of nuclear power plants
- Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls
- Special services, such as the transport of nuclear power materials, and nuclear plant maintenance;
- Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate

»>25% revenues from nuclear power distribution, including:

- The resale or distribution of electricity generated from nuclear power;
- This applies to distributors, resellers and utilities that distribute nuclear power as a part of their energy mix  
Note: In this category Sustainalytics tracks the percentage of a company's energy mix that is generated from nuclear power

### Tobacco:

»>0% revenues from manufacturing tobacco products

»>0% revenues from supplying tobacco-related products/services

»>0% revenues from the distribution and/or retail sale of tobacco products.

- **ICB exclusions** (supplementing Product Involvement): Not belonging to the Aerospace or Defense ICB subsectors (50201010, 50201020 ICB codes)
- **Revenues:** Revenue exposure equal to or exceeding 25%, from the aggregation of the RBICS sectors associated with "Global Transformation" (please see table below).
- **Multiple share lines:** in case a company is present with multiple listings in the eligible universe after the application of all the filters above, then only the most liquid share line is retained.

### List of RBICS sectors associated with "Global Transformation" for the purposes of component selection:

| Nr | RBICS SECTOR                                       |
|----|----------------------------------------------------|
| 1  | 3D Modeling/Rapid Prototyping Automation Providers |
| 2  | 3D Printing Services                               |
| 3  | Access Systems Manufacturing                       |
| 4  | Active and Intermediate Chemicals OEMs             |
| 5  | Activewear and Outerwear Apparel Production        |
| 6  | Aerospace and Defense IT Services                  |
| 7  | Air Purification and Filtration Equipment Products |
| 8  | Air, Liquid and Gas Control Equipment Products     |
| 9  | Alarm Systems Manufacturing                        |
| 10 | Allergies Biopharmaceuticals                       |
| 11 | Alt. Energy Autonomous Heavy Duty Truck Makers     |
| 12 | Alt. Energy Autonomous Transit Vehicle Production  |

| Nr  | RBICS SECTOR                                 |
|-----|----------------------------------------------|
| 291 | Internet Off-Price Retail                    |
| 292 | Internet Pet and Pet Supply Retail           |
| 293 | Internet Pharmacies and Drug Retail          |
| 294 | Internet Warehouse / Superstore Retail       |
| 295 | Investment Management/Brokerage Software     |
| 296 | Issuance and Securitization Services         |
| 297 | Joint Replacement and Reconstruction Devices |
| 298 | Landfill Services                            |
| 299 | Lasers and Optical Instrument Manufacturing  |
| 300 | Latin America Alternative Wholesale Power    |
| 301 | Latin America Biomass Wholesale Power        |
| 302 | Latin America Geothermal Wholesale Power     |

# 62. iSTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX

|    |                                                    |     |                                                    |
|----|----------------------------------------------------|-----|----------------------------------------------------|
| 13 | Alt. Energy Motor Homes and Campers (RVs) Makers   | 303 | Latin America Hydroelectric Wholesale Power        |
| 14 | Alt. Energy Recreation Vehicle Manufacturing       | 304 | Latin America Industrial Decentralized Power       |
| 15 | Alternative Energy Boats Makers                    | 305 | Latin America Mixed Wholesale Power                |
| 16 | Alternative Energy Car Manufacturers               | 306 | Latin America Residential Decentralized Power      |
| 17 | Alternative Energy Heavy Duty Trucks Makers        | 307 | Latin America Solar Wholesale Power                |
| 18 | Alternative Energy Infrastructure Construction     | 308 | Latin America Wind Wholesale Power                 |
| 19 | Alternative Energy Motorcycles Makers              | 309 | Light Emitting Diode Discrete Semiconductors       |
| 20 | Alternative Energy Transit Vehicles Makers         | 310 | Liquid and Water Purification/Filtration Products  |
| 21 | Alternative Exchanges and ECNs                     | 311 | Lithium Compounds Manufacturing                    |
| 22 | Analytical and Bioanalytical Services              | 312 | Liver Disorders Biopharmaceuticals                 |
| 23 | Antibiotics                                        | 313 | Logistics and Supply Chain Service Providers       |
| 24 | Asia Excluding China Mixed Telecommunications      | 314 | Lower Respiratory Biopharmaceuticals               |
| 25 | Asia Excluding China Video and Television Services | 315 | Machine Vision and Quality Control Manufacturing   |
| 26 | Asia Excluding China Wireless Telecom Services     | 316 | Magnetic Passive Electronic Components             |
| 27 | Asia Excluding China Wireline Telecom Services     | 317 | Managed Hosting Services                           |
| 28 | Assisted Living                                    | 318 | Manufacturing Industry Software                    |
| 29 | Athletic Footwear Production                       | 319 | Mapping/Geographic Information Systems Software    |
| 30 | Australia/New Zealand Mixed Telecom Services       | 320 | Market Makers and Specialists                      |
| 31 | Australia/New Zealand Video/Television Services    | 321 | Material Handling/Conveyor Equipment Manufacturing |
| 32 | Australia/New Zealand Wireless Telecom Services    | 322 | Media Download and Streaming Digital Content Sites |
| 33 | Australia/New Zealand Wireline Telecom Services    | 323 | Medical Equipment Distributors                     |
| 34 | Autoimmune Disorders Biopharmaceuticals            | 324 | Medical Treatment Supplies                         |
| 35 | Automotive and Marine Electronics Manufacturing    | 325 | Medicare Managed Care                              |
| 36 | Automotive Classifieds and Directories Media/Sites | 326 | Metal Recycling Providers                          |
| 37 | Automotive Enterprise Management Software          | 327 | Mexico Mixed Telecommunications Services           |
| 38 | Automotive Industry Software                       | 328 | Mexico Video and Television Services               |
| 39 | Autonomous Control Ship Builders                   | 329 | Mexico Wireless Telecommunications Services        |
| 40 | Autonomous Drone Manufacturers                     | 330 | Mexico Wireline Telecommunication Services         |
| 41 | Autonomous Drone Parts Manufacturers               | 331 | Microprocessor (MPU) Semiconductors                |
| 42 | Autonomous Transport Control Software              | 332 | Middle East and Africa Alternative Wholesale Power |
| 43 | Autonomous Vehicles Semiconductors                 | 333 | Middle East and Africa Biomass Wholesale Power     |
| 44 | Bacterial Vaccines                                 | 334 | Middle East and Africa Geothermal Wholesale Power  |
| 45 | Battery Charging Equipment Manufacturing           | 335 | Middle East and Africa Mixed Telecom Services      |
| 46 | Battery Production Equipment Manufacturing         | 336 | Middle East and Africa Mixed Wholesale Power       |
| 47 | Bioanalytical Consumables                          | 337 | Middle East and Africa Solar Wholesale Power       |
| 48 | Biodiesel Fuel Manufacturing                       | 338 | Middle East and Africa Video/Television Services   |
| 49 | Biological Specimen Storage                        | 339 | Middle East and Africa Wind Wholesale Power        |
| 50 | Biologics OEMs                                     | 340 | Middle East and Africa Wireless Telecom Services   |
| 51 | Biotechnology and Genomics (GMO/Hybrids) Products  | 341 | Middle East and Africa Wireline Telecom Services   |
| 52 | Blockchain Technology                              | 342 | Middle East/Africa Hydroelectric Wholesale Power   |
| 53 | Breast Cancer Biopharmaceuticals                   | 343 | Middle East/Africa Industrial Decentralized Power  |
| 54 | Business Intelligence Software                     | 344 | Middle East/Africa Residential Decentralized Power |
| 55 | Business Intelligence/Data Warehousing Consulting  | 345 | Military Batteries Manufacturing                   |
| 56 | Cable Interconnect Components                      | 346 | Mixed Apparel and Footwear Production              |
| 57 | Canada Alternative Wholesale Power                 | 347 | Mixed Building/Physical Security Equipment Makers  |
| 58 | Canada Biomass Wholesale Power                     | 348 | Mixed Electric Motors and Motion Control Products  |
| 59 | Canada Geothermal Wholesale Power                  | 349 | Mixed Electronic Transaction Processing            |
| 60 | Canada Hydroelectric Wholesale Power               | 350 | Mixed Environmental Control Machine Manufacturing  |

# 62. iSTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX

|     |                                                    |     |                                                    |
|-----|----------------------------------------------------|-----|----------------------------------------------------|
| 61  | Canada Industrial Decentralized Power              | 351 | Mixed Industrial Machinery Parts/Equipment Makers  |
| 62  | Canada Mixed Telecommunications Services           | 352 | Mixed International Telecommunications Services    |
| 63  | Canada Mixed Wholesale Power                       | 353 | Mixed Internet Health and Personal Care Retail     |
| 64  | Canada Residential Decentralized Wholesale Power   | 354 | Mixed Renewable Energy Generation Manufacturing    |
| 65  | Canada Solar Wholesale Power                       | 355 | Mobile Platform Applications Software              |
| 66  | Canada Video and Television Services               | 356 | Money Transfer Services                            |
| 67  | Canada Wind Wholesale Power                        | 357 | Monitoring and Control Sensor/Instrument Products  |
| 68  | Canada Wireless Telecommunication Services         | 358 | Motion Control and Precision Motors Manufacturing  |
| 69  | Canada Wireline Telecommunication Services         | 359 | Multi-Industry-Specific Factory Machinery Makers   |
| 70  | Carbon Capture Services and Technologies           | 360 | Multimedia Semiconductors                          |
| 71  | Carbon Transportation and Sequestration Services   | 361 | Multinational Transmission, Dist., and Storage     |
| 72  | Cardiology Surgical Devices                        | 362 | Multinational Wholesale Power                      |
| 73  | Cardiovascular System Biopharmaceuticals           | 363 | Multiple Industry-Specific Software                |
| 74  | Career Classifieds and Directories Media and Sites | 364 | Multi-Process Assembly Services                    |
| 75  | Carrier Core (Backbone) Equipment                  | 365 | Multi-Type Commercial Engineering Contractors      |
| 76  | Carrier Edge Network Management Equipment          | 366 | Multi-Type Core Infrastructure Equipment           |
| 77  | Cellular Site Equipment                            | 367 | Multi-Type Data Storage Hardware Makers            |
| 78  | Central and Eastern Europe Mixed Telecom Services  | 368 | Multi-Type Drug Discovery Services                 |
| 79  | Central and Eastern Europe Video/TV Services       | 369 | Multi-Type Financial Data Content Providers/Sites  |
| 80  | Central and South America Mixed Telecom Services   | 370 | Multi-Type Games Software                          |
| 81  | Central/Eastern Europe Wireless Telecom Services   | 371 | Multi-Type Industrial Engineering Contractors      |
| 82  | Central/Eastern Europe Wireline Telecom Services   | 372 | Multi-Type Passenger Transportation                |
| 83  | Central/South America Video/Television Services    | 373 | Multi-Type Residential Engineering Contractors     |
| 84  | Central/South America Wireless Telecom Services    | 374 | Multi-Type United States Wireless Services         |
| 85  | Central/South America Wireline Telecom Services    | 375 | Musculoskeletal System Biopharmaceuticals          |
| 86  | China Alternative Wholesale Power                  | 376 | Network Administration Software                    |
| 87  | China Biomass Wholesale Power                      | 377 | Network Design and Implementation Consulting       |
| 88  | China Geothermal Wholesale Power                   | 378 | Network Security Access Policy Software            |
| 89  | China Hydroelectric Wholesale Power                | 379 | Network Security Software                          |
| 90  | China Industrial Decentralized Power               | 380 | Networking Semiconductors                          |
| 91  | China Mixed Telecommunications Services            | 381 | Neurology Biopharmaceuticals                       |
| 92  | China Mixed Wholesale Power                        | 382 | Neurology Devices                                  |
| 93  | China Residential Decentralized Power              | 383 | Nutraceuticals                                     |
| 94  | China Solar Wholesale Power                        | 384 | Nutritional Supplement OEMs                        |
| 95  | China Video and Television Services                | 385 | Oncology Devices                                   |
| 96  | China Wind Wholesale Power                         | 386 | Online Game Websites and Software                  |
| 97  | China Wireless Telecommunication Services          | 387 | Online Gaming Systems                              |
| 98  | China Wireline Telecommunication Services          | 388 | Online Marketing and Advertising Support Services  |
| 99  | City Guides Content Providers and Sites            | 389 | Operation and Maintenance Services                 |
| 100 | Clinical Limited Service CROs                      | 390 | Ophthalmology Biopharmaceuticals                   |
| 101 | Closed Circuit Television (CCTV) Systems/Products  | 391 | Ophthalmology Devices                              |
| 102 | Colocation and Data Center Services                | 392 | Optoelectronics Electronic Components              |
| 103 | Commercial Alternative Energy Contractors          | 393 | Other Alternative Fuel Manufacturers               |
| 104 | Commercial Bank and Credit Union Software          | 394 | Other Asia/Pacific Alternative Wholesale Power     |
| 105 | Commercial Electrical Contractors                  | 395 | Other Asia/Pacific Biomass Wholesale Power         |
| 106 | Commercial General Contractors                     | 396 | Other Asia/Pacific Geothermal Wholesale Power      |
| 107 | Commercial HVACR Engineering Contractors           | 397 | Other Asia/Pacific Hydroelectric Wholesale Power   |
| 108 | Commercial Plumbing Engineering Contractors        | 398 | Other Asia/Pacific Industrial Decentralized Power  |
| 109 | Commercial Remodeling and Fit-Out Contractors      | 399 | Other Asia/Pacific Mixed Wholesale Power           |
| 110 | Commodities Trading Services                       | 400 | Other Asia/Pacific Residential Decentralized Power |



# 62. iSTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX

|     |                                                    |     |                                                    |
|-----|----------------------------------------------------|-----|----------------------------------------------------|
| 111 | Communication and Collaboration Content Sites      | 401 | Other Asia/Pacific Solar Wholesale Power           |
| 112 | Communications Infrastructure Software             | 402 | Other Asia/Pacific Wind Wholesale Power            |
| 113 | Compressor and Pumping Equipment Manufacturing     | 403 | Other Automation Support Product Manufacturing     |
| 114 | Computer Aided Design (CAD) Software               | 404 | Other Bacterial Infections Biopharmaceuticals      |
| 115 | Console Games Software                             | 405 | Other Biopharmaceutical OEMs                       |
| 116 | Conventional Autonomous Transit Vehicles Makers    | 406 | Other Chemistry Clinical Diagnostics Devices       |
| 117 | Conventional Engine Autonomous Truck Makers        | 407 | Other Classifieds and Directories Media and Sites  |
| 118 | Credit and Information Bureaus                     | 408 | Other Communications Semiconductors                |
| 119 | Cryptocurrency Mining                              | 409 | Other Discrete Semiconductors                      |
| 120 | Cryptocurrency Trading and Exchanges               | 410 | Other Drug Delivery Devices                        |
| 121 | Cryptomining Hosting                               | 411 | Other Endocrinology/Metabolism Biopharmaceuticals  |
| 122 | Cryptomining Semiconductors                        | 412 | Other Front End Processing Equipment Makers        |
| 123 | Cryptomining Systems                               | 413 | Other Handheld and Smart Phone Software            |
| 124 | Customer Premises Network Security Equipment       | 414 | Other Health Plans                                 |
| 125 | Data Storage Drives and Peripherals                | 415 | Other Healthcare and Pharma Industry Software      |
| 126 | Data Storage Infrastructure Software               | 416 | Other Hospitals                                    |
| 127 | Data Storage Media                                 | 417 | Other Immunology Biopharmaceuticals                |
| 128 | Data Transport Carrier Services                    | 418 | Other Infrastructure Construction                  |
| 129 | Dermatology Biopharmaceuticals                     | 419 | Other Interconnect Components                      |
| 130 | Design, Integration and Implementation Consulting  | 420 | Other Interconnect Fabrication Services            |
| 131 | Diabetes Diagnostic Testing Devices                | 421 | Other International Energy Utilities               |
| 132 | Diabetes Drug Delivery Devices                     | 422 | Other Local Area Networking Equipment              |
| 133 | Diabetes Home Monitoring Devices                   | 423 | Other Long-Term Care Facilities                    |
| 134 | Diabetes Infusion Drug Delivery Devices            | 424 | Other Medical Supplies                             |
| 135 | Dietary and Naturopathic Supplements               | 425 | Other Memory Semiconductors                        |
| 136 | Disk Storage Systems                               | 426 | Other Metal Processing and Recycling Providers     |
| 137 | Diverse Construction and Engineering Services      | 427 | Other Network Software                             |
| 138 | Diversified Bioanalytical Instruments              | 428 | Other Nonvolatile Memory Semiconductors            |
| 139 | Diversified Biopharmaceuticals                     | 429 | Other Oncology Biopharmaceuticals                  |
| 140 | Diversified Brokerage Services                     | 430 | Other Optoelectronics Discrete Semiconductors      |
| 141 | Diversified Content Management Software            | 431 | Other Orthopedics Devices                          |
| 142 | Diversified Contract Manufacturing Organizations   | 432 | Other Passive Capacitor Electronic Components      |
| 143 | Diversified Contract Research Organizations        | 433 | Other Pharmaceuticals Distributors                 |
| 144 | Diversified Development and Manufacturing Services | 434 | Other Pipeline and Energy Storage Services         |
| 145 | Diversified Electronic Security Equipment          | 435 | Other Power Analog and Mixed Signal Semiconductors |
| 146 | Diversified Enterprise Resource Planning Software  | 436 | Other Processor Semiconductors                     |
| 147 | Diversified Finance Industry Software              | 437 | Other Programmable Logic and ASIC Semiconductors   |
| 148 | Diversified Healthcare Business Management         | 438 | Other Specialized Semiconductors                   |
| 149 | Diversified Healthcare Distributors                | 439 | Other Sporting and Athletic Goods                  |
| 150 | Diversified Healthcare Services                    | 440 | Other Surgical Devices                             |
| 151 | Diversified Hosting Services                       | 441 | Other Test and Measurement Equipment               |
| 152 | Diversified Industrial Manufacturing               | 442 | Other United States Energy Utilities               |
| 153 | Diversified IT Infrastructure Software             | 443 | Other Waste Services                               |
| 154 | Diversified Medical Device OEMs                    | 444 | Other Wide Area Networking (WAN) Equipment         |
| 155 | Diversified Medical Devices and Instruments        | 445 | Pan-Americas Mixed Telecommunications Services     |
| 156 | Diversified Patient Care                           | 446 | Pan-Americas Mixed Wholesale Power                 |
| 157 | Diversified Power Generation Equipment Makers      | 447 | Pan-Asia/Pacific Mixed Telecommunications Services |
| 158 | Document Management Software                       | 448 | Pan-Asia/Pacific Wholesale Power                   |
| 159 | Drug Delivery Technology Development               | 449 | Pan-Europe Mixed Telecommunications Services       |
| 160 | Drug Development Software                          | 450 | Paper and Textile Automation Providers             |
| 161 | Drug Lead Discovery, Validation and Optimization   | 451 | Passenger Rail Transportation                      |

# 62. iSTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX

|     |                                                    |     |                                                    |
|-----|----------------------------------------------------|-----|----------------------------------------------------|
| 162 | Drug Target Discovery and Validation               | 452 | Patient Data Management Software                   |
| 163 | Ear, Nose and Throat (ENT) Devices                 | 453 | Payment Processing Software                        |
| 164 | E-Commerce Service Providers                       | 454 | Peer-to-Peer Lodging                               |
| 165 | Educational Software                               | 455 | Peripheral Semiconductors                          |
| 166 | Electric Motors Manufacturing                      | 456 | Pharmacy Benefit Management (PBM)                  |
| 167 | Electric Vehicle Batteries Manufacturing           | 457 | Photovoltaic and Solar Cells and Systems Providers |
| 168 | Electric Vehicle Charging Stations                 | 458 | Photovoltaic Wafers                                |
| 169 | Electrical Systems and Equipment Manufacturing     | 459 | Pituitary Gland Disorders Biopharmaceuticals       |
| 170 | Electricity Infrastructure Construction            | 460 | Plastic and Reconstructive Surgery Devices         |
| 171 | Electronic Gaming Equipment                        | 461 | Plastics and Rubber Automation Providers           |
| 172 | Electronic Gaming/Entertainment Electronics Makers | 462 | Point of Care Testing Kits                         |
| 173 | Electronic Materials Manufacturing                 | 463 | Point-of-Sale (POS) Terminal Manufacturing         |
| 174 | Electronic Payment Processing                      | 464 | Power Generation Infrastructure Construction       |
| 175 | Electronic Security Identification Equipment       | 465 | Power Generation/Support Products Manufacturing    |
| 176 | Electronic System Security Equipment               | 466 | Power Transmission and Distribution Products       |
| 177 | Electronic Waste Services                          | 467 | Power, Control and Mixed Signal Semiconductors     |
| 178 | Embedded Automotive Software                       | 468 | Preclinical Limited Service CROs                   |
| 179 | Emission Control Services and Technologies         | 469 | Printed Circuit Board/Wiring Board Manufacturing   |
| 180 | Energy and Sustainability Management Services      | 470 | Process Plants, Utilities and Energy Construction  |
| 181 | Energy Efficient Lighting and LED Manufacturing    | 471 | Programmable Logic Device Semiconductors           |
| 182 | Energy Industry Software                           | 472 | Quantum Processor Semiconductors                   |
| 183 | Energy Plant Infrastructure Construction           | 473 | Radiology Devices                                  |
| 184 | Enterprise Blockchain Technology                   | 474 | Real Estate Classifieds and Directories Sites      |
| 185 | Enterprise Middleware Software                     | 475 | Recycling Services                                 |
| 186 | Enterprise Security Management Software            | 476 | Residential Alternative Energy Contractors         |
| 187 | Environmental Consulting                           | 477 | Residential Electrical Engineering Contractors     |
| 188 | Environmental Restoration Services                 | 478 | Residential General Engineering Contractors        |
| 189 | Environmental Services                             | 479 | Residential HVAC Engineering Contractors           |
| 190 | E-Signature Software                               | 480 | Residential Mortgage REITs                         |
| 191 | Europe Alternative Wholesale Power                 | 481 | Residential Plumbing Engineering Contractors       |
| 192 | Europe Biomass Wholesale Power                     | 482 | Residential Property Owners                        |
| 193 | Europe Geothermal Wholesale Power                  | 483 | Residential Remodeling Engineering Contractors     |
| 194 | Europe Hydroelectric Wholesale Power               | 484 | Respiratory Devices                                |
| 195 | Europe Industrial Decentralized Power              | 485 | Retail Brokerage Services                          |
| 196 | Europe Mixed Wholesale Power                       | 486 | Retail Industry Software                           |
| 197 | Europe Residential Decentralized Power             | 487 | RF Analog and Mixed Signal Semiconductors          |
| 198 | Europe Solar Wholesale Power                       | 488 | Safety and Sterilization Medical Supplies          |
| 199 | Europe Wind Wholesale Power                        | 489 | Sales Force Automation (SFA) Software              |
| 200 | Express Couriers                                   | 490 | Sanitary and Personal Care Paper Products          |
| 201 | Finance and Banking Systems Production             | 491 | Scientific Analytical Consumables                  |
| 202 | Fixed Microwave Systems Equipment                  | 492 | Scientific Analytical Instruments                  |
| 203 | Flash Memory Semiconductors                        | 493 | Securities Exchanges                               |
| 204 | Flexible Circuit Manufacturing                     | 494 | Security and Identification Semiconductors         |
| 205 | Food Delivery Services                             | 495 | Security and Management Consulting                 |
| 206 | Food Production Machinery Manufacturing            | 496 | Security Systems Services                          |
| 207 | Fresh Fruits and Vegetables Retail                 | 497 | Semiconductor Assembly and Packaging Services      |
| 208 | Fuel Cell Equipment and Technology Providers       | 498 | Semiconductor Foundry Services                     |
| 209 | Full Service CROs                                  | 499 | Semiconductor Packaging and Testing Services       |
| 210 | Garbage Services                                   | 500 | Semiconductor Testing Services                     |
| 211 | Gastrointestinal Tract Biopharmaceuticals          | 501 | Semiconductors Distributors                        |
| 212 | General Analog and Mixed Signal Semiconductors     | 502 | Server Computer Systems                            |
| 213 | General and Acute Hospitals                        | 503 | Sewage and Water Infrastructure Construction       |
| 214 | General Carrier Edge (Access) Equipment            | 504 | Skilled Nursing Facility (Nursing Home)            |
| 215 | General Clinical Diagnostics Devices               | 505 | Smart Grid Technology and Smart Meter Products     |
| 216 | General Clinical Laboratories                      | 506 | Smart Phone Manufacturing                          |
| 217 | General Consumer Content Providers                 | 507 | Soil Remediation                                   |
| 218 | General Customer Premises Equipment (CPE)          | 508 | Solid Waste Recycling Equipment Manufacturing      |



# 62. iSTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX

|     |                                                    |     |                                                  |
|-----|----------------------------------------------------|-----|--------------------------------------------------|
| 219 | General Delivery and Logistics Providers           | 509 | Specialized Clinical Laboratories                |
| 220 | General Enterprise Management Software             | 510 | Specialized Patient Care                         |
| 221 | General Entertainment Content Providers and Sites  | 511 | Sporting Goods Stores                            |
| 222 | General Factory Automation Makers                  | 512 | Supply Chain ERP Software                        |
| 223 | General Infectious Diseases Biopharmaceuticals     | 513 | Surgical Biopharmaceuticals                      |
| 224 | General Information Technology (IT) Consulting     | 514 | Surgical Robotic Systems                         |
| 225 | General Infrastructure and Network Consulting      | 515 | Team, Individual and Other Sports Manufacturing  |
| 226 | General Internet and Online Services               | 516 | Telemedicine                                     |
| 227 | General Personal Care and Cleaning Products Makers | 517 | Test and Measurement Communications Equipment    |
| 228 | General Purpose Test and Measurement Equipment     | 518 | Test, Measurement and Metrology Equipment Makers |
| 229 | General Security Services                          | 519 | Thermal and Chemical Processing Machinery Makers |
| 230 | General Support Activity Providers for Agriculture | 520 | Trade Execution Services                         |
| 231 | General Surgical Devices                           | 521 | Trading Software                                 |
| 232 | General Waste Collection                           | 522 | Traditional Vehicle Batteries Manufacturing      |
| 233 | Genetic Molecular Diagnostic Test Kits             | 523 | Traffic Safety and Management Equipment Products |
| 234 | Genetic Molecular Non-Diagnostic Test Kits         | 524 | Transfusion Medicine Devices                     |
| 235 | Geothermal Energy Equipment Manufacturing          | 525 | Transportation Construction                      |
| 236 | Global Energy Utilities                            | 526 | Travel Publishers                                |
| 237 | Global Positioning Systems (GPS) Manufacturing     | 527 | Turnkey Assembly Manufacturing Services          |
| 238 | Government and Public Service Industry Software    | 528 | Type 1 Diabetes Biopharmaceuticals               |
| 239 | Government IT Services                             | 529 | Type 2 Diabetes Biopharmaceuticals               |
| 240 | Greenhouse Gas Emission Services                   | 530 | United States Biomass Wholesale Power            |
| 241 | Grocery Delivery Services                          | 531 | United States Geothermal Wholesale Power         |
| 242 | Handheld and Smart Phone Games Software            | 532 | United States Hydroelectric Wholesale Power      |
| 243 | Hazardous Materials Disposal                       | 533 | United States Industrial Decentralized Power     |
| 244 | Hazardous/Industrial Waste Disposal                | 534 | United States Residential Decentralized Power    |
| 245 | Healthcare Consulting                              | 535 | United States Satellite Services                 |
| 246 | Healthcare IT Services                             | 536 | United States Solar Wholesale Power              |
| 247 | Healthcare Management Software                     | 537 | United States Transmission, Dist., and Storage   |
| 248 | Healthcare Operations Support Software             | 538 | United States Video and Television Services      |
| 249 | Healthcare Staffing and Recruiting                 | 539 | United States Wind Wholesale Power               |
| 250 | Heart Disorders Biopharmaceuticals                 | 540 | United States Wireless Business Data Services    |
| 251 | Heavy-Duty and High-End Batteries Manufacturing    | 541 | United States Wireline Business Data Services    |
| 252 | Heavy-Duty Industrial Batteries Manufacturing      | 542 | United States Wireline Data Services             |
| 253 | Hematological Oncology Biopharmaceuticals          | 543 | Urology Biopharmaceuticals                       |
| 254 | Hematology Biopharmaceuticals                      | 544 | US Alternative Wholesale Power                   |
| 255 | Home and Office Virtual Reality Software           | 545 | US Mixed Wholesale Power                         |
| 256 | Home Healthcare                                    | 546 | US Voice Over IP Telephony (VoIP) Services       |
| 257 | Home Testing Clinical Diagnostics Devices          | 547 | Utilities Industry Software                      |
| 258 | Household Robot Makers                             | 548 | Utility Infrastructure Construction              |
| 259 | Human Interface Peripherals                        | 549 | Utility Meter Manufacturing                      |
| 260 | Hydroelectric Power Generation Equipment Providers | 550 | Vascular Disorders Biopharmaceuticals            |
| 261 | Hydrogen Fuel Manufacturing                        | 551 | Vehicle Autonomous Control Electronics Makers    |
| 262 | IC-Level Electronic Design Software                | 552 | Vehicle Autonomous Control Software              |
| 263 | Image Sensor and Image Capture Semiconductors      | 553 | Video Multimedia Semiconductors                  |
| 264 | Imaging Laboratories                               | 554 | Viral Biopharmaceuticals                         |
| 265 | Immune Deficiency Disorders Biopharmaceuticals     | 555 | Virtual Reality Design and Engineering Software  |
| 266 | Immunoassays Clinical Diagnostics Devices          | 556 | Virtual Reality Equipment                        |
| 267 | Industrial Robots and Robotic Assembly Line Makers | 557 | Volatile Memory Semiconductors                   |
| 268 | Information Storage Systems                        | 558 | Wafer Blank Makers and Equipment Manufacturing   |

# 62. iSTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX

|     |                                                    |     |                                                    |
|-----|----------------------------------------------------|-----|----------------------------------------------------|
| 269 | Infrastructure Consulting and Design Services      | 559 | Wafer Processing Subsystem Equipment Manufacturing |
| 270 | Infusion Therapy Devices                           | 560 | Waste-to-Energy Services                           |
| 271 | Inspection and Detection Systems Manufacturing     | 561 | Wastewater Residual Management                     |
| 272 | Institutional Brokerage Services                   | 562 | Wastewater Treatment Services                      |
| 273 | Insulation Manufacturing                           | 563 | Water Treatment Agents Manufacturing               |
| 274 | Insurance Software                                 | 564 | Wave Energy Equipment Manufacturing                |
| 275 | Intermediary Metabolism Biopharmaceuticals         | 565 | Wearable Technology                                |
| 276 | International Electricity Generator Utilities      | 566 | Web Navigation Sites and Software                  |
| 277 | International Fixed Satellite Services             | 567 | Web Portal Sites and Software                      |
| 278 | International Mobile Satellite Services            | 568 | Web Search Sites and Software                      |
| 279 | Internet Accessories Retail                        | 569 | Weight Management Biopharmaceuticals               |
| 280 | Internet Apparel Retail                            | 570 | Welding and Joining Tool Manufacturing             |
| 281 | Internet Automotive Parts Sales                    | 571 | Western Europe Mixed Telecommunications Services   |
| 282 | Internet Building Materials / Garden Supply Retail | 572 | Western Europe Video and Television Services       |
| 283 | Internet Department Stores                         | 573 | Western Europe Wireless Telecom Services           |
| 284 | Internet Discount Stores                           | 574 | Western Europe Wireline Telecom Services           |
| 285 | Internet Electronics Retail                        | 575 | Wind Energy Equipment Manufacturing                |
| 286 | Internet Entertainment Retail                      | 576 | Wireless and Wi-Fi Equipment                       |
| 287 | Internet Footwear Retail                           | 577 | Wireless Infrastructure Services                   |
| 288 | Internet Furniture and Home Furnishings Retail     | 578 | Wireline Equipment                                 |
| 289 | Internet Motor Vehicle Sales                       | 579 | Wireline Infrastructure Services                   |
| 290 | Internet Office Supplies Retail                    | 580 | Wires and Cables Manufacturing                     |

**Composition list:** The final composition list with the 30 securities is derived by following the steps below in the order they are listed.

- 1) All stocks from the selection list (Y) are first sorted in ascending order in terms of their volatility (maximum between the 3-month and 12-month historical volatility in EUR) and the top Z lowest volatility stocks, rounded down to the previous integer, are selected for the next step of the selection process, such that:  $Z = \text{round down to previous integer}(Y * 50\%)$ . In case two companies for a given cutoff date have the same volatility, priority is given to the one with the highest dividend yield (historical gross dividend yield).
- 2) Subsequently, the remaining companies (Z), are sorted in descending order in terms of their dividend yield, and if any companies with zero dividend yield are remaining at this step, they are excluded. The 30 stocks with the highest dividend yield are selected in the index, in such a way that the following conditions are met:

**a. Country**

For each country i, a maximum number of components K is calculated as follows and rounded to the nearest integer, such that diversification is ensured and the country profile of the iSTOXX Global Transformation Select 30 Index does not deviate much from the corresponding weights of the STOXX Global 3000 Index. Moreover, for countries, that are represented in the STOXX Global 3000 Index, with a weight exceeding 20%, a minimum number of components L is also calculated in a similar fashion:

$$K_i = (SXGBM_i + 10\%) * N$$

$$L_i = (SXGBM_i - 10\%) * N$$

where:

$K_i$  maximum number of components from country i, allowed for inclusion in the iSTOXX Global Transformation Select 30 Index

$L_i$  minimum number of components from country i, to be included in the iSTOXX Global Transformation Select 30 Index

$SXGBM_i$  weight of the components coming from country i, in the STOXX Global 3000 Index, as of the cutoff date

## 62. iSTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX

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N number of constituents in the iSTOXX Global Transformation Select 30 Index (30)

### b. Industry

Maximum of 6 components out of the total 30 coming from each of the 11 ICB industries.

If the composition list cannot be completed with 30 stocks under the above constraints, then the number of stocks selected at step 1 (companies with lowest volatility, Z) is incremented by 1 ( $Z = Z + 1$ ), and step 2 is repeated. Further incrementing is applied to this number if necessary, and the process is repeated until 30 stocks are selected

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the RBICS revenue exposure data is the last dissemination day of November for the quarterly reviews performed in December and March, and similarly, the last dissemination day of May for the reviews performed in June and September. The review cut-off date for all other underlying data is the last dissemination day of the month prior to the review month.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

$w_i$  target weight of component  $i$

$\sigma_i$  maximum between the 3-month and 12-month historical volatility of component  $i$ , as of review cut-off date, based on prices in EUR

N number of constituents in the index

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 62.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

## 62. iSTOXX GLOBAL TRANSFORMATION SELECT 30 INDEX

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**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 63.iSTOXX GLOBAL FINTECH 30 INDEX

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### 63.1. iSTOXX GLOBAL FINTECH 30 INDEX

#### 63.1.1. OVERVIEW

The iSTOXX Global Fintech 30 Index is comprised of the 30 largest companies associated with financial technology (fintech). These businesses use technology to change how financial services are offered to end customers, and/or to boost the competitive edge of traditional financial services providers by improving efficiencies and driving new products and solutions. As the evolution of fintech progresses, and its support from governments and regulators increases, these companies are well-positioned to benefit from the long-term trend towards fintech, which may have a substantial impact on their revenues in the future.

**Universe:** The STOXX Global Fintech index, as observed on the review effective date defines the index universe.

**Weighting scheme:** The index is free-float market capitalization-weighted.

**Base values and dates:** 100 on Jun 24, 2013.

**Index types and currencies:** Price, net return and gross return in EUR and USD.

**Dissemination calendar:** STOXX Europe calendar

#### 63.1.2. INDEX REVIEW

**Composition list:** Companies in the parent Universe are screened for their 3-month ADTV in EUR and only those with greater than EUR 5,000,000 will be eligible for selection. The remaining companies are ranked in descending order in terms of free-float market cap, observed as of review cut-off date, and the top 30 are selected.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for all other underlying data is the last dissemination day of the month prior to the review month.

**Weighting cap factors:** Components are capped at a maximum weight of 10%.

#### 63.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently.

## 63. iSTOXX GLOBAL FINTECH 30 INDEX

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**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 64.iSTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE LARGE 100 INDEX

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## 64.1. iSTOXX AI GLOBAL ARTIFICIAL INTELLIGENCE LARGE 100 INDEX

### 64.1.1. OVERVIEW

The iSTOXX AI Global Artificial Intelligence Large 100 Index allows a targeted investment in 100 companies from a wide range of industries that invest heavily in the development of new AI technologies. These companies are therefore considered to be well-positioned to benefit from the increased adoption of AI technologies.

**Universe:** The index universe is defined by all the stocks included in the STOXX Global Intelligent Computing ADTV5 Index, as observed on the review effective date.

**Weighting scheme:** The index is free-float market capitalization-weighted.

**Base values and dates:** 100 on March 15, 2013.

**Index types and currencies:** Price, net return and gross return in EUR and USD.

**Dissemination calendar:** STOXX Europe calendar

### 64.1.2. INDEX REVIEW

**Composition list:** Companies in the parent universe are ranked in descending order in terms of free-float market cap, observed as of review cut-off date, and the top 100 are selected.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last dissemination day of the month prior to the review month.

**Weighting cap factors:** Components are capped at a maximum weight of 10%.

### 64.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 65.EURO iSTOXX ESG WEIGHTED ADDITIONAL EXCLUSIONS 50 INDEX

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## 65.1. EURO iSTOXX ESG WEIGHTED ADDITIONAL EXCLUSIONS 50 INDEX

### 65.1.1. OVERVIEW

The EURO iSTOXX ESG Weighted Additional Exclusions 50 Index tracks the performance of the 50 largest securities from the EURO STOXX Index that are not involved in tobacco production and distribution, fossil fuels and military contracting. Industry neutrality filters are applied in the selection process to ensure diversification.

STOXX will exclude companies that are not compliant based on the Sustainalytics Global Standards Screening assessment, have Severe Controversy Rating (Category 5) or are involved in Controversial Weapons. Moreover, companies involved in Tobacco Production and Distribution, Conventional and Unconventional Oil & Gas, Thermal Coal and Military Contracting Weapons are also not eligible for selection.

**Universe:** The index universe is defined by all the stocks included in the EURO STOXX Index, as observed on the review effective date.

**Weighting scheme:** The index is price-weighted with weighting cap factors determined according to the constituents' ESG ranks

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 65.1.2. INDEX REVIEW

**Selection list:**

The review cut-off date is the last dissemination day of the month preceding the review month of the index.

On the review cut-off date, the securities in the selection list are screened for the following indicators:

- i. ESG scores, as sourced from Sustainalytics' ESG Risk Rating dataset
- ii. Product involvement in: Tobacco Production or Distribution, Conventional Oil & Gas, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Thermal Coal and Military Contracting Weapons

If any of the fields i) to ii) above have missing information for a stock, then that company is not eligible for selection.



## 65. EURO ISTOXX ESG WEIGHTED ADDITIONAL EXCLUSIONS 50 INDEX

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The Selection list constitutes of all remaining stocks that fulfil the conditions below, in the order they are listed:

- Not identified as non-compliant with Sustainalytics Global Standards Screening (GSS). Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.
  - Do not have Severe Controversy Rating (Category 5). Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.
  - Not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:
    - » Internal production or sale of controversial weapons
    - » The ultimate holding company owns >10% of voting rights of an involved company
    - » >10% of voting rights of a company is owned by the involved company
- STOXX will exclude companies that Sustainalytics identifies to have a "Severe" ESG Risk Rating
  - Not have any Product Involvement in the following areas<sup>100</sup>:

### **Tobacco:**

STOXX will exclude companies that Sustainalytics identifies to have:

- » >0% revenues from manufacturing tobacco products
- » >5% revenues from the distribution and/or retail sale of tobacco products

### **Conventional Oil & Gas:**

STOXX will exclude companies that Sustainalytics identifies to have:

- » >0% revenues from oil and gas exploration, production, refining, transportation and/or storage
- This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).
- » >0% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)
  - » >0% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

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<sup>100</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results

## 65. EURO ISTOXX ESG WEIGHTED ADDITIONAL EXCLUSIONS 50 INDEX

### Unconventional Oil & Gas

#### iv) Arctic Oil and Gas Exploration:

STOXX will exclude companies that Sustainalytics identifies to have:

» >0% revenues Oil & Gas exploration & extraction in Arctic regions

#### v) Oil Sands:

STOXX will exclude companies that Sustainalytics identifies to have:

» >0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

#### vi) Shale Energy:

STOXX will exclude companies that Sustainalytics identifies to have:

» >0% revenues from shale energy exploration and/or production

### Thermal Coal:

STOXX will exclude companies that Sustainalytics identifies to have:

» >0% revenues from thermal coal extraction (including thermal coal mining and exploration)

» >0% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

### Military Contracting:

STOXX will exclude companies that Sustainalytics identifies to have:

» >10% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons

» >10% revenues from tailor made products and/or services that support military weapons

### Composition list:

Each of the remaining securities in the selection list are allocated to one of the ten industry groupings according to their ICB code as follows:

| Grouping           | ICB codes     |
|--------------------|---------------|
| Oil & Gas          | Industry 1    |
| Basic Materials    | Industry 1000 |
| Industrials        | Industry 2000 |
| Consumer Goods     | Industry 3000 |
| Health Care        | Industry 4000 |
| Consumer Services  | Industry 5000 |
| Telecommunications | Industry 6000 |
| Utilities          | Industry 7000 |
| Financials         | Industry 8000 |
| Technology         | Industry 9000 |

Effective with September 2020 review, each of the remaining securities in the selection list are allocated to one of the ten industry groupings according to their ICB code as follows:

## 65. EURO ISTOXX ESG WEIGHTED ADDITIONAL EXCLUSIONS 50 INDEX

| Grouping               | ICB codes            |
|------------------------|----------------------|
| Technology             | Industry 10          |
| Telecommunications     | Industry 15          |
| Health Care            | Industry 20          |
| Financials             | Industries 30 and 35 |
| Consumer Discretionary | Industry 40          |
| Consumer Staples       | Industry 45          |
| Industrials            | Industry 50          |
| Basic Materials        | Industry 55          |
| Energy                 | Industry 60          |
| Utilities              | Industry 65          |

The securities are then ranked in decreasing order of their free float market capitalization. In case two companies for a given cut-off date have the same free float market capitalization, priority is given to the one with the highest ESG score. The 50 largest securities are then selected, with a maximum of 8 components out of the total 50 coming from each of the 10 industrial groupings.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

### Weighting and capping factors:

The selected 50 securities are ranked in descending order of their ESG scores, so that the securities with the highest risk ratings are ranked at the top, and those with the lowest risk ratings at the bottom of the list. In case two securities have the same ESG score for a given cut-off date, priority is given to the one with higher free float market capitalization (i.e. the larger security is given a higher ranking, and larger weight). The securities are then issued linearly increasing weights:

$$w_1 = 0.5\%$$

$$step = \frac{100\% - 50 * w_1}{49 * 25} = \frac{3\%}{49}$$

$$w_i = w_1 + step * (i - 1)$$

where:

$w_1$  weight of the security with the highest ESG score  
 $i$   $i^{\text{th}}$  security  
 $w_i$  weight of the  $i^{\text{th}}$  security

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

## 65. EURO ISTOXX ESG WEIGHTED ADDITIONAL EXCLUSIONS 50 INDEX

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### 65.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All component are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 66.EURO iSTOXX 50 ARTIFICIAL INTELLIGENCE TILTED INDEX

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## 66.1. EURO iSTOXX 50 ARTIFICIAL INTELLIGENCE TILTED INDEX

### 66.1.1. OVERVIEW

The EURO iSTOXX 50 Artificial Intelligence Tilted Index tracks the performance of all the EURO STOXX 50 securities and the 10 largest US and Japanese securities from the STOXX Global Artificial Intelligence Index. The index is reviewed quarterly in March, June, September and December.

**Universe:** EURO STOXX 50 Index and STOXX Global Artificial Intelligence Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers to achieve 80:20 ratio for the EURO STOXX 50 company weights versus the 10 AI company weights within the index.

**Base values and dates:** 100 on Jun 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 66.1.2. INDEX REVIEW

**Selection list:**

All of the securities in the EURO STOXX 50 Index, and only US and Japanese securities from the STOXX Global Artificial Intelligence Index constitute the selection list.

**Composition list:**

All of the EURO STOXX 50 Index constituents are selected. The remaining companies in the selection list, Japanese and US companies from the STOXX Global Artificial Intelligence Index, are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities are selected. The resulting EURO iSTOXX 50 Artificial Intelligence Tilted Index comprises 60 securities, 50 from the EURO STOXX 50 Index and 10 from the STOXX Global Artificial Intelligence Index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

**Weighting and capping factors:**

The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers to achieve 80:20 weight ratio for the EURO STOXX 50 company weights versus 10 AI company weights within the EURO iSTOXX 50 Artificial Intelligence Tilted Index.

The EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, 8% in the final index ( $0.8 \times 10\%$ ). Additionally, the 10 AI company weights are capped at 25% within the AI company weights, hence capped at 5% in the final index ( $0.2 \times 25\%$ ). The overall exposure to Japanese securities is also capped at 50% within the AI company weights, 10% in the final index ( $0.2 \times 50\%$ ).

## 66. EURO ISTOXX 50 ARTIFICIAL INTELLIGENCE TILTED INDEX

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$w_i = 0.8 \times \frac{ffmcap_i}{\sum_{j=1}^{50} ffmcap_j}$ ; weight capped at 10% within the EURO STOXX 50 companies

$w_k = 0.2 \times \frac{ae_k * ffmcap_k}{\sum_{l=1}^{10} ae_l * ffmcap_l}$ ; weight capped at 25% within the AI companies

Where:

|          |                                                                                                     |
|----------|-----------------------------------------------------------------------------------------------------|
| $i, j$   | EURO STOXX 50 constituents                                                                          |
| $w_i$    | weight of the EURO STOXX 50 security in the new index (max 8% within the new index)                 |
| $k, l$   | the 10 selected securities from the STOXX Global Artificial Intelligence Index                      |
| $w_k$    | weight of the 10 AI securities in the new index (max 5% within new index)                           |
| $ffmcap$ | free float market capitalization                                                                    |
| $ae_k$   | the total revenue exposure of company k to the Artificial Intelligence RBICS sectors <sup>101</sup> |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 66.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All component are maintained for corporate actions as outlined in the STOXX calculation guide available on [stox.com](https://stox.com)

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<sup>101</sup> Please refer to the [STOXX Index Guide](#) for the full list of Artificial Intelligence RBICS sectors used for the STOXX Global Artificial Intelligence Index

# 67.EURO iSTOXX 50 ELECTRIC VEHICLES TILTED INDEX

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## 67.1. EURO iSTOXX 50 ELECTRIC VEHICLE TILTED INDEX

### 67.1.1. OVERVIEW

The EURO iSTOXX 50 Electric Vehicles Tilted Index tracks the performance of all the EURO STOXX 50 securities and the 10 largest securities from the STOXX Global Electric Vehicles & Driving Technology Index. The index is reviewed quarterly in March, June, September and December.

**Universe:** EURO STOXX 50 Index and STOXX Global Total Market Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the Electric Vehicles & Driving Technology theme.

**Base values and dates:** 100 on Jun 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 67.1.2. INDEX REVIEW

**Selection list:**

All of the securities in the EURO STOXX 50 Index are added to the selection list. Moreover, companies from the STOXX Global Total Market Index that also belong to the STOXX Global Electric Vehicles & Driving Technology Index are assessed for their country and liquidity eligibility: from this intersection, securities belonging to Japan, US, Switzerland or the developed markets of the Eurozone that have 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 5 million EUR are also added to the selection list.

**Composition list:**

All of the EURO STOXX 50 Index constituents are selected. The remaining companies in the selection list from the STOXX Global Electric Vehicles & Driving Technology Index, are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities that are not already part of the EURO STOXX 50 are selected. The resulting EURO iSTOXX 50 Electric Vehicles Tilted Index comprises of 60 securities: 50 from the EURO STOXX 50 Index and 10 from the STOXX Global Electric Vehicles & Driving Technology Index.

**Review frequency:**

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

**Weighting and capping factors:**

The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers such that the companies of the EURO STOXX 50 account for 80% and the 10 companies selected from STOXX Global Electric Vehicles & Driving Technology Index (EV companies) 20% of the EURO iSTOXX 50 Electric Vehicles Tilted Index.

## 67. EURO ISTOXX 50 ELECTRIC VEHICLES TILTED INDEX

The EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, 8% in the final index (0.8 x 10%). Additionally, the 10 EV company weights are capped at 25% within the EV company weights, hence capped at 5% in the final index (20% x 25%). The overall exposure to Japanese securities is also capped at 50% within the EV company weights, 10% in the final index (0.2 x 50%).

$$w_i = 0.8 \times \frac{ffmcap_i}{\sum_{j=1}^{50} ffmcap_j}; \text{ weight capped at 10\% within the EURO STOXX 50 companies}$$

$$w_k = 0.2 \times \frac{ev_k * ffmcap_k}{\sum_{l=1}^{10} ev_l * ffmcap_l}; \text{ weight capped at 25\% within the EV companies}$$

Where:

|          |                                                                                                                                                                                                                                                    |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| $i, j$   | EURO STOXX 50 constituents                                                                                                                                                                                                                         |
| $w_i$    | weight of the EURO STOXX 50 security in the new index (max 8% within the new index)                                                                                                                                                                |
| $k, l$   | the 10 selected securities from the STOXX Global Electric Vehicles & Driving Technology Index                                                                                                                                                      |
| $w_k$    | weight of the 10 EV securities in the new index (max 5% within new index)                                                                                                                                                                          |
| $ffmcap$ | free float market capitalization                                                                                                                                                                                                                   |
| $ev_k$   | maximum revenue exposure of company k to one of the four RBICS sectors groups: "Electric Vehicle Manufacturers", "Electric Vehicle Battery and Charging", "Driving Technologies" and "Electric Vehicle Manufacturers' Supply Chain" <sup>102</sup> |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value

### 67.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stxx.com](https://stxx.com).

<sup>102</sup> Please refer to the [STOXX Index Guide](#) for the full list of RBICS sectors used for the calculation of the revenue exposures in the STOXX Global Electric Vehicles & Driving Technology Index



# 68.EURO iSTOXX 50 SHARING ECONOMY TILTED INDEX

## 68.1. EURO iSTOXX 50 SHARING ECONOMY TILTED INDEX

### 68.1.1. OVERVIEW

The EURO iSTOXX 50 Sharing Economy Tilted Index tracks the performance of all the EURO STOXX 50 securities and the 10 largest securities from the STOXX Global Sharing Economy Index. The index is reviewed quarterly in March, June, September and December.

**Universe:** EURO STOXX 50 Index and STOXX Global Sharing Economy Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the Sharing Economy theme.

**Base values and dates:** 100 on Jun 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 68.1.2. INDEX REVIEW

**Selection list:**

All of the securities in the EURO STOXX 50 Index, and securities belonging to Japan, US, Switzerland or the developed markets of the Eurozone from the STOXX Global Sharing Economy Index that have 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 10 million EUR constitute the selection list.

**Composition list:**

All of the EURO STOXX 50 Index constituents are selected. The remaining companies in the selection list from the STOXX Global Sharing Economy Index, are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities that are not already part of the EURO STOXX 50 are selected. The resulting EURO iSTOXX 50 Sharing Economy Tilted Index comprises 60 securities: 50 from the EURO STOXX 50 Index and 10 from the STOXX Global Sharing Economy Index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

**Weighting and capping factors:**

The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers such that, the companies of the EURO STOXX 50 account for 80% and the 10 companies selected from STOXX Global Sharing Economy Index (SH companies) 20% of the EURO iSTOXX 50 Sharing Economy Tilted Index.

The EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, 8% in the final index ( $0.8 \times 10\%$ ). Additionally, the 10 SH company weights are capped at 25% within the SH company weights, hence capped at 5% in the final index ( $20\% \times 25\%$ ). The overall

## 68. EURO ISTOXX 50 SHARING ECONOMY TILTED INDEX

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exposure to Japanese securities is also capped at 50% within the AI company weights, 10% in the final index (0.2 x 50%).

$$w_i = 0.8 \times \frac{ffmcap_i}{\sum_{j=1}^{50} ffmcap_j}; \text{ weight capped at 10\% within the EURO STOXX 50 companies}$$

$$w_k = 0.2 \times \frac{sh_k * ffmcap_k}{\sum_{l=1}^{10} sh_l * ffmcap_l}; \text{ weight capped at 25\% within the SH companies}$$

Where:

|          |                                                                                     |
|----------|-------------------------------------------------------------------------------------|
| $i, j$   | EURO STOXX 50 constituents                                                          |
| $w_i$    | weight of the EURO STOXX 50 security in the new index (max 8% within the new index) |
| $k, l$   | the 10 selected securities from the STOXX Global Sharing Economy Index              |
| $w_k$    | weight of the 10 SH securities in the new index (max 5% within new index)           |
| $ffmcap$ | free float market capitalization                                                    |
| $sh_k$   | revenue exposure of company k to the "Sharing Economy" RBICS sectors <sup>103</sup> |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 68.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stox.com](https://stox.com)

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<sup>103</sup> Please refer to the [STOXX Index Guide](#) for the full list of RBICS sectors used for the calculation of the revenue exposures in the STOXX Sharing Economy Index

# 69.EURO iSTOXX 50 FUTURE HEALTHCARE TILTED INDEX

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## 69.1. EURO iSTOXX 50 FUTURE HEALTHCARE TILTED INDEX

### 69.1.1. OVERVIEW

The EURO iSTOXX 50 Future Healthcare Tilted Index tracks the performance of all the EURO STOXX 50 securities and the 10 largest securities form the STOXX Global Breakthrough Healthcare Index. The index is reviewed quarterly in March, June, September and December.

**Universe:** EURO STOXX 50 Index and STOXX Global Breakthrough Healthcare Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization.

**Base values and dates:** 100 on Jun 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 69.1.2. INDEX REVIEW

**Selection list:**

All of the securities in the EURO STOXX 50 Index, and securities belonging to Japan, US, Switzerland or the developed markets of the Eurozone from the STOXX Global Breakthrough Healthcare Index that have 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 10 million EUR constitute the selection list.

**Composition list:**

All of the EURO STOXX 50 Index constituents are selected. The remaining companies in the selection list from the STOXX Global Breakthrough Healthcare Index, are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities that are not already part of the EURO STOXX 50 are selected. The resulting EURO iSTOXX 50 Future Healthcare Tilted Index comprises 60 securities: 50 from the EURO STOXX 50 Index and 10 from the STOXX Global Breakthrough Healthcare Index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

**Weighting and capping factors:**

The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers such that, the companies of the EURO STOXX 50 account for 80% and the 10 companies selected from STOXX Global Breakthrough Healthcare Index (HC companies) 20% of the EURO iSTOXX 50 Future Healthcare Tilted Index.

## 69. EURO ISTOXX 50 FUTURE HEALTHCARE TILTED INDEX

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The EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, 8% in the final index (0.8 x 10%). Additionally, the 10 HC company weights are capped at 25% within the HC company weights, hence capped at 5% in the final index (20% x 25%). The overall exposure to Japanese securities is also capped at 50% within the AI company weights, 10% in the final index (0.2 x 50%).

$$w_i = 0.8 \times \frac{ffmcap_i}{\sum_{j=1}^{50} ffmcap_j}; \text{ weight capped at 10\% within the EURO STOXX 50 companies}$$

$$w_k = 0.2 \times \frac{ffmcap_k}{\sum_{l=1}^{10} ffmcap_l}; \text{ weight capped at 25\% within the HC companies}$$

Where:

|          |                                                                                     |
|----------|-------------------------------------------------------------------------------------|
| $i, j$   | EURO STOXX 50 constituents                                                          |
| $w_i$    | weight of the EURO STOXX 50 security in the new index (max 8% within the new index) |
| $k, l$   | the 10 selected securities from the STOXX Global Breakthrough Healthcare Index      |
| $w_k$    | weight of the 10 HC securities in the new index (max 5% within new index)           |
| $ffmcap$ | free float market capitalization                                                    |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 69.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com)

# 70.iSTOXX GLOBAL ELECTRIC VEHICLES & DRIVING TECHNOLOGY 30 INDEX

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## 70.1. iSTOXX GLOBAL ELECTRIC VEHICLES & DRIVING TECHNOLOGY 30 INDEX

### 70.1.1. OVERVIEW

The iSTOXX Global Electric Vehicles & Driving Technology 30 Index is comprised of the 30 largest companies associated with Electric Vehicles & Driving Technology. This includes firms which are involved in the manufacturing of electric vehicles, electric vehicle batteries and charging equipment, driving technologies and suppliers in the electric vehicle manufacturers' supply chain. These companies, or components of their business lines, are expected to benefit from long-term structural trends driving economic change and which, in the future, may have a substantial impact on their performance.

**Universe:** STOXX Global Total Market Index, as observed on the review effective date defines the index universe.

**Weighting scheme:** The index is free-float market capitalization-weighted.

**Base values and dates:** 100 on Jun 24, 2013.

**Index types and currencies:** Price, net return and gross return in EUR and USD.

**Dissemination calendar:** STOXX Europe calendar

### 70.1.2. INDEX REVIEW

#### Composition list

Companies in the parent Universe, the STOXX Global Total Market Index, that also belong to the STOXX Global Electric Vehicles & Driving Technology Index are screened for their 3-month ADTV in EUR and only those with greater than EUR 5,000,000 will be eligible for selection. The remaining companies are ranked in descending order in terms of their free-float market cap, observed as of review cut-off date, and the top 30 are selected.

#### Review frequency

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for all other underlying data is the last dissemination day of the month prior to the review month.

#### Weighting cap factors

Components are capped at a maximum weight of 10%.

### 70.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

## 70. iSTOXX GLOBAL ELECTRIC VEHICLES & DRIVING TECHNOLOGY 30 INDEX

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**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 71.1. iSTOXX WORLD A INDEX

### 71.1.1. OVERVIEW

The iSTOXX World A Index is derived from the STOXX Developed Markets Total Market Index. With a coverage of about 85% of developed equity markets' free-float market cap, the iSTOXX World A Index offers access to large- and mid-cap developed markets companies.

**Universe:** STOXX Developed Markets Total Market Index.

**Weighting scheme:** The indices are weighted according to free-float market capitalization.

**Base values and dates:** December 21, 2012.

**Index types and currencies:** Price, net return, gross return in EUR and USD.

### 71.1.2. INDEX REVIEW

**Composition list:** In a first step global consistency bounds are determined based on the STOXX Global Total Market Index. For this purpose, all securities from all countries in the STOXX Global Total Market index are sorted by their full market cap and the cumulative free-float market capitalization coverage percentage for each security is calculated, whereby the percentages are scaled so that the total coverage percentage in terms of free-float market capitalization sums to 98%<sup>104</sup>. Then, the upper (lower) global consistency bound is represented by the full market cap of the first security for which the above cumulative free-float market capitalization coverage percentage is greater than 83.25% (92%).

In a second step, Poland<sup>105</sup> is excluded from the universe. Next, for each remaining country in the universe the following selection procedure is applied to target 85% free-float market cap coverage:

- Only securities with an annualized turnover ratio greater or equal to 10% are selected. The annualized turnover ratio is defined as the median value of the daily traded volume to free-float shares ratio over the last 12 months, multiplied by 252.
- Securities with a price greater than EUR 10'000 are excluded.
- Next, after sorting securities by full market cap, the cumulative free-float market capitalization local (relative to the country) coverage percentage (LCP) for each security is calculated, whereby the percentages are scaled so that the total coverage percentage sums to the coverage for that country as applied in the STOXX Total Market Index creation<sup>106</sup>.
- The securities that cover the top 85% by LCP (i.e. with a full market cap greater or equal than the largest company with LCP greater than 85%) directly qualify.
- Next, it is checked if the full market cap of the smallest security that directly qualified lies within the global consistency bounds. If this is not the case and the smallest security has a

<sup>104</sup> This is done since the STOXX Total Market Indices are already only covering less than 100%. 98% is a proxy for the overall global coverage of STOXX Total Market indices.

<sup>105</sup> Poland is by some market participants considered a developing country.

<sup>106</sup> See <https://www.stoxx.com/methodology> for a list of STOXX Total Market coverage by country.

full market cap greater (smaller) than the upper (lower) global consistency bound, securities with full market cap greater (smaller) or equal than the upper (lower) global consistency bound are added (removed).

- To reduce turnover, the following buffer rule is applied:
  - o Only securities with LCP lower than 82% can be newly added to the index
  - o Only securities with LCP higher than 86% can be removed from the index

Lastly, the combination of the resulting eligible securities from all countries forms the index composition.

**Review frequency:** The index is reviewed on a semi-annual basis in June and December. In addition, in March and September free-float shares are updated in line with all STOXX universes.

**Weighting cap factors:** Securities are weighted by free-float market cap.

### 71.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted securities are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spun-off companies are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com). Index components are deleted from all STOXX indices in case of official delisting from the eligible stock exchange or ongoing bankruptcy proceedings



## 71.2. iSTOXX WORLD A CAPPED INDEX

### 71.2.1. OVERVIEW

The iSTOXX World A Capped Index is derived from the STOXX Developed Markets Total Market Index. With a coverage of about 85% of developed equity markets' free-float market cap, the iSTOXX World A Capped Index offers access to large- and mid-cap developed markets companies.

**Universe:** STOXX Developed Markets Total Market Index.

**Weighting scheme:** The indices are weighted according to free-float market capitalization. From March 2026 onwards, the total weight of US components is capped quarterly at 50% if it exceeds this limit. The excess weight is distributed proportionally to the non-US components.

**Base values and dates:** 1000 on December 21, 2012.

**Index types and currencies:** Price, net return, gross return in EUR and USD.

**Dissemination calendar:** STOXX Europe calendar. The dissemination calendar shall be switched to STOXX Global from March 2026 onwards.

### 71.2.2. INDEX REVIEW

**Composition list:** In a first step global consistency bounds are determined based on the STOXX Global Total Market Index. For this purpose, all securities from all countries in the STOXX Global Total Market index are sorted by their full market cap and the cumulative free-float market capitalization coverage percentage for each security is calculated, whereby the percentages are scaled so that the total coverage percentage in terms of free-float market capitalization sums to 98%<sup>107</sup>. Then, the upper (lower) global consistency bound is represented by the full market cap of the first security for which the above cumulative free-float market capitalization coverage percentage is greater than 83.25% (92%).

In a second step, Poland<sup>108</sup> is excluded from the universe. Next, for each remaining country in the universe the following selection procedure is applied to target 85% free-float market cap coverage:

- Only securities with an annualized turnover ratio greater or equal to 10% are selected. The annualized turnover ratio is defined as the median value of the daily traded volume to free-float shares ratio over the last 12 months, multiplied by 252.
- Securities with a price greater than EUR 10'000 are excluded.
- Next, after sorting securities by full market cap, the cumulative free-float market capitalization local (relative to the country) coverage percentage (LCP) for each security is calculated, whereby the percentages are scaled so that the total coverage percentage

<sup>107</sup> This is done since the STOXX Total Market Indices are already only covering less than 100%. 98% is a proxy for the overall global coverage of STOXX Total Market indices.

<sup>108</sup> Poland is considered to be an emerging country by some market participants.

sums to the coverage for that country as applied in the STOXX Total Market Index creation<sup>109</sup>.

- The securities that cover the top 85% by LCP (i.e. with a full market cap greater or equal than the largest company with LCP greater than 85%) directly qualify.
- Next, it is checked if the full market cap of the smallest security that directly qualified lies within the global consistency bounds. If this is not the case and the smallest security has a full market cap greater (smaller) than the upper (lower) global consistency bound, securities with full market cap greater (smaller) or equal than the upper (lower) global consistency bound are added (removed).
- To reduce turnover, the following buffer rule is applied:
  - Only securities with LCP lower than 82% can be newly added to the index
  - Only securities with LCP higher than 86% can be removed from the index

Lastly, the combination of the resulting eligible securities from all countries forms the index composition.

**Review frequency:** The index is reviewed on a semi-annual basis in June and December. In addition, in March and September free-float shares are updated in line with all STOXX universes. From March 2026 onwards, the total weight of US components is capped quarterly at 50% if it exceeds this limit. The excess weight is distributed proportionally to the non-US components.

**Weighting cap factors:** Securities are weighted by free-float market cap. From March 2026 onwards, index components from the United States shall be collectively limited to a maximum weight of 50% of the index, based on the closing prices of the Thursday prior to the second Friday of March, June, September, and December. If the combined weight of these components exceeds this limit, the surplus is redistributed on a pro rata basis among all remaining index components. The weighting cap factors are recalculated quarterly in March, June, September, and December. They are published after the second Friday of these months, implemented on the third Friday of these months, and become effective on the next trading day in accordance with the STOXX periodic review calendar.

### 71.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted securities are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spun-off companies are not added permanently to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com). Index components are deleted from all STOXX indices in case of official delisting from the eligible stock exchange or ongoing bankruptcy proceedings.

<sup>109</sup> See <https://www.stoxx.com/methodology> for a list of STOXX Total Market coverage by country.

# 72.EURO iSTOXX ESG PERFORMANCE 50 INDEX

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## 72.1. EURO iSTOXX ESG PERFORMANCE 50 INDEX

### 72.1.1. OVERVIEW

The EURO iSTOXX ESG Performance 50 Index tracks the performance of 50 securities with the lowest ESG Risk Rating scores from the EURO STOXX Index that are not involved in fossil fuels. Industry neutrality filters are applied in the selection process to ensure diversification.

STOXX will exclude companies that are not compliant based on the Sustainalytics Global Standards Screening assessment, have Severe Controversy Rating (Category 5) or are involved in Controversial Weapons. Moreover, companies involved in Conventional Oil & Gas, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy) or Thermal Coal are also not eligible for selection.

**Universe:** The index universe is defined by all the stocks included in the EURO STOXX Index, as observed on the review effective date.

**Weighting scheme:** The index is free-float market capitalization-weighted

**Base values and dates:** 100 on Mar 24, 2014

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 72.1.2. INDEX REVIEW

**Selection list:**

The review cut-off date is the last dissemination day of the month preceding the review month of the index.

On the review cut-off date, the securities in the selection list are screened for the following indicators:

- i. ESG Risk Rating scores, as sourced from Sustainalytics' ESG Risk Rating dataset
- ii. Product involvement in: Conventional Oil & Gas, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy) and Thermal Coal
- iii. 3-month Average Daily Traded Volume (ADTV) in EUR

If any of the fields i) to iii) above have missing information for a stock, then that company is not eligible for selection.

The Selection list constitutes of all remaining stocks that fulfil the conditions below, in the order they are listed:

- Not identified as non-compliant with Sustainalytics Global Standards Screening (GSS).

Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD)

## 72. EURO ISTOXX ESG PERFORMANCE 50 INDEX

Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

- Do not have Severe Controversy Rating (Category 5).

Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.

- Not involved in Controversial Weapons activities, as identified by Sustainalytics.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:

- » Internal production or sale of controversial weapons
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company
  - 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 10 million EUR
  - Not have any Product Involvement in the following areas<sup>110</sup>:

### Conventional Oil & Gas:

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from oil and gas exploration, production, refining, transportation and/or storage

This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).

»>0% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)

»>0% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

### Unconventional Oil & Gas

#### i) Arctic Oil and Gas Exploration:

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues Oil & Gas exploration & extraction in Arctic regions

#### ii) Oil Sands:

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

#### iii) Shale Energy:

STOXX will exclude companies that Sustainalytics identifies to have:

»>0% revenues from shale energy exploration and/or production

### Thermal Coal:

STOXX will exclude companies that Sustainalytics identifies to have:

<sup>110</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results

## 72. EURO ISTOXX ESG PERFORMANCE 50 INDEX

»>0% revenues from thermal coal extraction (including thermal coal mining and exploration)  
 »>0% power generation capacity: coal-fired electricity, heat or steam generation capacity /  
 thermal coal electricity production (including utilities that own/operates coal-fired power plants)

### Composition list:

Each of the remaining securities in the selection list are allocated to one of the 11 industry groupings according to their ICB code as follows:

| » Grouping               | » ICB codes   |
|--------------------------|---------------|
| » Technology             | » Industry 10 |
| » Telecommunications     | » Industry 15 |
| » Health Care            | » Industry 20 |
| » Financials             | » Industry 30 |
| » Real Estate            | » Industry 35 |
| » Consumer Discretionary | » Industry 40 |
| » Consumer Staples       | » Industry 45 |
| » Industrials            | » Industry 50 |
| » Basic Materials        | » Industry 55 |
| » Energy                 | » Industry 60 |
| » Utilities              | » Industry 65 |

The securities are then ranked in ascending order of their ESG Risk Rating scores (low score implies low ESG Risk). In case two companies for a given cut-off date have the same score, priority is given to the one with the highest free float market capitalization. The top 50 ranking securities are selected, with a maximum of 7 components out of the total 50 coming from each of the 11 industrial groupings.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

**Weighting cap factors:** Components are capped at a maximum weight of 10%

### 72.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

## 72. EURO ISTOXX ESG PERFORMANCE 50 INDEX

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**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 73.iSTOXX GLOBAL DEMOGRAPHIC TRENDS SELECT 50 INDEX

## 73.1. iSTOXX GLOBAL DEMOGRAPHIC TRENDS SELECT 50 INDEX

### 73.1.1. OVERVIEW

The iSTOXX Global Demographic Trends Select 50 index aims to select 50 low volatility and high dividend paying stocks among diversified industries from the STOXX Global 1800 index, and weigh them by the inverse of their volatility. The companies are chosen from sectors that are well positioned to benefit from the evolution of demographic trends globally.

**Universe:** All stocks from the STOXX Global 1800 index whose Industry Classification, as defined by ICB, falls into one of the following groups:

| Industry       | ICB Subsector                            | ICB Code |
|----------------|------------------------------------------|----------|
| Finance        | Banks                                    | 30101010 |
| Finance        | Consumer Lending                         | 30201020 |
| Finance        | Mortgage Finance                         | 30201025 |
| Finance        | Diversified Financial Services           | 30202000 |
| Finance        | Asset Managers and Custodians            | 30202010 |
| Finance        | Investment Services                      | 30202015 |
| Finance        | Life Insurance                           | 30301010 |
| Finance        | Full Line Insurance                      | 30302010 |
| Finance        | Insurance Brokers                        | 30302015 |
| Finance        | Reinsurance                              | 30302020 |
| Finance        | Property and Casualty Insurance          | 30302025 |
| Infrastructure | Electronic Components                    | 10102015 |
| Infrastructure | Construction                             | 50101010 |
| Infrastructure | Engineering and Contracting Services     | 50101015 |
| Infrastructure | Building, Roofing/Wallboard and Plumbing | 50101020 |
| Infrastructure | Building: Climate Control                | 50101025 |
| Infrastructure | Cement                                   | 50101030 |
| Infrastructure | Building Materials: Other                | 50101035 |
| Infrastructure | Aerospace                                | 50201010 |
| Infrastructure | Defense                                  | 50201020 |
| Infrastructure | Electrical Components                    | 50202010 |
| Infrastructure | Electronic Equipment: Control and Filter | 50202020 |
| Infrastructure | Electronic Equipment: Gauges and Meters  | 50202025 |
| Infrastructure | Electronic Equipment: Pollution Control  | 50202030 |
| Infrastructure | Electronic Equipment: Other              | 50202040 |
| Infrastructure | Machinery: Industrial                    | 50204000 |
| Infrastructure | Machinery: Agricultural                  | 50204010 |
| Infrastructure | Machinery: Construction and Handling     | 50204020 |
| Infrastructure | Machinery: Engines                       | 50204030 |
| Infrastructure | Machinery: Tools                         | 50204040 |
| Infrastructure | Machinery: Specialty                     | 50204050 |
| Infrastructure | Trucking                                 | 50206010 |

# 73. iSTOXX GLOBAL DEMOGRAPHIC TRENDS SELECT 50 INDEX

|                  |                                     |          |
|------------------|-------------------------------------|----------|
| Infrastructure   | Commercial Vehicles and Parts       | 50206015 |
| Infrastructure   | Railroads                           | 50206020 |
| Infrastructure   | Railroad Equipment                  | 50206025 |
| Infrastructure   | Marine Transportation               | 50206030 |
| Infrastructure   | Delivery Services                   | 50206040 |
| Infrastructure   | Transportation Services             | 50206060 |
| Infrastructure   | Metal Fabricating                   | 55102015 |
| Infrastructure   | Alternative Electricity             | 65101010 |
| Infrastructure   | Conventional Electricity            | 65101015 |
| Infrastructure   | Multi-utilities                     | 65102000 |
| Infrastructure   | Gas Distribution                    | 65102020 |
| Infrastructure   | Water                               | 65102030 |
| Leisure & Luxury | Tires                               | 40101015 |
| Leisure & Luxury | Automobiles                         | 40101020 |
| Leisure & Luxury | Auto Parts                          | 40101025 |
| Leisure & Luxury | Vending and Catering Service        | 40201060 |
| Leisure & Luxury | Consumer Electronics                | 40203010 |
| Leisure & Luxury | Electronic Entertainment            | 40203040 |
| Leisure & Luxury | Toys                                | 40203045 |
| Leisure & Luxury | Recreational Products               | 40203050 |
| Leisure & Luxury | Recreational Vehicles and Boats     | 40203055 |
| Leisure & Luxury | Photography                         | 40203060 |
| Leisure & Luxury | Airlines                            | 40501010 |
| Leisure & Luxury | Travel and Tourism                  | 40501015 |
| Leisure & Luxury | Casinos and Gambling                | 40501020 |
| Leisure & Luxury | Hotels and Motels                   | 40501025 |
| Leisure & Luxury | Recreational Services               | 40501030 |
| Leisure & Luxury | Restaurants and Bars                | 40501040 |
| Pharmaceuticals  | Health Care Facilities              | 20101010 |
| Pharmaceuticals  | Health Care Management Services     | 20101020 |
| Pharmaceuticals  | Health Care Services                | 20101025 |
| Pharmaceuticals  | Health Care: Misc.                  | 20101030 |
| Pharmaceuticals  | Medical Equipment                   | 20102010 |
| Pharmaceuticals  | Medical Supplies                    | 20102015 |
| Pharmaceuticals  | Medical Services                    | 20102020 |
| Pharmaceuticals  | Biotechnology                       | 20103010 |
| Pharmaceuticals  | Pharmaceuticals                     | 20103015 |
| Real Estate      | Mortgage REITs: Diversified         | 30203000 |
| Real Estate      | Mortgage REITs: Commercial          | 30203010 |
| Real Estate      | Mortgage REITs: Residential         | 30203020 |
| Real Estate      | Real Estate Holding and Development | 35101010 |
| Real Estate      | Real Estate Services                | 35101015 |
| Real Estate      | Diversified REITs                   | 35102000 |
| Real Estate      | Health Care REITs                   | 35102010 |
| Real Estate      | Hotel and Lodging REITs             | 35102015 |



# 73. iSTOXX GLOBAL DEMOGRAPHIC TRENDS SELECT 50 INDEX

|                       |                                      |          |
|-----------------------|--------------------------------------|----------|
| Real Estate           | Industrial REITs                     | 35102020 |
| Real Estate           | Infrastructure REITs                 | 35102025 |
| Real Estate           | Office REITs                         | 35102030 |
| Real Estate           | Residential REITs                    | 35102040 |
| Real Estate           | Retail REITs                         | 35102045 |
| Real Estate           | Storage REITs                        | 35102050 |
| Real Estate           | Timber REITs                         | 35102060 |
| Real Estate           | Other Specialty REITs                | 35102070 |
| Resources             | Paints and Coatings                  | 50203010 |
| Resources             | Plastics                             | 50203015 |
| Resources             | Glass                                | 50203020 |
| Resources             | Diversified Materials                | 55101000 |
| Resources             | Forestry                             | 55101010 |
| Resources             | Paper                                | 55101015 |
| Resources             | General Mining                       | 55102000 |
| Resources             | Iron and Steel                       | 55102010 |
| Resources             | Aluminum                             | 55102035 |
| Resources             | Copper                               | 55102040 |
| Resources             | Nonferrous Metals                    | 55102050 |
| Resources             | Diamonds and Gemstones               | 55103020 |
| Resources             | Gold Mining                          | 55103025 |
| Resources             | Platinum and Precious Metals         | 55103030 |
| Resources             | Chemicals: Diversified               | 55201000 |
| Resources             | Chemicals and Synthetic Fibers       | 55201010 |
| Resources             | Fertilizers                          | 55201015 |
| Resources             | Specialty Chemicals                  | 55201020 |
| Resources             | Integrated Oil and Gas               | 60101000 |
| Resources             | Oil: Crude Producers                 | 60101010 |
| Resources             | Offshore Drilling and Other Services | 60101015 |
| Resources             | Oil Refining and Marketing           | 60101020 |
| Resources             | Oil Equipment and Services           | 60101030 |
| Resources             | Pipelines                            | 60101035 |
| Resources             | Coal                                 | 60101040 |
| Resources             | Alternative Fuels                    | 60102010 |
| Resources             | Renewable Energy Equipment           | 60102020 |
| Telecom, Media & Tech | Computer Services                    | 10101010 |
| Telecom, Media & Tech | Software                             | 10101015 |
| Telecom, Media & Tech | Consumer Digital Services            | 10101020 |
| Telecom, Media & Tech | Semiconductors                       | 10102010 |
| Telecom, Media & Tech | Production Technology Equipment      | 10102020 |
| Telecom, Media & Tech | Computer Hardware                    | 10102030 |
| Telecom, Media & Tech | Electronic Office Equipment          | 10102035 |
| Telecom, Media & Tech | Telecommunications Equipment         | 15101010 |
| Telecom, Media & Tech | Cable Television Services            | 15102010 |
| Telecom, Media & Tech | Telecommunications Services          | 15102015 |

## 73. iSTOXX GLOBAL DEMOGRAPHIC TRENDS SELECT 50 INDEX

|                       |                           |          |
|-----------------------|---------------------------|----------|
| Telecom, Media & Tech | Entertainment             | 40301010 |
| Telecom, Media & Tech | Media Agencies            | 40301020 |
| Telecom, Media & Tech | Publishing                | 40301030 |
| Telecom, Media & Tech | Radio and TV Broadcasters | 40301035 |

**Weighting scheme:** Price-weighted with a weighting cap factor according to the inverse of the volatility of the securities (maximum between 3 and 12-months historical price volatility in EUR), and additionally with weighting cap limit of 10% per constituent

**Base value and date:** 100 as of Jun 18, 2012

**Index types and currencies:** Price, net and gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 73.1.2. INDEX REVIEW

The review cut-off date is the last trading day of the month preceding the review of the index.

The following steps are followed to derive the composition list:

- » All securities in the base Universe that have a 3-month ADTV in EUR below 5,000,000 are excluded. If ADTV is unavailable for a security, then that security is also excluded.
- » The remaining constituents – composing the selection universe - are grouped into 7 industry clusters following the ICB matching table provided above (Finance, Infrastructure, Leisure & Luxury, Pharmaceuticals, Resources, Real Estate and Telecom & Media & Tech).
- » In each group, the securities are sorted in ascending order in terms of their volatility (maximum between 3-month and 12-month historical price volatility in EUR). In case the volatility is unavailable for a security, then that security is excluded from the ranking process. If 2 or more securities display the same historical volatility, priority is assigned to the one with the highest ADTV. The top x% per group are selected for the next step, where x is calculated as following:

$$x = \sqrt{\frac{50}{N}} \text{ with } N \text{ being the total number of stocks remaining after the volatility ranking}$$

- » All remaining stocks are then ranked according to their historical gross dividend yield in descending order and given a rank (with rank 1 being for the highest dividend yielding securities)<sup>111</sup>. If information for a company on its dividend yield is missing, then the missing value is substituted by 0. If 2 or more securities display the same dividend yield, priority is assigned to the one with the lowest volatility. The 50 highest ranking securities are selected for inclusion in the final index, such that a minimum of 15 securities are coming from the "Pharmaceuticals" industry.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

<sup>111</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

## 73. iSTOXX GLOBAL DEMOGRAPHIC TRENDS SELECT 50 INDEX

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**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

$w_i$  target weight of component  $i$

$\sigma_i$  maximum between the 3-month and 12-month historical volatility of component  $i$ , as of review cut-off date, based on prices in EUR

$N$  number of constituents in the index (50)

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 73.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the parent index, STOXX Global 1800, which remain in the STOXX Total Market Index are not deleted from the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off are not added permanently to the index

# 74.iSTOXX DEVELOPED MARKETS GOLD MINERS 10 EW INDEX

## 74.1. iSTOXX DEVELOPED MARKETS GOLD MINERS 10 EW INDEX

### 74.1.1. OVERVIEW

The iSTOXX Developed Markets Gold Miners 10 EW Index selects the top 10 companies in terms of free-float market capitalization from the STOXX Developed Markets Total Market index, and weighs them equally.

**Universe:** STOXX Developed Markets Total Market Index, as observed on the review effective date

**Weighting scheme:** The index is price-weighted with a weighting cap factor to achieve equal weighting

**Base values and dates:** 100 on Dec 24, 2012

**Index types and currencies:** Price, net and gross in EUR and USD

### 74.1.2. INDEX REVIEW

**Selection list:** Only companies classified under the "Gold Mining" ICB Subsector (55103025) are eligible for selection. The securities are screened for their 3-month ADTV in EUR, and if a security displays an ADTV below 7,000,000 EUR, it is excluded from the selection process. If information on ADTV is not available for a security, then it is also excluded from the selection process. All remaining companies are ranked by their free-float market capitalization in descending order.

**Composition list:** The 10 largest securities (highest free-float market capitalization) from the selection list, are selected. If less than 10 securities remain in the selection list, they are all admitted in the index composition.

**Review frequency:** The reviews are conducted on a quarterly basis. The review cut-off date for the underlying data is the last index dissemination day of the month preceding the review month.

**Weighting cap factors:** The constituents are equal weighted

$$w_i = \frac{1}{N}$$

where,

|       |                                        |
|-------|----------------------------------------|
| $w_i$ | target weight of component i           |
| N     | Number of components in the index (10) |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(100,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

## 74. iSTOXX DEVELOPED MARKETS GOLD MINERS 10 EW INDEX

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### 74.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** A spin-off is added temporarily for one trading day and is then removed from the index.

**Mergers and takeovers:** Standard STOXX process.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 75.iSTOXX UNIVEST INDICES

### 75.1. iSTOXX UNIVEST WORLD INDEX

#### 75.1.1. OVERVIEW

The iSTOXX Unvest World Index is derived from the STOXX Developed Markets Total Market Index. With a coverage of about 85% of developed equity markets' free-float market cap, the iSTOXX Unvest World Index offers access to large- and mid-cap developed markets companies.

**Universe:** STOXX Developed Markets Total Market Index

**Weighting scheme:** The indices are weighted according to free-float market capitalization.

**Base values and dates:** 100 on March 18, 2013

**Index types and currencies:** Price, net return, gross return in EUR and USD

#### 75.1.2. INDEX REVIEW

##### Composition list:

In a first step global consistency bounds are determined based on the STOXX Global Total Market Index. For this purpose, all securities from all countries in the STOXX Global Total Market index are sorted by their full market cap and the cumulative free-float market capitalization coverage percentage for each security is calculated, whereby the percentages are scaled so that the total coverage percentage in terms of free-float market capitalization sums to 98%<sup>112</sup>. Then, the upper (lower) global consistency bound is represented by the full market cap of the first security for which the above cumulative free-float market capitalization coverage percentage is greater than 83.25% (92%).

In a second step, for each country in the universe the following selection procedure is applied to target 85% free-float market cap coverage:

- Only securities with an annualized turnover ratio greater or equal to 10% are selected. The annualized turnover ratio is defined as the median value of the daily traded volume to free-float shares ratio over the last 12 months, multiplied by 252.
- Securities with a price greater than EUR 10'000 are excluded.
- Next, after sorting securities by full market cap, the cumulative free-float market capitalization local (relative to the country) coverage percentage (LCP) for each security is calculated, whereby the percentages are scaled so that the total coverage percentage sums to the coverage for that country as applied in the STOXX Total Market Index<sup>113</sup>
- The securities that cover the top 85% by LCP (i.e. with a full market cap greater or equal than the largest company with LCP greater than 85%) directly qualify.
- Next, it is checked if the full market cap of the smallest security that directly qualified lies within the global consistency bounds. If this is not the case and the smallest security has a full market cap greater (smaller) than the upper (lower) global consistency bound, securities with full market

<sup>112</sup> This is done since the STOXX Total Market Indices are already only covering less than 100%. 98% is a proxy for the overall global coverage of STOXX Total Market indices.

<sup>113</sup> See <https://www.stoxx.com/methodology> for a list of STOXX Total Market coverage by country.

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cap greater (smaller) or equal than the upper (lower) global consistency bound are added (removed).

- To reduce turnover, the following buffer rule is applied:
    - o Only securities with LCP lower than 82% can be newly added to the index
    - o Only securities with LCP higher than 86% can be removed from the index
- Lastly, the resulting eligible securities are combined to form the index composition.

**Review frequency:** The index is reviewed on a quarterly basis in March, June, September and December.

**Weighting cap factors:** Securities are weighted by free-float market cap.

**Derived indices:** Further regional subsets are derived by including only selected countries according to the definitions in section 4.3 of the STOXX Index Methodology Guide.

| Region | Index              |
|--------|--------------------|
| USA    | iSTOXX Univest USA |

### 75.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently to the index.

**Mergers and takeovers:** Standard STOXX process.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

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## 75.2. iSTOXX UNIVEST SUSTAINABLE WORLD INDEX

### 75.2.1. OVERVIEW

The iSTOXX Unvest Sustainable World Index is designed to achieve sustainable carbon reduction in terms of greenhouse gas emissions and intensities over time, while tracking the STOXX Developed World Universal Index and providing exposure to Value, Momentum, Quality and Low Risk risk-premia factors. The iSTOXX Unvest Sustainable World Index also tilts away from companies that are laggards in corporate governance, and other social criteria. In addition, the Index aims to reduce its greenhouse gas emissions and intensity by at least half by December 2024 (versus the baseline values of STOXX Developed World Universal Index in December 2019) and aims to track the STOXX Developed World Universal Index with a tracking error close to 1%.

**Parent Index:** STOXX Developed World Universal Index

**Weighting scheme:** The index is price-weighted with weighting cap factors determined according to an optimization process.

**Base value and date:** 100 on Mar 19, 2018

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Global calendar.

### 75.2.2. INDEX REVIEW

#### Constituent selection and weighting:

The iSTOXX Unvest Sustainable World Index is constructed by solving an optimization problem using Axioma's portfolio optimization software and the Axioma World-wide medium horizon fundamental factor risk model.

The optimization problem determines the compositions of the iSTOXX Unvest Sustainable World Index by managing the risk, liquidity, and tradability of the portfolio while maximising the multi factor score of the portfolio and satisfying the Climate, Social and Governance constraints.

The objective of the optimization problem is to maximize the exposure to the target factors.

$$\text{Maximize: } a^T w$$

where:

$w$  = Index weights

$a = 0.25 * (\text{Value} + \text{Momentum} + \text{Quality} + \text{Low Risk})$

Further information on factor definitions is available to stakeholders via [stoxx.com/indices](https://stoxx.com/indices).



The following constraints are applied during the optimization:

| Target                                                 | Constraint                                                                                                                                 |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum weight                                         | 0.5 bps                                                                                                                                    |
| Maximum weight                                         | Max (Parent Index Weight, Min (8%, 6*Parent Index Weight))                                                                                 |
| Weight of stocks with zero or missing Trading Volume   | Parent Index Weight                                                                                                                        |
| UCITS bounds                                           | Apply tighter UCITS style 4.5/8/35% constraints                                                                                            |
| Active sector (ICB Level 3) exposures                  | Within 0.1% of Parent Index                                                                                                                |
| Active country exposures                               | Within 0.1% of Parent Index                                                                                                                |
| Active untargeted style factor exposures               | Within 0.25 standard deviations of Parent Index                                                                                            |
| Active targeted style factor exposures                 | > 0 vs Parent Index                                                                                                                        |
| Equal Risk Contribution by targeted factors            | Equal Risk Contribution by targeted factors                                                                                                |
| Active Risk                                            | Within 1% w.r.t. Parent Index                                                                                                              |
| Limit turnover                                         | 7.5% one-way on a quarterly basis                                                                                                          |
| Effective number of names                              | Minimum of 30% of the Parent Index                                                                                                         |
| Percentile days to trade/liquidity constraint          | Maximum bound using Percentile=10%, Strength=20 parameters                                                                                 |
| Social & Governance Constraints                        | Further details are available in the supplement section                                                                                    |
| Climate Constraints                                    | Further details are available in the supplement section                                                                                    |
| Scope 1 + 2 GHG emission reduction (Carbon Trajectory) | Minimum GHG emission reduction of the index is specified using an annual pathway; further details are available in the supplement section  |
| GHG Intensity reduction (Carbon Trajectory)            | Minimum GHG intensity reduction of the index is specified using an annual pathway; further details are available in the supplement section |

A brief description of the portfolio constraints and data elements is given below:

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

**Minimum weight:** The minimum weight of each constituent not held at parent benchmark weight is limited to 0.5 bps.

**Maximum weight:** The maximum weight of each constituent is limited to the greater of the Parent Index weight and the lesser of 8% and six times the Parent Index weight.

**Weight of stocks with zero or missing Trading Volume:** Stocks with zero or missing 60-Day Median Daily Trading Volume data are forced to be held at their Parent Index weight.

**UCITS bounds:** The maximum weight of each issuer in the index is 8%. The sum of the weights of those issuers above 4.5% cannot exceed 35%. By applying tighter constraints (4.5% / 8% / 35%) than the standard UCITS bounds (5% / 10% / 40%), we reduce the likelihood of breaching UCITS thresholds, and reduce the gravity of the breaches if they occur.

**Active sector exposures:** The exposure to each ICB Sector is summed up for the Parent Index, and the exposure of the index must be within +/- 0.1% from the Parent Index exposures.

**Active country exposures:** The exposure to each country is summed up for the Parent Index, and the exposure of the index must be within +/- 0.1% from the Parent Index exposures.

**Active untargeted style factor exposures:** The exposures to each of the untargeted style factors should be within 0.25 standard deviations of the Parent Index's factor exposures. The untargeted style factors are Exchange Rate Sensitivity, Growth, Liquidity, and Size in the Axioma risk model.

**Active targeted style factor exposures:** The exposures to each of the targeted style factors should be higher than the Parent Index's factor exposures. The targeted style factors are Momentum, Low Risk, Quality and Value.

**Active Risk:** The active risk of the index relative to the Parent Index is constrained to a maximum of 1%.

**Limit turnover:** The Index has a quarterly one-way turnover limit of 7.5%.

**Effective number of names:** The minimum effective number of names in the Index is 30% of the Parent Index.

**Equal Risk Contribution by targeted factors:** Risk Contributions across all targeted factors (Factor Tracking Error \* Factor Exposure) are set to be equal. Factor Tracking Error is calculated on the following portfolio. For each factor, a factor portfolio is constructed with stocks of the top 25% factor score in the Parent Index, re-weighted to 100%.

**Percentile days to trade/liquidity constraint:** The maximum weight of each component in the Index is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the representative stock p. The representative asset is the 10<sup>th</sup> percentile of all constituents in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the k<sup>th</sup> asset in the portfolio

p = the asset with the 10<sup>th</sup> percentile of  $V_k/b_k$

$b_k$  = the weight of the k<sup>th</sup> asset in the benchmark

$V_k$  = the daily trading volume for the k<sup>th</sup> asset

S = 20 (Strength)

**Social & Governance Constraints:** Constraints are applied against several Social and Governance criteria; further details are available in the supplement section.

**Climate Constraints:** Constraints are applied against several Climate criteria; further details are available in the supplement section.

**Scope 1 + 2 GHG emission reduction (Carbon Trajectory):** Stock level emissions from ISS ESG defined as (Scope 1 + Scope 2 Emissions) rescaled by Enterprise Value Including Cash (EVIC) are used to compute the total Index emissions. The minimum GHG emission reduction of the index is specified using an annual pathway; further details are available in the supplement section.

**GHG Intensity reduction (Carbon Trajectory):** Stock level GHG Intensities from ISS ESG defined as (Scope 1 + Scope 2 Emissions)/(Revenues in USD), are used for this constraint. The minimum GHG intensity reduction of the index is specified using an annual pathway; further details are available in the supplement section.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed iteratively minimizing constraint violations at each iteration in the following order: 1) Limit Turnover 2) Active Country exposures 3) Certain climate and liquidity constraints are relaxed; further details are available in the supplement section.

**Weighting cap factors:** Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Where:

$p_i$  = closing price of stock  $i$  in EUR

$w_i$  = weight of stock  $i$  in the index

**Review frequency:** The indices are reviewed on a quarterly basis in March, June, September and December together with the respective parent index. The review cut-off date for risk model data is the second Friday of the review month. The cut-off date for ISS ESG data is the last dissemination day of the month preceding the review month.

### 75.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently to the index.

**Mergers and takeovers:** Standard STOXX process.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 75.3. iSTOXX UNIVEST EMERGING WORLD INDEX

### 75.3.1. OVERVIEW

The iSTOXX Unvest Emerging World Index is designed to achieve sustainable carbon reduction in terms of greenhouse gas emissions and intensities over time, while tracking the STOXX Emerging Markets Universal Index. The weighting of each constituent security is determined through an optimization process that is designed to minimize tracking error to the benchmark while improving the ESG and Carbon exposures. The iSTOXX Unvest Emerging World Index tilts away from companies that are laggards in corporate governance, and other social criteria. In addition, the Index aims to reduce its greenhouse gas emissions and intensity at least by half by December 2024 (versus the baseline values of STOXX Emerging Markets Universal Index in December 2019) and aims to track the STOXX Emerging Markets Universal Index with a tracking error close to 0.50%.

**Parent Index:** STOXX Emerging Markets Universal Index

**Weighting scheme:** The index is price-weighted with weighting cap factors determined according to an optimization process.

**Base value and date:** 100 on Mar 19, 2018

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Global calendar

### 75.3.2. INDEX REVIEW

#### Constituent selection and weighting:

The iSTOXX Unvest Emerging World Index is constructed by solving an optimization problem using Axioma's portfolio optimization software and the Axioma World-wide medium horizon fundamental factor risk model.

The objective of the optimization problem is to minimize tracking error to the parent index.

$$\text{Minimize: } (w-b)^T Q (w-b)$$

where

b = Parent Index weights

w = Index weights

Q = covariance matrix from the Axioma Risk Model

The following constraints are applied during the optimization:

| Target         | Constraint                                       |
|----------------|--------------------------------------------------|
| Active Risk    | Within 0.5% as measured against the Parent Index |
| Minimum weight | 0.5 bps                                          |

|                                                        |                                                                                                                                                                                                |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maximum weight                                         | Max (Parent Index Weight. Min (8%. 20 * Parent Index Weight))                                                                                                                                  |
| Weight of stocks with zero or missing Trading Volume   | Parent Index Weight                                                                                                                                                                            |
| UCITS bounds                                           | Apply tighter UCITS style 4.5/8/35% constraints                                                                                                                                                |
| Active sector (ICB Level 3) exposures                  | Within 0.1% of Parent Index                                                                                                                                                                    |
| Active country exposures                               | Within 0.1% of Parent Index                                                                                                                                                                    |
| Active style factor exposures                          | Within 0.25 standard deviations of Parent Index                                                                                                                                                |
| Limit turnover                                         | 7.5% one-way on a quarterly basis                                                                                                                                                              |
| Percentile days to trade/liquidity constraint          | Maximum bound using Percentile=10%. Strength=20 parameters                                                                                                                                     |
| Social & Governance Constraints                        | Further details are available to stakeholders via <a href="https://stoxx.com/indices">stoxx.com/indices</a>                                                                                    |
| Climate Constraints                                    | Further details are available to stakeholders via <a href="https://stoxx.com/indices">stoxx.com/indices</a>                                                                                    |
| Scope 1 + 2 GHG emission reduction (Carbon Trajectory) | Minimum GHG emission reduction of the index is specified using an annual pathway; further details are available to stakeholders via <a href="https://stoxx.com/indices">stoxx.com/indices</a>  |
| GHG Intensity reduction (Carbon Trajectory)            | Minimum GHG intensity reduction of the index is specified using an annual pathway; further details are available to stakeholders via <a href="https://stoxx.com/indices">stoxx.com/indices</a> |

**Active Risk:** The active risk of the index relative to the Parent Index is constrained to a maximum of 0.5%

**Minimum weight:** The minimum weight of each constituent not held at parent benchmark weight is limited to 0.5 bps

**Maximum weight:** The maximum weight of each constituent is limited to the greater of the Parent Index weight and the lesser of 8% and twenty times the Parent Index weight.

**Weight of stocks with zero or missing Trading Volume:** Stocks with zero or missing 60-Day Median Daily Trading Volume data are forced to be held at their Parent Index weight.

**UCITS bounds:** The maximum weight of each issuer in the index is 8%. The sum of the weights of those issuers above 4.5% cannot exceed 35%. By applying tighter constraints (4.5% / 8% / 35%) than the standard UCITS bounds (5% / 10% / 40%), we reduce the likelihood of breaching UCITS thresholds, and reduce the gravity of the breaches if they occur.

**Active sector exposures:** The exposure to each ICB Sector is summed up for the Parent Index, and the exposure of the index must be within +/- 0.1% from the Parent Index exposures.

**Active country exposures:** The exposure to each country is summed up for the Parent Index, and the exposure of the index must be within +/- 0.1% from the Parent Index exposures.

**Active style factor exposures:** The exposures to each of the style factors should be within 0.25 standard deviations of the Parent Index's factor exposures.

**Limit turnover:** The Index has a quarterly one-way turnover limit of 7.5%

**Percentile days to trade/liquidity constraint:** The maximum weight of each component in the Index is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the representative stock  $p$ . The representative asset is the 10th percentile of all constituents in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the  $k$ -th asset in the portfolio

$p$  = the asset with the 10-th percentile of  $V_k/b_k$

$b_k$  = the weight of the  $k$ -th asset in the benchmark

$V_k$  = the daily trading volume for the  $k$ -th asset

$S = 20$  (Strength)

**Social & Governance Constraints:** Constraints are applied against several Social and Governance criteria; further details are available in the supplement section.

**Climate Constraints:** Constraints are applied against several Climate criteria; further details are available in the supplement section.

**Scope 1 + 2 GHG emission reduction (Carbon Trajectory):** Stock level emissions from ISS ESG defined as (Scope 1 + Scope 2 Emissions) rescaled by Enterprise Value Including Cash (EVIC) are used to compute the total Index emissions. The minimum GHG emission reduction of the index is specified using an annual pathway; further details are available in the supplement section.

**GHG Intensity reduction (Carbon Trajectory):** Stock level GHG Intensities from ISS ESG defined as (Scope 1 + Scope 2 Emissions)/(Revenues in USD). are used for this constraint. The minimum GHG intensity reduction of the index is specified using an annual pathway; further details are available in the supplement section.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed iteratively minimizing constraint violations at each iteration in the following order: 1) Limit Turnover 2) Active Country exposures 3) Certain climate and liquidity constraints are relaxed; further details are available in the supplement section.

**Weighting cap factors:** Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the second Friday of the review month:

Weighting cap factor =  $(1.000.000.000.000 \times w_i / p_i)$ , rounded to the nearest integer value.

Where:

$p_i$  = closing price of stock  $i$  in EUR

$w_i$  = weight of stock  $i$  in the index

**Review frequency:** The index is reviewed on a quarterly basis in March, June, September and December. The parent index rebalances semi-annually, in March and September. The review cut-

off date for risk model data is the second Friday of the review month. The cut-off date for ISS ESG data is the last dissemination day of the month preceding the review month.

### 75.3.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently to the index.

**Mergers and takeovers:** Standard STOXX process.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)



## 75.4. iSTOXX UNIVEST WORLD FACTOR INDEX

### 75.4.1. OVERVIEW

The iSTOXX Uninvest World Factor Index provides exposure to the Uninvest Value, Momentum, Quality and Low Risk risk-premia factors, closely tracks the STOXX Developed World Universal parent index with an ex-ante tracking error of 1% while ensuring tradability and diversification.

**Parent Index:** STOXX Developed World Universal Index

**Weighting scheme:** The index is price-weighted with weighting cap factors determined according to an optimization process.

**Base value and date:** 100 on Sep 23, 2024

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Global calendar

### 75.4.2. INDEX REVIEW

#### Constituent selection and weighting:

The iSTOXX Uninvest World Factor Index is constructed by solving an optimization problem using Axioma's portfolio optimization software and the Axioma World-wide medium horizon fundamental factor risk model.

The optimization problem determines the compositions of the iSTOXX Uninvest World Factor Index by managing the risk, liquidity, and tradability of the portfolio while maximising the multi factor score of the portfolio.

The objective of the optimization problem is to maximize the exposure to the target factors.

$$\text{Maximize: } \alpha^T w$$

where:

$w$  = Index weights

$\alpha = 0.25 * (\text{Value} + \text{Momentum} + \text{Quality} + \text{Low Risk})$

Further information on factor definitions is available to stakeholders via [stoxx.com/indices](https://stoxx.com/indices).

The following constraints are applied during the optimization:

| Target         | Constraint                                                |
|----------------|-----------------------------------------------------------|
| Minimum weight | 0.5 bps                                                   |
| Maximum weight | Max (Parent Index Weight, Min{8%, 6*Parent Index Weight}) |

|                                                      |                                                            |
|------------------------------------------------------|------------------------------------------------------------|
| Weight of stocks with zero or missing Trading Volume | Parent Index Weight                                        |
| Concentration Capping                                | Apply tighter concentration capping 4.5/8/35%              |
| Active sector (ICB Level 3) exposures                | Within 0.1% of Parent Index                                |
| Active country exposures                             | Within 0.1% of Parent Index                                |
| Active untargeted style factor exposures             | Within 0.25 standard deviations of Parent Index            |
| Active targeted style factor exposures               | > 0 vs Parent Index                                        |
| Equal Risk Contribution by targeted factors          | Equal Risk Contribution by targeted factors                |
| Active Risk                                          | Within 1% w.r.t. Parent Index                              |
| Limit turnover                                       | 7.5% one-way on a quarterly basis                          |
| Effective number of names                            | Minimum of 30% of the Parent Index                         |
| Percentile days to trade/liquidity constraint        | Maximum bound using Percentile=10%, Strength=20 parameters |

A brief description of the portfolio constraints and data elements is given below:

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

**Minimum weight:** The minimum weight of each constituent not held at parent benchmark weight is limited to 0.5 bps.

**Maximum weight:** The maximum weight of each constituent is limited to the greater of the Parent Index weight and the lesser of 8% and six times the Parent Index weight.

**Weight of stocks with zero or missing Trading Volume:** Stocks with zero or missing 60-Day Median Daily Trading Volume data are forced to be held at their Parent Index weight.

**Concentration Capping:** The maximum weight of each issuer in the index is 8%. The sum of the weights of those issuers above 4.5% cannot exceed 35%.

**Active sector exposures:** The exposure to each ICB Sector is summed up for the Parent Index, and the exposure of the index must be within +/- 0.1% from the Parent Index exposures.

**Active country exposures:** The exposure to each country is summed up for the Parent Index, and the exposure of the index must be within +/- 0.1% from the Parent Index exposures.

**Active untargeted style factor exposures:** The exposures to each of the untargeted style factors should be within 0.25 standard deviations of the Parent Index's factor exposures. The untargeted style factors are Exchange Rate Sensitivity, Growth, Liquidity, and Size in the Axioma risk model.

**Active targeted style factor exposures:** The exposures to each of the targeted style factors should be higher than the Parent Index's factor exposures. The targeted style factors are Momentum, Low Risk, Quality and Value.

**Active Risk:** The active risk of the index relative to the Parent Index is constrained to a maximum of 1%.

**Limit turnover:** The Index has a quarterly one-way turnover limit of 7.5%.

**Effective number of names:** The minimum effective number of names in the Index is 30% of the Parent Index.

**Equal Risk Contribution by targeted factors:** Risk Contributions across all targeted factors (Ex-ante Factor Tracking Error \* Factor Exposure) are set to be equal. Ex-ante Factor Tracking Error is calculated on a factor target market-cap weighted factor portfolio that is constructed with stocks in the top 25% factor scores of the parent index using the Axioma WW4 model.

**Percentile days to trade/liquidity constraint:** The maximum weight of each component in the Index is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the representative stock  $p$ . The representative asset is the 10<sup>th</sup> percentile of all constituents in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the  $k^{\text{th}}$  asset in the portfolio

$p$  = the asset with the 10<sup>th</sup> percentile of  $V_k / b_k$

$b_k$  = the weight of the  $k^{\text{th}}$  asset in the benchmark

$V_k$  = the daily trading volume for the  $k$ -th asset

$S$  = 20 (Strength)

**Infeasibility Handling, II:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed iteratively minimizing constraint violations at each iteration in the following order: 1) Limit Turnover 2) Active Country exposures are relaxed; further details are available in the supplement section.

**Weighting cap factors:** Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

where:

$p_i$  = closing price of stock  $i$  in EUR

$w_i$  = weight of stock  $i$  in the index

**Review frequency:** The indices are reviewed on a quarterly basis in March, June, September, and December together with the respective parent index. The review cut-off date for risk model data is the second Friday of the review month.

### 75.4.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com).

## 75.5. iSTOXX UNIVEST WORLD ESG CARBON INDEX

### 75.5.1. OVERVIEW

The iSTOXX Uninvest World ESG Carbon Index is designed to achieve sustainable carbon reduction in terms of greenhouse gas emissions and intensities over time, while tracking the STOXX Developed World Universal Index. The index also tilts away from companies that are laggards in corporate governance, and other social criteria. In addition, the index aims to reduce its greenhouse gas emissions and intensity by at least half by December 2024 (versus the baseline values of STOXX Developed World Universal Index in December 2019) and aims to track the STOXX Developed World Universal Index with a tracking error close to 1%.

**Parent Index:** STOXX Developed World Universal Index

**Weighting scheme:** The index is price-weighted with weighting cap factors determined according to an optimization process.

**Base value and date:** 100 on Sep 23, 2024

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Global calendar

### 75.5.2. INDEX REVIEW

#### Constituent selection and weighting:

The iSTOXX Uninvest World ESG Carbon Index is constructed by solving an optimization problem using Axioma's portfolio optimization software and the Axioma World-wide medium horizon fundamental factor risk model.

The optimization problem determines the compositions of the Index by managing the risk, liquidity, and tradability of the portfolio while minimising the active risk to the Parent Index and satisfying the Climate, Social and Governance constraints.

The objective of the optimization problem is to minimize tracking error to the parent index.

$$\text{Minimize: } (w - w_{\text{Parent}})^T Q (w - w_{\text{Parent}})$$

where:

$w$  = Index weights

$w_{\text{Parent}}$  = Parent weights

$Q$  = covariance matrix from Axioma Worldwide Medium Horizon Fundamental Factor Risk Model

The following constraints are applied during the optimization:

| Target                                                 | Constraint                                                                                                                                 |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum weight                                         | 0.5 bps                                                                                                                                    |
| Maximum weight                                         | Max (Parent Index Weight, Min(8%, 6*Parent Index Weight))                                                                                  |
| Weight of stocks with zero or missing Trading Volume   | Parent Index Weight                                                                                                                        |
| Concentration Capping                                  | Apply tighter concentration capping 4.5/8/35%                                                                                              |
| Active sector (ICB Level 3) exposures                  | Within 0.1% of Parent Index                                                                                                                |
| Active country exposures                               | Within 0.1% of Parent Index                                                                                                                |
| Active untargeted style factor exposures               | Within 0.25 standard deviations of Parent Index                                                                                            |
| Limit turnover                                         | 7.5% one-way on a quarterly basis                                                                                                          |
| Effective number of names                              | Minimum of 30% of the Parent Index                                                                                                         |
| Percentile days to trade/liquidity constraint          | Maximum bound using Percentile=10%, Strength=20 parameters                                                                                 |
| Social & Governance Constraints                        | Further details are available in the supplement section                                                                                    |
| Climate Constraints                                    | Further details are available in the supplement section                                                                                    |
| Scope 1 + 2 GHG emission reduction (Carbon Trajectory) | Minimum GHG emission reduction of the index is specified using an annual pathway; further details are available in the supplement section  |
| GHG Intensity reduction (Carbon Trajectory)            | Minimum GHG intensity reduction of the index is specified using an annual pathway; further details are available in the supplement section |

A brief description of the portfolio constraints and data elements is given below:

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

**Minimum weight:** The minimum weight of each constituent not held at parent benchmark weight is limited to 0.5 bps.

**Maximum weight:** The maximum weight of each constituent is limited to the greater of the Parent Index weight and the lesser of 8% and six times the Parent Index weight.

**Weight of stocks with zero or missing Trading Volume:** Stocks with zero or missing 60-Day Median Daily Trading Volume data are forced to be held at their Parent Index weight.

**Concentration Capping:** The maximum weight of each issuer in the index is 8%. The sum of the weights of those issuers above 4.5% cannot exceed 35%.

**Active sector exposures:** The exposure to each ICB Sector and the exposure of the index must be within +/- 0.1% from the Parent Index exposures.

**Active country exposures:** The exposure to each country is summed up for the Parent Index, and the exposure of the index must be within +/- 0.1% from the Parent Index exposures.

**Active untargeted style factor exposures:** The exposures to each of the untargeted style factors should be within 0.25 standard deviations of the Parent Index's factor exposures. The untargeted style factors are Exchange Rate Sensitivity, Growth, Liquidity, and Size in the Axioma risk model.

**Active Risk:** The active risk of the index relative to the Parent Index is constrained to a maximum of 1%.

**Limit turnover:** The Index has a quarterly one-way turnover limit of 7.5%.

**Effective number of names:** The minimum effective number of names in the Index is 30% of the Parent Index.

**Percentile days to trade/liquidity constraint:** The maximum weight of each component in the Index is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the representative stock p. The representative asset is the 10<sup>th</sup> percentile of all constituents in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the k<sup>th</sup> asset in the portfolio

p = the asset with the 10<sup>th</sup> percentile of  $V_k/b_k$

$b_k$  = the weight of the k<sup>th</sup> asset in the benchmark

$V_k$  = the daily trading volume for the k-th asset

S = 20 (Strength)

**Social & Governance Constraints:** Constraints are applied against several Social and Governance criteria; further details are available in the supplement section.

**Climate Constraints:** Constraints are applied against several Climate criteria; further details are available in the supplement section.

**Scope 1 + 2 GHG emission reduction (Carbon Trajectory):** Stock level emissions from ISS ESG defined as (Scope 1 + Scope 2 Emissions) rescaled by Enterprise Value Including Cash (EVIC) are used to compute the total Index emissions. The minimum GHG emission reduction of the index is specified using an annual pathway; further details are available in the supplement section.

**GHG Intensity reduction (Carbon Trajectory):** Stock level GHG Intensities from ISS ESG defined as (Scope 1 + Scope 2 Emissions)/(Revenues in USD), are used for this constraint. The minimum GHG intensity reduction of the index is specified using an annual pathway; further details are available in the supplement section.

**Infeasibility Handling, II:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed iteratively minimizing constraint violations at each iteration in the following order: 1) Limit Turnover 2) Active Country exposures, 3) Certain climate and liquidity constraints are relaxed; further details are available in the supplement section.

**Weighting cap factors:** Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Where:

$p_i$  = closing price of stock  $i$  in EUR

$w_i$  = weight of stock  $i$  in the index

**Review frequency:** The indices are reviewed on a quarterly basis in March, June, September, and December together with the respective parent index. The review cut-off date for risk model data is the second Friday of the review month.

### 75.5.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com).



## 75.6. iSTOXX UNIVEST WORLD FACTOR ESG INDEX

### 75.6.1. OVERVIEW

The iSTOXX Uninvest World Factor ESG Index is designed to achieve sustainable carbon reduction in terms of greenhouse gas emissions and intensities over time, while tracking the STOXX Developed World Universal Index and providing exposure to Value, Momentum, Quality and Low Risk risk-premia factors. The iSTOXX Uninvest World Factor ESG Index also tilts away from companies that are laggards in corporate governance, and other social criteria. In addition, the Index aims to reduce its greenhouse gas emissions and intensity by at least half by December 2024 (versus the baseline values of STOXX Developed World Universal Index in December 2019) and aims to track the STOXX Developed World Universal Index with a tracking error close to 1%.

**Parent Index:** STOXX Developed World Universal Index

**Weighting scheme:** The index is price-weighted with weighting cap factors determined according to an optimization process.

**Base value and date:** 100 on Sep 23, 2024

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Global calendar

### 75.6.2. INDEX REVIEW

The iSTOXX Uninvest World Factor ESG Index is constructed by solving an optimization problem using Axioma's portfolio optimization software and the Axioma World-wide medium horizon fundamental factor risk model.

The optimization problem determines the compositions of the iSTOXX Uninvest World Factor ESG Index by managing the risk, liquidity, and tradability of the portfolio while maximising the multi factor score of the portfolio and satisfying the Climate, Social and Governance constraints.

The objective of the optimization problem is to maximize the exposure to the target factors.

$$\text{Maximize: } \alpha^T w$$

where:

$w$  = Index weights

$\alpha = 0.25 * (\text{Value} + \text{Momentum} + \text{Quality} + \text{Low Risk})$

Further information on factor definitions is available to stakeholders via [stox.com/indices](https://stox.com/indices).

The following constraints are applied during the optimization:

| Target                                                 | Constraint                                                                                                                                 |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum weight                                         | 0.5 bps                                                                                                                                    |
| Maximum weight                                         | Max (Parent Index Weight, Min(8%, 6*Parent Index Weight))                                                                                  |
| Weight of stocks with zero or missing Trading Volume   | Parent Index Weight                                                                                                                        |
| Concentration Capping                                  | Apply tighter concentration capping 4.5/8/35%                                                                                              |
| Active sector (ICB Level 3) exposures                  | Within 0.1% of Parent Index                                                                                                                |
| Active country exposures                               | Within 0.1% of Parent Index                                                                                                                |
| Active untargeted style factor exposures               | Within 0.25 standard deviations of Parent Index                                                                                            |
| Active targeted style factor exposures                 | > 0 vs Parent Index                                                                                                                        |
| Equal Risk Contribution by targeted factors            | Equal Risk Contribution by targeted factors                                                                                                |
| Active Risk                                            | Within 1% w.r.t. Parent Index                                                                                                              |
| Limit turnover                                         | 7.5% one-way on a quarterly basis                                                                                                          |
| Effective number of names                              | Minimum of 30% of the Parent Index                                                                                                         |
| Percentile days to trade/liquidity constraint          | Maximum bound using Percentile=10%, Strength=20 parameters                                                                                 |
| Social & Governance Constraints                        | Further details are available in the supplement section                                                                                    |
| Climate Constraints                                    | Further details are available in the supplement section                                                                                    |
| Scope 1 + 2 GHG emission reduction (Carbon Trajectory) | Minimum GHG emission reduction of the index is specified using an annual pathway; further details are available in the supplement section  |
| GHG Intensity reduction (Carbon Trajectory)            | Minimum GHG intensity reduction of the index is specified using an annual pathway; further details are available in the supplement section |

A brief description of the portfolio constraints and data elements is given below:

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

**Minimum weight:** The minimum weight of each constituent not held at parent benchmark weight is limited to 0.5 bps.

**Maximum weight:** The maximum weight of each constituent is limited to the greater of the Parent Index weight and the lesser of 8% and six times the Parent Index weight.

**Weight of stocks with zero or missing Trading Volume:** Stocks with zero or missing 60-Day Median Daily Trading Volume data are forced to be held at their Parent Index weight.

**Concentration Capping:** The maximum weight of each issuer in the index is 8%. The sum of the weights of those issuers above 4.5% cannot exceed 35%.

**Active sector exposures:** The exposure to each ICB Sector is summed up for the Parent Index, and the exposure of the index must be within +/- 0.1% from the Parent Index exposures.

**Active country exposures:** The exposure to each country is summed up for the Parent Index, and the exposure of the index must be within +/- 0.1% from the Parent Index exposures.

**Active untargeted style factor exposures:** The exposures to each of the untargeted style factors should be within 0.25 standard deviations of the Parent Index's factor exposures. The untargeted style factors are Exchange Rate Sensitivity, Growth, Liquidity, and Size in the Axioma risk model.

**Active targeted style factor exposures:** The exposures to each of the targeted style factors should be higher than the Parent Index's factor exposures. The targeted style factors are Momentum, Low Risk, Quality and Value.

**Active Risk:** The active risk of the index relative to the Parent Index is constrained to a maximum of 1%.

**Limit turnover:** The Index has a quarterly one-way turnover limit of 7.5%.

**Effective number of names:** The minimum effective number of names in the Index is 30% of the Parent Index.

**Equal Risk Contribution by targeted factors:** Risk Contributions across all targeted factors (Factor Tracking Error \* Factor Exposure) are set to be equal. Factor Tracking Error is calculated on the following portfolio. For each factor, a factor portfolio is constructed with stocks of the top 25% factor score in the Parent Index, re-weighted to 100%.

**Percentile days to trade/liquidity constraint:** The maximum weight of each component in the Index is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the representative stock p. The representative asset is the 10<sup>th</sup> percentile of all constituents in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the k<sup>th</sup> asset in the portfolio

p = the asset with the 10<sup>th</sup> percentile of  $V_k/b_k$

$b_k$  = the weight of the k<sup>th</sup> asset in the benchmark

$V_k$  = the daily trading volume for the k-th asset

S = 20 (Strength)

**Social & Governance Constraints:** Constraints are applied against several Social and Governance criteria; further details are available in the supplement section.

**Climate Constraints:** Constraints are applied against several Climate criteria; further details are available in the supplement section.

**Scope 1 + 2 GHG emission reduction (Carbon Trajectory):** Stock level emissions from ISS ESG defined as (Scope 1 + Scope 2 Emissions) rescaled by Enterprise Value Including Cash (EVIC) are used to compute the total Index emissions. The minimum GHG emission reduction of the index is specified using an annual pathway; further details are available in the supplement section.

**GHG Intensity reduction (Carbon Trajectory):** Stock level GHG Intensities from ISS ESG defined as (Scope 1 + Scope 2 Emissions)/(Revenues in USD), are used for this constraint. The minimum GHG intensity reduction of the index is specified using an annual pathway; further details are available in the supplement section.

**Infeasibility Handling, II:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed iteratively minimizing constraint violations at each iteration in the following order: 1) Limit Turnover 2) Active Country exposures 3) Certain climate and liquidity constraints are relaxed; further details are available in the supplement section.

**Weighting cap factors:** Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Where:

$p_i$  = closing price of stock  $i$  in EUR

$w_i$  = weight of stock  $i$  in the index

**Review frequency:** The indices are reviewed on a quarterly basis in March, June, September, and December together with the respective parent index. The review cut-off date for risk model data is the second Friday of the review month. The cut-off date for ISS ESG data is the last dissemination day of the month preceding the review month.

### 75.6.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

# 76.EURO iSTOXX 50 RECOVERY TILTED INDEX

## 76.1. EURO iSTOXX 50 RECOVERY TILTED INDEX

### 76.1.1. OVERVIEW

The EURO iSTOXX 50 Recovery Tilted Index tracks the performance of a basket consisting of all the EURO STOXX 50 securities and 10 additional securities, 2 from each of 5 megatrend indices that are associated to themes that are positively impacted by the driving forces of a post-pandemic era. The index is reviewed quarterly in March, June, September and December.

**Universe:** The following indices, as observed on the review effective date, constitute the universe:

- a) EURO STOXX 50 Index
- b) STOXX Global Breakthrough Healthcare
- c) STOXX Global Digitalization
- d) STOXX Global Next Generation Telecoms
- e) STOXX Global Smart City Infrastructure
- f) STOXX Global Automation & Robotics

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the 5 themes.

**Base values and dates:** 100 on Jun 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 76.1.2. INDEX REVIEW

**Selection list:**

All of the securities in the EURO STOXX 50 Index, and securities belonging to Japan, US, Switzerland or the developed markets of the Eurozone from the 5 thematic indices below, that have 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 5 million EUR constitute the selection list.

| No. | Megatrend index                        |
|-----|----------------------------------------|
| 1   | STOXX Global Breakthrough Healthcare   |
| 2   | STOXX Global Digitalization            |
| 3   | STOXX Global Next Generation Telecoms  |
| 4   | STOXX Global Smart City Infrastructure |
| 5   | STOXX Global Automation & Robotics     |

**Composition list:**

All of the EURO STOXX 50 Index constituents are selected and constitute the core segment of the index.

## 76. EURO ISTOXX 50 RECOVERY TILTED INDEX

The remaining 10 securities that will constitute the satellite segment are selected by following an iterative process as follows:

For each megatrend index 1-5:

- The components of the megatrend index from the selection list are ranked in descending order in terms of their free-float market capitalization
- Securities that are already present in the core segment (EURO STOXX 50 components) are excluded
- Securities that have already been selected for the satellite segment are also excluded (applicable to megatrend indices 2-5)
- The top 2 (i.e. highest free-float market capitalization) of the remaining securities are selected for inclusion in the satellite segment

The process is repeated for all 5 megatrend indices, such that the 2 securities have been selected from each of them.

The final EURO iSTOXX 50 Recovery Tilted index composition list consists of the EURO STOXX 50 components and the 10 securities selected in the satellite segment, representing the 5 megatrend indices.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

### Weighting and capping factors:

The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers such that, the companies of the EURO STOXX 50 account for 80% and the 10 companies selected from the 5 megatrend indices (Megatrend companies) 20% of the final EURO iSTOXX 50 Recovery Tilted Index.

The EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, 8% in the final index ( $0.8 \times 10\%$ ). Additionally, the 10 Megatrend company weights are capped at 25% within the Megatrend company weights, hence capped at 5% in the final index ( $20\% \times 25\%$ ). The overall exposure to Japanese securities is also capped at 50% within the AI company weights, 10% in the final index ( $0.2 \times 50\%$ ).

$$w_i = 0.8 \times \frac{ffmcap_i}{\sum_{j=1}^{50} ffmcap_j}; \text{ weight capped at 10\% within the EURO STOXX 50 companies}$$

$$w_k = 0.2 \times \frac{mt_k * ffmcap_k}{\sum_{l=1}^{10} mt_l * ffmcap_l}; \text{ weight capped at 25\% within the Megatrend companies}$$

Where:

- $i, j$  EURO STOXX 50 constituents
- $w_i$  weight of the EURO STOXX 50 security in the new index (max 8% within the new index)
- $k, l$  the 10 selected securities from the 5 megatrend indices
- $w_k$  weight of the 10 Megatrend securities in the new index (max 5% within new index)
- $ffmcap$  free float market capitalization

## 76. EURO ISTOXX 50 RECOVERY TILTED INDEX

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$mt_k$  revenue exposure of company k to RBICS sectors that are associated to the trend it is representing<sup>114</sup>

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 76.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

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<sup>114</sup> Please refer to the [STOXX Index Guide](#) for the full list of RBICS sectors used for the calculation of the revenue exposures in the STOXX Global Breakthrough Healthcare, STOXX Global Digitalization, STOXX Global Next Generation Telecoms, STOXX Global Smart City Infrastructure and STOXX Global Automation & Robotics indices

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# 77.iSTOXX GLOBAL ESG DIVIDEND TREND INDEX

## 77.1. iSTOXX GLOBAL ESG DIVIDEND TREND INDEX

### 77.1.1. OVERVIEW

The iSTOXX Global ESG Dividend Trend Index selects 20 liquid stocks with low volatility and high dividend yield, that have improved or maintained their ESG scores in the last year. Companies that are non-compliant with the Norms Based Screening or are involved in Controversial Weapons activities, as identified by ISS-ESG, are excluded. Additionally, companies involved in Pornography, Gambling, Fossil Fuels, Unconventional Oil & Gas, Nuclear Power, Thermal Coal, Tobacco, Weapons (Civilian Firearms and Military equipment), Aerospace and Defense are also excluded. An additional filter excludes poor ESG performers from the index.

**Universe:** The index universe is defined by all the stocks included in the STOXX Global 1800 Index, as observed on the review effective dates

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (3-month historical volatility in EUR) of the constituents

**Base values and dates:** 100 on Mar 19, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

### 77.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for their ESG scores, based on ISS-ESG ESG Performance Score. This metric provides a numerical score from 0 to 100 and is comparable over all rated entities.:

- i. previous year's quarterly realized dividend yield
- ii. 3-month historical volatility in EUR
- iii. 3-month Average Daily Traded Volume (ADTV) in EUR
- iv. Current ESG scores, as calculated by ISS-ESG transparent ESG performance rating model
- v. ESG scores calculated by ISS-ESG in the corresponding review cutoff date one year prior to the current review cutoff date
- vi. Product Involvement information on: Pornography, Gambling, Unconventional Oil & Gas, Fossil Fuels, Thermal Coal, Nuclear Power, Tobacco and Weapons (Civilian Firearms and Military Equipment)

The screening criteria below are then applied on the initial universe, in the order they are listed:

- **Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies are 'Red', if they are failing to respect established norms and where the issue remains unaddressed.



# 77. iSTOXX GLOBAL ESG DIVIDEND TREND INDEX

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- **Controversial Weapons:** Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.
- **Product Involvement:** STOXX will exclude companies with no information in the indicators below, or that ISS-ESG identifies to have:

**Weapons:**

**i) Civilian Firearms:**

» >10% revenues from involvement in the production of civilian firearms and/or the provision of related services

» >10% revenues from involvement in the distribution of civilian firearms

**ii) Military Equipment:**

» >10% revenues from involvement in military equipment and services

**Pornography:**

» >25% revenue derived from involvement in the production of pornography

» >25% revenue derived from involvement in the distribution of pornography

**Gambling:**

» >25% revenue derived from the operation or management of any activity involving the wagering of money on a game or event

» >25% revenue derived from services related to gambling

**Unconventional Oil & Gas**

» >0% revenues from oil and gas extraction through arctic drilling for the most recent fiscal year period

» >0% revenues from the extraction and processing of oil sands for the most recent fiscal year period

» >0% revenues from hydraulic fracturing for the most recent fiscal year period

**Conventional Oil & Gas:**

» >0% revenues from the extraction, refining and processing, and distribution of fossil fuels.

» > 0% revenues from revenues from services related to fossil fuels

» >25% revenues from electricity generation from fossil fuels

**Thermal Coal:**

» >0% of revenues from thermal coal mining, including any exposure to production or services. The values used for the maximum percentage of revenues are based on the best

# 77. iSTOXX GLOBAL ESG DIVIDEND TREND INDEX

available data. This may include reported revenues, reported revenue percentages or revenue estimates based on available information.

»>0% revenues from generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available information

## **Nuclear Power:**

»>25% of revenues from the generation of electric power from nuclear fission

»>25% of revenues from the provision of services to the nuclear power industry, including the supply of key components, technical support and maintenance, and nuclear waste management

»>25% of revenues from involvement in uranium exploration, extraction, and processing.

## **Tobacco:**

»>0% revenues from involvement in the production of tobacco products

»>0% revenues from services related to tobacco products

»>0% revenues from the wholesale or retail distribution of tobacco products

- **ICB classification:** Companies belonging to the Aerospace or Defense ICB subsectors (50201010, 50201020 ICB codes) are excluded
- **Liquidity screening:** Securities with 3-month Average Daily Traded Volume (ADTV) in EUR below 5 million EUR are excluded
- **Trading suspension screening:** Securities with suspension from trading for more than 10% of the STOXX Calendar trading days are excluded

$$\text{Min Number of Price Observations}_{\text{Period}} = \text{Number of Trading Days}_{\text{Period}} \times 0.9$$

- **Dual listing:** If a company is represented in the eligible universe by multiple listings, only the most liquid class is retained.

If information for a security is not available for any of the above fields, then that security is excluded from the eligible universe, at the same step where assessed for the missing indicator.

For the resulting list of securities, the following steps are applied before the final selection list is obtained:

- 1) For each security in the resulting list, an ESG trend score is calculated as follows:

$$\text{ESG trend}_t = \text{ESG score}_t - \text{ESG score}_{t-1}$$

Where:

- $t$ : review cutoff date
- $t - 1$ : the corresponding review cutoff date, a year prior to  $t$
- $\text{ESG score}_t$ : the ESG score of the security on the review cutoff date  $t$
- $\text{ESG score}_{t-1}$ : the ESG score of the security on the cutoff date  $t - 1$ , the cutoff date a year prior to  $t$

- 2) Only securities with  $\text{ESG trend}_t \geq 0$  are considered for selection, and the rest are excluded from the list. Securities for which an ESG score is unavailable, for either, or both years, are also excluded from the list.

# 77. iSTOXX GLOBAL ESG DIVIDEND TREND INDEX

- 3) The remaining securities are sorted in descending order of their ESG score<sub>t</sub>, and only the top 80% (rounded down to the nearest integer) of the companies with highest ESG scores are considered for selection and constitute the selection list. In this ranking process, in case two companies have the same ESG score<sub>t</sub>, then priority is given to the one with the highest ESG trend<sub>t</sub>.

**Composition list:** The final composition list with the 20 securities is derived by following the steps below:

- 1) **Dividend Ranking:** All stocks from the selection list are screened for their last year's quarterly realized dividend yield, which is calculated as the sum of a security's gross dividend payments within the following quarter, of the previous year (excluding extraordinary dividend payments), divided by the security's close price as of the review cut-off date. The time interval for this dividend consolidation exercise is set to start from and include the first index dissemination day following the 3rd Friday of the previous year's month that corresponds to the given review month. The end point is set as the 3rd Friday three months after the start point. Example: for a review effective date set as 21/6/2021, the dividend lookback period is [22/6/2020-18/9/2020]. If this information is not available for a security, then the missing value is substituted by 0.

The companies are sorted in descending order in terms of their dividend yield and the top 80 (highest dividend yield) stocks are selected. In case two companies for a given cutoff date have the same dividend yield, priority is given to the one with the lowest volatility (3-month historical volatility in EUR).

- 2) **Volatility Ranking:** Subsequently, the remaining stocks are sorted in ascending order in terms of volatility (as defined above), and the 20 securities with the lowest volatility are selected for inclusion in the index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last dissemination day of the month prior to the review month.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

- $w_i$  target weight of component  $i$
- $\sigma_i$  3-month historical volatility of component  $i$ , as of review cut-off date, based on prices in EUR
- $N$  number of constituents in the index

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

## 77. iSTOXX GLOBAL ESG DIVIDEND TREND INDEX

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Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 77.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced in the index. Deletions from the corresponding universe, which remain in the STOXX Developed Markets Total Market Index are not deleted from the index.

**Fast exit:** On a monthly basis, in case a company which is an index constituent has a Norms Based Screening assessment of 'Red' or not rated, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

## 78.iSTOXX PPF INDICES

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### 78.1. iSTOXX PPF RESPONSIBLE SDG INDEX

#### 78.1.1. OVERVIEW

The iSTOXX PPF Responsible SDG Index is designed to target increased exposure to securities in Developed Markets which positively contribute to the achievement of certain UN Sustainable Development Goals.

**Parent Index:** STOXX Developed World Universal All Cap Index

**Weighting scheme:** The index is price-weighted with weighting cap factors determined according to an optimization process.

**Base value and date:** 100 on Sep 30, 2021

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Global calendar

#### 78.1.2. INDEX REVIEW

Details of the index review procedure are available to stakeholders at [www.stoxx.com/indices](http://www.stoxx.com/indices)

#### 78.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com)

## 78.2. iSTOXX PPF EMERGING MARKETS INDEX

### 78.2.1. OVERVIEW

The iSTOXX PPF Emerging Markets Index aims to provide a substitute of the STOXX Emerging Markets Universal Index for investors who are not able to invest in Indian local listings. The index includes the components of the STOXX Emerging Markets Universal Index without the Indian local listings; and additional Indian depositary receipts, that aim to compensate for the removed Indian local listings.

**Universe:** The index universe is the STOXX Emerging Markets Universal Index and the Indian components of the STOXX World DR Index.

**Weighting scheme:** The index components are weighted according to the free float market capitalization adjusted for foreign ownership restrictions.

**Base values and dates:** 1000 on March 15<sup>th</sup>, 2019.

**Index types and currencies:** Price, net and gross return in USD and EUR.

**Dissemination calendar:** STOXX Global Calendar.

### 78.2.2. INDEX REVIEW

The index is reviewed and disseminated in the same way as the regional indices derived from the STOXX World AC Universal All Cap Index (see the STOXX World Equity Index Methodology Guide), unless specified otherwise.

**Component selection:** The starting universe is the STOXX Emerging Markets Universal Index, where all Indian local listings are removed. The Indian components of the STOXX World DR Index are added, if they have corresponding local listings in the STOXX Emerging Markets Universal Index, and if they are not already selected.

**Review frequency:** The indices are reviewed on a semi-annual basis after the close on every third Friday in March and September, and the effective date is the first dissemination day after the third Friday. The data cut-off date is the last dissemination day of the previous month.

**Quarterly screens for Indian local listings:** If an existing component of the iSTOXX PPF Emerging Markets Index is a local share, and if it is assigned to India during the update of the country assignment in June and December (see the STOXX World Equity Index Methodology Guide), then it is removed from the iSTOXX PPF Emerging Markets Index, effective on the next dissemination day following the 3rd Friday of the month.

**Weighting scheme and cap factors:** Securities are weighted by free-float market capitalization, adjusted for foreign ownership restrictions as defined in Section 'Free Float Adjusted For Foreign Ownership Restrictions' of the STOXX World Equity Index Guide. The weighting cap factors are published five dissemination days before the effective day and calculated based on prices from the previous day.

## 78. iSTOXX PPF INDICES

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### 78.2.3. ONGOING MAINTENANCE

The iSTOXX PPF Emerging Markets Index is maintained in the same way as the regional indices derived from the STOXX World AC Universal All Cap Equity Index (see the STOXX World Equity Index Methodology Guide), unless specified otherwise.

**Spin-offs:** If a spin-off from a component of the iSTOXX PPF Emerging Markets Index is added permanently to the STOXX Emerging Markets Universal Index, or to the SW DR Index, then it is added permanently to the iSTOXX PPF Emerging Markets Index, if it is not a local Indian listing.

## 78.3. iSTOXX PPF RESPONSIBLE SDG EMERGING MARKETS INDEX

### 78.3.1. OVERVIEW

The iSTOXX PPF Responsible SDG Emerging Markets Index is designed to target increased exposure to securities in Emerging Markets which positively contribute to the achievement of the UN Sustainable Development Goals.

**Parent Index:** STOXX Emerging Markets Universal Index

**Weighting scheme:** The index is price-weighted with weighting factors determined according to an optimization process.

**Base value and date:** 100 on Sep 30, 2021

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Global calendar

### 78.3.2. INDEX REVIEW

Details of the index review procedure are available to stakeholders at [www.stoxx.com/indices](http://www.stoxx.com/indices)

### 78.3.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com)



# 79.iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

## 79.1. iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

### 79.1.1. OVERVIEW

The iSTOXX Global Climate Change ESG Index track the performance of liquid securities from a selection of STOXX Benchmark Indices. The index<sup>115</sup> are constructed to follow the EU Paris-aligned Benchmark (EU PAB) requirements outlined in the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks<sup>116</sup>. The indices are designed to help investors align investments with the overall long-term global warming target of the Paris Agreement.

Companies identified as non-compliant based on Sustainalytics Global Standards Screening (GSS) assessment, are involved in Controversial Weapons or display a Severe (Category 5) Controversy Rating, as identified by Sustainalytics, are not eligible for selection. Tobacco Producers, as identified by ISS ESG, are also not eligible. Securities that generate revenues above a certain threshold from coal, oil and gas exploration or processing activities are excluded. Additionally, securities that derive higher than 10% of their revenues from thermal coal-based power generation, or higher than 50% from power generation with carbon intensity of lifecycle emissions higher than 100gCO<sub>2</sub>e/kWh are not considered for selection. Furthermore, STOXX will exclude companies that ISS ESG assesses to have significant obstruction in the following UN SDGs: SDG 12 Responsible Consumption and Production, SDG 13 Climate Action, SDG 14 Life Below Water and SDG 15 Life On Land.

The weighing process follows an optimization process to meet the minimum requirements detailed in the Commission Delegated Regulation (EU) 2020/1818. The index aims to reduce their greenhouse gases (GHG) emission intensity by at least 50% when compared to their underlying benchmarks. Additionally, they are designed to meet the year on year 7% decarbonization target. Scope 1, Scope 2 and Scope 3 emissions are used in the total emission considerations<sup>117</sup>. All of these emissions, including Scope 3, are used across all sectors from the first date of index construction.

The methodology ensures that the index exposure to 'High Climate Impact sectors', sectors that are key to low-carbon transition, is not underweighted relative to the investment universe. STOXX will classify the eligible securities into two sectoral groups: 'High Climate Impact' and 'Low Climate Impact'. This is based on the securities' NACE industry classification<sup>118</sup>. The securities in the index are

<sup>115</sup> [Regulation \(EU\) 2019/2089 amending Regulation \(EU\) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R2089) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R2089>

<sup>116</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R1818>

<sup>117</sup> [Scope 1, Scope 2 and Scope 3 data obtained from ISS ESG. As a first step, ISS ESG collects all publicly available self-reported greenhouse gas emissions data from corporate disclosures such as CDP and CSR reports. Once self-reported emissions data from all available sources is collected, the data is tested for trustworthiness. This is done through a combination of quantitative and qualitative analysis.](#)

<sup>118</sup> Stocks in the NACE Section codes: A, B, C, D, E, F, G, H, L are classified as "High Climate Impact" and stocks in the NACE section codes: I, J, K, M, N, O, P, Q, R, S, T, U as "Low Climate Impact". Further information regarding NACE can be found on [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical\\_classification\\_of\\_economic\\_activities\\_in\\_the\\_European\\_Community\\_\(NACE\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical_classification_of_economic_activities_in_the_European_Community_(NACE))

## 79. iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

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weighted such that the total weight of the high climate impact components is at least equal to the total high climate impact weight in the corresponding STOXX Benchmark Index.

ISS ESG tracks companies that have disclosed science-based targets with the Science Based Targets initiative (SBTi)<sup>119</sup>. This comprises a list of securities that are setting greenhouse gas emission reduction targets in line with the goals of the Paris Agreement, i.e. to keep “global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.”<sup>120</sup> STOXX will use this information to identify which of these three groups companies belong to: (a) companies with concrete targets and emission reduction targets verified by SBTi, (b) companies that have committed to the SBTi but do not yet have approved targets, and (c) those that have not yet committed with the SBTi. The iSTOXX Global Climate Change ESG index overweighs companies with SBTi approved targets, and even more so those with SBTi approved targets and consistent 7% or more reduction in annual GHG intensity. Moreover, STOXX will allow up to 10 years of transition time for securities to commit and have their science-based targets approved and published by the SBTi. Starting in March 2021, securities that have not committed to the science-based initiatives will be underweighted incrementally and will not be eligible for selection starting in March 2025. Similarly, securities that are committed but do not have SBTi verified targets will be subjected to incremental underweighting (March 2021 to March 2030). From March 2030, the index will only include companies that have their targets approved and published by the SBTi. This is with the intention of incentivizing companies to commit and set science-based targets.

ISS ESG's Carbon Risk Rating data assesses companies' capacity to manage future climate change related challenges and opportunities arising from the transition to a low-carbon economy. The risk rating considers companies' risk profiles, industry-specific challenges, companies' positive impact and ability to seize opportunities. STOXX uses this forward-looking CO<sub>2</sub> risk analysis to overweigh climate leaders while laggards are underweighted.

ISS ESG's Carbon Budget data helps assess companies' alignment with different scenarios. This Carbon Budget data is used in the weighing process of the iSTOXX Global Climate Change ESG Index and to ensure the indices are aligned with the IEA Sustainable Development Scenario (SDS) pathway until 2050.

**Universe:** STOXX Global 1800 Index, as observed on the review effective date.

**Weighting scheme:** The index is price-weighted with weighting cap factors determined according to an optimization process to meet the EU PAB recommendations

**Base value and date:** 100 on Mar 19, 2018

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

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<sup>119</sup> <https://sciencebasedtargets.org/>; the SBTi is a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and one of the We Mean Business Coalition commitments

<sup>120</sup> <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

# 79. iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

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## 79.1.2. INDEX REVIEW

### Selection list:

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date, a set of exclusionary criteria are applied.

### Global Standards Screening:

STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

### Controversial Weapons:

STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

### Controversy Ratings:

STOXX will exclude companies that Sustainalytics identifies to have a Controversy Rating of Category 5 (Severe).

Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest Event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.

### Military Equipment:

STOXX will exclude companies that ISS-ESG identifies to have:

- >5% revenues from involvement in the production of military equipment and/or the provision of related services

### Tobacco:

STOXX will exclude companies that ISS-ESG identifies to be Tobacco Producers (0% revenue threshold).

# 79. iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

The remaining securities in the universe list are screened for the following fundamental values (i and ii) and ISS ESG carbon and climate related indicators (iii to xiii):

- i. 3-month Average Daily Traded Volume (ADTV) in EUR
- ii. Enterprise value including cash (EVIC) based on the fiscal year data for the end of the last calendar year
- iii. Emissions data: Scope 1, Scope 2 and Scope 3 emissions

The GHG Protocol Corporate Standard classifies companies' greenhouse gas (GHG) emissions as direct and indirect emissions<sup>121</sup>. Direct emissions, also known as Scope 1 emissions, refer to GHG waste produced and consumed by the reporting entity. For instance, on-site generation and use of energy is tracked under Scope 1. In contrast, indirect emissions, comprised of Scope 2 and Scope 3 emissions, occur as a consequence of the reporting company, but are generated by another entity. Scope 2 includes acquired/ purchased energy brought into the company's reporting boundary as a form of: electricity, steam, heating and cooling, and the rest of the indirect emissions form Scope 3 emissions. Any emissions associated with upstream and downstream processes, excluding Scope 2 emissions, are accrued towards Scope 3. Business travel, processing of sold products, transportation and distribution are all examples of Scope 3 emissions<sup>122</sup>.

- iv. Percentage of revenues from coal: this looks at the securities' revenue generated from coal exploration, production (excluding power generation), distribution, and supporting products and services. Power generation revenue share is considered separately and detailed in vi.
- v. Percentage of revenues from fossil fuel exploration, production (excluding power generation), distribution and provision of supporting products and services: this looks at companies' revenue share in fossil fuels, including coal, oil, gas, Arctic drilling, hydraulic fracturing and oil sands. Power generation revenue share is considered separately and detailed in vii.
- vi. Thermal coal-based power generation revenues: this looks at percentage of revenues derived from power generation coming solely from thermal coal.
- vii. Power Generation revenue percentage coming from coal, oil and gas: electricity generation lifecycle assessment shows that GHG emissions coming from coal, oil and natural gas exceed 100 gCO<sub>2</sub>e/kWh; similar assessment on renewable energy and nuclear power sources shows that the lifecycle GHG emissions is well below 100 gCO<sub>2</sub>e/kWh<sup>123</sup>. For this data point, ISS ESG considers coal, oil and gas-based power generation revenues.
- viii. UN SDGs: the ISS ESG SDG Impact Rating identifies companies' positive and negative impact towards the UN Sustainable Development Goals (UN SDGs) across three pillars: Product & Services, Operations and Controversies. STOXX will use the dataset to minimize index exposure to obstructions in the 4 environmental related UN SDGs, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action, SDG 14 Life Below Water and SDG 15 Life On Land, by screening out companies identified to have significant obstruction in these areas.
- ix. Carbon Risk Rating: ISS ESG evaluates companies' capacity to cope with future challenges related to climate change and to seize opportunities arising from a transition to a low-

<sup>121</sup> [https://ghgprotocol.org/sites/default/files/standards/Scope%202%20Guidance\\_Final\\_Sept26.pdf](https://ghgprotocol.org/sites/default/files/standards/Scope%202%20Guidance_Final_Sept26.pdf)

<sup>122</sup> [http://www.ghgprotocol.org/sites/default/files/ghgp/standards/Scope3\\_Calculation\\_Guidance\\_0.pdf](http://www.ghgprotocol.org/sites/default/files/ghgp/standards/Scope3_Calculation_Guidance_0.pdf)

<sup>123</sup> [https://www.ipcc.ch/site/assets/uploads/2018/03/SRREN\\_Full\\_Report-1.pdf](https://www.ipcc.ch/site/assets/uploads/2018/03/SRREN_Full_Report-1.pdf)

## 79. iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

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carbon economy. This data will be used to overweigh climate leaders, and climate laggards will be underweighted.

- x. Carbon Budget: ISS ESG Carbon Budget data helps assess companies' alignment with different scenarios. STOXX will use this Carbon Budget data in the weighing process of the STOXX Paris-Aligned Benchmark Indices and to ensure the indices are aligned with the IEA Sustainable Development Scenario (SDS) pathway until 2050.

The ISS ESG scenario analysis combines the IEA scenario with the Sectoral Decarbonization Approach (SDA) by allocating a share of a global carbon budget to every company based on its market share and the IEA/SDA emissions scenario associated with its sector.

- xi. Percentage of revenues from green sources: revenues coming from renewable energy sources such as: wind, solar, hydro, biomass and geothermal sources. Nuclear Power is also considered as a green revenue source. In addition to these, the definition of green revenues extends to revenues that contribute to UN Sustainable Development Goal (SDG) 13, Climate Action.
- xii. Percentage of revenues from brown sources: any revenues from fossil fuels (coal, oil, gas, Arctic drilling, hydraulic fracturing and oil sands) and the provision of supporting products or services is considered as brown revenue. The definition of brown revenues also extends to revenues that are obstructive to UN Sustainable Development Goal (SDG) 13, Climate Action.

Green and brown energy revenue shares will be used in the construction of the indices to ensure the total green share / brown revenue share of the STOXX Paris-Aligned Benchmark Indices is at least four times that of the underlying benchmarks' green to brown revenue shares.

- xiii. Science-based Climate Targets: ISS ESG tracks securities that have disclosed science-based targets in line with the level of decarbonization required to keep global temperature increase below 2°C. STOXX will use this data to identify which of the following three groups companies fall into:
  - a. companies with concrete targets and emission reduction targets verified by the SBTi
  - b. companies that have committed with the SBTi but do not yet have approved science-based targets. Committed companies have 24 months to have their targets approved and published by the SBTi
  - c. companies that have not committed with SBTi

Securities with targets verified by the SBTi will be overweighed in the index. Securities with no commitments or no SBTi approved targets will be subjected to incremental underweighting and will not be eligible for selection starting 2025 and 2030 respectively.

If any of the i to x fields are unavailable for a security, the company will not be eligible for selection. Additionally, if a security does not have green or brown revenue share data, STOXX will assume the revenue share in these areas to be zero. STOXX will assume that a security is not committed if no science-based climate target data is available for it.

The selection list is made of all the remaining stocks that fulfil the conditions below:

- Liquidity requirements: 3-month ADTV equal to or exceeding 3 million EUR
- Activity exclusions: Companies that generate revenues above the specific thresholds with respect to the activities below are not eligible for selection:
  - o STOXX will exclude companies that ISS ESG identifies to have 1% or higher revenues from coal exploration, production (excluding power generation), distribution and supporting product and services

## 79. iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

- STOXX will exclude companies that ISS ESG identifies to have 10% or higher revenues from fossil fuel exploration, production (excluding power generation), distribution and supporting products and services
- STOXX will exclude companies that ISS ESG identifies to have 10% or higher revenues from thermal coal-based power generation
- STOXX will exclude companies that ISS ESG identifies to have 50% or higher revenues from power generation with carbon intensity of lifecycle GHG emissions higher than 100g CO<sub>2</sub>e/kWh
- STOXX will exclude companies that ISS ESG assesses to have significant obstruction to the UN Sustainable Development Goals (SDGs) 12, 13, 14 and 15

**Composition list:**

- The final composition list comprises all the securities that fulfil the requirements listed above. The securities' weights are derived through an optimization process and designed to meet the following requirements:

| EU PAB Minimum requirements                                                                                                                                                                                                                                                       | iSTOXX Global Climate Change ESG Index                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum Scope 1+2+3 GHG intensity reduction compared to the corresponding STOXX Benchmark Index<br>The GHG intensity of a security is calculated as:<br>$\frac{\text{Scope 1} + \text{Scope 2} + \text{Scope 3 GHG Emissions}}{\text{Enterprise Value including Cash (in MEUR)}}$ | At least 60% (includes a 10% buffer)                                                                                                                                                                                                                                                                                                                                    |
| Year-on-year self-decarbonization per annum relative to the levels at inception in accordance with the global decarbonization trajectory implied by IPCC's 1.5°C scenario with no or limited overshoot                                                                            | At least 7% on average per annum since index launch, after taking in consideration any inflation in enterprise values                                                                                                                                                                                                                                                   |
| Minimum exposure to sectors highly exposed to climate change issues compared to the underlying STOXX Benchmark Index<br>These sectors are identified as "High Climate Impact" based on NACE section codes <sup>124</sup>                                                          | At least equal                                                                                                                                                                                                                                                                                                                                                          |
| Corporate target setting (CTS)                                                                                                                                                                                                                                                    | The Corporate target setting score aims to ensure that companies with Science Based Target are outweighed and that: <ul style="list-style-type: none"> <li>- by 2025, all companies in the index are committed to reducing their GHG emissions, and</li> <li>- by 2030, all companies in the index have SBTi approved science-based targets</li> </ul> In more details: |

<sup>124</sup> Stocks in the NACE Section codes: A, B, C, D, E, F, G, H, L are classified as "High Climate Impact" and stocks in the NACE section codes: I, J, K, M, N, O, P, Q, R, S, T, U as "Low Climate Impact". Further information regarding NACE can be found on [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical\\_classification\\_of\\_economic\\_activities\\_in\\_the\\_European\\_Community\\_\(NACE\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical_classification_of_economic_activities_in_the_European_Community_(NACE))

## 79. iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

1. Companies that have science-based targets approved and reported through the Science Based Target initiative and have reduced their total GHG emission intensity (Scope 1,2 and 3 emissions) by an average of at least 7% per annum for at least 3 consecutive years will have their weights increased by 1/3
2. Companies that have science-based targets approved and reported through the Science Based Target initiative but have not fulfilled the above carbon reduction criteria will have their weights increased by 1/5
3. Companies that are committed to reducing their GHG emissions but do not yet have science-based targets approved by the Science Based Target initiative will have their weights reduced by Y/10 where Y is the number of years since 2020
4. Companies that are not committed to reducing their GHG emissions will have their weight reduced by Y/5 where Y is the number of years since 2020

| Additional considerations                                                                                     | iSTOXX Global Climate Change ESG Index                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alignment with ISS ESG scenario alignment approach for the IEA Sustainable Development Scenario (SDS) pathway | The emissions pathway of the indices must be below the carbon budget for the SDS pathway of the current year and 2050                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Carbon Risk Rating tilt                                                                                       | Climate leaders are overweighted, and climate laggards are underweighted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Carbon Budget risk tilt                                                                                       | Companies that are well positioned to meet their carbon budget are overweighted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Minimum green share / brown share ratio compared to the underlying STOXX Benchmark Index                      | At least 4 times                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Diversification                                                                                               | <p>Exposure to a single NACE Section is within 5% of the of the underlying STOXX Benchmark Index exposure</p> <p>If the underlying benchmark's exposure in any of the NACE Sections is greater than 30%, an additional maximum exposure constraint on the NACE Division<sup>125</sup> weights will be imposed for the PAB index. In this case, the STOXX PAB Index exposure to a single NACE Division (within the NACE Section) cannot exceed the underlying STOXX Benchmark Index exposure by higher than 5%</p> <p>Country exposure is within 5% of the country weight in the underlying benchmark</p> |

<sup>125</sup> NACE Division is a step lower (more granular) from the NACE Section code



## 79. iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

|                |                                                |
|----------------|------------------------------------------------|
| Weight capping | Maximum weight: 4.5%<br>Minimum weight: 0.001% |
|----------------|------------------------------------------------|

**Weighting and capping factors:**

The weights are derived through an optimization process with the goal to have a portfolio which is in line or beyond the decarbonization trajectory from the IPCC's 1.5°C scenario and that overweighs companies with a clear and proved evidence-based carbon reduction target as verified by SBTi.

**Target weight calculations:**

The target weight is defined according to the free-float market capitalization subject to the corporate target setting and carbon risk rating multipliers, as follows:

$$w_i = \frac{ffmcap_i \cdot CTS_i \cdot CR_i}{\sum_j^N ffmcap_j \cdot CTS_j \cdot CR_j}$$

Where:

$CTS_i$  = (1 + 1/3) if a company has verified science-based targets in accordance to the SBTi and has reduced its GHG intensity by an average of at least 7% per annum for at least 3 consecutive years

= (1 + 1/5) if a company has verified science-based targets in accordance to the SBTi but has not fulfilled the above GHG intensity reduction criteria

= (1 – min(1, Y/10)) if a company is committed to reducing its GHG emissions but does not have science-based targets approved by the SBTi

= (1 – min(1, Y/5)) if a company is not committed to reducing its GHG emissions

Y = number of years since 2020. Y is 0 for 2020 and earlier years

N = number of components in the index

$CR_i$  = (1 +  $CR\_z_i$ ) if  $CR\_z_i > 0$

= (1 -  $CR\_z_i$ )<sup>-1</sup> if  $CR\_z_i \leq 0$

$CR\_z_i$  =  $CRR\_z_i$  -  $CBR\_z_i$

$CRR\_z_i$  = zeta score of the company's Carbon Risk Rating, as defined by ISS ESG

$CBR\_z_i$  = zeta score of the company's Carbon Budget risk, calculated as

$$CBR_i = \frac{\sum \varphi_j * \ln\left(\frac{\text{current carbon emission}_i}{\text{carbon budget}_{i,j}}\right)}{\sum \varphi_j}$$

Where:  $\varphi_j = (1 - \lambda) * \lambda^j$ ,  $j = 0, \dots, 2050 - \text{current year}$

$\lambda = 0.94$  (standard decay factor<sup>126</sup>)

<sup>126</sup> Standard decay factor, suggested and used by Riskmetrics



# 79. iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

## Capped weight calculations:

The capped weights  $cw_i$  are derived from target weights via an optimization that minimizes the relative squared difference between the target weights and the capped weights while ensuring that the year-on-year self-decarbonization fulfils the criteria of at least 7% on average starting from 2022 with respect to 2021. The optimization is performed to arrive at the weights subject to constraints to ensure that the composition fulfils the minimum requirements:

$$cw_i = \operatorname{argmin}_{cw} \left( \sum_{i=1}^n \left( \frac{(cw_i - w_i)^2}{w_i} \right) \cdot \frac{1}{n} + \frac{(\text{Previous year's GHG intensity reduction} - 0.07)^2}{0.07} \right)$$

The previous year's GHG intensity reduction (starting from 2022 with respect to 2021) is calculated as:

$$1 - \left( \frac{\text{Index GHG Intensity}_{\text{current}} \cdot (\text{Inflation Adjustment Factor})}{\text{Index GHG Intensity}_{\text{previous year-end}}} \right)$$

where  $\text{Index GHG Intensity}_t = \sum_{i=1}^n (w_{i,t} \cdot \text{Security GHG Intensity}_{i,t})$  and  $w_{i,t}$  is the weight of company  $i$  in the index at time  $t$ .

In calculating the previous year's GHG intensity reduction, the current GHG intensity is multiplied by the enterprise value inflation adjustment factor<sup>127</sup> in order to reflect the effects of inflation in enterprise values as an increasing average enterprise value of the index constituents could lead to an overall GHG intensity reduction where no actual GHG emissions reductions took place.

The following are the constraints of the optimization:

- Maximum security weight of 4.5%, and minimum weight of 0.001%:
- The GHG intensity reduction of the index,  $\sum_{i=1}^n (cw_i \cdot \text{Security GHG Intensity}_i)$  should be at least 60% when compared to the underlying STOXX Benchmark Index GHG Intensity
- Year-on-year GHG intensity reduction of at least 7% starting from 2022 with respect to 2021. The year-on-year carbon reduction included is calculated as:
 
$$1 - \left( \frac{\text{Index GHG Intensity}_{\text{current}} \cdot \text{Cumulative Inflation Adjustment Factor}}{\text{Index GHG Intensity}_{2021 \text{ year-end}}} \right)^{1/T}$$
 where  $T$  is the number of years since 2021
- The green revenue share / brown revenue share of the index,  $\frac{\sum_{i=1}^n (cw_i \cdot \text{Green Revenue \%}_i)}{\sum_{i=1}^n (cw_i \cdot \text{Brown Revenue \%}_i)}$ , is at least 4 times that of the underlying STOXX Benchmark Index
- The total exposure of components in the "High Climate Impact" according to NACE classification is at least equal to the corresponding STOXX Benchmark Index
- The exposure to a single NACE Section code is within 5% of the underlying STOXX Benchmark Index exposure

<sup>127</sup> The enterprise value inflation adjustment factor is computed by dividing the average enterprise value of the index constituents at the end of calendar year by the average enterprise value of the index constituents at the end of the previous calendar year and has a minimum value of 1

# 79. iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

If the underlying STOXX Benchmark Index exposure in any of the NACE Sections is greater than 30%, an additional maximum exposure constraint on the NACE Division weights will be imposed for the PAB index. In this case, the STOXX PAB Index exposure to a single NACE Division (within the NACE Section) cannot exceed the underlying STOXX Benchmark Index exposure by higher than 5%

- g) The exposure to a country is within 5% of the STOXX Benchmark Index
- h) The emission pathway of the index must be below its carbon budget for the IEA Sustainable Development Scenario (SDS) pathway of the current year and 2050. This is to ensure that the index is aligned with the SDS pathway decarbonization trajectory until 2050

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

## Review frequency:

The review is conducted on an annual basis in March. On a quarterly basis in June, September and December, the indices are rebalanced to consider changes in free-float or shares in issue, or ISS ESG carbon and climate related indicators. Furthermore, current components are screened for compliance and involvement. The cut-off date for the underlying data is the last calculation day of February, May, August and November respectively

## 79.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5 and becomes non-compliant based on the Sustainalytics Global Standards Screening assessment, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

## 79.1.4. SUMMARY

|                |                                        |
|----------------|----------------------------------------|
| Summary        | iSTOXX Global Climate Change ESG Index |
| Universe       | STOXX Global 1800                      |
| <b>Screens</b> |                                        |

## 79. iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

|                        |                                                                                                                                                                                                                                                                                                     |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Baseline Exclusions    | Global Standards Screening<br>Controversial Weapons<br>Tobacco producers<br>Significant obstruction to the UN Sustainable Development Goals (SDGs) 12, 13, 14 and 15<br>Severe (level 5) Controversy Rating                                                                                         |
| Liquidity Requirements | 3-month ADTV equal to or exceeding 3 million EUR                                                                                                                                                                                                                                                    |
| Activity Exclusions    | Revenues from Coal activities: 1% or higher<br>Revenues from Fossil Fuel activities: 10% or higher<br>Revenues from power generation coming from Coal: 10% or higher<br>Revenues from power generation coming from Coal, Oil & Gas: 50% or higher<br>Revenues from military equipment: 5% or higher |

**Weighing process: weights derived through an optimization process to meet EU PAB requirements**

|                                                                                                                                                                                                        |                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum Scope 1+2+3 GHG intensity reduction compared to corresponding STOXX Benchmark Index<br>Scope 1, 2 and 3 emissions, are used across all sectors from the first date of index construction       | At least 60% (includes a 10% buffer)                                                                                                            |
| Year-on-year self-decarbonization per annum relative to the levels at inception in accordance with the global decarbonization trajectory implied by IPCC's 1.5°C scenario with no or limited overshoot | At least 7% on average per annum since index launch, after taking in consideration any inflation in enterprise values                           |
| Minimum green share / brown share ratio compared to the underlying STOXX Benchmark Index                                                                                                               | At least 4 times                                                                                                                                |
| Minimum exposure of sectors highly exposed to climate change compared to the underlying STOXX Benchmark Index                                                                                          | At least equal                                                                                                                                  |
| Corporate target setting (CTS)                                                                                                                                                                         | Securities' free float market cap weights tilted with CTS score to favor securities with science-based targets. CTS scores assigned as follows: |

|           |      |      |     |      |     |      |                |
|-----------|------|------|-----|------|-----|------|----------------|
| CTS score | 2020 | 2021 | ... | 2025 | ... | 2029 | 2030 and later |
|-----------|------|------|-----|------|-----|------|----------------|

## 79. iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

|                                                                                                 |               |      |     |      |     |      |   |
|-------------------------------------------------------------------------------------------------|---------------|------|-----|------|-----|------|---|
| Committed, has SBTi verified targets, and reduces GHG emission ( $\geq 7\%$ /annum for 3 years) | $1+1/3 = 4/3$ |      |     |      |     |      |   |
| Committed, has SBTi verified targets, but does not reduce GHG emissions by 7% per annum         | $1+1/5 = 6/5$ |      |     |      |     |      |   |
| Committed but does not have SBTi approved targets                                               | 1             | 9/10 | ... | 5/10 | ... | 1/10 | 0 |
| Not committed                                                                                   | 1             | 4/5  | .   | 0    | .   | .    | . |

Additionally, Carbon Budget and Carbon Risk score and will be used to tilt the weights further. Tilt factor obtained as follows:

$$CR_i = (1 + CR\_z_i) \text{ if } CR\_z_i > 0$$

$$= (1 - CR\_z_i)^{-1} \text{ if } CR\_z_i \leq 0$$

$$CR\_z_i = CRR\_z\_i - CBR\_z\_i$$

$CRR\_z\_i$  = zeta score of the company's Carbon Risk Rating, as defined by ISS ESG

$CBR\_z\_i$  = zeta score of the company's Carbon Budget risk, calculated as

$$CBR_i = \frac{\sum \varphi_j * \ln\left(\frac{\text{current carbon emission}_i}{\text{carbon budget}_{i,j}}\right)}{\sum \varphi_j}$$

Where:  $\varphi_j = (1 - \lambda) * \lambda^j, j = 0, \dots, 2050 - \text{current year}$   
 $\lambda = 0.94$  (standard decay factor<sup>128</sup>)

$$w_i = \frac{ffmcap_i * CTS_i * CR_i}{\sum_j^n ffmcap_j * CTS_j * CR_j} ; \text{ where } w_i \text{ is the weight of security } i$$

|                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Diversification | <p>Exposure to a single NACE Section is within 5% of the of the underlying STOXX Benchmark Index exposure</p> <p>If the underlying benchmark's exposure in any of the NACE Sections is greater than 30%, an additional maximum exposure constraint on the NACE Division<sup>129</sup> weights will be imposed for the PAB index. In this case, the STOXX PAB Index exposure to a single NACE Division (within the NACE Section) cannot exceed the underlying STOXX Benchmark Index exposure by higher than 5%</p> <p>Country exposure is within 5% of the country weight in the underlying benchmark</p> |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

<sup>128</sup> Standard decay factor, suggested and used by Riskmetrics

<sup>129</sup> NACE Division is a step lower (more granular) from the NACE Section code

# 79. iSTOXX GLOBAL CLIMATE CHANGE ESG INDEX

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|                                                |                                                                                                           |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Weight Capping                                 | Maximum weight: 4.5%<br>Minimum weight: 0.001%                                                            |
| <b><i>Selection and Weighing Frequency</i></b> |                                                                                                           |
| Review and Rebalancing                         | Review is conducted on an annual basis in March, and rebalanced quarterly in June, September and December |

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# 80.EURO iSTOXX 50 DIGITAL SECURITY TILTED INDEX

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## 80.1. EURO iSTOXX 50 DIGITAL SECURITY TILTED INDEX

### 80.1.1. OVERVIEW

The EURO iSTOXX 50 Digital Security Tilted Index tracks the performance of all the EURO STOXX 50 securities and the 10 largest securities from the STOXX Global Digital Security Index. The index is reviewed quarterly in March, June, September and December.

**Universe:** EURO STOXX 50 Index and STOXX Global Digital Security Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the Digital Security theme.

**Base values and dates:** 100 on Jun 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 80.1.2. INDEX REVIEW

**Selection list:**

All of the securities in the EURO STOXX 50 Index, and securities belonging to Japan, US, Switzerland or the developed markets of the Eurozone from the STOXX Global Digital Security Index that have 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR constitute the selection list.

**Composition list:**

All of the EURO STOXX 50 Index constituents are selected. The remaining companies in the selection list from the STOXX Global Digital Security Index are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities that are not already part of the EURO STOXX 50 are selected. The resulting EURO iSTOXX 50 Digital Security Tilted Index comprises 60 securities: 50 from the EURO STOXX 50 Index and 10 from the STOXX Global Digital Security Index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

**Weighting and capping factors:**

The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers such that, the companies of the EURO STOXX 50 account for 80% and the 10 companies selected from the STOXX Global Digital Security Index (DS companies) 20% of the EURO iSTOXX 50 Digital Security Tilted Index.

## 80. EURO iSTOXX 50 DIGITAL SECURITY TILTED INDEX

The EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, 8% in the final index (0.8 x 10%). Additionally, the 10 DS company weights are capped at 25% within the DS company weights, hence capped at 5% in the final index (0.2 x 25%). The overall exposure to Japanese securities is also capped at 50% within the DS company weights, 10% in the final index (0.2 x 50%).

$$w_i = 0.8 \times \frac{ffmcap_i}{\sum_{j=1}^{50} ffmcap_j}; \text{ weight capped at 10\% within the EURO STOXX 50 companies}$$

$$w_k = 0.2 \times \frac{ds_k * ffmcap_k}{\sum_{l=1}^{10} ds_l * ffmcap_l}; \text{ weight capped at 25\% within the DS companies}$$

Where:

|          |                                                                                              |
|----------|----------------------------------------------------------------------------------------------|
| $i, j$   | EURO STOXX 50 constituents                                                                   |
| $w_i$    | weight of the EURO STOXX 50 security in the new index (max 8% within the new index)          |
| $k, l$   | the 10 selected securities from the STOXX Global Digital Security Index                      |
| $w_k$    | weight of the 10 DS securities in the new index (max 5% within the new index)                |
| $ffmcap$ | free float market capitalization                                                             |
| $ds_k$   | the total revenue exposure of company k to the Digital Security RBICS sectors <sup>130</sup> |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 80.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stxx.com](https://stxx.com)

<sup>130</sup> Please refer to the [STOXX Index Guide](#) for the full list of Digital Security RBICS sectors used for the STOXX Global Digital Security Index

# 81.EURO iSTOXX 50 BROAD INFRASTRUCTURE TILTED INDEX

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## 81.1. EURO iSTOXX 50 BROAD INFRASTRUCTURE TILTED INDEX

### 81.1.1. OVERVIEW

The EURO iSTOXX 50 Broad Infrastructure Tilted Index tracks the performance of all the EURO STOXX 50 securities and the 10 largest securities from the STOXX Global Broad Infrastructure Index. The index is reviewed quarterly in March, June, September and December.

**Universe:** EURO STOXX 50 Index and STOXX Global Broad Infrastructure Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization.

**Base values and dates:** 100 on Jun 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 81.1.2. INDEX REVIEW

**Selection list:**

All of the securities in the EURO STOXX 50 Index, and securities belonging to Japan, US, Switzerland or the developed markets of the Eurozone from the STOXX Global Broad Infrastructure Index that have 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR constitute the selection list.

**Composition list:**

All of the EURO STOXX 50 Index constituents are selected. The remaining companies in the selection list from the STOXX Global Broad Infrastructure Index are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities that are not already part of the EURO STOXX 50 are selected. The resulting EURO iSTOXX 50 Broad Infrastructure Tilted Index comprises 60 securities: 50 from the EURO STOXX 50 Index and 10 from the STOXX Global Broad Infrastructure Index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

**Weighting and capping factors:**

The index is price weighted with weight factors based on free-float market capitalization, such that, the companies of the EURO STOXX 50 account for 80% and the 10 companies selected from the STOXX Global Broad Infrastructure Index (BI companies) 20% of the EURO iSTOXX 50 Broad Infrastructure Tilted Index.

The EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, 8% in the final index (0.8 x 10%). Additionally, the 10 BI company weights are capped at



# 81. EURO iSTOXX 50 BROAD INFRASTRUCTURE TILTED INDEX

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25% within the BI company weights, hence capped at 5% in the final index (0.2 x 25%). The overall exposure to Japanese securities is also capped at 50% within the BI company weights, 10% in the final index (0.2 x 50%).

$$w_i = 0.8 \times \frac{ffmcap_i}{\sum_{j=1}^{50} ffmcap_j}; \text{ weight capped at 10\% within the EURO STOXX 50 companies}$$

$$w_k = 0.2 \times \frac{ffmcap_k}{\sum_{l=1}^{10} ffmcap_l}; \text{ weight capped at 25\% within the BI companies}$$

Where:

|          |                                                                                     |
|----------|-------------------------------------------------------------------------------------|
| $i, j$   | EURO STOXX 50 constituents                                                          |
| $w_i$    | weight of the EURO STOXX 50 security in the new index (max 8% within the new index) |
| $k, l$   | the 10 selected securities from the STOXX Global Broad Infrastructure Index         |
| $w_k$    | weight of the 10 BI securities in the new index (max 5% within the new index)       |
| $ffmcap$ | free float market capitalization                                                    |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

## 81.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com)

# 82.iSTOXX ACCESS METAVERSE INDEX

## 82.1. iSTOXX ACCESS METAVERSE INDEX

### 82.1.1. OVERVIEW

The iSTOXX Access Metaverse Index tracks the performance of equities listed on global recognized stock exchanges that exhibit business characteristics related to the Metaverse. The Metaverse can be described as the next iteration of the internet which will place users inside a shared virtual environment which is persistent, live in its interaction with the real world, and affords individuals a sense of social and economic participation.

The index composition is reviewed semi-annually, and its constituents are weighted by free-float market capitalization, with maximum and minimum weight caps.

**Universe:**

The Index Universe is defined by all stocks included in the indices below, as observed on the review effective date:

- a. STOXX Global TMI
- b. STOXX China ADR TMI
- c. STOXX China P Chips TMI.

**Weighting scheme:** Price weighted with weighting cap factors based on free-float market capitalization subject to:

- 1) maximum weight of 5%,
- 2) minimum weight of 5 bps for current components and 10 bps for new components.

**Base values and dates:** 100 on Aug 21, 2017

**Index types and currencies:** Price, net return, gross return in USD

**Dissemination calendar :** STOXX Europe calendar

### 82.1.2. INDEX REVIEW

**Selection List**

The index constituents are selected on a semi-annual basis in February and August. The review cut-off date is the last dissemination day of the preceding month. The selection is done as follows:

**Exchange Screening**

Only securities traded on the following exchanges are eligible for selection:

| Exchange      |
|---------------|
| ASX           |
| EURONEXT (BE) |
| EURONEXT (FR) |
| EURONEXT (NL) |

## 82. iSTOXX ACCESS METAVERSE INDEX

|                             |
|-----------------------------|
| EURONEXT (PT)               |
| Hong Kong Stock Exchange    |
| Johannesburg Stock Exchange |
| KRX Korea Exchange          |
| LSE                         |
| Milan                       |
| NASDAQ Global Market        |
| NASDAQ Capital Market       |
| NYSE MKT LLC (AMEX)         |
| NZX                         |
| New York Stock Exchange     |
| OMX (DK)                    |
| OMX (FI)                    |
| OMX (SE)                    |
| Oslo                        |
| SIBE                        |
| SIX Swiss Exchange          |
| Singapore Exchange          |
| Stockholm (NGM)             |
| Taiwan Stock Exchange Corp  |
| Tokyo Stock Exchange        |
| Toronto Stock Exchange      |
| Warsaw                      |
| XETRA (AT)                  |
| XETRA (DE)                  |
| EURONEXT (IE)               |

**Metaverse Segments Screening**

Eligible securities will derive 20% or more of their revenues from at least one of the below categories which are deemed to be fundamental to the development of the Metaverse. Syntax LLC's Functional Information System database is used for the above purposes.

- 3D Application Development & Augmented Reality/Virtual Reality
- 5G Enabling Technology
- Payment and Asset Services
- High Performance Computing and Data
- Internet of Things
- Social Media & Gaming

**ESG Screening**

The companies are further screened for the following criteria:

---

#### **Global Standards Screening:**

STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

#### **Controversial Weapons:**

STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons, and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale of controversial weapons
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company.

**Product Involvement:** STOXX will exclude companies that Sustainalytics identifies to have:

#### **- Tobacco:**

- » >0% revenues from manufacturing tobacco products
- » >0% revenues from supplying tobacco-related products/services
- » >0% revenues from the distribution and/or retail sale of tobacco products.

#### **- Conventional Oil & Gas:**

» >5% revenues from oil and gas exploration, production, refining, transportation and/or storage  
This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).

» >5% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation, and storage (proxy: revenues)

» >5% revenues from generating electricity from oil and/or gas (proxy: generating capacity)  
Companies that pass the oil & gas power generation screen are additionally assessed for any increase in capacity in this area, as measured at the index cut-off date. Companies with any increase in installed capacity percentage in generating electricity from oil and/or gas will not be eligible for selection.

#### **- Unconventional Oil & Gas:**

##### **i) Arctic Oil and Gas Exploration:**

» >5% revenues Oil & Gas exploration & extraction in Arctic regions

##### **ii) Oil Sands:**

---

»>5% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

**iii) Shale Energy:**

»>5% revenues from shale energy exploration and/or production

Companies that pass the unconventional oil and gas screens are additionally assessed for any increase in revenues or capacity in these areas, as measured at the index cut-off date. Companies with any increase in installed capacity percentage in oil sands extraction, or any increase in revenue percentage in Arctic oil & gas or shale energy extraction will not be eligible for selection.

**- Thermal Coal:**

»>5% revenues from thermal coal extraction (including thermal coal mining and exploration)

»>5% revenues from providing tailor-made products and services that support thermal coal extraction

»>5% power generation capacity: coal-fired electricity, heat, or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

Companies that pass the thermal coal screens are additionally assessed for any increase in revenues or capacity in these areas, as measured at the index cut-off date. Companies with any increase in installed capacity percentage in thermal coal power generation, or any increase in revenue percentage in thermal coal extraction will not be eligible for selection.

**- Nuclear Power:**

»>5% revenues from nuclear power production:

- Utilities that own/operate nuclear power generators

Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power

»>25% revenues from nuclear power supporting products / services, including:

- Design and construction of nuclear power plants
- Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls
- Special services, such as the transport of nuclear power materials, and nuclear plant maintenance.
- Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate

»>25% revenues from nuclear power distribution, including:

- The resale or distribution of electricity generated from nuclear power.
- This applies to distributors, resellers and utilities that distribute nuclear power as a part of their energy mix

1. Note: In this category Sustainalytics tracks the percentage of a company's energy mix that is generated from nuclear power

Companies that pass the nuclear power screens are additionally assessed for any increase in revenues or capacity in these areas, as measured at the index cut-off date. Companies with any increase in installed capacity percentage in nuclear power production, or any increase in revenue

percentage in nuclear power supporting products / services or nuclear power distribution will not be eligible for selection.

- **Weapons:**

i) **Small Arms:**

- »>5% revenues from manufacturing and selling assault weapons to civilian customers
- »>5% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers
- »>5% revenues from manufacturing and selling key components of small arms
- »>5% revenues from retail and/or distribution of assault weapons
- »>5% revenues from retail and/or distribution of small arms (non-assault weapons)
- »>5% revenues from manufacturing and selling small arms to military / law enforcement customers

ii) **Military Contracting:**

- »>5% revenues from manufacturing military weapons systems and/or integral, tailor-made components of these weapons
- »>5% revenues from tailor made products and/or services that support military weapons
- »>5% revenues from non-weapons related tailor-made products and/or services to the military or defence industry

Where data is unavailable for any security for any of the ESG screens, it will be excluded from the selection process.

**Size, Liquidity, and Secondary Line Screening:**

Finally, the following screens are applied using data as of the review cut-off date:

- **Size:** free-float market capitalization of at least 200,000,000 USD, unless such security is an existing index component, in which case, the free-float market capitalization must be at least 150,000,000 USD.
- **Minimum Liquidity:** 3-month average daily trading value (ADTV) of at least 1,000,000 USD.
- **Secondary Lines Eligibility:** In case a company has multiple share lines, only the most liquid share line is retained.

**Review frequency:** The reviews are conducted on a semi-annual basis in February and August, implemented on the third Friday and effective on the following trading day. The review cut-off date is the last dissemination day of the preceding month.

**Weighting and capping factors:**

The weight of each remaining security is constructed by applying the following rules in a sequential manner:

- 1) Securities are ranked in descending order by free-float market capitalization. The percentage of free-float market capitalization is calculated for each security.
- 2) The weight for any security is capped at 5%. To achieve this, the weight of any security greater than 5% is reduced to 5% and the excess weight is redistributed to the rest of the securities that are not already subject to capping, proportionally to their free-float market capitalization weight. This step is repeated until no security is allocated a weight greater than 5%.

## 82. iSTOXX ACCESS METAVERSE INDEX

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3) Based on the re-weighted list from Step 2, any security with a weight less than 0.1% is removed, unless such security is an existing index component, in which case its weight must be less than 0.05% to be removed.

4) The aggregate weight of the securities removed in Step 3 is re-distributed to the remaining index components and the capping methodology in Step 2 is repeated until no security is allocated a weight greater than 5%.

At the end of each month between the review dates and excluding the end of month for the review months, the weight of each company within the index cannot exceed 15%. The residual weight shall be distributed across all remaining index components proportionally to their weight.

The index weight factors are calculated on a semi-annual basis in February and August. They are published on the second Friday of these months based on the stocks' close prices in EUR of the preceding Thursday. Weighting cap factor = stock's target weight x (1,000,000,000 / closing price of the stock in EUR), rounded to the nearest integer.

Securities removed from STOXX Global TMI, STOXX China ADR TMI and STOXX China P Chips TMI during their standard quarterly reviews (March, June, September, December) will concurrently be removed from the indices.

### 82.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

# 83.EURO iSTOXX SECTOR EXCLUSIONS INDEX

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## 83.1. EURO iSTOXX SECTOR EXCLUSIONS INDEX

### 83.1.1. OVERVIEW

EURO iSTOXX Sector Exclusions index is designed to measure the constituents of the EURO STOXX index, excluding companies within certain ICB Industries and ICB Sectors.

**Universe:** The index universe is defined by the parent index, the EURO STOXX index.

**Weighting scheme:** The indices are weighted according to free-float market capitalization with a capping at 5%.

**Base values and dates:** 100 on Jun 19, 2006

**Index types and currencies:** Price, net return and gross return in EUR.

**Dissemination calendar :** STOXX Europe calendar

### 83.1.2. INDEX REVIEW

**Selection list:** A set of exclusion criteria based on the ICB classification system are applied.

1. ICB Industry Energy
  - Effective up until September 2020 Review, identified by ICB Industry code 0000.
  - Effective with September 2020 Review, identified by ICB Industry code 60.
2. ICB Industry Basic Materials
  - Effective up until September 2020 Review, identified by ICB Industry code 1000.
  - Effective with September 2020 Review, identified by ICB Industry code 55.
3. ICB Industry Utilities
  - Effective up until September 2020 Review, identified by ICB Industry code 7000.
  - Effective with September 2020 Review, identified by ICB Industry code 65.
4. ICB Industry Industrials except ICB Sector Electronic and Electrical Equipment
  - Effective up until September 2020 Review, identified by ICB Industry code 2000, except ICB Sector code 2730.
  - Effective with September 2020 Review, identified by ICB Industry code 50, except ICB Sector code 502020.

**Composition list:** All remaining stocks are selected for inclusion.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

**Weighting cap factors:** The initial weights are defined based on free-float market capitalization. The capped weights  $w_i$  are derived from the initial weights via an iterative process that seeks to cap the weight of each component at 5%. To that end, any excess weight from



## 83. EURO iSTOXX SECTOR EXCLUSIONS INDEX

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the components with weights capped is redistributed to the rest of the components of the index that are not already subject to capping, proportionally to their initial weights in the index. The weighting cap factors are published on the second Friday of each review month, using Thursday's closing prices.

### 83.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

# 84.iSTOXX WORLD MIN VOL ESG INDICES

## 84.1. iSTOXX WORLD MIN VOL AND MIN VOL ESG INDICES

### iSTOXX WORLD MIN VOL INDEX

#### 84.1.1.1. OVERVIEW

The iSTOXX World Min Vol index (iSTOXX World MV) is designed to track the performance of an optimized minimum variance portfolio that will incorporate tilts towards companies that exhibit low volatility and favorable fundamentals (specifically profitability and leverage). The index is constructed by creating a minimum variance portfolio based on the STOXX World AC Universal index and requiring that the ISS climate score of the portfolio is no worse than the parent index. The index rules ensure tradability, diversification, positive exposure to fundamental quality (i.e., positive exposure to profitability and low leverage), and untargeted factor and industry/country/region exposures are risk managed.

**Universe:** STOXX World AC Universal constituents

**Weighting scheme:** The indices are price weighted according to a constrained minimum variance optimization model.

**Base values and dates:** 100 on June 18, 2018.

**Index types and currencies:** Price, net, and gross return in GBP and USD.

**Dissemination calendar:** STOXX Europe calendar

#### 84.1.1.2. INDEX REVIEW

##### Selection list:

The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante variance of the portfolio.

Minimize :  $(w)^T (BVB^T + \Delta^2) w$

where

$w$  = Index weights

$B$  = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

$V$  = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

The following constraints are enforced to ensure diversification and control for unintended systematic exposures, turnover, and tradability. Short descriptions of the data elements given are below:

**Carbon Intensity:** Scope 1 and 2 emissions of a company) / (revenue of the company in USD), as calculated by ISS.

## 84. iSTOXX WORLD MIN VOL ESG INDICES

**LGIM ESG score:** Rules-based environmental, social, and governance (ESG) scores from Legal & General Investment Management Limited (LGIM). The scores have been created and used for the following purposes:

- 1) To improve market standards globally and monitor ESG developments using quantitative measures.
- 2) To incentivize companies to improve their ESG profile through a transparent methodology.
- 3) To create investment solutions that are alternatively weighted to give more emphasis to companies that have higher ESG scores.

The LGIM ESG score combines an environment E score, a social S score, and a governance G score, with adjustments made for a company's overall levels of transparency T with regards to ESG issues. The scores can be downloaded from the [LGIM ESG score](#) website.

**Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Model with base currency USD.

The portfolio constraints fall into three broad categories:

- 1) Management of the portfolio's carbon exposure
- 2) Quality tilt based on fundamentals, specifically a positive factor exposure to Profitability and Low Leverage.
- 3) Risk Management constraints including liquidity, diversification, and limiting unwanted exposures.

|                                                      | iSTOXX World MV                                                                         |
|------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Parent Index                                         | STOXX World AC Universal                                                                |
| Objective Function                                   | Minimize Ex-Ante Portfolio Variance                                                     |
| Risk Model                                           | Axioma WW4MH                                                                            |
| <b>CONSTRAINTS:</b>                                  |                                                                                         |
| Carbon Intensity (Scope 1+2 Emissions / USD Revenue) | No Worse than STOXX World AC Universal                                                  |
| Active Industry Bounds                               | +/- 10% (ICB Industry)                                                                  |
| Active Country Bounds                                | +/- 10% of the country weight in the STOXX World AC Universal Index                     |
| Active Region Bounds                                 | +/- 50 bps of the region weight in the STOXX World AC Universal Index                   |
| Active Quality Exposures                             | Axioma Profitability and Low Leverage + 0.5 std                                         |
| Active Style Exposures                               | +/- 0.2 std (except Profitability, Leverage, Market Sensitivity and Volatility factors) |
| Liquidity                                            | 60-day MDV of at least 3 million USD                                                    |
| Trade Liquidity                                      | Asset TO <= 10% 20-day ADV                                                              |
| Turnover                                             | Annual one-way 30%                                                                      |
| Min Effective Names                                  | 50                                                                                      |
| Min Asset Weight                                     | 3bps                                                                                    |
| Max Asset Weight                                     | Min (4.5%, 20x Parent Weight)                                                           |

## 84. iSTOXX WORLD MIN VOL ESG INDICES

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**Management of portfolio's carbon exposures:** The iSTOXX World Min Vol index is constructed by constraining the portfolio carbon intensity (WACI) to be no worse than that of the STOXX World AC Universal value. Security level carbon intensity data is provided by ISS ESG and is equal to (scope 1 and 2 emissions) / revenue in USD (million).

**Active Industry Weights:** The percentage exposure to each ICB Industry of the iSTOXX World Min Vol index must be within +/- 10% of the STOXX World AC Universal value.

**Active Country Weights:** The percentage exposure to each country of the iSTOXX World Min Vol index must be within +/- 10% of the STOXX World AC Universal value. Each company's country assignment is based on the STOXX World AC Universal Country classification.

**Active Region Weights:** The percentage exposure to the developed/emerging regions of the iSTOXX World Min Vol index must be within +/- 50 bps of the STOXX World AC Universal value. Each company's region assignment is based on the STOXX World AC Universal Country classification.

**Active Quality Exposure:** The exposure to the Axioma Risk Model Profitability and Low Leverage factors of the iSTOXX World Min Vol index must be greater than the STOXX World AC Universal value plus 0.5 standard deviations.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors (except Profitability, Leverage, Market Sensitivity and Volatility factors) for the iSTOXX World Min Vol index must be within 0.2 standard deviations of the STOXX World AC Universal's factor exposures.

**Asset Holding Limits:** The maximum weight of each asset in the index is Min (4.5%, 20 times the iSTOXX World weight). The minimum non-zero weight of each asset in the index is 3 bps.

**Liquidity:** Assets must have a 60-day MDV of at least 3 million USD.

**Trade Liquidity:** Asset's round-trip turnover must be less than 10% of its 20-day ADV.

**Maximum Turnover:** The index has a one-way turnover limit of 7.5% for each quarterly rebalance.

**Minimum Effective Names:** Minimum effective number of names  $\geq 50$ .

The effective number of names of a portfolio is the reciprocal of its Herfindahl index of the portfolio and it is imposed as

$$\sum_k w_k^2 \leq \frac{1}{50}$$

where:

$w_k$  = the weight of the k-th stock in the portfolio.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed using Axioma's proprietary constraint hierarchy procedure (in the following

## 84. iSTOXX WORLD MIN VOL ESG INDICES

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order): 1) Trade Liquidity (relaxed up to a maximum of 2x). 2) Maximum Turnover (relaxed up to a maximum of 2x).

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

### **Review frequency:**

The reviews are conducted on a quarterly basis in March, June, September, and December. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review months. Weighting cap factor = (stock's target weight × 1.000.000.000 / closing price of the stock) rounded to the nearest integer.

The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months. LGIM ESG scores are updated twice a year in March and September. The cut-off date LGIM data is the fifth weekday before the end of the months preceding the review months. The cut-off date for ISS ESG data is the end of the month preceding the review month. In the event of no delivery of LGIM data by the end of the first weekday of the review months, prior data will be used for the index review. The underlying announcements are published after the close of the second Friday of the review months.

**Missing Data Treatment:** Securities missing ISS and LGIM ESG scores are dropped during the optimization.

## 84. iSTOXX WORLD MIN VOL ESG INDICES

### iSTOXX WORLD MIN VOL ESG INDEX

#### 84.1.1.3. OVERVIEW

The iSTOXX World Min Vol ESG index (iSTOXX World MV ESG) is designed to track the performance of an optimized minimum variance portfolio that will incorporate tilts towards companies that exhibit low volatility, favorable fundamentals (specifically profitability and leverage), and superior ESG scores. The index utilizes a minimum variance index (iSTOXX World Min Vol) based on the STOXX World AC Universal and improves the Climate and ESG profiles of this index, using data from ISS ESG and LGIM, respectively. The index rules ensure tradability, diversification, positive exposure to fundamental quality (i.e., positive exposure to profitability and low leverage), and untargeted factor and industry/country/region exposures are risk managed.

**Universe:** STOXX World AC Universal constituents

**Parent Index:** STOXX World AC Universal

**Weighting scheme:** The index is price weighted according to a constrained minimum variance optimization model.

**Base values and dates:** The following base values and dates apply: 100 on June 18<sup>th</sup>, 2018.

**Index types and currencies:** Price, net, and gross return in GBP and USD.

**Dissemination calendar:** STOXX Europe calendar

#### 84.1.1.4. INDEX REVIEW

##### Selection list:

The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante variance of the portfolio.

$$\text{Minimize : } (w)^T (BVB^T + \Delta^2) w$$

where

w = Index weights

B = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

V = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

The following constraints are enforced to ensure diversification and control for unintended systematic exposures, turnover, and tradability. Short descriptions of the data elements given are below:

**Carbon Intensity:** (Scope 1 and 2 emissions of a company) / (revenue of the company in USD), as calculated by ISS ESG.

## 84. iSTOXX WORLD MIN VOL ESG INDICES

**LGIM ESG score:** Rules-based environmental, social, and governance (ESG) scores from Legal & General Investment Management Limited (LGIM). The scores have been created and used for the following purposes:

- 1) To improve market standards globally and monitor ESG developments using quantitative measures.
- 2) To incentivize companies to improve their ESG profile through a transparent methodology.
- 3) To create investment solutions that are alternatively weighted to give more emphasis to companies that have higher ESG scores.

The LGIM ESG score combines an environment E score, a social S score, and a governance G score, with adjustments made for a company's overall levels of transparency T with regards to ESG issues. The scores can be downloaded from the [LGIM ESG score](#) website.

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Model with base currency USD.

The portfolio constraints fall into four broad categories, and are summarized in the table below:

- 1) Management of the portfolio's carbon exposure
- 2) LGIM ESG Target Exposure
- 3) Quality tilt based on fundamentals, specifically a positive factor exposure to Profitability and Low Leverage.
- 4) Risk Management constraints including liquidity, diversification, and limiting unwanted exposures.

|                                                        | iSTOXX World MV ESG                                                                     |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Parent Index                                           | STOXX World AC Universal                                                                |
| Objective Function                                     | Minimize Ex-Ante Portfolio Variance                                                     |
| Risk Model                                             | Axioma WW4MH                                                                            |
| <b>CONSTRAINTS:</b>                                    |                                                                                         |
| Carbon Intensity (Scope 1 + 2 Emissions / USD Revenue) | No Worse than STOXX World AC Universal                                                  |
| LGIM ESG Score                                         | At least 10% better than iSTOXX World MV                                                |
| LGIM E, S, G, T Scores                                 | No worse than iSTOXX World MV for each individual score                                 |
| Active Industry Bounds                                 | +/- 10% (ICB Industry)                                                                  |
| Active Country Bounds                                  | +/- 10% of the country weight in the STOXX World AC Universal Index                     |
| Active Region Bounds                                   | +/- 50 bps of the region weight in the STOXX World AC Universal Index                   |
| Active Quality Exposures                               | Axioma Profitability and Low Leverage + 0.5 std                                         |
| Active Style Factor Exposures                          | +/- 0.2 std (except Profitability, Leverage, Market Sensitivity and Volatility factors) |
| Liquidity                                              | 60d MDV of at least 3 million USD                                                       |
| Trade Liquidity                                        | Asset TO <= 10% 20-day ADV                                                              |
| Turnover                                               | Annual one-way 30%                                                                      |

## 84. iSTOXX WORLD MIN VOL ESG INDICES

|                     |                               |
|---------------------|-------------------------------|
| Min Effective Names | 50                            |
| Min Asset Weight    | 3bps                          |
| Max Asset Weight    | Min (4.5%, 20x Parent Weight) |

**Management of portfolio's carbon exposures:** The iSTOXX World Min Vol ESG index is constructed by constraining the portfolio carbon intensity (WACI) to be no worse than that of the STOXX World AC Universal value. Security level carbon intensity data is provided by ISS ESG and is equal to (scope 1 and 2 emissions) / revenue in USD (million).

**LGIM ESG scores:** The iSTOXX World Min Vol ESG index requires a 10% improvement in the portfolio ESG score of the iSTOXX World Min Vol index. In addition, the individual E, S, G, and T scores are constrained to be no worse than that of the iSTOXX World Min Vol index.

**Active Industry Weights:** The percentage exposure to each ICB Industry of the iSTOXX World Min Vol ESG index must be within +/- 10% of the STOXX World AC Universal value.

**Active Country Weights:** The percentage exposure to each country of the iSTOXX World Min Vol ESG index must be within +/- 10% of the STOXX World AC Universal value. Each company's country assignment is based on the STOXX World AC Universal Country classification.

**Active Region Weights:** The percentage exposure to the developed/emerging regions of the iSTOXX World Min Vol ESG index must be within +/- 50 bps of the STOXX World AC Universal value. Each company's region assignment is based on the STOXX World AC Universal Country classification.

**Active Quality Exposure:** The exposure to the Axioma Risk Model Profitability and Low Leverage factors of the iSTOXX World Min Vol ESG index must be greater than the STOXX World AC Universal value plus 0.5 standard deviations.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors (except Profitability, Leverage, Market Sensitivity and Volatility factors) for the iSTOXX World Min Vol ESG index must be within 0.2 standard deviations of the STOXX World AC Universal's factor exposures.

**Asset Holding Limits:** The maximum weight of each asset in the index is Min (4.5%, 20 times the STOXX World AC Universal weight). The minimum non-zero weight of each asset in the index is 3 bps.

**Liquidity:** Assets must have a 60-day MDV of at least 3 million USD.

**Trade Liquidity:** Asset's round-trip turnover must be less than 10% of its 20-day ADV.

**Maximum Turnover:** The index has a one-way turnover limit of 7.5% for each quarterly rebalance.

**Minimum Effective Names:** Minimum effective number of names  $\geq 50$ .

The effective number of names of a portfolio is the reciprocal of its Herfindahl index of the portfolio and it is imposed as



## 84. iSTOXX WORLD MIN VOL ESG INDICES

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$$\sum_k w_k^2 \leq \frac{1}{50}$$

where:

$w_k$  = the weight of the k-th stock in the portfolio.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed using Axioma's proprietary constraint hierarchy procedure (in the following order): 1) Trade Liquidity (relaxed up to a maximum of 2x). 2) Maximum Turnover (relaxed up to a maximum of 2x).

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September, and December. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review months. Weighting cap factor = (stock's target weight × 1.000.000.000 / closing price of the stock) rounded to the nearest integer.

The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months. LGIM ESG scores are updated twice a year in March and September. The cut-off date LGIM data is the fifth weekday before the end of the months preceding the review months. The cut-off date for ISS ESG data is the end of the month preceding the review month. In the event of no delivery of LGIM data by the end of the first weekday of the review months, prior data will be used for the index review. The underlying announcements are published after the close of the second Friday of the review months.

**Missing Data Treatment:** Securities missing either ISS ESG data or LGIM ESG scores are dropped during the optimization

### 84.1.1.5. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 84. iSTOXX WORLD MIN VOL ESG INDICES

### 84.2. iSTOXX L&G DEVELOPED WORLD ESG INDEX

#### 84.2.1. OVERVIEW

The iSTOXX L&G Developed World ESG index is designed to track an ESG weighted market cap benchmark based on STOXX Developed World Universal where the ESG scores are provided by Legal and General Investment Management (LGIM). The index rules aim to ensure tradability, diversification, and untargeted factor and industry/country exposures are risk managed.

**Universe:** STOXX Developed World Universal Index

**Weighting scheme:** The indices are weighted according to an optimization model.

**Base values and dates:** 100 on March 24, 2014.

**Index types and currencies:** Price, net, and gross return in EUR, GBP and USD.

**Dissemination calendar:** STOXX Europe calendar

#### 84.2.2. INDEX REVIEW

**Constituent Selection:** The portfolio construction is performed using Axioma's portfolio optimization software.

The objective function for the optimization model is constructed as follows:

- 1) Construct a proxy portfolio whose weights are given by  $\frac{\text{Free Float Marketcap}_i * (1 + \text{ESG Score}_i)^2}{\sum_i^n \text{Free Float Marketcap}_i * (1 + \text{ESG Score}_i)^2}$  where the ESG scores are provided by LGIM and n is the total companies in the parent index.
- 2) Minimize the sum-of-squares (SOS) deviation from the normalized ESG weighted market-cap benchmark from Step 1.

A brief description of the LGIM ESG scores used in the construction of the proxy portfolio is given below:

**LGIM ESG score:** Rules-based environmental, social, and governance (ESG) scores from Legal & General Investment Management Limited (LGIM). The scores have been created and used for the following purposes:

- 1) To improve market standards globally and monitor ESG developments using quantitative measures.
- 2) To incentivize companies to improve their ESG profile through a transparent methodology.
- 3) To create investment solutions that are alternatively weighted to give more emphasis to companies that have higher ESG scores.

The LGIM ESG score combines an environment E score, a social S score, and a governance G score, with adjustments made for a company's overall levels of transparency T with regards to ESG issues. The scores can be downloaded from the [LGIM ESG score](#) website.

The portfolio model also includes the following constraints to ensure diversification and control for unintended systematic exposures and tradability.

## 84. iSTOXX WORLD MIN VOL ESG INDICES

|                          |                                                       |
|--------------------------|-------------------------------------------------------|
| Do Not Hold (Exclusions) | LGIM FWPL                                             |
| Active Industry Bounds   | +/-5% ICB Industries (Level 1)                        |
| Active Country Bounds    | +/- 3% (STOXX Country)                                |
| Active Style Exposures   | +/- 0.25 std except Market Sensitivity and Volatility |
| Liquidity                | 60-day MDV of at least 3 million GBP                  |
| Asset Bounds             | Max 3%, Min 3 bps (threshold)                         |

A brief description of the portfolio constraints is given below:

**LGIM Future World Protection List (FWPL) Exclusions:** The Future World Protection List includes companies that meet any of the following criteria:

1. **Involvement in the manufacture and production of controversial weapons:** Antipersonnel landmines, cluster munitions, biological and chemical weapons – evidence of involvement in the core weapons system.
2. **Perennial violator of the United Nations Global Compact (UNGC), an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies:** Companies assessed as being in violation of one or more principles for a period of 36-months or more.
3. **Involvement in mining and extraction of thermal coal, thermal-coal power generation and oil sands:** Companies generating 20% or more revenues from these activities.

The methodology is formally reviewed on an annual basis by the LGIM Investment Stewardship team. More details can be found at [LGIM Future World Protection Methodology](#). The exclusions can be downloaded from [LGIM Future World Protection List](#).

FWPL exclusions are applied from December 2018 onwards when the LGIM data is available.

**Active Industry Weights:** The percentage exposure to each ICB Industry of the iSTOXX L&G Developed World ESG index must be within +/- 5% of the Parent Index.

**Active Country Weights:** The percentage exposure to each country of the iSTOXX L&G Developed World ESG index must be within +/- 3% of the Parent Index value. Each company's country assignment is based on the STOXX Country classification.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors (except Market Sensitivity and Volatility factors) for the iSTOXX L&G Developed World ESG index must be within 0.25 standard deviations of the Parent Index's factor exposures.

**Liquidity:** Assets must have a 60-day MDV of at least 3 million GBP.

**Asset Holding Limits:** The maximum weight of each asset in the index is 3%. The minimum non-zero weight of each asset in the index is 3 bps.

**Review frequency:** The reviews are conducted on a quarterly basis in April, July, October, and January. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review months. Weighting cap factor = (stock's target weight × 1.000.000.000 / closing price of the stock in EUR) rounded to the nearest integer.

## 84. iSTOXX WORLD MIN VOL ESG INDICES

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The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months. LGIM ESG scores are updated twice a year in March and September. The cut-off date LGIM data is the fifth trading day before the end of the months preceding the review months. In the event of no delivery of LGIM data by the end of the first weekday of the review months, prior data will be used for the index review. The underlying announcements are published after the close of the second Friday of the review months.

**Missing Data Treatment:** Securities missing LGIM ESG scores are assigned the neutral score of 0 where ESG scores are in the [-1, +1] range.

### 84.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 84. iSTOXX WORLD MIN VOL ESG INDICES

### 84.3. iSTOXX L&G DEVELOPED WORLD MIN VOL INDEX

#### 84.3.1. OVERVIEW

The iSTOXX L&G Developed World Min Vol index is designed to track the performance of an optimized minimum variance portfolio based on STOXX Developed World Universal that is constructed using Axioma's world-wide WW4AxiomaMH model. The index rules aim to ensure tradability, diversification, and untargeted factor and industry/country exposures are risk managed.

**Universe:** STOXX Developed World Universal Index constituents

**Weighting scheme:** The indices are weighted according to a constrained minimum variance optimization model.

**Base values and dates:** 100 on 24<sup>th</sup> March 2014

**Index types and currencies:** Price, net, and gross return in EUR, GBP and USD

**Dissemination Calendar:** STOXX Europe Calendar

#### 84.3.2. INDEX REVIEW

**Constituent Selection:** The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante variance of the portfolio.

$$\text{Minimize: } (w)^T (BVB^T + \Delta^2) w$$

where,

$w$  = Index weights

$B$  = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

$V$  = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

The portfolio model also includes the following constraints to ensure diversification and control for unintended systematic exposures, turnover, and tradability.

|                        |                                |
|------------------------|--------------------------------|
| Active Industry Bounds | +/-5% ICB Industries (Level 1) |
| Active Country Bounds  | +/- 3% (STOXX Country)         |

## 84. iSTOXX WORLD MIN VOL ESG INDICES

|                        |                                                       |
|------------------------|-------------------------------------------------------|
| Active Style Exposures | +/- 0.25 std except Market Sensitivity and Volatility |
| Liquidity              | 60-day MDV of at least 3 million GBP                  |
| Asset Bounds           | Max 3%, Min 3 bps (threshold)                         |
| Turnover               | 20% (one-way) per annum                               |

A brief description of the portfolio constraints and data elements is given below:

**Active Industry Weights:** The percentage exposure to each ICB Industry of the iSTOXX L&G Developed World ESG index must be within +/- 5% of the Parent Index.

**Active Country Weights:** The percentage exposure to each country of the iSTOXX Developed World ESG index must be within +/- 3% of the Parent Index value. Each company's country assignment is based on the STOXX Country classification.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors (except Market Sensitivity and Volatility factors) for the iSTOXX L&G Developed World Min Vol index must be within 0.25 standard deviations of the Parent Index's factor exposures.

**Liquidity:** Assets must have a 60-day MDV of at least 3 million GBP.

**Asset Holding Limits:** The maximum weight of each asset in the index is 3%. The minimum non-zero weight of each asset in the index is 3 bps.

**Maximum Turnover:** The iSTOXX L&G Developed World Min Vol index has a one-way turnover limit of 5% for each quarterly rebalance.

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency GBP.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the Maximum Turnover constraint is relaxed using Axioma's proprietary constraint hierarchy procedure.

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

**Review frequency:** The reviews are conducted on a quarterly basis in April, July, October, and January. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review months. Weighting cap factor = (stock's target weight × 1.000.000.000 / closing price of the stock in EUR) rounded to the nearest integer.

### 84.3.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Applicable.

## 84. iSTOXX WORLD MIN VOL ESG INDICES

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**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 84. iSTOXX WORLD MIN VOL ESG INDICES

### 84.4. iSTOXX L&G DEVELOPED WORLD MIN VOL ESG INDEX

#### 84.4.1. OVERVIEW

The iSTOXX L&G Developed World Min Vol ESG index is designed to track the performance of an optimized minimum variance portfolio over STOXX Developed World Universal, which also tilts towards higher ESG scores and incorporates a decarbonization trajectory. The index is designed to help investors shift and align investments towards a low-carbon economy.

The weighting process follows an optimization process that uses Axioma's world-wide WW4AxiomaMH model to enforce risk targets. The index aims to reduce its greenhouse gases (GHG) intensity by at least 30% when compared to the benchmark index. Additionally, it is designed to meet a year on year 7% decarbonization target. Scope 1 and Scope 2 emissions are used in the total emission considerations.

The index rules aim to ensure tradability, diversification, and untargeted factor and industry/country/region exposures are risk managed.

**Universe:** STOXX Developed World Universal Index

**Weighting scheme:** The indices are weighted according to a constrained minimum variance optimization model.

**Base values and dates:** 100 on 24<sup>th</sup> March 2014

**Index types and currencies:** Price, net, and gross return in EUR, GBP and USD

**Dissemination Calendar:** STOXX Europe Calendar

#### 84.4.2. INDEX REVIEW

**Constituent selection:** The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software. The objective function for the iSTOXX L&G Developed World Min Vol ESG index is

Minimize the sum-of-squares (SOS) deviation from the iSTOXX L&G Developed World ESG index

$$\text{Minimize: } (w - \bar{w})^T (w - \bar{w})$$

where

$w$  = iSTOXX L&G Developed World Min Vol ESG index weights, and

$\bar{w}$  = iSTOXX L&G Developed World ESG index weights.

The portfolio model also includes the following constraints to ensure diversification and control for unintended systematic exposures, turnover, and tradability.



## 84. iSTOXX WORLD MIN VOL ESG INDICES

|                                                                                                                                                                                                        |                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Do Not Hold (Exclusions)                                                                                                                                                                               | LGIM FWPL                                                                                                                                                               |
| Minimum Scope 1+2 GHG intensity reduction compared to the corresponding STOXX Benchmark Index                                                                                                          | 30% vs parent index from March 2014, where GHG Intensity = (Scope 1 + 2 emissions) / EVIC<br><br>Minimum reduction at inception & also on going                         |
| Year-on-year self-decarbonization per annum relative to the levels at inception in accordance with the global decarbonization trajectory implied by IPCC's 1.5°C scenario with no or limited overshoot | > 7% per annum and capped at 10% per annum starting from March 2021, after taking in consideration any inflation in EVIC                                                |
|                                                                                                                                                                                                        |                                                                                                                                                                         |
| LGIM ESG Exposure                                                                                                                                                                                      | >= 105% of Parent Index ESG Score                                                                                                                                       |
|                                                                                                                                                                                                        |                                                                                                                                                                         |
| Active Industry Bounds                                                                                                                                                                                 | +/-5% ICB Industries (Level 1)                                                                                                                                          |
| Active Country Bounds                                                                                                                                                                                  | +/- 3% (STOXX Country)                                                                                                                                                  |
| Active Style Exposures                                                                                                                                                                                 | +/- 0.25 std except Market Sensitivity and Volatility                                                                                                                   |
| Liquidity                                                                                                                                                                                              | 60-day MDV of at least 3 million GBP                                                                                                                                    |
| Asset Bounds                                                                                                                                                                                           | Max 3%, Min 3 bps (threshold)                                                                                                                                           |
| Maximum Target Volatility                                                                                                                                                                              | Ex-ante Risk <= (iSTOXX L&G Developed World ESG Ex-ante Risk - (80% * (iSTOXX L&G Developed World ESG Ex-ante Risk – iSTOXX L&G Developed World Min Vol Ex-ante Risk )) |
| Turnover relative to iSTOXX L&G Developed World ESG                                                                                                                                                    | 10% (one-way) vs iSTOXX L&G Developed World ESG                                                                                                                         |
| Turnover                                                                                                                                                                                               | 20% (one-way) per annum                                                                                                                                                 |

Short descriptions of the data elements used in the constraints given below:

**Scope 1 and 2 emissions:** The GHG Protocol Corporate Standard classifies companies' greenhouse gas (GHG) emissions as direct and indirect emissions<sup>131</sup>. Direct emissions, also known as Scope 1 emissions, refer to GHG waste produced and consumed by the reporting entity. For instance, on-site generation and use of energy is tracked under Scope 1. In contrast, Scope 2 emissions are indirect emissions attributed to the reporting company but generated by another entity. Scope 2 includes acquired/ purchased energy brought into the company's reporting boundary as a form of: electricity, steam, heating, and cooling. Scope 1 and 2 data is obtained from ISS ESG.

**Enterprise Value Including Cash (EVIC):** EVIC is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. EVIC includes in its calculation the market capitalization of a company, short-term and long-term debt, and any cash on the

<sup>131</sup> [https://ghgprotocol.org/sites/default/files/standards/Scope%20%20Guidance\\_Final\\_Sept26.pdf](https://ghgprotocol.org/sites/default/files/standards/Scope%20%20Guidance_Final_Sept26.pdf)

## 84. iSTOXX WORLD MIN VOL ESG INDICES

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company's balance sheet. EVIC data used in index construction is based on fiscal year data for the end of the previous calendar year. The EVIC is calculated in EUR.

**LGIM ESG score:** Rules-based environmental, social, and governance (ESG) scores from Legal & General Investment Management Limited (LGIM). The scores have been created and used for the following purposes:

1. To improve market standards globally and monitor ESG developments using quantitative measures.
2. To incentivize companies to improve their ESG profile through a transparent methodology.
3. To create investment solutions that are alternatively weighted to give more emphasis to companies that have higher ESG scores.

The LGIM ESG score combines an environment E score, a social S score, and a governance G score, with adjustments made for a company's overall levels of transparency T with regards to ESG issues. The scores can be downloaded from the [LGIM ESG score](#) website.

**LGIM Future World Protection List (FWPL) Exclusions:** The Future World Protection List includes companies that meet any of the following criteria:

1. **Involvement in the manufacture and production of controversial weapons:** Antipersonnel landmines, cluster munitions, biological and chemical weapons – evidence of involvement in the core weapons system.
2. **Perennial violator of the United Nations Global Compact (UNGC), an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies:** Companies assessed as being in violation of one or more principles for a period of 36-months or more.
3. **Involvement in mining and extraction of thermal coal, thermal-coal power generation and oil sands:** Companies generating 20% or more revenues from these activities.

The methodology is formally reviewed on an annual basis by the LGIM Investment Stewardship team. More details can be found at [LGIM Future World Protection Methodology](#). The exclusions can be downloaded from [LGIM Future World Protection List](#).

FWPL exclusions are applied from December 2018 onwards when the LGIM data is available.

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency GBP.

A brief description of the various constraints enforced in the model is given below:

**GHG Intensity Reduction:** The iSTOXX L&G Developed World Min Vol ESG index is constructed by constraining the portfolio carbon intensity with respect to the STOXX Developed World Universal Index:

- 1) **Initial 30% reduction vs parent index:** Enforce a 30% reduction in WACI vs the parent index in each quarterly rebalance from March 2014. Security level carbon intensity data is equal to (Scope 1+2 emissions from ISS ESG) / (Enterprise value including cash (EVIC)) from March 2019 onwards. Carbon intensity is calculated as (Scope 1+2 emissions from ISS ESG) / Revenue from March 2014 to December 2018 due to the lack of the availability of EVIC data during this period.
- 2) **Minimum 30% parent index reduction and 7-10% YoY decarbonization from June 2021:** For each subsequent quarterly rebalance from June 2021 onwards, the WACI of the index satisfies the following constraints

## 84. iSTOXX WORLD MIN VOL ESG INDICES

- a. WACI of Min Vol ESG index  $\leq$  Min (70% of parent index WACI,  $(0.93)^{(\text{Number of quarters from March 2021/4})} \times (\text{WACI of Min Vol ESG index in March 2021} / \text{Cumulative Inflation Adjustment Factor}^{132})$ ),
- b. WACI of Min Vol ESG index  $\geq (0.9)^{(\text{Number of quarters from March 2021/4})} \times (\text{WACI of Min Vol ESG index in March 2021} / \text{Cumulative Inflation Adjustment Factor})$ .

In calculating the previous year's WACI reduction, the current WACI is multiplied by the enterprise value inflation factor to reflect the effects of inflation in enterprise values as an increasing average enterprise value of the index constituents could lead to an overall WACI reduction when no actual WACI reductions took place.

**LGIM ESG exposures:** Each LGIM ESG score is first converted to positive score between [0, 100]. The iSTOXX L&G Developed World Min Vol ESG index then targets a 5% improvement over the total ESG exposure of the Parent Index over these positive ESG scores.

**Active Industry Weights:** The percentage exposure to each ICB Industry of the iSTOXX L&G Developed World Min Vol ESG index must be within +/- 5% of the Parent Index.

**Active Country Weights:** The percentage exposure to each country of the iSTOXX L&G Developed World Min Vol ESG index must be within +/- 3% of the Parent Index value. Each company's country assignment is based on the STOXX Country classification.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors (except Market Sensitivity and Volatility factors) for the iSTOXX L&G Developed World Min Vol ESG index must be within 0.25 standard deviations of the Parent Index's factor exposures.

**Asset Holding Limits:** The maximum weight of each asset in the index is 3%. The minimum non-zero weight of each asset in the index is 3 bps.

**Liquidity:** Assets must have a 60-day MDV of at least 3 million GBP.

**Maximum Target Volatility:** The iSTOXX L&G Developed World Min Vol ESG index has the following ex-ante risk constraint.

$$(w)^T(BVB^T + \Delta^2)w \leq (\text{iSTOXX L\&G Developed World ESG ex-ante Risk} - 80\% \times (\text{iSTOXX L\&G Developed World ESG ex-ante Risk} - \text{iSTOXX L\&G Developed World Min Vol ex-ante Risk}))$$

**Turnover relative to iSTOXX L&G Developed World ESG index:** The iSTOXX L&G Developed World Min Vol ESG index has a one-way turnover limit of 10% relative to the iSTOXX L&G Developed World ESG for each quarterly rebalance.

**Maximum Turnover:** The iSTOXX L&G Developed World Min Vol ESG index has a one-way turnover limit of 5% for each quarterly rebalance.

1. **Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed using Axioma's proprietary constraint hierarchy procedure (in the following order)

<sup>132</sup> The enterprise value inflation adjustment factor is computed by dividing the average enterprise value of the index constituents at the end of the calendar year by the average enterprise value of the index constituents at the end of the previous calendar year and has a minimum value of 1.

## 84. iSTOXX WORLD MIN VOL ESG INDICES

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2. 1) Minimum Target Volatility,
3. 2) Maximum Turnover,
4. 3) Turnover relative to iSTOXX L&G Developed World ESG Index

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

**Review frequency:** The reviews are conducted on a quarterly basis in April, July, October, and January. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review months. Weighting cap factor = (stock's target weight × 1.000.000.000 / closing price of the stock in EUR) rounded to the nearest integer.

The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months. LGIM ESG scores and FWPL exclusions are updated twice a year in March and September. The cut-off date LGIM data is the fifth trading day before the end of the months preceding the review months. The cut-off date for ISS ESG data is the end of the month preceding the review month. The cut-off date for EVIC data is end of the previous calendar year. In the event of no delivery of LGIM data by the end of the first weekday of the review months, prior data will be used for the index review. The underlying announcements are published after the close of the second Friday of the review months.

**Missing Data Treatment:** Securities missing LGIM ESG scores are assigned the neutral score of 0 where ESG scores are in the [-1, +1] range. Securities missing ISS carbon emissions data are dropped during the optimization.

### 84.4.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

## 84. iSTOXX WORLD MIN VOL ESG INDICES

### 84.5. iSTOXX DEVELOPED WORLD MIN VOL INDEX

#### 84.5.1. OVERVIEW

The iSTOXX Developed World Min Vol index (iSTOXX Developed World MV) is designed to track the performance of an optimized minimum variance portfolio that will incorporate tilts towards companies that exhibit low volatility and favorable fundamentals (specifically profitability and leverage). The index is constructed by creating a minimum variance portfolio based on the STOXX Developed World Universal index and requiring that the ISS climate score of the portfolio is no worse than the parent index. The index rules ensure tradability, diversification, positive exposure to fundamental quality (i.e., positive exposure to profitability and low leverage), and untargeted factor and industry/country/region exposures are risk managed.

**Universe:** STOXX Developed World Universal Index

**Weighting scheme:** The index is price weighted according to a constrained minimum variance optimization model.

**Base values and dates:** 100 on June 18<sup>th</sup>, 2018

**Index types and currencies:** Price, net, and gross return in GBP and USD

**Dissemination calendar:** STOXX Europe calendar

#### 84.5.2. INDEX REVIEW

**Selection list:** The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante variance of the portfolio.

$$\text{Minimize: } (w)^T (BVB^T + \Delta^2) w$$

Where,

$w$  = Index weights

$B$  = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

$V$  = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

The following constraints are enforced to ensure diversification and control for unintended systematic exposures, turnover, and tradability. Short descriptions of the data elements given are below:

|                    | iSTOXX Developed World MV           |
|--------------------|-------------------------------------|
| Parent Index       | STOXX Developed World Universal     |
| Objective Function | Minimize Ex-Ante Portfolio Variance |
| Risk Model         | Axioma WW4MH                        |

## 84. iSTOXX WORLD MIN VOL ESG INDICES

| CONSTRAINTS:                                         |                                                                                         |
|------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Carbon Intensity (Scope 1+2 Emissions / USD Revenue) | No Worse than STOXX Developed World Universal                                           |
| Active Industry Bounds                               | +/- 10% (ICB Industry)                                                                  |
| Active Country Bounds                                | +/- 10% (STOXX World Country)                                                           |
| Active Quality Exposures                             | Axioma Profitability and Low Leverage + 0.5 std                                         |
| Active Style Exposures                               | +/- 0.2 std (except Profitability, Leverage, Market Sensitivity and Volatility factors) |
| Liquidity                                            | 60-day MDV of at least 3 million USD                                                    |
| Trade Liquidity                                      | Asset TO <= 10% 20-day ADV                                                              |
| Turnover                                             | Annual one-way 30%                                                                      |
| Min Effective Names                                  | 50                                                                                      |
| Min Asset Weight                                     | 3bps                                                                                    |
| Max Asset Weight                                     | Min (4.5%, 20x Parent Weight)                                                           |

**Carbon Intensity:** Scope 1 and 2 emissions of a company) / (revenue of the company in USD), as calculated by ISS.

**LGIM ESG score:** Rules-based environmental, social, and governance (ESG) scores from Legal & General Investment Management Limited (LGIM). The scores have been created and used for the following purposes:

- 1) To improve market standards globally and monitor ESG developments using quantitative measures.
- 2) To incentivize companies to improve their ESG profile through a transparent methodology.
- 3) To create investment solutions that are alternatively weighted to give more emphasis to companies that have higher ESG scores.

The LGIM ESG score combines an environment E score, a social S score, and a governance G score, with adjustments made for a company's overall levels of transparency T with regards to ESG issues. The scores can be downloaded from the [LGIM ESG score](#) website.

**Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Model with base currency USD.

The portfolio constraints fall into three broad categories:

- 1) Management of the portfolio's carbon exposure.
- 2) Quality tilt based on fundamentals, specifically a positive factor exposure to Profitability and Low Leverage.
- 3) Risk Management constraints including liquidity, diversification, and limiting unwanted exposures.

**Management of portfolio's carbon exposures:** The iSTOXX Developed World Min Vol index is constructed by constraining the portfolio carbon intensity (WACI) to be no worse than that of the STOXX Developed World Universal value. Security level carbon intensity data is provided by ISS ESG and is equal to (scope 1 and 2 emissions) / revenue in USD (million).

## 84. iSTOXX WORLD MIN VOL ESG INDICES

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**Active Industry Weights:** The percentage exposure to each ICB Industry of the iSTOXX Developed World Min Vol index must be within +/- 10% of the STOXX Developed World Universal value.

**Active Country Weights:** The percentage exposure to each country of the iSTOXX Developed World Min Vol index must be within +/- 10% of the STOXX Developed World Universal value. Each company's country assignment is based on the STOXX World Country classification.

**Active Quality Exposure:** The exposure to the Axioma Risk Model Profitability and Low Leverage factors of the iSTOXX Developed World Min Vol index must be greater than the STOXX Developed World Universal value plus 0.5 standard deviations.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors (except Profitability, Leverage, Market Sensitivity and Volatility factors) for the iSTOXX Developed World Min Vol index must be within 0.2 standard deviations of the STOXX Developed World Universal's factor exposures.

**Asset Holding Limits:** The maximum weight of each asset in the index is Min (4.5%, 20 times the iSTOXX Developed World weight). The minimum non-zero weight of each asset in the index is 3 bps.

**Liquidity:** Assets must have a 60-day MDV of at least 3 million USD.

**Trade Liquidity:** Asset's round-trip turnover must be less than 10% of its 20-day ADV.

**Maximum Turnover:** The index has a one-way turnover limit of 7.5% for each quarterly rebalance.

**Minimum Effective Names:** Minimum effective number of names  $\geq 50$ .

The effective number of names of a portfolio is the reciprocal of its Herfindahl index of the portfolio and it is imposed as

$$\sum_k w_k^2 \leq \frac{1}{50}$$

where:

$w_k$  = the weight of the k-th stock in the portfolio.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed using Axioma's proprietary constraint hierarchy procedure (in the following order): 1) Trade Liquidity (relaxed up to a maximum of 2x). 2) Maximum Turnover (relaxed up to a maximum of 2x).

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place

**Review frequency:** The reviews are conducted on a quarterly basis in April, July, October, and January. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices

## 84. iSTOXX WORLD MIN VOL ESG INDICES

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from the Wednesday before the second Friday of the review months. Weighting cap factor = (stock's target weight × 1.000.000.000 / closing price of the stock) rounded to the nearest integer.

The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months. LGIM ESG scores are updated twice a year in March and September. The cut-off date LGIM data is the fifth weekday before the end of the months preceding the review months. The cut-off date for ISS ESG data is the end of the month preceding the review month. In the event of no delivery of LGIM data by the end of the first weekday of the review months, prior data will be used for the index review. The underlying announcements are published after the close of the second Friday of the review months.

**Missing Data Treatment:** Securities missing ISS and LGIM ESG scores are dropped during the optimization.

### 84.5.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)



## 84. iSTOXX WORLD MIN VOL ESG INDICES

### 84.6. iSTOXX DEVELOPED WORLD MIN VOL ESG INDEX

#### 84.6.1. OVERVIEW

The iSTOXX Developed World Min Vol ESG index (iSTOXX Developed World MV ESG) is designed to track the performance of an optimized minimum variance portfolio that will incorporate tilts towards companies that exhibit low volatility, favorable fundamentals (specifically profitability and leverage), and superior ESG scores. The index utilizes a minimum variance index (iSTOXX Developed World Min Vol) based on the STOXX Developed World Universal and improves the Climate and ESG profiles of this index, using data from ISS ESG and LGIM, respectively. The index rules ensure tradability, diversification, positive exposure to fundamental quality (i.e., positive exposure to profitability and low leverage), and untargeted factor and industry/country/region exposures are risk managed.

**Universe:** STOXX Developed World Universal Index

**Weighting scheme:** The index is price weighted according to a constrained minimum variance optimization model.

**Base values and dates:** 100 on June 18<sup>th</sup>, 2018.

**Index types and currencies:** Price, net, and gross return in GBP and USD.

**Dissemination calendar:** STOXX Europe calendar

#### 84.6.2. INDEX REVIEW

**Selection list:** The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante variance of the portfolio.

$$\text{Minimize: } (w)^T (BVB^T + \Delta^2) w$$

where

$w$  = Index weights

$B$  = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

$V$  = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

The following constraints are enforced to ensure diversification and control for unintended systematic exposures, turnover, and tradability. Short descriptions of the data elements given are below:

**Carbon Intensity:** (Scope 1 and 2 emissions of a company) / (revenue of the company in USD), as calculated by ISS ESG.

**LGIM ESG score:** Rules-based environmental, social, and governance (ESG) scores from Legal & General Investment Management Limited (LGIM). The scores have been created and used for the following purposes:

## 84. iSTOXX WORLD MIN VOL ESG INDICES

- 1) To improve market standards globally and monitor ESG developments using quantitative measures.
- 2) To incentivize companies to improve their ESG profile through a transparent methodology.
- 3) To create investment solutions that are alternatively weighted to give more emphasis to companies that have higher ESG scores.

The LGIM ESG score combines an environment E score, a social S score, and a governance G score, with adjustments made for a company's overall levels of transparency T with regards to ESG issues. The scores can be downloaded from the [LGIM ESG score](#) website.

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Model with base currency USD.

The portfolio constraints fall into four broad categories, and are summarized in the table below:

- 1) Management of the portfolio's carbon exposure
- 2) LGIM ESG Target Exposure
- 3) Quality tilt based on fundamentals, specifically a positive factor exposure to Profitability and Low Leverage.
- 4) Risk Management constraints including liquidity, diversification, and limiting unwanted exposures.

**Management of portfolio's carbon exposures:** The iSTOXX Developed World Min Vol ESG index is constructed by constraining the portfolio carbon intensity (WACI) to be no worse than that of the STOXX Developed World Universal value. Security level carbon intensity data is provided by ISS ESG and is equal to (scope 1 and 2 emissions) / revenue in USD (million).

**LGIM ESG scores:** Each LGIM ESG score is first converted to positive score between [0, 100]. The iSTOXX Developed World Min Vol ESG index requires a 10% improvement in the portfolio ESG score of the iSTOXX Developed World Min Vol index. In addition, the individual E, S, G, and T scores are constrained to be no worse than that of the iSTOXX Developed World Min Vol index.

|                                                        | iSTOXX Developed World MV ESG                                                           |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Parent Index                                           | STOXX Developed World Universal                                                         |
| Objective Function                                     | Minimize Ex-Ante Portfolio Variance                                                     |
| Risk Model                                             | Axioma WW4MH                                                                            |
| <b>CONSTRAINTS:</b>                                    |                                                                                         |
| Carbon Intensity (Scope 1 + 2 Emissions / USD Revenue) | No Worse than STOXX Developed World Universal                                           |
| LGIM ESG Score                                         | At least 10% better than iSTOXX Developed World MV                                      |
| LGIM E, S, G, T Scores                                 | No worse than iSTOXX Developed World MV for each individual score                       |
| Active Industry Bounds                                 | +/- 10% (ICB Industry)                                                                  |
| Active Country Bounds                                  | +/- 10% (STOXX World Country)                                                           |
| Active Quality Exposures                               | Axioma Profitability and Low Leverage + 0.5 std                                         |
| Active Style Factor Exposures                          | +/- 0.2 std (except Profitability, Leverage, Market Sensitivity and Volatility factors) |
| Liquidity                                              | 60d MDV of at least 3 million USD                                                       |

## 84. iSTOXX WORLD MIN VOL ESG INDICES

|                     |                               |
|---------------------|-------------------------------|
| Trade Liquidity     | Asset TO <= 10% 20-day ADV    |
| Turnover            | Annual one-way 30%            |
| Min Effective Names | 50                            |
| Min Asset Weight    | 3bps                          |
| Max Asset Weight    | Min (4.5%, 20x Parent Weight) |

**Active Industry Weights:** The percentage exposure to each ICB Industry of the iSTOXX Developed World Min Vol ESG index must be within +/- 10% of the STOXX Developed World Universal value.

**Active Country Weights:** The percentage exposure to each country of the iSTOXX Developed World Min Vol ESG index must be within +/- 10% of the STOXX Developed World Universal value. Each company's country assignment is based on the STOXX World Country classification.

**Active Quality Exposure:** The exposure to the Axioma Risk Model Profitability and Low Leverage factors of the iSTOXX Developed World Min Vol ESG index must be greater than the STOXX Developed World Universal value plus 0.5 standard deviations.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors (except Profitability, Leverage, Market Sensitivity and Volatility factors) for the iSTOXX Developed World Min Vol ESG index must be within 0.2 standard deviations of the STOXX Developed World Universal's factor exposures.

**Asset Holding Limits:** The maximum weight of each asset in the index is Min (4.5%, 20 times the STOXX Developed World Universal weight). The minimum non-zero weight of each asset in the index is 3 bps.

**Liquidity:** Assets must have a 60-day MDV of at least 3 million USD.

**Trade Liquidity:** Asset's round-trip turnover must be less than 10% of its 20-day ADV.

**Maximum Turnover:** The index has a one-way turnover limit of 7.5% for each quarterly rebalance.

**Minimum Effective Names:** Minimum effective number of names  $\geq 50$ .

The effective number of names of a portfolio is the reciprocal of its Herfindahl index of the portfolio and it is imposed as

$$\sum_k w_k^2 \leq \frac{1}{50}$$

where:

$w_k$  = the weight of the k-th stock in the portfolio.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed using Axioma's proprietary constraint hierarchy procedure (in the following order): 1) Trade Liquidity (relaxed up to a maximum of 2x). 2) Maximum Turnover (relaxed up to a maximum of 2x).

## 84. iSTOXX WORLD MIN VOL ESG INDICES

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If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

**Review frequency:** The reviews are conducted on a quarterly basis in April, July, October, and January. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review months. Weighting cap factor = (stock's target weight × 1,000,000,000 / closing price of the stock) rounded to the nearest integer. The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months. LGIM ESG scores are updated twice a year in March and September. The cut-off date LGIM data is the fifth weekday before the end of the months preceding the review months. The cut-off date for ISS ESG data is the end of the month preceding the review month. In the event of no delivery of LGIM data by the end of the first weekday of the review months, prior data will be used for the index review. The underlying announcements are published after the close of the second Friday of the review months.

**Missing Data Treatment:** Securities missing either ISS ESG data or LGIM ESG scores are dropped during the optimization.

### 84.6.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

# 85.iSTOXX EUROPE 600 IRCANTEC PAB INDEX

## 85.1. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

### 85.1.1. OVERVIEW

The iSTOXX Europe 600 Ircantec PAB Index tracks the performance of liquid securities from the STOXX Europe 600. The index<sup>133</sup> is constructed to follow the EU Paris-aligned Benchmark (EU PAB) requirements outlined in the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks<sup>134</sup>. The index is designed to help investors align investments with the overall long-term global warming target of the Paris Agreement.

Companies identified as non-compliant based on Sustainalytics Global Standards Screening (GSS) assessment or are involved in Controversial Weapons, or display a Severe (Category 5) Controversy Rating, as identified by Sustainalytics, are not eligible for selection. In addition, companies that are on Ircantec Exclusion List are excluded from the index, these are companies that do not meet Ircantec's ESG and sustainability criteria.

Tobacco Producers, and companies that derive revenues higher than 5% from wholesale or retail distribution, or services related to tobacco products, as identified by ISS ESG, are also not eligible. Securities that generate revenues above a certain threshold from coal, oil and gas exploration or processing activities are excluded. Additionally, securities that derive higher than 5% of their revenues from thermal coal-based power generation, or have thermal coal power generation capacity greater than 5 GW, or producing more than 10Mt volume from thermal coal, or higher than 50% from power generation with carbon intensity of lifecycle emissions higher than 100gCO<sub>2</sub>e/kWh are not considered for selection. Companies that ISS-ESG identifies to be expanding their thermal coal mining or thermal coal power generation capabilities, as identified by ISS-ESG, are also excluded from the index.

Effective from March 2024, the index will also exclude companies that have been identified by ISS-ESG to have oil and gas extraction expansion operations or plans, and in addition, companies involved in unconventional oil and gas that do not have a credible GHG reduction target.

Furthermore, STOXX will exclude companies that ISS ESG assesses to have significant obstruction in the following UN SDGs: SDG 12 Responsible Consumption and Production, SDG 13 Climate Action, SDG 14 Life Below Water and SDG 15 Life On Land.

The weighting process follows an optimization process to meet the minimum requirements detailed in the Commission Delegated Regulation (EU) 2020/1818. The index aims to reduce their greenhouse gases (GHG) emission intensity by at least 50% when compared to the

underlying benchmark. Additionally, they are designed to meet the year on year 7% decarbonization target. Scope 1, Scope 2 and Scope 3 emissions are used in the total emission considerations<sup>135</sup>. All of these emissions, including Scope 3, are used across all sectors from the first date of index construction.

<sup>133</sup> Regulation (EU) 2019/2089 amending Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R2089>

<sup>134</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R1818>

<sup>135</sup> <https://www.issgovernance.com/esg>

As a first step, ISS ESG collects all publicly available self-reported greenhouse gas emissions data from corporate disclosures such as CDP and CSR reports. Once self-reported emissions data from all available sources is collected, the data is tested for

## 85. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

The methodology ensures that the index exposure to 'High Climate Impact sectors', sectors that are key to low-carbon transition, is not underweighted relative to the investment universe. STOXX will classify the eligible securities into two sectoral groups: 'High Climate Impact' and 'Low Climate Impact'. This is based on the securities' NACE industry classification<sup>136</sup>. The securities in the index are weighted such that the total weight of the high climate impact components is at least equal to the total high climate impact weight in the corresponding underlying benchmark.

ISS ESG tracks companies that have disclosed science-based targets with the Science Based Targets initiative (SBTi)<sup>137</sup>. This comprises a list of securities that are setting greenhouse gas emission reduction targets in line with the goals of the Paris Agreement, i.e. to keep "global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius."<sup>138</sup> STOXX will use this information to identify which of these three groups companies belong to: (a) companies with concrete targets and emission reduction targets verified by SBTi, (b) companies that have committed to the SBTi but do not yet have approved targets, and (c) those that have not yet committed with the SBTi. The iSTOXX Europe 600 Ircantec PAB index overweighs companies with SBTi approved targets, and even more so those with SBTi approved targets and consistent 7% or more reduction in annual GHG intensity. Moreover, STOXX will allow up to 10 years of transition time for securities to commit and have their science-based targets approved and published by the SBTi. Securities that have not committed to the science-based initiatives will be underweighted incrementally and will not be eligible for selection starting in March 2025. Similarly, securities that are committed but do not have SBTi verified targets will be subjected to incremental underweighting. From March 2030, the index will only include companies that have their targets approved and published by the SBTi. This is with the intention of incentivizing companies to commit and set science-based targets.

ISS ESG's Carbon Risk Rating data assesses companies' capacity to manage future climate change related challenges and opportunities arising from the transition to a low-carbon economy. The risk rating considers companies' risk profiles, industry-specific challenges,

companies' positive impact and ability to seize opportunities. STOXX uses this forward-looking CO<sub>2</sub> risk analysis to overweigh climate leaders while laggards are underweighted.

ISS ESG's Carbon Budget data helps assess companies' alignment with different scenarios. This Carbon Budget data is used in the weighing process of the iSTOXX Europe 600 Ircantec PAB Index and to ensure the index is aligned with the IEA Sustainable Development Scenario (SDS) pathway until 2050.

**Universe:** STOXX Europe 600 Index, as observed on the review effective date.

trustworthiness. Estimations are based on ISS ESG's proprietary subsector-specific models across ISS ESG's climate-specific industry classification system. This allows for benchmarking of non-reporting companies against their reporting peers. More details are available here <https://www.issgovernance.com/file/publications/methodology/Carbon-Footprint-Methodology.pdf>

<sup>136</sup> Stocks in the NACE Section codes: A, B, C, D, E, F, G, H, L are classified as "High Climate Impact" and stocks in the NACE section codes: I, J, K, M, N, O, P, Q, R, S, T, U as "Low Climate Impact". Further information regarding NACE can be found on [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical\\_classification\\_of\\_economic\\_activities\\_in\\_the\\_European\\_Community\\_\(NACE\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical_classification_of_economic_activities_in_the_European_Community_(NACE))

<sup>137</sup> <https://sciencebasedtargets.org/>: the SBTi is a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and one of the We Mean Business Coalition commitments

<sup>138</sup> <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

## 85. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

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**Weighting scheme:** The index is price-weighted with weighting cap factors determined according to an optimization process to meet the EU PAB recommendations

**Base value and date:** 100 on Dec 31, 2021

**Index types and currencies:** Price, Net and Gross return in EUR and USD

### 85.1.2. INDEX REVIEW

**Selection list:**

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date, a set of exclusionary criteria are applied.

**Global Standards Screening:**

STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

**Controversial Weapons:**

STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

**Controversy Ratings:**

STOXX will exclude companies that Sustainalytics identifies to have a Controversy Rating of Category 5 (Severe).

Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest Event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.

**Ircantec Exclusion List:**

STOXX will exclude companies that do not meet Ircantec's ESG and sustainability criteria.

**Tobacco:**

STOXX will exclude companies that ISS-ESG identifies to have:



## 85. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

- >0% revenues from involvement in the production of tobacco products.
- >5% revenues from the wholesale or retail distribution of tobacco products.
- >5% revenues from services related to tobacco products.

The remaining securities in the universe list are screened for the following fundamental values (i and ii) and ISS ESG carbon and climate related indicators (iii to xviii):

- i. Free-float market capitalization (FFMCAP) in EUR
- ii. Enterprise value including cash (EVIC) based on the fiscal year data for the end of the last calendar year
- iii. Emissions data: Scope 1, Scope 2 and Scope 3 emissions  
The GHG Protocol Corporate Standard classifies companies' greenhouse gas (GHG) emissions as direct and indirect emissions<sup>139</sup>. Direct emissions, also known as Scope 1 emissions, refer to GHG waste produced and consumed by the reporting entity. For instance, on-site generation and use of energy is tracked under Scope 1. In contrast, indirect emissions, comprised of Scope 2 and Scope 3 emissions, occur as a consequence of the reporting company, but are generated by another entity. Scope 2 includes acquired/ purchased energy brought into the company's reporting boundary as a form of: electricity, steam, heating and cooling, and the rest of the indirect emissions form Scope 3 emissions. Any emissions associated with upstream and downstream processes, excluding Scope 2 emissions, are accrued towards Scope 3. Business travel, processing of sold products, transportation and distribution are all examples of Scope 3 emissions<sup>140</sup>.
- iv. Percentage of revenues from coal: this looks at the securities' revenue generated from coal exploration, production (excluding power generation), distribution, and supporting products and services. Power generation revenue share is considered separately and detailed in vi.
- v. Percentage of revenues from fossil fuel exploration, production (excluding power generation), distribution and provision of supporting products and services: this looks at companies' revenue share in fossil fuels, including coal, oil, gas, Arctic drilling, hydraulic fracturing and oil sands. Power generation revenue share is considered separately and detailed in ix.
- vi. Thermal coal-based power generation revenues: this looks at percentage of revenues derived from power generation coming solely from thermal coal.
- vii. Thermal coal power generation capacity: this looks at the electric output an electricity generator can potentially produce under specific conditions.
- viii. Thermal coal production volume: this looks at the recent-year volume of coal produced by the company
- ix. Power Generation revenue percentage coming from coal, oil and gas: electricity generation lifecycle assessment shows that GHG emissions coming from coal, oil and natural gas exceed 100 gCO<sub>2</sub>e/kWh; similar assessment on renewable energy and nuclear

<sup>139</sup> [https://ghgprotocol.org/sites/default/files/standards/Scope%202%20Guidance\\_Final\\_Sept26.pdf](https://ghgprotocol.org/sites/default/files/standards/Scope%202%20Guidance_Final_Sept26.pdf)

<sup>140</sup> [http://www.ghgprotocol.org/sites/default/files/ghgp/standards/Scope3\\_Calculation\\_Guidance\\_0.pdf](http://www.ghgprotocol.org/sites/default/files/ghgp/standards/Scope3_Calculation_Guidance_0.pdf)



## 85. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

power sources shows that the lifecycle GHG emissions is well below 100 gCO<sub>2</sub>e/kWh<sup>141</sup>. For this data point, ISS ESG considers coal, oil and gas-based power generation revenues.

- x. UN SDGs: the ISS ESG SDG Impact Rating identifies companies' positive and negative impact towards the UN Sustainable Development Goals (UN SDGs) across three pillars: Product & Services, Operations and Controversies. STOXX will use the dataset to minimize index exposure to obstructions in the 4 environmental related UN SDGs, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action, SDG 14 Life Below Water and SDG 15 Life On Land., by screening out companies identified to have significant obstruction in these areas.
- xi. Carbon Risk Rating: ISS ESG evaluates companies' capacity to cope with future challenges related to climate change and to seize opportunities arising from a transition to a low-carbon economy. This data will be used to overweigh climate leaders, and climate laggards will be underweighted.
- xii. Carbon Budget: ISS ESG Carbon Budget data helps assess companies' alignment with different scenarios. STOXX will use this Carbon Budget data in the weighing process and to ensure the index is aligned with the IEA Sustainable Development Scenario (SDS) pathway until 2050.  
The ISS ESG scenario analysis combines the IEA scenario with the Sectoral Decarbonization Approach (SDA) by allocating a share of a global carbon budget to every company based on its market share and the IEA/SDA emissions scenario associated with its sector.
- xiii. (Effective March 2022) Thermal Coal Mining Expansion: this looks at companies' involvement in thermal coal mine development operations or plans.
- xiv. (Effective March 2022) Thermal Coal Power Generation Expansion: this looks at companies' involvement in coal power expansion or plans.
- xv. (Effective March 2024) Oil and Gas Extraction Expansion: this looks at companies' involvement in oil and gas extraction expansion operations or plans.
- xvi. (Effective March 2024) Unconventional Oil & Gas production: this looks at companies' involvement in unconventional oil and gas production, more precisely in extraction and processing of oil sands for the most recent fiscal year period, extraction of oil and gas extraction through arctic drilling for the most recent fiscal year period, hydraulic fracturing for the most recent fiscal year period, any involvement in deepwater drilling and any involvement in oil shale.
- xvii. Percentage of revenues from green sources: revenues coming from renewable energy sources such as: wind, solar, hydro, biomass and geothermal sources. Nuclear Power is also considered as a green revenue source. In addition to these, the definition of green revenues extends to revenues that contribute to UN Sustainable Development Goal (SDG) 13, Climate Action.
- xviii. Percentage of revenues from brown sources: any revenues from fossil fuels (coal, oil, gas, Arctic drilling, hydraulic fracturing and oil sands) and the provision of supporting products or services is considered as brown revenue. The definition of brown revenues also extends to revenues that are obstructive to UN Sustainable Development Goal (SDG) 13, Climate Action.

<sup>141</sup> [https://www.ipcc.ch/site/assets/uploads/2018/03/SRREN\\_Full\\_Report-1.pdf](https://www.ipcc.ch/site/assets/uploads/2018/03/SRREN_Full_Report-1.pdf)

## 85. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

Green and brown energy revenue shares will be used in the construction of the index to ensure the total green share / brown revenue share of the index is at least four times that of the underlying benchmark's green to brown revenue shares.

- xix. Science-based Climate Targets: ISS ESG tracks securities that have disclosed science-based targets in line with the level of decarbonization required to keep global temperature increase below 2°C. STOXX will use this data to identify which of the following groups companies fall into:
- companies with concrete targets and emission reduction targets verified by the SBTi
  - companies that have committed with the SBTi but do not yet have approved science-based targets. Committed companies have 24 months to have their targets approved and published by the SBTi
  - companies that have Ambitious Target: ISS ESG identifies companies that do not have Committed or Approved SBT, but have greenhouse gas reduction targets.

Securities with targets verified by the SBTi will be overweighted in the index. Securities with no commitments or no SBTi approved targets will be subjected to incremental underweighting and will not be eligible for selection starting 2025 and 2030 respectively.

If any of the i to xii fields are unavailable for a security, the company will not be eligible for selection. If any of the xiii to xvi fields are unavailable, the company will be assumed to be not involved. Additionally, if a security does not have green or brown revenue share data, STOXX

will assume the revenue share in these areas to be zero. STOXX will assume that a security is not committed if no science-based climate target data is available for it.

The selection list is made of all the remaining stocks that fulfil the conditions below:

- Market capitalization requirements: Free float market capitalization (FFMCAP) equal to or exceeding 1 billion EUR, for current constituents of the index the threshold is lowered to 500 million EUR.
- Activity exclusions: Companies that generate revenues above the specific thresholds with respect to the activities below are not eligible for selection:
  - o STOXX will exclude companies that ISS ESG identifies to have 1% or higher revenues from coal exploration, production (excluding power generation), distribution and supporting product and services. Effective March 2030, companies that have greater than 0% revenues will be excluded.
  - o STOXX will exclude companies that ISS ESG identifies to have 10% or higher revenues from fossil fuel exploration, production (excluding power generation), distribution and supporting products and services
  - o STOXX will exclude companies that ISS ESG identifies to have 5% or higher revenues from thermal coal-based power generation
  - o STOXX will exclude companies that ISS ESG identifies to have greater than 5GW in thermal coal power generation capacity
  - o STOXX will exclude companies that ISS ESG identifies to have be producing more than 10Mt volume from thermal coal
  - o STOXX will exclude companies that ISS ESG identifies to have 50% or higher revenues from power generation with carbon intensity of lifecycle GHG emissions higher than 100g CO<sub>2</sub>e/kWh
  - o Effective March 2022, STOXX will exclude companies that ISS ESG identifies to have any involvement in thermal coal mine development operations or plans

## 85. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

- Effective March 2022, STOXX will exclude companies that ISS ESG identifies to have any involvement in coal power expansion or plans
- Effective March 2024, STOXX will exclude companies that ISS ESG identifies to have any involvement in oil and gas extraction expansion operations or plans.
- Effective March 2024, STOXX will exclude companies that ISS ESG identifies to not have an "Ambitious Target" GHG Reduction Target or any SBT and derive revenues or have any involvement in the following unconventional Oil & Gas production:
  - >0% revenues from the extraction and processing of oil sands for the most recent fiscal year period.
  - >0% revenues from the extraction of oil and gas extraction through arctic drilling for the most recent fiscal year period.
  - >0% revenues from hydraulic fracturing for the most recent fiscal year period.
  - Any involvement in deepwater drilling
  - Any involvement in oil shale
- STOXX will exclude companies that ISS ESG assesses to have significant obstruction to the UN Sustainable Development Goals (SDGs) 12, 13, 14 and 15.

**Composition list:**

The final composition list comprises all the securities that fulfil the requirements listed above. The securities' weights are derived through an optimization process and designed to meet the following requirements:

| EU PAB Minimum requirements                                                                                                                                                                                                                                                      | iSTOXX Europe 600 Ircantec PAB                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Minimum Scope 1+2+3 GHG intensity reduction compared to the STOXX Europe 600<br>The GHG intensity of a security is calculated as:<br><i><math>\frac{\text{Scope 1} + \text{Scope 2} + \text{Scope 3 GHG Emissions}}{\text{Enterprise Value including Cash (in MEUR)}}</math></i> | At least 60% (includes a 10% buffer)                                                                                  |
| Year-on-year self-decarbonization per annum relative to the levels at inception in accordance with the global decarbonization trajectory implied by IPCC's 1.5°C scenario with no or limited overshoot                                                                           | At least 7% on average per annum since index launch, after taking in consideration any inflation in enterprise values |
| Minimum exposure to sectors highly exposed to climate change issues compared to the underlying STOXX Europe 600<br>These sectors are identified as "High Climate Impact" based on NACE section codes <sup>142</sup>                                                              | At least equal                                                                                                        |

<sup>142</sup> Stocks in the NACE Section codes: A, B, C, D, E, F, G, H, L are classified as "High Climate Impact" and stocks in the NACE section codes: I, J, K, M, N, O, P, Q, R, S, T, U as "Low Climate Impact". Further information regarding NACE can be found on [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical\\_classification\\_of\\_economic\\_activities\\_in\\_the\\_European\\_Community\\_\(NACE\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Statistical_classification_of_economic_activities_in_the_European_Community_(NACE))

## 85. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

|                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate target setting (CTS)                                                                                | <p>The Corporate target setting score aims to ensure that companies with Science Based Target are overweighed and that:</p> <ul style="list-style-type: none"> <li>- by 2025, all companies in the index are committed to reducing their GHG emissions, and</li> <li>- by 2030, all companies in the index have SBTi approved science-based targets</li> </ul> <p>In more details:</p> <ol style="list-style-type: none"> <li>5. Companies that have science-based targets approved and reported through the Science Based Target initiative and have reduced their total GHG emission intensity (Scope 1,2 and 3 emissions) by an average of at least 7% per annum for at least 3 consecutive years will have their weights increased by 1/3</li> <li>6. Companies that have science-based targets approved and reported through the Science Based Target initiative but have not fulfilled the above carbon reduction criteria will have their weights increased by 1/5</li> <li>7. Companies that are committed to reducing their GHG emissions but do not yet have science-based targets approved by the Science Based Target initiative will have their weights reduced by Y/10 where Y is the number of years since 2020</li> <li>8. Companies that are not committed to reducing their GHG emissions will have their weight reduced by Y/5 where Y is the number of years since 2020</li> </ol> |
| Additional considerations                                                                                     | iSTOXX Europe 600 Ircantec PAB                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Alignment with ISS ESG scenario alignment approach for the IEA Sustainable Development Scenario (SDS) pathway | The emissions pathway of the index must be below the carbon budget for the SDS pathway of the current year and 2050                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Carbon Risk Rating tilt                                                                                       | Climate leaders are overweighed, and climate laggards are underweighted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Carbon Budget risk tilt                                                                                       | Companies that are well positioned to meet their carbon budget are overweighed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Minimum green share / brown share ratio compared to the STOXX Europe 600                                      | At least 4 times                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

## 85. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

|                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Diversification | <p>Exposure to a single NACE Section is within 5% of the of the underlying benchmark's exposure</p> <p>If the underlying benchmark's exposure in any of the NACE Sections is greater than 30%, an additional maximum exposure constraint on the NACE Division<sup>143</sup> weights will be imposed for the PAB index. In this case, the STOXX PAB Index exposure to a single NACE Division (within the NACE Section) cannot exceed the underlying benchmark's exposure by higher than 5%</p> <p>Country exposure is within 5% of the country weight in the underlying benchmark</p> |
| Weight capping  | <p>Maximum weight: 4.5%</p> <p>Minimum weight: 0.01%</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

**Weighting and capping factors:**

The weights are derived through an optimization process with the goal to have a portfolio which is in line or beyond the decarbonization trajectory from the IPCC's 1.5°C scenario and that overweighs companies with a clear and proved evidence-based carbon reduction target as verified by SBTi.

**Target weight calculations:**

The target weight is defined according to the free-float market capitalization subject to the corporate target setting and carbon risk rating multipliers, as follows:

$$w_i = \frac{ffmcap_i \cdot CTS_i \cdot CR_i}{\sum_j^N ffmcap_j \cdot CTS_j \cdot CR_j}$$

Where:

|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| $CTS_i$ | <p>= (1 + 1/3) if a company has verified science-based targets in accordance to the SBTi and has reduced its GHG intensity by an average of at least 7% per annum for at least 3 consecutive years</p> <p>= (1 + 1/5) if a company has verified science-based targets in accordance to the SBTi but has not fulfilled the above GHG intensity reduction criteria</p> <p>= (1 – min(1, Y/10)) if a company is committed to reducing its GHG emissions but does not have science-based targets approved by the SBTi</p> <p>= (1 – min(1, Y/5)) if a company is not committed to reducing its GHG emissions</p> |
| $Y$     | =number of years since 2020. Y is 2 for 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| $N$     | =number of components in the index                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| $CR_i$  | <p>= (1 + <math>CR\_z_i</math>) if <math>CR\_z_i &gt; 0</math></p> <p>= (1 - <math>CR\_z_i</math>)<sup>-1</sup> if <math>CR\_z_i \leq 0</math></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

<sup>143</sup> NACE Division is a step lower (more granular) from the NACE Section code

## 85. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

$$CR_{z_i} = CRR_{z_i} - CBR_{z_i}$$

$CRR_{z_i}$  = zeta score of the company's Carbon Risk Rating, as defined by ISS ESG

$CBR_{z_i}$  = zeta score of the company's Carbon Budget risk, calculated as

$$CBR_i = \frac{\sum \varphi_j * \ln\left(\frac{\text{current carbon emission}_i}{\text{carbon budget}_{i,j}}\right)}{\sum \varphi_j}$$

Where:  $\varphi_j = (1 - \lambda) * \lambda^j$ ,  $j = 0, \dots, 2050 - \text{current year}$

$\lambda = 0.94$  (standard decay factor<sup>144</sup>)

#### Capped weight calculations:

The capped weights  $cw_i$  are derived from target weights via an optimization that minimizes the relative squared difference between the target weights and the capped weights while ensuring that the year-on-year self-decarbonization fulfils the criteria of at least 7% on average starting from 2022 with respect to 2023. The optimization is performed to arrive at the weights subject to constraints to ensure that the composition fulfils the minimum requirements:

$$cw_i = \operatorname{argmin}_{cw} \left( \sum_{i=1}^n \left( \frac{(cw_i - w_i)^2}{w_i} \right) \cdot \frac{1}{n} + \frac{(\text{Previous year's GHG intensity reduction} - 0.07)^2}{0.07} \right)$$

The previous year's GHG intensity reduction (starting from 2022 with respect to 2021) is calculated as:

$$1 - \left( \frac{\text{Index GHG Intensity}_{\text{current}} \cdot (\text{Inflation Adjustment Factor})}{\text{Index GHG Intensity}_{\text{previous year-end}}} \right)$$

where  $\text{Index GHG Intensity}_t = \sum_{i=1}^n (w_{i,t} \cdot \text{Security GHG Intensity}_{i,t})$  and  $w_{i,t}$  is the weight of company  $i$  in the index at time  $t$ .

In calculating the previous year's GHG intensity reduction, the current GHG intensity is multiplied by the enterprise value inflation adjustment factor<sup>145</sup> in order to reflect the effects of inflation in enterprise values as an increasing average enterprise value of the index constituents could lead to an overall GHG intensity reduction where no actual GHG emissions reductions took place.

The following are the constraints of the optimization:

- i. Maximum security weight of 4.5%, and minimum weight of 0.01%:

<sup>144</sup> Standard decay factor, suggested and used by Riskmetrics

<sup>145</sup> The enterprise value inflation adjustment factor is computed by dividing the average enterprise value of the index constituents at the end of calendar year by the average enterprise value of the index constituents at the end of the previous calendar year and has a minimum value of 1

## 85. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

- ii. The GHG intensity reduction of the index,  $\sum_{i=1}^n (cw_i \cdot \text{Security GHG Intensity}_i)$  should be at least 60% when compared to the underlying benchmark GHG Intensity
- iii. Year-on-year GHG intensity reduction of at least 7% starting from 2022 with respect to 2021. The year-on-year carbon reduction included is calculated as:

$$1 - \left( \frac{\text{Index GHG Intensity}_{\text{current}} \cdot \text{Cumulative Inflation Adjustment Factor}}{\text{Index GHG Intensity}_{2021 \text{ year-end}}} \right)^{1/T}$$

where  $T$  is the number of years since 2021

- iv. The green revenue share / brown revenue share of the index,  $\frac{\sum_{i=1}^n (cw_i \cdot \text{Green Revenue \%}_i)}{\sum_{i=1}^n (cw_i \cdot \text{Brown Revenue \%}_i)}$ , is at least 4 times that of the underlying benchmark
- v. The total exposure of components in the “High Climate Impact” according to NACE classification is at least equal to the corresponding benchmark
- vi. The exposure to a single NACE Section code is within 5% of the underlying benchmark exposure

If the underlying benchmark exposure in any of the NACE Sections is greater than 30%, an additional maximum exposure constraint on the NACE Division weights will be imposed for the iSTOXX Europe 600 Ircantec PAB index. In this case, the iSTOXX Europe 600 Ircantec PAB exposure to a single NACE Division (within the NACE Section) cannot exceed the underlying benchmark exposure by higher than 5%

- vii. The exposure to a country is within 5% of the STOXX Europe 600
- viii. The emission pathway of the index must be below its carbon budget for the IEA Sustainable Development Scenario (SDS) pathway of the current year and 2050. This is to ensure that the index is aligned with the SDS pathway decarbonization trajectory until 2050

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

#### Review frequency:

The review is conducted on an annual basis in March. On a quarterly basis in June, September and December, the index is rebalanced to consider changes in free-float or shares in issue, or ISS ESG carbon and climate related indicators. Furthermore, current components are screened for compliance, involvement, controversy and if they fail to meet Ircantec's ESG and sustainability criteria, as per IRCANTEC's company exclusion lists. The cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

|          |                                |
|----------|--------------------------------|
| Summary  | iSTOXX Europe 600 Ircantec PAB |
| Universe | STOXX Europe 600               |

#### Screens

## 85. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Baseline Exclusions (quarterly)                | Global Standards Screening<br>Controversial Weapons<br>Tobacco involvement<br>Significant obstruction to the UN Sustainable Development Goals (SDGs) 12, 13, 14 and 15<br>Severe (level 5) Controversy Rating<br>Ircantec's ESG and sustainability criteria                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Market capitalization Requirements (quarterly) | FFMCAP equal to or exceeding 1 billion EUR, for current constituents the threshold is lowered to 500 million EUR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Activity Exclusions (quarterly)                | Revenues from Coal activities: 1% or higher (Effective March 2030, 0%)<br>Revenues from Fossil Fuel activities: 10% or higher<br>Revenues from power generation coming from Coal: 5% or higher<br>Capacity from power generation coming from Coal: > 5GW<br>Production volume from thermal coal: > 10 Mt<br>Revenues from power generation coming from Coal, Oil & Gas: 50% or higher<br>Effective in March 2022, Involvement in thermal coal mining expansion<br>Effective in March 2022, Involvement in thermal coal power generation expansion<br>Effective in March 2024, involvement in oil and gas extraction expansion<br>Effective in March 2024, involvement in unconventional oil and gas without a credible GHG reduction target<br>Effective in March 2025, companies without commitment to SBTi<br>Effective in March 2030, companies without approved SBTi targets |

**Weighing process: weights derived through an optimization process to meet EU PAB requirements**

|                                                                                                                                                                                                        |                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Minimum Scope 1+2+3 GHG intensity reduction compared to corresponding STOXX Europe 600<br>Scope 1, 2 and 3 emissions, are used across all sectors from the first date of index construction            | At least 60% (includes a 10% buffer)                                                                                  |
| Year-on-year self-decarbonization per annum relative to the levels at inception in accordance with the global decarbonization trajectory implied by IPCC's 1.5°C scenario with no or limited overshoot | At least 7% on average per annum since index launch, after taking in consideration any inflation in enterprise values |
| Minimum green share / brown share ratio compared to the underlying benchmark                                                                                                                           | At least 4 times                                                                                                      |
| Minimum exposure of sectors highly exposed to climate change compared to the underlying benchmark                                                                                                      | At least equal                                                                                                        |



## 85. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

## Corporate target setting (CTS)

Securities' free float market cap weights tilted with CTS score to favor securities with science-based targets. CTS scores assigned as follows:

| CTS score                                                                                       | 2022            | 2023 | ... | 2025 | ... | 2029 | 2030 and later |
|-------------------------------------------------------------------------------------------------|-----------------|------|-----|------|-----|------|----------------|
| Committed, has SBTi verified targets, and reduces GHG emission ( $\geq 7\%$ /annum for 3 years) | $1 + 1/3 = 4/3$ |      |     |      |     |      |                |
| Committed, has SBTi verified targets, but does not reduce GHG emissions by 7% per annum         | $1 + 1/5 = 6/5$ |      |     |      |     |      |                |
| Committed but does not have SBTi approved targets                                               | 8/10            | 7/10 | ... | 5/10 | ... | 1/10 | 0              |
| Not committed                                                                                   | 3/5             | 2/5  | ..  | 0    |     |      |                |

Additionally, Carbon Budget and Carbon Risk score and will be used to tilt the weights further. Tilt factor obtained as follows:

$$CR_i = (1 + CR\_z_i) \text{ if } CR\_z_i > 0$$

$$= (1 - CR\_z_i)^{-1} \text{ if } CR\_z_i \leq 0$$

$$CR\_z_i = CRR\_z_i - CBR\_z_i$$

CRR\_z\_i = zeta score of the company's Carbon Risk Rating, as defined by ISS ESG

CBR\_z\_i = zeta score of the company's Carbon Budget risk, calculated as

$$CBR_i = \frac{\sum \varphi_j * \ln\left(\frac{\text{current carbon emission}_i}{\text{carbon budget}_{i,j}}\right)}{\sum \varphi_j}$$

Where:  $\varphi_j = (1 - \lambda) * \lambda^j, j = 0, \dots, 2050 - \text{current year}$

$\lambda = 0.94$  (standard decay factor<sup>146</sup>)

$$w_i = \frac{ffmcap_i * CTS_i * CR_i}{\sum_j^n ffmcap_j * CTS_j * CR_j}; \text{ where } w_i \text{ is the weight of security } i$$

<sup>146</sup> Standard decay factor, suggested and used by Riskmetrics

## 85. iSTOXX EUROPE 600 IRCANTEC PAB INDEX

|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Diversification                                | Exposure to a single NACE Section is within 5% of the of the underlying benchmark exposure<br>If the underlying benchmark's exposure in any of the NACE Sections is greater than 30%, an additional maximum exposure constraint on the NACE Division <sup>147</sup> weights will be imposed for the PAB index. In this case, the STOXX PAB Index exposure to a single NACE Division (within the NACE Section) cannot exceed the underlying benchmark exposure by higher than 5%<br>Country exposure is within 5% of the country weight in the underlying benchmark |
| Weight Capping                                 | Maximum weight:4.5%<br>Minimum weight: 0.01%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b><i>Selection and Weighing Frequency</i></b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Review and Rebalancing                         | Review is conducted on an annual basis in March, and rebalanced quarterly in June, September and December                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

**85.1.3. ONGOING MAINTENANCE**

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently

<sup>147</sup> NACE Division is a step lower (more granular) from the NACE Section code

## 86.1. iSTOXX FAMILY OWNED ESG COMPANY INDICES

### 86.1.1. OVERVIEW

The iSTOXX Family Owned ESG Company indices are a set of indices that track the performance of the largest Global stocks that are classified as family-owned by the Centre of Family Entrepreneurship and Ownership (CeFEO).

Companies that are non-compliant based on the ISS-ESG Norms Based Screening assessment or are involved in Controversial Weapons are not eligible for selection. Additional exclusion filters are applied, screening companies for involvement in Tobacco, Thermal Coal, Gambling, Pornography, Civilian Firearms, and Military Contracting.

**Universe:** Constituents of STOXX Global Total Market Index, STOXX China A Total Market Index, STOXX China P Chips Total Market, STOXX World DR belonging to Emerging Markets as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with weighting cap factors determined according to Free Float Market Capitalization and Carbon Risk Rating of the constituents.

**Base values and dates:** 100 on Mar 22, 2021

For a complete list please consult the data vendor code sheet on the website<sup>148</sup>. Customized solutions can be provided upon request.

**Index types and currencies:** Price, Net and Gross return in EUR, USD, CHF

### 86.1.2. INDEX REVIEW

**Selection list:**

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date, a set of exclusionary criteria are applied.

**Multiple share lines:** In case a company is present with multiple listings in the eligible universe then only the most liquid share line is eligible. In case of company belonging to Emerging Market priority is given to ADR and GDR with ADR having priority over GDR.

**Norms Based Screening:**

Companies are assessed against their adherence to international norms on human rights, labor standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

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<sup>148</sup>

[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

## 86. iSTOXX FAMILY OWNED ESG COMPANY INDICES

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### Controversial Weapons:

Not involved in Controversial Weapons activities, as identified by ISS-ESG. The following weapons are considered controversial: white phosphorus, anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium program, and nuclear weapons. ISS ESG's Controversial Weapons Research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to the ultimate parent. Companies identified as 'Red' are excluded.

### Family-Owned Companies:

STOXX will exclude companies not classified as family-owned by the Centre of Family Entrepreneurship and Ownership (CeFEO) and that are not in the top 500 in terms of Revenue within the family owned companies.

A company is considered family-owned if

1. The family has substantial ownership and decision-making authority in the business. That is, two or more family members hold at least 25% of the voting rights.
2. If two or more companies held by the same family qualify, only the one with the highest revenues is included in the database.
3. Revenues of the featured businesses originate from published accounts that are no more than 24 months old.

The remaining securities in the universe list are screened for the following fundamental values (i and ii) and ISS-ESG product involvement and climate related indicators (iii to iv):

- i) Free-float market capitalization (FFMCAP) in EUR
- ii) 3-month Average Daily Traded Volume (ADTV) in EUR
- iii) Carbon Risk Rating: ISS ESG evaluates companies' capacity to cope with future challenges related to climate change and to seize opportunities arising from a transition to a low-carbon economy. This data will be used to overweigh climate leaders, and climate laggards will be underweighted.
- iv) Product Involvement in the categories Tobacco, Thermal Coal, Military Equipment, Civilian Firearms, Gambling and Pornography as evaluated by ISS-ESG.

Companies with missing data for the points ( i to iv ) are excluded.

### Size & Liquidity:

- Free float market capitalization (FFMCAP) equal to or exceeding 500 million EUR
- 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 1 million EUR

### Tobacco:

STOXX will exclude companies that ISS-ESG identifies to have:

- >0% revenues from involvement in the production of tobacco products.
- >5% revenues from services related to tobacco products.
- >5% revenues from the wholesale or retail distribution of tobacco products.

### Thermal Coal:

STOXX will exclude companies that ISS-ESG identifies to have:

- >10% revenues from thermal coal mining, including any exposure in production or services.
- The maximum percentage of revenues values are based on the best available data, which

## 86. iSTOXX FAMILY OWNED ESG COMPANY INDICES

may include reported revenues, reported percentage of revenues, or estimated revenues based on available information.

- >5% revenues from generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available information.

### **Military Equipment:**

STOXX will exclude companies that ISS-ESG identifies to have:

- >5% revenues from involvement in the production of military equipment and/or provision of related services.
- >10% revenues from involvement in military equipment and services.

### **Civilian Firearms:**

STOXX will exclude companies that ISS-ESG identifies to have:

- >5% revenues from involvement in the production of civilian firearms and/or the provision of related services.
- >5% revenues from involvement in the distribution of civilian firearms.

### **Gambling:**

STOXX will exclude companies that ISS-ESG identifies to have:

- >10% revenues from involvement in operation or management of any activity involving the wagering of money on a game or event, such as casinos, racetracks, or other betting/gambling establishments. It also includes, among others, lottery operations, online and mobile gambling, and sporting events that permit wagering.
- > 10% revenues from involvement in the provision of key products, services, technology, and support fundamental to gambling operations, such as slot machines, gambling software design, lottery ticket printing, casino management, and other activities.

### **Pornography:**

STOXX will exclude companies that ISS-ESG identifies to have:

- >5% revenues from involvement in the production, direction, or publication of pornography, including X-rated films, sexually explicit video games, adults-only material on the internet, live entertainment, or books or magazines with adult content.
- >5% revenues from involvement in the Independent wholesale distribution of pornography products, in the retailing of pornography products, or issuers that grant authorization to use a company or brand name to produce or market an adult entertainment product.

For the companies satisfying the above criteria, the *adjusted\_ffmcap* is calculated by multiplying the FFMCAP with the carbon risk rating factor.

$$adjusted\_ffmcap_i = ffmcap_i * crrf_i(z_i)$$

Where:

*ffmcap<sub>i</sub>* = free-float market capitalization of the company at cut-off date

$$crrf_i = \begin{cases} (1 + z_i) & \text{if } z_i \geq 0 \\ \left(\frac{1}{1 - z_i}\right) & \text{if } z_i < 0 \end{cases}$$

$z_i = \frac{x_i - \bar{x}_p}{s_p}$  is the Z-score for the population

$x_i$  = ISS-ESG Carbon Risk Rating value for company i

# 86. iSTOXX FAMILY OWNED ESG COMPANY INDICES

$\bar{X}_p$  = Mean of the population (calculated on the universe)

$S_p$  = Standard Deviation of the population (calculated on the universe)

## Composition list:

From the Selection list, 4 indices are derived.

For the iSTOXX Global Family Owned ESG Company Index the largest 100 companies in terms of adjusted ffmcap are selected.

For the iSTOXX US Family Owned ESG Company Index the largest 40 companies in terms of adjusted ffmcap belonging to the US are selected.

For the iSTOXX Eurozone Family Owned ESG Company Index the largest 40 companies in terms of adjusted ffmcap belonging to the developed markets of the Eurozone are selected.

For the iSTOXX Swiss Family Owned ESG Company Index the Swiss companies are selected.

**Review frequency:** The reviews are conducted on a semi-annual basis in March and September.

## Weighting

## cap

## factors:

Target weight calculations: The target weight are proportional to the adjusted ffmcap

$$w_i = \frac{\text{adjusted ffmcap}_i}{\sum_j^n \text{adjusted ffmcap}_j}$$

With the following caps based on the index region applied

| Region      | Single component cap |
|-------------|----------------------|
| Global      | 4%                   |
| USA         | 10%                  |
| Eurozone    | 10%                  |
| Switzerland | 20%                  |

Additionally, for the iSTOXX Global Family Owned ESG Company Index the Emerging Market components are capped at aggregated maximum weight of 20%.

Weighting cap factors are based on the closing prices in EUR (pi) of the Thursday prior to the second Friday of the review month:

Weighting cap factor = (1,000,000,000 x wi / pi), rounded to the nearest integer value.

### 86.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

## 86. iSTOXX FAMILY OWNED ESG COMPANY INDICES

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**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 87.iSTOXX GLOBAL HEALTHCARE ESG EXCLUSIONS SELECT 30 INDEX

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## 87.1. iSTOXX GLOBAL HEALTHCARE ESG EXCLUSIONS SELECT 30 INDEX

### 87.1.1. OVERVIEW

The iSTOXX Global Healthcare ESG Exclusions Select 30 Index tracks 30 liquid stocks with low volatility and high dividend yield from the STOXX Global 1800 Healthcare Index after a set of compliance, involvement and ESG performance screens are applied. Companies that are non-compliant with the Global Standards Screening (GSS) or are involved in Controversial Weapons activities or display a Severe (Category 5) Controversy Rating, as identified by Sustainalytics, are excluded. Additional exclusion filters are incorporated, screening companies for involvement in Weapons (Small Arms and Military Contracting), Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, Nuclear Power and Tobacco.

**Universe:** STOXX Global 1800 Healthcare Index

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on December 22, 2014.

**Index types and currencies:** Price, net return and gross return in EUR and USD.

**Dissemination calendar:** STOXX Europe calendar

### 87.1.2. INDEX REVIEW

**Selection list:**

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks are screened for the following indicators:

- i. 12-month historical gross dividend yield<sup>149</sup>
- ii. 3-month and 12-month historical volatility in EUR
- iii. 3-month Average Daily Traded Volume (ADTV) in EUR
- iv. Product Involvement information in the categories: Weapons (Small Arms and Military Contracting), Adult Entertainment, Gambling, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Conventional Oil & Gas, Thermal Coal, Nuclear Power and Tobacco

If any of the fields above have missing information for a stock, then that company is excluded from the selection process. Companies with 12-month historical gross dividend yield equal to 0 will also be excluded. Companies without Global Standards Screening (GSS), Controversial Weapons involvement, or Controversy Rating data are not excluded from the selection.

The Selection list constitutes of all remaining stocks that fulfil all the conditions below:

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<sup>149</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).



## 87. iSTOXX GLOBAL HEALTHCARE ESG EXCLUSIONS SELECT 30 INDEX

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- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 10 million EUR
- **Global Standards Screening:** STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.
- **Controversial Weapons:** STOXX will exclude companies that are not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:
  - » Internal production or sale of controversial weapons
  - » The ultimate holding company owns >10% of voting rights of an involved company
  - » >10% of voting rights of a company is owned by the involved company
- **Controversy Ratings:** STOXX will exclude companies that Sustainalytics identifies to have a Controversy Rating of Category 5 (Severe). Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest Event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.
- **Product Involvement:** Not have any Product Involvement in the following areas<sup>150</sup>. STOXX will exclude companies that Sustainalytics identifies to have:

### Weapons:

#### i. Small Arms:

- » >10% revenues from manufacturing and selling assault weapons to civilian customers
- » >10% revenues from manufacturing and selling small arms to military / law enforcement customers
- » >10% revenues from manufacturing and selling key components of small arms
- » >10% revenues from retail and/or distribution of assault weapons
- » >10% revenues from retail and/or distribution of small arms (non-assault weapons)
- » >10% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers

#### ii. Military Contracting:

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<sup>150</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results

## 87. iSTOXX GLOBAL HEALTHCARE ESG EXCLUSIONS SELECT 30 INDEX

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»>10% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons

»>10% revenues from tailor made products and/or services that support military weapons

»>10% revenues from non-weapons related tailor-made products and/or services to the military or defense industry

### **Adult Entertainment:**

»>25% revenues from the production of adult entertainment and/or owns/operates adult entertainment establishments

»>25% revenues from the distribution of adult entertainment materials

### **Gambling:**

»>25% revenues from owning and/or operating a gambling establishment

»>25% revenues from manufacturing specialized equipment used exclusively for gambling

»>25% revenues from providing supporting products/services to gambling operations

### **Unconventional Oil & Gas**

#### **i. Arctic Oil and Gas Exploration:**

»>0% revenues Oil & Gas exploration & extraction in Arctic regions

#### **ii. Oil Sands:**

»>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

#### **iii. Shale Energy:**

»>0% revenues from shale energy exploration and/or production

### **Conventional Oil & Gas:**

»>0% revenues from oil and gas exploration, production, refining, transportation and/or storage

This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).

»>0% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)

»>25% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

### **Thermal Coal:**

»>0% revenues from thermal coal extraction (including thermal coal mining and exploration)

»>0% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

### **Nuclear Power:**

»>25% revenues from nuclear power production:

- Utilities that own/operate nuclear power generators

Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power

»>25% revenues from nuclear power supporting products / services, including:

## 87. iSTOXX GLOBAL HEALTHCARE ESG EXCLUSIONS SELECT 30 INDEX

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- Design and construction of nuclear power plants
- Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls
- Special services, such as the transport of nuclear power materials, and nuclear plant maintenance;
- Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate

»>25% revenues from nuclear power distribution, including:

- The resale or distribution of electricity generated from nuclear power;
- This applies to distributors, resellers and utilities that distribute nuclear power as a part of their energy mix

Note: In this category Sustainalytics tracks the percentage of a company's energy mix that is generated from nuclear power

### **Tobacco:**

»>0% revenues from manufacturing tobacco products

»>0% revenues from supplying tobacco-related products/services

»>0% revenues from the distribution and/or retail sale of tobacco products.

**Composition list:** The final composition list with the 30 securities is derived by following the steps below in the order they are listed.

- 3) All stocks from the selection list (Y) are first sorted in ascending order in terms of their volatility (maximum between the 3-month and 12-month historical volatility in EUR) and the top Z lowest volatility stocks, rounded down to the previous integer, are selected for the next step of the selection process, such that:  $Z = \text{round down to previous integer}(Y * 50\%)$ . In case two companies for a given cutoff date have the same volatility, priority is given to the one with the highest dividend yield (historical gross dividend yield).
- 4) Subsequently, the remaining companies (Z), are sorted in descending order in terms of their dividend yield. The 30 stocks with the highest dividend yield are selected in the index. If the composition list cannot be completed with 30 stocks under the above constraints, then the number of stocks selected at step 1 (companies with lowest volatility, Z) is incremented by 1 ( $Z = Z + 1$ ), and step 2 is repeated. Further incrementing is applied to this number if necessary, and the process is repeated until 30 stocks are selected

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for all other underlying data is the last dissemination day of the month prior to the review month.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components (using the same volatility as in the selection process):

$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^N \frac{1}{\sigma_j}}$$

where:

$w_i$  target weight of component  $i$

$\sigma_i$  maximum between the 3-month and 12-month historical volatility of component  $i$ , as of review cut-off date, based on prices in EUR

## 87. iSTOXX GLOBAL HEALTHCARE ESG EXCLUSIONS SELECT 30 INDEX

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N          number of constituents in the index

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

### 87.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

# 88.iSTOXX GLOBAL CLEAN ENERGY SELECTED 30 INDEX

## 88.1. iSTOXX GLOBAL CLEAN ENERGY SELECTED 30 INDEX

### 88.1.1. OVERVIEW

The iSTOXX Global Clean Energy Selected 30 Index is comprised of companies from selected countries and related to one or more of the following themes: Energy Efficiency, Energy Equipment, Energy Transition Solutions and Generate/Sell Energy. Revere (RBICS) data allow a detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with substantial exposure to the themes.

Additionally, companies involved in Adult Entertainment, Gambling, Conventional Oil and gas, Unconventional Oil and Gas, Military Contracting, Nuclear Power, Small arms, Thermal coal and Tobacco are not eligible for selection. The final index tracks 30 stocks with low volatility and high dividend yield.

**Universe:** The index universe is defined by all the stocks included in the STOXX Global Total Market Index, as observed on the review effective date.

**Weighting scheme:** The index is weighted according to free-float market capitalization considering maximum weight at 10%.

**Base values and dates:** 1000 on Dec 22, 2014

**Index types and currencies:** Price, Gross and Net return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 88.1.2. INDEX REVIEW

**Selection:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the following indicators:

- i. 12-month historical gross dividend yield<sup>151</sup>
- ii. 3-month and 12-month historical volatility in EUR
- iii. 1-month and 3-month Median Daily Traded Volume (MDTV) in EUR
- iv. Product Involvement information in the categories: Adult Entertainment, Conventional Oil & Gas, Gambling, Nuclear Power, Thermal Coal, Tobacco, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), and Weapons (Small Arms and Military Contracting)
- v. Revenue information, as captured by Revere's detailed industry classification system (RBICS)

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<sup>151</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

# 88. iSTOXX GLOBAL CLEAN ENERGY SELECTED 30 INDEX

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If any of the fields i) to v) above have missing information for a stock, then that company is excluded from the selection process.

The remaining companies in the index universe are screened for all of the following criteria:

**Country classification:** stocks classified as belonging to the eligible countries list.

**Minimum liquidity:** Minimum between 1-month and 3-month Median Daily Traded Volume (MDTV) in EUR equal to or exceeding 4 million EUR.

**Global Standards Screening:** STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment.

Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

**Controversial Weapons:** Not involved in Controversial Weapons activities, as identified by Sustainalytics. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:

- » Internal production or sale of controversial weapons
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

**Product Involvement:** Not have any Product Involvement in the following areas<sup>152</sup>. STOXX will exclude companies that Sustainalytics identifies to have:

**Adult Entertainment:**

- » >25% revenues from the production of adult entertainment and/or owns/operates adult entertainment establishments
- » >25% revenues from the distribution of adult entertainment materials

**Conventional Oil & Gas:**

- » >0% revenues from oil and gas exploration, production, refining, transportation and/or storage
- This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).
- » >5% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)
  - » >50% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

**Gambling:**

- » >25% revenues from owning and/or operating a gambling establishment
- » >25% revenues from manufacturing specialized equipment used exclusively for gambling
- » >25% revenues from providing supporting products/services to gambling operations

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<sup>152</sup> It should be acknowledged that much of the historical data set is based on a back-filling methodology, rather than on Sustainalytics conducted research. As such, on data that is back-filled, Sustainalytics does not take claim on the actual accuracy of that data at that point in time. Furthermore, historical data sets are only meant to serve as a proxy and is not meant to be indicative of future results

# 88. iSTOXX GLOBAL CLEAN ENERGY SELECTED 30 INDEX

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## Nuclear Power:

»>25% revenues from nuclear power production:

Utilities that own/operate nuclear power generators

Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power

»>25% revenues from nuclear power supporting products / services, including:

Design and construction of nuclear power plants

Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls

Special services, such as the transport of nuclear power materials, and nuclear plant maintenance.

Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate

»>25% revenues from nuclear power distribution, including:

The resale or distribution of electricity generated from nuclear power.

This applies to distributors, resellers and utilities that distribute nuclear power as a part of their energy mix

Note: In this category Sustainalytics tracks the percentage of a company's energy mix that is generated from nuclear power

## Thermal Coal:

»>0% revenues from thermal coal extraction (including thermal coal mining and exploration)

»>5% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

## Tobacco:

»>0% revenues from manufacturing tobacco products

»>0% revenues from supplying tobacco-related products/services

»>0% revenues from the distribution and/or retail sale of tobacco products.

## Unconventional Oil & Gas

### i. Arctic Oil and Gas Exploration:

»>0% revenues Oil & Gas exploration & extraction in Arctic regions

### ii. Oil Sands:

»>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day.

### iii. Shale Energy:

»>0% revenues from shale energy exploration and/or production

## Weapons:

### i. Small Arms:

»>10% revenues from manufacturing and selling assault weapons to civilian customers

»>10% revenues from manufacturing and selling small arms to military / law enforcement customers

»>10% revenues from manufacturing and selling key components of small arms

»>10% revenues from retail and/or distribution of assault weapons

»>10% revenues from retail and/or distribution of small arms (non-assault weapons)

»>10% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers

### ii. Military Contracting:

# 88. iSTOXX GLOBAL CLEAN ENERGY SELECTED 30 INDEX

»>10% revenues from manufacturing military weapons systems and/or integral, tailor-made components of these weapons  
 »>10% revenues from tailor made products and/or services that support military weapons  
 »>10% revenues from non-weapons related tailor-made products and/or services to the military or defence industry

**Controversy Ratings:** STOXX will exclude companies that Sustainalytics identifies to have a Controversy Rating of Category 5 (Severe).

Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest Event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.

**Revenues:** Revenue exposure equal to or exceeding 20%, from the aggregation of the RBICS sectors associated (please see table below).

**Multiple share lines:** in case a company is present with multiple listings in the eligible universe after the application of all the filters above, then only the most liquid share line is retained.

The eligible countries are defined as follows:

|                |             |             |
|----------------|-------------|-------------|
| Australia      | Hong Kong   | Portugal    |
| Austria        | Hungary     | Singapore   |
| Belgium        | Ireland     | Spain       |
| Canada         | Italy       | Sweden      |
| Czech Republic | Japan       | Switzerland |
| Denmark        | Luxembourg  | UK          |
| Finland        | Netherlands | USA         |
| France         | New Zealand |             |
| Germany        | Norway      |             |
| Greece         | Poland      |             |

List of RBICS sectors associated with the theme for the purposes of component selection:

| Nr | RBICS SECTOR                                      | Nr | RBICS SECTOR                                    |
|----|---------------------------------------------------|----|-------------------------------------------------|
| 1  | Alt. Energy Autonomous Heavy Duty Truck Makers    | 77 | Latin America Geothermal Wholesale Power        |
| 2  | Alt. Energy Autonomous Transit Vehicle Production | 78 | Latin America Hydroelectric Wholesale Power     |
| 3  | Alt. Energy Motor Homes and Campers (RVs) Makers  | 79 | Latin America Industrial Decentralized Power    |
| 4  | Alt. Energy Recreation Vehicle Manufacturing      | 80 | Latin America Mixed Alternative Wholesale Power |
| 5  | Alternative Energy Boats Makers                   | 81 | Latin America Mixed Wholesale Power             |
| 6  | Alternative Energy Car Manufacturers              | 82 | Latin America Residential Decentralized Power   |
| 7  | Alternative Energy Heavy Duty Trucks Makers       | 83 | Latin America Solar Wholesale Power             |
| 8  | Alternative Energy Infrastructure Construction    | 84 | Light Emitting Diode Discrete Semiconductors    |
| 9  | Alternative Energy Motorcycles Makers             | 85 | Lithium Compounds Manufacturing                 |
| 10 | Alternative Energy Transit Vehicles Makers        | 86 | Middle East and Africa Biomass Wholesale Power  |



# 88. iSTOXX GLOBAL CLEAN ENERGY SELECTED 30 INDEX

|    |                                                   |     |                                                      |
|----|---------------------------------------------------|-----|------------------------------------------------------|
| 11 | Asia/Pacific Electric Power Utilities             | 87  | Middle East and Africa Geothermal Wholesale Power    |
| 12 | Battery Charging Equipment Manufacturing          | 88  | Middle East and Africa Hydroelectric Wholesale Power |
| 13 | Battery Production Equipment Manufacturing        | 89  | Middle East and Africa Mixed Alt. Wholesale Power    |
| 14 | Biodiesel Fuel Manufacturing                      | 90  | Middle East and Africa Mixed Wholesale Power         |
| 15 | Canada Biomass Wholesale Power                    | 91  | Middle East and Africa Solar Wholesale Power         |
| 16 | Canada Geothermal Wholesale Power                 | 92  | Middle East and Africa Wind Wholesale Power          |
| 17 | Canada Hydroelectric Wholesale Power              | 93  | Middle East/Africa Industrial Decentralized Power    |
| 18 | Canada Industrial Decentralized Power             | 94  | Middle East/Africa Residential Decentralized Power   |
| 19 | Canada Mixed Alternative Wholesale Power          | 95  | Mixed Electric Motors and Motion Control Products    |
| 20 | Canada Mixed Wholesale Power                      | 96  | Mixed Environmental Control Machine Manufacturing    |
| 21 | Canada Residential Decentralized Wholesale Power  | 97  | Mixed Heavy-Duty and High-End Batteries Makers       |
| 22 | Canada Solar Wholesale Power                      | 98  | Mixed Renewable Energy Generation Manufacturing      |
| 23 | Canada Wind Wholesale Power                       | 99  | Multinational Electric Power Utilities               |
| 24 | Carbon Capture Services and Technologies          | 100 | Multinational Transmission, Dist., and Storage       |
| 25 | Carbon Transportation and Sequestration Services  | 101 | Multinational Wholesale Power                        |
| 26 | China Alternative Mixed Wholesale Power           | 102 | National Electric Utilities                          |
| 27 | China Biomass Wholesale Power                     | 103 | Other Alternative Fuel Manufacturers                 |
| 28 | China Geothermal Wholesale Power                  | 104 | Other Americas Electric Power Utilities              |
| 29 | China Hydroelectric Wholesale Power               | 105 | Other Asia/Pacific Biomass Wholesale Power           |
| 30 | China Industrial Decentralized Power              | 106 | Other Asia/Pacific Geothermal Wholesale Power        |
| 31 | China Mixed Wholesale Power                       | 107 | Other Asia/Pacific Hydroelectric Wholesale Power     |
| 32 | China Residential Decentralized Power             | 108 | Other Asia/Pacific Industrial Decentralized Power    |
| 33 | China Solar Wholesale Power                       | 109 | Other Asia/Pacific Mixed Alt. Wholesale Power        |
| 34 | China Wind Wholesale Power                        | 110 | Other Asia/Pacific Mixed Wholesale Power             |
| 35 | Diversified Electrical/Power System Manufacturing | 111 | Other Asia/Pacific Residential Decentralized Power   |
| 36 | Diversified Industrial Gas Manufacturing          | 112 | Other Asia/Pacific Solar Wholesale Power             |
| 37 | Diversified Power Generation Equipment Makers     | 113 | Other Asia/Pacific Wind Wholesale Power              |
| 38 | Electric Motors Manufacturing                     | 114 | Other Discrete Semiconductors                        |
| 39 | Electric Vehicle Batteries Manufacturing          | 115 | Other International Energy Utilities                 |
| 40 | Electric Vehicle Charging Stations                | 116 | Other United States Electric Utilities               |
| 41 | Electrical Equipment and Wiring Distributors      | 117 | Other United States Energy Utilities                 |
| 42 | Electrical Systems and Equipment Manufacturing    | 118 | Pan-Americas Mixed Wholesale Power                   |
| 43 | Electricity Infrastructure Construction           | 119 | Pan-Asia/Pacific Wholesale Power                     |
| 44 | Emission Control Services and Technologies        | 120 | Photovoltaic and Solar Cells and Systems Providers   |
| 45 | Energy and Sustainability Management Services     | 121 | Photovoltaic Power Module/Subassembly Components     |
| 46 | Energy Efficient Lighting and LED Manufacturing   | 122 | Photovoltaic Wafers                                  |
| 47 | Energy Industry Software                          | 123 | Power Generation Infrastructure Construction         |
| 48 | Energy Plant Infrastructure Construction          | 124 | Power Generation/Support Products Manufacturing      |
| 49 | Environmental Consulting                          | 125 | Power Module and Subassembly Electronic Components   |
| 50 | Environmental Services                            | 126 | Power Transmission and Distribution Products         |
| 51 | Ethanol Fuel Manufacturing                        | 127 | Power, Control and Mixed Signal Semiconductors       |
| 52 | Europe Biomass Wholesale Power                    | 128 | Process Plants, Utilities and Energy Construction    |
| 53 | Europe Geothermal Wholesale Power                 | 129 | Sewage and Water Infrastructure Construction         |
| 54 | Europe Hydroelectric Wholesale Power              | 130 | Smart Grid Technology and Smart Meter Products       |
| 55 | Europe Industrial Decentralized Power             | 131 | Thermal and Chemical Processing Machinery Makers     |
| 56 | Europe Mixed Alternative Wholesale Power          | 132 | United States Biomass Wholesale Power                |
| 57 | Europe Mixed Wholesale Power                      | 133 | United States Geothermal Wholesale Power             |
| 58 | Europe Residential Decentralized Power            | 134 | United States Hydroelectric Wholesale Power          |
| 59 | Europe Solar Wholesale Power                      | 135 | United States Industrial Decentralized Power         |
| 60 | Europe Wind Wholesale Power                       | 136 | United States Midwest Electric Utilities             |

# 88. iSTOXX GLOBAL CLEAN ENERGY SELECTED 30 INDEX

|    |                                                    |     |                                                 |
|----|----------------------------------------------------|-----|-------------------------------------------------|
| 61 | Europe, Middle East and Africa Electric Utilities  | 137 | United States Mixed Alternative Wholesale Power |
| 62 | Fuel Cell Equipment and Technology Providers       | 138 | United States Northeast Electric Utilities      |
| 63 | Fuse Passive Electronic Components                 | 139 | United States Residential Decentralized Power   |
| 64 | Geothermal Energy Equipment Manufacturing          | 140 | United States Solar Wholesale Power             |
| 65 | Global Energy Utilities                            | 141 | United States South Atlantic Electric Utilities |
| 66 | Greenhouse Gas Emission Services                   | 142 | United States South Electric Utilities          |
| 67 | Heavy-Duty Industrial Batteries Manufacturing      | 143 | United States Transmission, Dist., and Storage  |
| 68 | Hydroelectric Power Generation Equipment Providers | 144 | United States West Electric Utilities           |
| 69 | Hydrogen Fuel Manufacturing                        | 145 | United States Wind Wholesale Power              |
| 70 | Hydrogen Gas Manufacturing                         | 146 | US Mixed Wholesale Power                        |
| 71 | Infrastructure Consulting and Design Services      | 147 | US West South Central Electric Utilities        |
| 72 | Insulation Manufacturing                           | 148 | Utilities Industry Software                     |
| 73 | International Electricity Generator Utilities      | 149 | Utility Infrastructure Construction             |
| 74 | Latin America Biomass Wholesale Power              | 150 | Waste-to-Energy Services                        |
| 75 | Latin America Wind Wholesale Power                 | 151 | Wave Energy Equipment Manufacturing             |
| 76 | Latin America Electric Power Utilities             | 152 | Wind Energy Equipment Manufacturing             |

**Composition list:** The final composition list with the 30 securities is derived by following the steps below in the order they are listed.

- 1) All stocks from the selection list (Y) are first sorted in ascending order in terms of their volatility (maximum between the 3-month and 12-month historical volatility in EUR) and the top Z lowest volatility stocks, rounded down to the previous integer, are selected for the next step of the selection process, such that:  $Z = \text{round down to previous integer}(Y * 50\%)$ . In case two companies for a given cutoff date have the same volatility, priority is given to the one with the highest dividend yield (historical gross dividend yield).
- 2) Subsequently, the remaining companies (Z), are sorted in descending order in terms of their dividend yield, and if any companies with zero dividend yield are remaining at this step, they are excluded. The 30 stocks with the highest dividend yield are selected in the index.

If the composition list cannot be completed with 30 stocks under the above constraints, then the number of stocks selected at step 1 (companies with lowest volatility, Z) is incremented by 1 ( $Z = Z + 1$ ), and step 2 is repeated. Further incrementing is applied to this number if necessary, and the process is repeated until 30 stocks are selected

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the RBICS revenue exposure data is the last dissemination day of November for the quarterly reviews performed in December and March, and similarly, the last dissemination day of May for the reviews performed in June and September. The review cut-off date for all other underlying data is the last dissemination day of the month prior to the review month.

**Weighting scheme:** The indices are weighted according to free-float market capitalization considering maximum weight at 10%.

## 88.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable

## 88. iSTOXX GLOBAL CLEAN ENERGY SELECTED 30 INDEX

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**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 89.iSTOXX GLOBAL SUSTAINABLE POOL INDICES

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## 89.1. iSTOXX GLOBAL SUSTAINABLE POOL INDEX

### 89.1.1. OVERVIEW

The iSTOXX Global Sustainable Pool Index tracks companies identified as having positive environmental and social contributions.

ISS ESG Sustainable Development Goals Solutions Assessment (SDGA) and Sustainable Development Goals Impact Rating (SDGR) data are used to evaluate companies' sustainability objectives. The SDGA dataset assesses companies' sustainable revenues by looking at the positive and negative sustainability impacts of companies' products and services portfolios. It follows a thematic approach that encompasses 15 distinct sustainability objectives, using the UN Sustainable Development Goals (UN SDGs) as the reference framework. The SDGR dataset is a holistic metric of impact aligned to the UN Sustainable Development Goals (SDGs). The rating measures to which extent companies are managing negative externalities in their operations across the entire value chain to minimize adverse impacts ("do no harm") relative to the SDGs, whilst making use of existing and emerging opportunities in their products and services portfolio to contribute toward the achievement of the SDGs. Companies with overall significant contributing sustainable activities revenues greater than or equal to 20% and not having a significant negative impact on any of the 17 SDGs, or companies with approved Science Based Targets (SBT) are considered sustainable investments.

The index also takes other ESG considerations into account. Companies that are non-compliant with the Norms Based Screening (NBS) or are involved in Controversial Weapons activities, or identified as a Climate Laggard by ISS ESG Carbon Risk Rating, are excluded. Additional exclusion filters are incorporated, screening companies for involvement in Tobacco and Thermal Coal Extraction.

**Universe:** The index universe is defined by all stocks included in the following indices, as observed on the review effective date: STOXX Global Total Market, STOXX GCC Total Market Index, STOXX China A Total Market Index (only shares available to foreign investors through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect), STOXX China P-Chip Total Market Index, and the STOXX World DR Index.

**Weighting scheme:** The index is weighted according to free-float market capitalization. The free float is not adjusted for foreign ownership restrictions.

**Base values and dates:** 1000 on March 18, 2019

**Index types and currencies:** Price, net, and gross return in USD and EUR

**Dissemination calendar:** STOXX Global calendar

### 89.1.2. INDEX REVIEW

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# 89. iSTOXX GLOBAL SUSTAINABLE POOL INDICES

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## Selection List

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the index universe are screened for all of the following criteria:

## Sustainable Investment (SI) assessment

Companies are identified as having positive contributions either by meeting the sustainable revenues requirements or having an approved SBT.

To meet the sustainable revenues requirement, companies must have 20% or more of their net sales (reported or estimated) generated from products/services defined as having a significant contributing impact on the achievement of at least one sustainability objective (this figure is the highest of the combined contribution percentages across all sustainability objectives) based on the SDGA dataset and not have a significant negative impact on any of the 17 SDGs according to the SDGR dataset..

A company must satisfy either one of these SI requirements to be eligible for selection.

## Norms Based Screening

Companies are assessed against their adherence to international norms on human rights, labor standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS ESG identifies companies as 'Red' if they are failing to respect established norms and where the issue remains unaddressed.

## Controversial Weapons:

Not involved in Controversial Weapons activities, as identified by ISS-ESG. The following weapons are considered controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programme, white phosphorus, and nuclear weapons (including Non-NPT). ISS ESG's Controversial Weapons Research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to the ultimate parent. Companies identified as 'Red' are excluded.

## Product Involvement

STOXX will exclude companies that ISS ESG identifies to have

### i. Tobacco:

- »>0% revenues from involvement in the production of tobacco products
- »>5% revenues from services related to tobacco products
- »>5% revenues from the wholesale or retail distribution of tobacco products.

### ii. Thermal Coal:

- »>0% revenues from the mining of thermal coal.

**Carbon Risk Ratings:** The ISS ESG Carbon Risk Rating provides a qualitative assessment of companies' preparedness for the transition to a low-carbon economy. STOXX will exclude companies that ISS ESG identifies to be a Climate Laggard (i.e. having a score below 25).

## 89. iSTOXX GLOBAL SUSTAINABLE POOL INDICES

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If information on any of the above fields is missing for a company, then it is excluded from the eligible universe.

### **Composition list**

The composition list will consist of the companies that pass all of the above criteria.

### **Review frequency**

The index is reviewed quarterly in March, June, September, and December. The review cut-off date for the observation of the parent indices and ESG information is the last index dissemination day of the month preceding the review month.

### **Weighting cap factors**

The index is weighted according to free-float market capitalization. The components are not subject to component weight restrictions and capping. Weights are published on the second Friday of the review month, based on the stocks' closing prices of the preceding Thursday.

## **89.1.3. ONGOING MAINTENANCE**

### **Replacements**

Stocks deleted from the indices constituting the parent universe are deleted from the iSTOXX Global Sustainable Pool Index. Any deleted stocks are not replaced.

### **Fast Exit**

China Connect Securities are monitored on a daily basis. If there is an announcement that a China Connect Security index component will become ineligible in the future, then the China Connect Security index component is removed from the index with a two-day notice.

### **Fast entry**

Not applicable.

### **Spin-Offs**

Spin-off companies are not added permanently.

# 89. iSTOXX GLOBAL SUSTAINABLE POOL INDICES

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## 89.2. iSTOXX GLOBAL E-SUSTAINABLE POOL INDEX

### 89.2.1. OVERVIEW

The iSTOXX Global E-Sustainable Pool Index is a subset of the iSTOXX Global Sustainable Pool Index, and tracks companies identified as having positive environmental contributions.

**Universe:** iSTOXX Global Sustainable Pool Index

**Weighting scheme:** The index is weighted according to free-float market capitalization. The free float is not adjusted for foreign ownership restrictions.

**Base values and dates:** 1000 on March 18, 2019

**Index types and currencies:** Price, net, and gross return in USD and EUR

**Dissemination calendar:** STOXX Global calendar

### 89.2.2. INDEX REVIEW

#### Selection List

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the index universe are assessed for their E-SI eligibility. Companies that satisfy one or more of the following criteria are eligible for selection.

» Companies with significant contributing environmental SI revenue exposure. The environmental revenue business lines are a subset of the ones considered for the sustainable revenues requirement for the assessment of the iSTOXX Global Sustainable Pool Index and target environmental issues.

» Companies with approved Science Based Targets

#### Composition list

The composition list will consist of the companies that pass one or more of the above criteria.

#### Review frequency

The index is reviewed quarterly in March, June, September, and December. The review cut-off date for the observation of the parent indices and ESG information is the last index dissemination day of the month preceding the review month.

#### Weighting cap factors

The index is weighted according to free-float market capitalization. The components are not subject to component weight restrictions and capping. Weights are published on the second Friday of the review month, based on the stocks' closing prices of the preceding Thursday.

## 89. iSTOXX GLOBAL SUSTAINABLE POOL INDICES

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### 89.2.3. ONGOING MAINTENANCE

**Replacements**

Stocks deleted from the iSTOXX Global Sustainable Pool Index are deleted from the iSTOXX Global E-Sustainable Pool Index. Any deleted stocks are not replaced.

**Fast Exit**

China Connect Securities are monitored on a daily basis. If there is an announcement that a China Connect Security index component will become ineligible in the future, then the China Connect Security index component is removed from the index with a two-day notice.

**Fast entry**

Not applicable.

**Spin-Offs**

Spin-off companies are not added permanently.



# 89. iSTOXX GLOBAL SUSTAINABLE POOL INDICES

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## 89.3. iSTOXX GLOBAL S-SUSTAINABLE POOL INDEX

### 89.3.1. OVERVIEW

The iSTOXX Global S-Sustainable Pool Index is a subset of the iSTOXX Global Sustainable Pool Index, and tracks companies identified as having positive social contributions.

**Universe:** iSTOXX Global Sustainable Pool Index

**Weighting scheme:** The index is weighted according to free-float market capitalization. The free float is not adjusted for foreign ownership restrictions.

**Base values and dates:** 1000 on March 18, 2019

**Index types and currencies:** Price, net, and gross return in USD and EUR

**Dissemination calendar:** STOXX Global calendar

### 89.3.2. INDEX REVIEW

#### Selection List

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the index universe are assessed for their S-SI eligibility. Companies that satisfy the following criterion are eligible for selection.

- » Companies with significant contributing social SI revenue exposure. The social revenue business lines are a subset of the ones considered for the sustainable revenues requirement for the assessment of the iSTOXX Global Sustainable Pool Index and target social issues.

#### Composition list

The composition list will consist of the companies that pass the above criterion.

#### Review frequency

The index is reviewed quarterly in March, June, September, and December. The review cut-off date for the observation of the parent indices and ESG information is the last index dissemination day of the month preceding the review month.

#### Weighting cap factors

The index is weighted according to free-float market capitalization. The components are not subject to component weight restrictions and capping. Weights are published on the second Friday of the review month, based on the stocks' closing prices of the preceding Thursday.

### 89.3.3. ONGOING MAINTENANCE

#### Replacements

Stocks deleted from the iSTOXX Global Sustainable Pool Index are deleted from the iSTOXX Global S-Sustainable Pool Index. Any deleted stocks are not replaced.

## 89. iSTOXX GLOBAL SUSTAINABLE POOL INDICES

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**Fast Exit**

China Connect Securities are monitored on a daily basis. If there is an announcement that a China Connect Security index component will become ineligible in the future, then the China Connect Security index component is removed from the index with a two-day notice.

**Fast entry**

Not applicable.

**Spin-Offs**

Spin-off companies are not added permanently.

## 90.1. EURO iSTOXX ALH CTB INDEX

### 90.1.1. OVERVIEW

EURO iSTOXX ALH CTB Index aims to provide a low tracking error to the EURO STOXX 50 index using Axioma's risk model. Companies that are non-compliant based on a custom ISS-ESG Norms Based Screening assessment or are involved in Controversial Weapons are not eligible for selection. Additional exclusion filters are applied, screening companies for involvement in Tobacco, Thermal Coal, Unconventional Oil & Gas, Fossil Fuels, Nuclear Power and Military Equipment.

The index is constructed to follow the EU Climate Transition Benchmark (EU CTB) requirements outlined in the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks.

**Universe:** EURO STOXX Large

**Weighting scheme** The constituents are price weighted to minimize the predicted tracking error to the EURO STOXX 50 index subject to meeting the EU CTB recommendations

**Base values and dates:** 100 on March 18, 2019

**Index types and currencies:** Price, net, and gross return in EUR

**Dissemination calendar:** STOXX Europe calendar

### 90.1.2. INDEX REVIEW

#### Selection List

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date, a set of exclusionary criteria are applied.

#### Norms Based Screening:

Companies are assessed against an ISS-ESG custom flag based on their adherence to international norms covering accounting and disclosure standards, bribery, money laundering, environmental protection, climate change, forced labour, union rights, child labour, workplace discrimination, labour standards, fundamental human rights, modern slavery, consumer discrimination, consumer health, consumer privacy and opposition to tobacco control. Companies identified as either 'Red', or 'Amber' having a case score of 8 or above, and have no measures announced with regards to their remediation efforts are excluded. ISS-ESG identifies companies as 'Red', if they have been verified as failing to respect established norms and where the issue remains unaddressed. Companies would have an 'Amber' assessment with a case score of 8 or above if they are identified to be under alleged or imminent failure to respect established norms.

**Controversial Weapons:**

Not involved in Controversial Weapons, based on a custom flag using ISS-ESG data. The following weapons are considered controversial: anti-personnel mines, biological weapons, chemical weapons, and cluster munitions. ISS ESG's Controversial Weapons Research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to the ultimate parent. Companies identified as either 'Red' or 'Amber' having a case score of 8 or above, and having verified involvement are excluded. This would cover companies that are verifiably involved in controversial weapons, including key components thereof as well as equipment or services enabling the use of controversial weapons, or have minority ownership in these companies.

**Tobacco:**

STOXX will exclude companies that ISS-ESG identifies to have:

- »>0% revenues from involvement in the production of tobacco products.
- »>5% revenues from services related to tobacco products.
- »>5% revenues from the wholesale or retail distribution of tobacco products.

**Thermal Coal:**

STOXX will exclude companies that ISS-ESG identifies to have:

- »>5% revenues from thermal coal mining, including any exposure in production or services. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available information.
- »>10% revenues from generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available information.
- »>10% revenues from coal trade. The maximum percentage of revenues for the company's involvement in the marketing of coal.

**Unconventional Oil & Gas:**

STOXX will exclude companies that ISS-ESG identifies to have:

- »>0% revenues from the extraction and processing of oil sands for the most recent fiscal year period.
- »>0% revenues from the exploration of oil sands for the most recent fiscal year period.
- »>0% revenues from services specifically provided for the development of oil sands projects, including extraction, upgrading, and refining for the most recent fiscal year period.
- »>10% revenues from oil and gas extraction through arctic drilling for the most recent fiscal year period.
- »Any involvement in Oil Shale

**Fossil Fuels:**

STOXX will exclude companies that ISS-ESG identifies to have:

- »>5% revenues from the extraction of oil (including crude oil, condensate, shale oil, bitumen, synthetic crude oil from oil/tar sands, and heavy oils).
- »>10% revenues from the generation of electric power using oil. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available information.

#### Nuclear Power:

STOXX will exclude companies that ISS-ESG identifies to have:  
»>10% revenues from the generation of electric power from nuclear fission

#### Military Equipment:

STOXX will exclude companies that ISS-ESG identifies to have:  
»>10% revenues from involvement in military equipment and services.

#### Sustainable Development Goals:

STOXX will exclude companies that ISS ESG assesses to have significant obstruction to the UN Sustainable Development Goals (SDGs) 12, 13, 14 and 15. SDG 12 Responsible Consumption and Production, SDG 13 Climate Action, SDG 14 Life Below Water and SDG 15 Life On Land.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for all other underlying data is the last dissemination day of the month prior to the review month.

**Weighting Cap Factors:** The portfolio weighting is performed using Axioma's portfolio optimization software using Axioma Europe Medium Horizon Equity Fundamental Factor Risk Model. The objective is to minimize the predicted tracking error to the EURO STOXX 50 index subject to a penalty function based on excessive GHG intensity reduction.

$$w = \operatorname{argmin}_w (w - b)^T Q (w - b) + p(CI(w) + 0.4)$$

$$\text{where } p(r) = \begin{cases} 0 & \text{for } r \geq 0 \\ r^2 & \text{for } r < 0 \end{cases}$$

Where:

b = EURO STOXX 50 weights

w = index weights

Q = Covariance matrix from Axioma Risk Model

$CI(w)$  = Change in percentage of GHG intensity of the index compared to EURO STOXX Large Index,  

$$\left( \frac{\text{Index GHG Intensity}_{\text{current}} - \text{EURO STOXX Large GHG Intensity}_{\text{current}}}{\text{EURO STOXX Large GHG Intensity}_{\text{current}}} \right)$$

The following are the constraints of the optimization:

- Maximum security weight of  $\max(4.5\%, \text{company weight in the EURO STOXX 50})$ , and minimum weights of 0.01%
- Year-on-year GHG intensity reduction of the index,  $\sum_{i=1}^n (w_i \cdot \text{Security GHG Intensity}_i)$  should be at least 7% starting from 2023 with respect to 2022. The year-on-year carbon reduction included is calculated as:

$$1 - \left( \frac{\text{Index GHG Intensity}_{\text{current}} \cdot \text{Cumulative Inflation Adjustment Factor}}{\text{Index GHG Intensity}_{2022 \text{ year-end}}} \right)^{1/T}$$

where  $T$  is the number of years since 2022

where the GHG intensity of a security is calculated as:

$$\frac{\text{Scope 1} + \text{Scope 2} + \text{Scope 3 GHG Emissions}}{\text{Enterprise Value including Cash (in MEUR)}}$$

- c) The GHG intensity reduction of the index,  $\sum_{i=1}^n (w_i \cdot \text{Security GHG Intensity}_i)$  should be at least 30% when compared to EURO STOXX Large Index GHG Intensity
- d) The total exposure of components in the "High Climate Impact" according to NACE classification is at least equal to the EURO STOXX Large Index
- e) The Index has a quarterly one-way turnover limit of 7.5%

### 90.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

## 91.iSTOXX BSG INDICES

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### 91.1. iSTOXX WORLD AC ALL CAP MIN VOL INDEX

#### 91.1.1. OVERVIEW

The iSTOXX World AC All Cap Min Vol Index is designed to track the performance of an optimized minimum variance portfolio based on STOXX World AC Universal All Cap that is constructed using Axioma's world-wide WW4AxiomaMH model. The index rules aim to ensure tradability, diversification, and untargeted factor and industry/country exposures are risk managed.<sup>153</sup>

**Universe:** STOXX World All Country All Cap Index

**Weighting scheme:** The indices are weighted according to a constrained minimum variance optimization model.

**Base values and dates:** 100 on December 24, 2018

**Index types and currencies:** Price, net, and gross return in EUR and USD

**Dissemination calendar:** STOXX Global calendar

#### 91.1.2. INDEX REVIEW

**Constituent Selection:** The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante variance of the portfolio.

$$\text{Minimize: } (w)^T (BVB^T + \Delta^2) w$$

Where:

$w$  = Index weights

$B$  = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

$V$  = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

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<sup>153</sup> No Indian securities can be purchased in the index starting from the December 2025 review until further notice.

The portfolio model also includes the following constraints to ensure diversification and control for unintended systematic exposures, turnover, and tradability.

|                                               |                                                            |
|-----------------------------------------------|------------------------------------------------------------|
| Active Industry Bounds                        | +/-5% ICB Industries (Level 1)                             |
| Active Country Bounds                         | +/- 5% (STOXX Country)                                     |
| Active Style Exposures                        | +/- 0.25 std except Market Sensitivity and Volatility      |
| Percentile days to trade/liquidity constraint | Maximum bound using Percentile=10%, Strength=20 parameters |
| Asset Bounds                                  | Max 20x Parent Weight, Min 3 bps in post-processing        |
| Turnover                                      | 15% (one-way) per annum                                    |
| Maximum issuer weight                         | 8%                                                         |
| Maximum sum of issuers > 4.5%                 | 35%                                                        |
| Minimum Effective Names                       | 30% of Benchmark Effective Names                           |

A brief description of the portfolio constraints and data elements is given below:

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

**Active Industry Weights:** The percentage exposure to each ICB Industry of the iSTOXX World AC All Cap Min Vol index must be within +/- 5% of the Parent Index.

**Active Country Weights:** The percentage exposure to each country of the iSTOXX World AC All Cap Min Vol index must be within +/- 5% of the Parent Index value. Each company's country assignment is based on the STOXX Country classification.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors (except Market Sensitivity and Volatility factors) for the iSTOXX World AC All Cap Min Vol index must be within 0.25 standard deviations of the Parent Index's factor exposures.

**Percentile days to trade/liquidity constraint:** The maximum weight of each asset in the iSTOXX World AC All Cap Min Vol index is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the representative asset p. The representative asset is the 10th percentile of all assets in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the  $k^{\text{th}}$  asset in the portfolio

$p$  = the asset with the 10<sup>th</sup> percentile of  $V_k/b_k$

$b_k$  = the weight of the  $k^{\text{th}}$  asset in the benchmark



$V_k$  = the daily trading volume for the kth asset

$S = 20$  (Strength)

**Maximum Asset Weight:** Restricted to 20 times its weight in the Parent Index.

**Minimum Asset Weight:** In a post-processing step, after the optimization, components with a weight less than 3bps are removed and their weights are assigned pro-rata across the other assets in the optimized portfolio.

**Issuer Weight:** The maximum issuer weight is 8%.

**Diversification:** The sum of all issuer weights greater than 4.5% must be less than 35%.

**Maximum Turnover:** The iSTOXX World AC All Cap Min Vol index has a one-way turnover limit of 3.75% for each quarterly rebalance.

**Minimum Effective Names:** Effective names of portfolio  $\geq 30\%$  benchmark effective names.

The effective number of names of a portfolio is the reciprocal of the Herfindahl index of the portfolio and the minimum effective names constraint is imposed as:

$$\sum_k w_k^2 \leq \frac{\sum_k b_k^2}{0.3}$$

where:

$w_k$  = the weight of the k<sup>th</sup> stock in the portfolio and

$b_k$  = the weight of the k<sup>th</sup> asset in the benchmark.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the Maximum Turnover, and Percentile days to trade constraints are relaxed using Axioma's proprietary constraint hierarchy procedure.

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September, and December. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review month. Weighting cap factor = (stock's target weight  $\times$  1.000.000.000 / closing price of the stock in EUR) rounded to the nearest integer.

## 91. iSTOXX BSG INDICES

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### 91.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

## 91.2. BSG INDEX ON iSTOXX WORLD AC ALL CAP MIN VOL EXCLUSIONS INDEX

### 91.2.1. OVERVIEW

The BSG index on iSTOXX World AC All Cap Min Vol Exclusions Index is designed to track the performance of an optimized minimum variance portfolio based on STOXX World AC Universal All Cap that is constructed using Axioma's world-wide WW4AxiomaMH model, subject to exclusions provided by BSG. The index rules aim to ensure tradability, diversification, and untargeted factor and industry/country exposures are risk managed.<sup>154</sup>

**Universe:** STOXX World All Country All Cap Index

**Weighting scheme:** The indices are weighted according to a constrained minimum variance optimization model.

**Base values and dates:** 100 on December 24, 2018

**Index types and currencies:** Price, net, and gross return in EUR and USD

**Dissemination calendar:** STOXX Global calendar

### 91.2.2. INDEX REVIEW

**Constituent Selection:** The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante variance of the portfolio.

$$\text{Minimize : } (w)^T (BVB^T + \Delta^2) w$$

Where:

$w$  = Index weights

$B$  = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

$V$  = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

<sup>154</sup> No Indian securities can be purchased in the index starting from the December 2025 review until further notice.

**Eligible Universe:** The eligible universe is constructed by removing securities from the Parent Index based on the exclusion list provided by BSG.

Baseline exclusions are provided by BSG on a quarterly frequency (March, June, September, and December), and include the following:

**BSG Global Standards Exclusions Flag:** a data attribute provided to exclude companies that BSG identifies as non-compliant based on a Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

**BSG Controversial Weapons Flag:** a data attribute provided to exclude the companies that BSG identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons, white phosphorus weapons, and nuclear weapons.

Criteria for involvement:

- » The company is currently involved in the development, production, maintenance, or trade of weapons.
- » The company is currently involved in the development, production, maintenance, or trade of specifically designed key components for the functioning of weapons, such as sub munitions, fuses, and warheads.
- » The company currently holds a stake of more than 20% in a company or is currently owned for more than 20% by a company that engages in controversial weapons based on criteria 1 or 2.
- » Nuclear weapons: all types of involvement for companies that engage in nuclear weapon programs of countries that have not signed the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

**BSG Sanctions Flag:** a data attribute provided to exclude all jurisdictions, entities, companies, or individuals that BSG identifies to be the subject of any sanctions administered or enforced by the Netherlands, the European Union, the United States, or the United Nations.

Includes:

- » Publicly traded entities listed by EU sanctions/regulations targeting Russia.
- » Publicly traded parent companies of sanctioned entities (ownership >50%)
- » Identified public subsidiaries owned for >50% or more by a sanctioned entity.

**BSG Tobacco Exclusions Flag:** a data attribute provided by BSG to exclude companies that are Tobacco Producers (0% revenue threshold) and Tobacco related Products/Services (> 50%).

The portfolio model includes the following constraints to ensure diversification and control for unintended systematic exposures, turnover, and tradability.

|                          |                                                                                     |
|--------------------------|-------------------------------------------------------------------------------------|
| Do Not Hold (Exclusions) | Exclusions: Global Standard Screening, Controversial Weapons, Sanctions and Tobacco |
| Active Industry Bounds   | +/-5% ICB Industries (Level 1)                                                      |

|                                               |                                                            |
|-----------------------------------------------|------------------------------------------------------------|
| Active Country Bounds                         | +/- 5% (STOXX Country)                                     |
| Active Style Exposures                        | +/- 0.25 std except Market Sensitivity and Volatility      |
| Percentile days to trade/liquidity constraint | Maximum bound using Percentile=10%, Strength=20 parameters |
| Asset Bounds                                  | Max 20x Parent Weight, Min 3 bps in post-processing        |
| Turnover                                      | 15% (one-way) per annum                                    |
| Maximum issuer weight                         | 8%                                                         |
| Maximum sum of issuers > 4.5%                 | 35%                                                        |
| Minimum Effective Names                       | 30% of Benchmark Effective Names                           |

A brief description of the portfolio constraints and data elements is given below:

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

**Active Industry Weights:** The percentage exposure to each ICB Industry of the BSG index on iSTOXX World AC All Cap Min Vol Exclusions must be within +/- 5% of the Parent Index.

**Active Country Weights:** The percentage exposure to each country of the BSG index on iSTOXX World AC All Cap Min Vol Exclusions must be within +/- 5% of the Parent Index value. Each company's country assignment is based on the STOXX Country classification.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors (except Market Sensitivity and Volatility factors) for the BSG index on iSTOXX World AC All Cap Min Vol Exclusions must be within 0.25 standard deviations of the Parent Index's factor exposures.

**Percentile days to trade/liquidity constraint:** The maximum weight of each asset in the BSG index on iSTOXX World AC All Cap Min Vol Exclusions is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the representative asset p. The representative asset is the 10th percentile of all assets in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the  $k^{\text{th}}$  asset in the portfolio

$p$  = the asset with the 10<sup>th</sup> percentile of  $V_k/b_k$

$b_k$  = the weight of the  $k^{\text{th}}$  asset in the benchmark

$V_k$  = the daily trading volume for the  $k^{\text{th}}$  asset

$S$  = 20 (Strength).

**Maximum Asset Weight:** Restricted to 20 times its weight in the Parent Index.

**Minimum Asset Weight:** In a post-processing step, after the optimization, components with a weight less than 3bps are removed and their weights are assigned pro-rata across the other assets in the optimized portfolio.

**Issuer Weight:** The maximum issuer weight is 8%.

**Diversification:** The sum of all issuer weights greater than 4.5% must be less than 35%.

**Maximum Turnover:** The BSG index on iSTOXX World AC All Cap Min Vol Exclusions has a one-way turnover limit of 3.75% for each quarterly rebalance.

**Minimum Effective Names:** Effective names of portfolio  $\geq$  30% benchmark effective names.

The effective number of names of a portfolio is the reciprocal of the Herfindahl index of the portfolio and the minimum effective names constraint is imposed as

$$\sum_k w_k^2 \leq \frac{\sum_k b_k^2}{0.3}$$

where:

$w_k$  = the weight of the  $k^{\text{th}}$  stock in the portfolio and

$b_k$  = the weight of the  $k^{\text{th}}$  asset in the benchmark.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the Maximum Turnover, and Percentile days to trade constraints are relaxed using Axioma's proprietary constraint hierarchy procedure.

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September, and December. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review month. Weighting cap factor = (stock's target weight  $\times$  1,000,000,000 / closing price of the stock in EUR) rounded to the nearest integer.

### 91.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

## 91. iSTOXX BSG INDICES

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**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 91.3. BSG INDEX ON iSTOXX WORLD AC ALL CAP MIN VOL CLIMATE INDEX

### 91.3.1. OVERVIEW

The BSG index on iSTOXX World AC All Cap Min Vol Climate Index is designed to track the performance of an optimized minimum variance portfolio based on STOXX World AC Universal All Cap that is constructed using Axioma's world-wide WW4AxiomaMH model, which also incorporates a decarbonization trajectory. The index rules aim to ensure tradability, diversification, and untargeted factor and industry/country exposures are risk managed.

The index aims to reduce its greenhouse gases (GHG) intensity by at least 40% when compared to the iSTOXX World AC All Cap Min Vol index. Additionally, it is designed to meet a year on year 7% decarbonization target. Scope 1 and Scope 2 emissions are used in the total emission considerations.<sup>155</sup>

**Universe:** STOXX World All Country All Cap Index

**Weighting scheme:** The indices are weighted according to a constrained minimum variance optimization model.

**Base values and dates:** 100 on December 24, 2018

**Index types and currencies:** Price, net, and gross return in EUR and USD

**Dissemination calendar:** STOXX Global calendar

### 91.3.2. INDEX REVIEW

**Constituent Selection:** The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante variance of the portfolio.

$$\text{Minimize: } (w)^T(BVB^T + \Delta^2) w$$

Where:

w = Index weights

<sup>155</sup> No Indian securities can be purchased in the index starting from the December 2025 review until further notice.



$B$  = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

$V$  = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

The portfolio model also includes the following constraints to ensure diversification and control for unintended systematic exposures, turnover, and tradability.

|                                                                                                                                                                                                            |                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Minimum Scope 1+2 GHG intensity reduction compared to the corresponding Min Vol index                                                                                                                      | 40% vs Min Vol index on December 2019, where GHG Intensity = (Scope 1 + 2 emissions) / EVIC |
| Year-on-year self-decarbonization per annum relative to the levels in December 2019 in accordance with the global decarbonization trajectory implied by IPCC's 1.5°C scenario with no or limited overshoot | > 7% per annum starting from March 2020 using a base date of Dec 2019                       |
| GHG intensity of Min Vol Climate Index                                                                                                                                                                     | $\leq$ GHG intensity of Min Vol index from March 2020                                       |
| Active Industry Bounds                                                                                                                                                                                     | +/-5% ICB Industries (Level 1)                                                              |
| Active Country Bounds                                                                                                                                                                                      | +/- 5% (STOXX Country)                                                                      |
| Active Style Exposures                                                                                                                                                                                     | +/- 0.25 std except Market Sensitivity and Volatility                                       |
| Percentile days to trade/liquidity constraint                                                                                                                                                              | Maximum bound using Percentile=10%, Strength=20 parameters                                  |
| Asset Bounds                                                                                                                                                                                               | Max 20x Parent Weight, Min 3 bps in post-processing                                         |
| Turnover                                                                                                                                                                                                   | 15% (one-way) per annum                                                                     |
| Maximum issuer weight                                                                                                                                                                                      | 8%                                                                                          |
| Maximum sum of issuers > 4.5%                                                                                                                                                                              | 35%                                                                                         |
| Minimum Effective Names                                                                                                                                                                                    | 30% of Benchmark Effective Names                                                            |

A brief description of the portfolio constraints and data elements is given below:

**Scope 1 and 2 emissions:** The GHG Protocol Corporate Standard classifies companies' greenhouse gas (GHG) emissions as direct and indirect emissions<sup>156</sup>. Direct emissions, also known as Scope 1 emissions, refer to GHG waste produced and consumed by the reporting entity. For instance, on-site generation and use of energy is tracked under Scope 1. In contrast, Scope 2 emissions are indirect emissions attributed to the reporting company but generated by another entity. Scope 2 includes acquired/ purchased energy brought into the company's reporting boundary as a form of: electricity, steam, heating, and cooling. Scope 1 and 2 data is obtained from Sustainalytics ESG.

**Enterprise Value Including Cash (EVIC):** EVIC is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. EVIC includes in its calculation the market capitalization of a company, short-term and long-term debt, and any cash on the company's balance sheet. EVIC data used in index construction is based on fiscal year data for the end of the previous calendar year. EVIC is provided in EUR.

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

<sup>156</sup> [https://ghgprotocol.org/sites/default/files/standards/Scope%20%20Guidance\\_Final\\_Sept26.pdf](https://ghgprotocol.org/sites/default/files/standards/Scope%20%20Guidance_Final_Sept26.pdf)

**GHG Intensity Reduction:** The BSG index on iSTOXX World AC All Cap Min Vol Climate is constructed by constraining the portfolio carbon intensity with respect to that of the iSTOXX World AC All Cap Min Vol index as follows:

- 1) **Minimum 40% reduction vs iSTOXX World AC All Cap Min Vol on base date:** Enforce a 40% reduction in WACI vs the iSTOXX World AC All Cap Min Vol index in the initial December 2019 rebalance. Security level carbon intensity data is equal to (Sustainalytics Total Emissions) / (Enterprise value including cash (EVIC)).
- 2) **GHG intensity reduction from March 2020:** For each subsequent rebalance from March 2020 onwards:

WACI of Min Vol Climate index  $\leq \text{Min}\{(0.93)^{(\text{Number of quarterly rebalancings from Dec 2019/4})} \times (\text{WACI of Min Vol Climate index in Dec 2019}), \text{GHG intensity of the iSTOXX World AC All Cap Min Vol Index}\}$ .

The GHG intensity of the Min Vol Climate is the smaller of the GHG intensity resulting from the 7% YoY decarbonization of the Min Vol Climate index from Dec 2019, and the GHG intensity of the iSTOXX World AC All Cap Min Vol Index on that date.

**Active Industry Weights:** The percentage exposure to each ICB Industry of BSG index on iSTOXX World AC All Cap Min Vol Climate must be within +/- 5% of the Parent Index.

**Active Country Weights:** The percentage exposure to each country of the BSG index on iSTOXX World AC All Cap Min Vol Climate must be within +/- 5% of the Parent Index value. Each company's country assignment is based on the STOXX Country classification.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors (except Market Sensitivity and Volatility factors) for the iSTOXX Blue Sky World AC All Cap Min Vol Climate index must be within 0.25 standard deviations of the Parent Index's factor exposures.

**Percentile days to trade/liquidity constraint:** The maximum weight of each asset in the BSG index on iSTOXX World AC All Cap Min Vol Climate is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the representative asset p. The representative asset is the 10th percentile of all assets in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the  $k^{\text{th}}$  asset in the portfolio

p = the asset with the 10<sup>th</sup> percentile of  $V_k/b_k$

$b_k$  = the weight of the  $k^{\text{th}}$  asset in the benchmark

$V_k$  = the daily trading volume for the  $k^{\text{th}}$  asset

S = 20 (Strength)

**Maximum Asset Weight:** Restricted to 20 times its weight in the Parent Index.

**Minimum Asset Weight:** In a post-processing step, after the optimization, components with a weight less than 3bps are removed and their weights are assigned pro-rata across the other assets in the optimized portfolio.

**Issuer Weight:** The maximum issuer weight is 8%.

**Diversification:** The sum of all issuer weights greater than 4.5% must be less than 35%.

**Maximum Turnover:** The BSG index on iSTOXX World AC All Cap Min Vol Climate has a one-way turnover limit of 3.75% for each quarterly rebalance.

**Minimum Effective Names:** Effective names of portfolio  $\geq$  30% benchmark effective names.

The effective number of names of a portfolio is the reciprocal of the Herfindahl index of the portfolio and the minimum effective names constraint is imposed as

$$\sum_k w_k^2 \leq \frac{\sum_k b_k^2}{0.3}$$

where:

$w_k$  = the weight of the  $k^{\text{th}}$  stock in the portfolio and

$b_k$  = the weight of the  $k^{\text{th}}$  asset in the benchmark.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the Maximum Turnover, and Percentile days to trade constraints are relaxed using Axioma's proprietary constraint hierarchy procedure.

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September, and December. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review month. Weighting cap factor = (stock's target weight  $\times$  1.000.000.000 / closing price of the stock in EUR) rounded to the nearest integer.

**Missing Data Treatment:** The weight of an asset missing a WACI score is bounded above by its weight in the iSTOXX World AC All Cap Min Vol index.

### 91.3.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

## 91.4. BSG INDEX ON ISTOXX WORLD AC ALL CAP MIN VOL ESG INDEX

### 91.4.1. OVERVIEW

The BSG index on iSTOXX World AC All Cap Min Vol ESG Index is designed to track the performance of an optimized minimum variance portfolio based on STOXX World AC Universal All Cap that is constructed using Axioma's world-wide WW4AxiomaMH model. The index also improves on the ESG exposure of the iSTOXX World AC All Cap Min Vol index. The index rules aim to ensure tradability, diversification, and untargeted factor and industry/country exposures are risk managed.<sup>157</sup>

**Universe:** STOXX World All Country All Cap Index

**Weighting scheme:** The indices are weighted according to a constrained minimum variance optimization model.

**Base values and dates:** 100 on December 24, 2018

**Index types and currencies:** Price, net, and gross return in EUR and USD

**Dissemination calendar:** STOXX Global calendar

### 91.4.2. INDEX REVIEW

**Constituent Selection:** The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante variance of the portfolio.

$$\text{Minimize: } (w)^T (BVB^T + \Delta^2) w$$

Where:

$w$  = Index weights

$B$  = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

$V$  = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

<sup>157</sup> No Indian securities can be purchased in the index starting from the December 2025 review until further notice.

## 91. iSTOXX BSG INDICES

The portfolio model also includes the following constraints to ensure diversification and control for unintended systematic exposures, turnover, and tradability.

|                                               |                                                            |
|-----------------------------------------------|------------------------------------------------------------|
| Active Industry Bounds                        | +/-5% ICB Industries (Level 1)                             |
| Active Country Bounds                         | +/- 5% (STOXX Country)                                     |
| Active Style Exposures                        | +/- 0.25 std except Market Sensitivity and Volatility      |
| Percentile days to trade/liquidity constraint | Maximum bound using Percentile=10%, Strength=20 parameters |
| Asset Bounds                                  | Max 20x Parent Weight, Min 3 bps in post-processing        |
| Turnover                                      | 15% (one-way) per annum                                    |
| Maximum issuer weight                         | 8%                                                         |
| Maximum sum of issuers > 4.5%                 | 35%                                                        |
| Minimum Effective Names                       | 30% of Benchmark Effective Names                           |
| Sustainalytics ESG Risk Rating Exposure       | <= Sustainalytics ESG Risk Rating of the MV index          |

A brief description of the portfolio constraints and data elements is given below:

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

**Sustainalytics ESG Risk Ratings:** Sustainalytics' ESG Risk Ratings measure the degree to which a company's enterprise value is at risk driven by ESG factors. The rating provides investors with a signal that reflects to what degree their investments are exposed to ESG risks that are not sufficiently managed by companies.

**Active Industry Weights:** The percentage exposure to each ICB Industry of the BSG index on iSTOXX World AC All Cap Min Vol ESG must be within +/- 5% of the Parent Index.

**Active Country Weights:** The percentage exposure to each country of the BSG index on iSTOXX World AC All Cap Min Vol ESG must be within +/- 5% of the Parent Index value. Each company's country assignment is based on the STOXX Country classification.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors (except Market Sensitivity and Volatility factors) for the BSG index on iSTOXX World AC All Cap Min Vol ESG must be within 0.25 standard deviations of the Parent Index's factor exposures.

**Percentile days to trade/liquidity constraint:** The maximum weight of each asset in the BSG index on iSTOXX World AC All Cap Min Vol ESG is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the representative asset  $p$ . The representative asset is the 10th percentile of all assets in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the  $k^{\text{th}}$  asset in the portfolio

$p$  = the asset with the 10<sup>th</sup> percentile of  $V_k/b_k$

$b_k$  = the weight of the  $k^{\text{th}}$  asset in the benchmark

$V_k$  = the daily trading volume for the  $k^{\text{th}}$  asset

$S = 20$  (Strength)

**Maximum Asset Weight:** Restricted to 20 times its weight in the Parent Index.

**Minimum Asset Weight:** In a post-processing step, after the optimization, components with a weight less than 3bps are removed and their weights are assigned pro-rata across the other assets in the optimized portfolio.

**Issuer Weight:** The maximum issuer weight is 8%.

**Diversification:** The sum of all issuer weights greater than 4.5% must be less than 35%.

**Maximum Turnover:** The BSG index on iSTOXX World AC All Cap Min Vol ESG index has a one-way turnover limit of 3.75% for each quarterly rebalance.

**Minimum Effective Names:** Effective names of portfolio  $\geq 30\%$  benchmark effective names.

The effective number of names of a portfolio is the reciprocal of the Herfindahl index of the portfolio and the minimum effective names constraint is imposed as:

$$\sum_k w_k^2 \leq \frac{\sum_k b_k^2}{0.3}$$

where:

$w_k$  = the weight of the  $k^{\text{th}}$  stock in the portfolio and

$b_k$  = the weight of the  $k^{\text{th}}$  asset in the benchmark.

**Blue Sky ESG exposures:** The Sustainalytics ESG risk rating exposure<sup>158</sup> of the BSG index on iSTOXX World AC All Cap Min Vol ESG should be no worse than that of the iSTOXX Blue Sky World AC All Cap Min Vol index.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the Maximum Turnover, and Percentile days to trade constraints are relaxed using Axioma's proprietary constraint hierarchy procedure.

<sup>158</sup> <https://www.sustainalytics.com/esg-ratings>

## 91. iSTOXX BSG INDICES

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If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September, and December. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review month. Weighting cap factor = (stock's target weight × 1.000.000.000 / closing price of the stock in EUR) rounded to the nearest integer.

**Missing Data Treatment:** The weight of an asset missing an ESG Risk Score is bounded above by its weight in the iSTOXX World AC All Cap Min Vol index.

### 91.4.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)



## 91.5. BSG INDEX ON iSTOXX WORLD AC ALL CAP MIN VOL INDEX

### 91.5.1. OVERVIEW

The BSG index on iSTOXX World AC All Cap Min Vol Index is designed to track the performance of an optimized minimum variance portfolio over STOXX World AC Universal All Cap, which also tilts towards higher ESG scores, incorporates a decarbonization trajectory, and applies exclusions provided by BSG. The index is designed to help investors shift and align investments towards a low-carbon economy.

The weighting process follows an optimization process that uses Axioma's world-wide WW4AxiomaMH model to enforce risk targets. The index aims to reduce its greenhouse gases (GHG) intensity by at least 40% when compared to the iSTOXX World AC All Cap Min Vol index. Moreover, it is designed to meet a year on year 7% decarbonization target. Scope 1 and Scope 2 emissions are used in the total emission considerations. Additionally, the index improves on the ESG exposure of the iSTOXX World AC All Cap Min Vol index.

The index rules aim to ensure tradability, diversification, and untargeted factor and industry/country exposures are risk managed.<sup>159</sup>

**Universe:** STOXX World All Country All Cap Index

**Weighting scheme:** The indices are weighted according to a constrained minimum variance optimization model.

**Base values and dates:** 100 on December 24, 2018

**Index types and currencies:** Price, net, and gross return in EUR and USD

**Dissemination calendar:** STOXX Global calendar

### 91.5.2. INDEX REVIEW

**Constituent Selection:** The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante variance of the portfolio.

$$\text{Minimize : } (w)^T (BVB^T + \Delta^2) w$$

<sup>159</sup> No Indian securities can be purchased in the index starting from the December 2025 review until further notice.

where:

$w$  = Index weights

$B$  = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

$V$  = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

**Eligible Universe:** The eligible universe is constructed by removing securities from the Parent Index based on the exclusion list provided by BSG.

Baseline exclusions are provided by BSG on a quarterly frequency (March, June, September, and December), and include the following:

**BSG Global Standards Exclusions Flag:** a data attribute provided to exclude companies that BSG identifies as non-compliant based on a Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

**BSG Controversial Weapons Flag:** a data attribute provided to exclude the companies that BSG identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons, white phosphorus weapons, and nuclear weapons.

Criteria for involvement:

- » The company is currently involved in the development, production, maintenance, or trade of weapons.
- » The company is currently involved in the development, production, maintenance, or trade of specifically designed key components for the functioning of weapons, such as submunitions, fuses, and warheads.
- » The company currently holds a stake of more than 20% in a company or is currently owned for more than 20% by a company that engages in controversial weapons based on criteria 1 or 2.
- » Nuclear weapons: all types of involvement for companies that engage in nuclear weapon programs of countries that have not signed the Treaty on the Non-Proliferation of nuclear weapons (NPT).

**BSG Sanctions Flag:** a data attribute provided to exclude all jurisdictions, entities, companies, or individuals that BSG identifies to be the subject of any sanctions administered or enforced by the Netherlands, the European Union, the United States, or the United Nations.

Includes:

- » Publicly traded entities listed by EU sanctions/regulations targeting Russia.
- » Publicly traded parent companies of sanctioned entities (ownership >50%).
- » Identified public subsidiaries owned for >50% or more by a sanctioned entity.

**BSG Tobacco Exclusions Flag:** a data attribute provided by BSG to exclude companies that are Tobacco Producers (0% revenue threshold) and Tobacco related Products/Services (> 50%).

The portfolio model also includes the following constraints to ensure diversification and control for unintended systematic exposures, turnover, and tradability.

|                                                                                                                                                                                                             |                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Do Not Hold (Exclusions)                                                                                                                                                                                    | Exclusions: Global Standard Screening, Controversial Weapons, Sanctions and Tobacco           |
| Minimum Scope 1+2 GHG intensity reduction compared to the corresponding Min Vol index.                                                                                                                      | 40% vs Min Vol index from December 2019, where GHG Intensity = (Scope 1 + 2 emissions) / EVIC |
| Year-on-year self-decarbonization per annum relative to the levels in December 2019 in accordance with the global decarbonization trajectory implied by IPCC's 1.5°C scenario with no or limited overshoot. | > 7% per annum starting from March 2020 using a base date of Dec 2019                         |
| GHG intensity of optimized index                                                                                                                                                                            | ≤ GHG intensity of Min Vol index from March 2020                                              |
| Sustainalytics ESG Risk Rating Exposure                                                                                                                                                                     | ≤ Sustainalytics ESG Risk Rating exposure of MV index                                         |
| Active Industry Bounds                                                                                                                                                                                      | +/- 5% ICB Industries (Level 1)                                                               |
| Active Country Bounds                                                                                                                                                                                       | +/- 5% (STOXX Country)                                                                        |
| Active Style Exposures                                                                                                                                                                                      | +/- 0.25 std except Market Sensitivity and Volatility                                         |
| Percentile days to trade/liquidity constraint                                                                                                                                                               | Maximum bound using Percentile=10%, Strength=20 parameters                                    |
| Asset Bounds                                                                                                                                                                                                | Max 20x Parent Weight, Min 3 bps in post-processing                                           |
| Turnover                                                                                                                                                                                                    | 15% (one-way) per annum                                                                       |
| Maximum issuer weight                                                                                                                                                                                       | 8%                                                                                            |
| Maximum sum of issuers > 4.5%                                                                                                                                                                               | 35%                                                                                           |
| Minimum Effective Names                                                                                                                                                                                     | 30% of Benchmark Effective Names                                                              |

Short descriptions of the data elements used in the constraints given below:

**Scope 1 and 2 emissions:** The GHG Protocol Corporate Standard classifies companies' greenhouse gas (GHG) emissions as direct and indirect emissions. Direct emissions, also known as Scope 1 emissions, refer to GHG waste produced and consumed by the reporting entity. For instance, on-site generation and use of energy is tracked under Scope 1. In contrast, Scope 2 emissions are indirect emissions attributed to the reporting company but generated by another entity. Scope 2 includes acquired/ purchased energy brought into the company's reporting boundary as a form of: electricity, steam, heating, and cooling. Scope 1 and 2 data is obtained from Sustainalytics ESG.

**Enterprise Value Including Cash (EVIC):** EVIC is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. EVIC includes in its calculation the market capitalization of a company, short-term and long-term debt, and any cash on the

company's balance sheet. EVIC data used in index construction is based on fiscal year data for the end of the previous calendar year. EVIC is provided in EUR.

**Sustainalytics ESG Risk Ratings:** Sustainalytics' ESG Risk Ratings measure the degree to which a company's enterprise value is at risk driven by ESG factors. The rating provides investors with a signal that reflects to what degree their investments are exposed to ESG risks that are not sufficiently managed by companies.

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

A brief description of the various constraints enforced in the model is given below:

**GHG Intensity Reduction:** The BSG index on iSTOXX World AC All Cap Min Vol Climate is constructed by constraining the portfolio carbon intensity with respect to that of the iSTOXX World AC All Cap Min Vol index as follows:

- 1) **Minimum 40% reduction vs iSTOXX World AC All Cap Min Vol on base date:** Enforce a 40% reduction in WACI vs the iSTOXX World AC All Cap Min Vol index in the initial December 2019 rebalance. Security level carbon intensity data is equal to (Sustainalytics Total Emissions) / (Enterprise value including cash (EVIC)).
- 2) **GHG intensity reduction from March 2020:** For each subsequent rebalance from March 2020 onwards:

$$\text{WACI of Min Vol Climate index} \leq (\text{WACI of Min Vol Climate index in Dec 2019}), \text{ GHG intensity of the iSTOXX World AC All Cap Min Vol Index}.$$

The GHG intensity of the Min Vol Climate is the smaller of the GHG intensity resulting from the 7% YoY decarbonization from Dec 2019 and the GHG intensity of the iSTOXX World AC All Cap Min Vol Index on that date.

**Blue Sky ESG exposures:** The Sustainalytics ESG risk rating exposure of BSG index on iSTOXX World AC All Cap Min Vol should be no worse than that of the iSTOXX World AC All Cap Min Vol index.

**Active Industry Weights:** The percentage exposure to each ICB Industry of the BSG index on iSTOXX World AC All Cap Min Vol must be within +/- 5% of the Parent Index.

**Active Country Weights:** The percentage exposure to each country of the BSG index on iSTOXX World AC All Cap Min Vol Climate ESG Exclusions must be within +/- 5% of the Parent Index value. Each company's country assignment is based on the STOXX Country classification.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors (except Market Sensitivity and Volatility factors) for the BSG index on iSTOXX World AC All Cap Min Vol must be within 0.25 standard deviations of the Parent Index's factor exposures.

**Percentile days to trade/liquidity constraint:** The maximum weight of each asset in the BSG index on iSTOXX World AC All Cap Min Vol is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the

representative asset  $p$ . The representative asset is the 10th percentile of all assets in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the  $k^{\text{th}}$  asset in the portfolio

$p$  = the asset with the 10th percentile of  $V_k/b_k$ ,

$b_k$  = the weight of the  $k^{\text{th}}$  asset in the benchmark,

$V_k$  = the daily trading volume for the  $k^{\text{th}}$  asset, and

$S = 20$  (Strength)

**Maximum Asset Weight:** Restricted to 20 times its weight in the Parent Index.

**Minimum Asset Weight:** In a post-processing step, after the optimization, components with a weight less than 3bps are removed and their weights are assigned pro-rata across the other assets in the optimized portfolio.

**Issuer Weight:** The maximum issuer weight is 8%.

**Diversification:** The sum of all issuer weights greater than 4.5% must be less than 35%.

**Maximum Turnover:** The BSG index on iSTOXX World AC All Cap Min Vol has a one-way turnover limit of 3.75% for each quarterly rebalance.

**Minimum Effective Names:** Effective names for portfolio  $\geq 30\%$  of effective names of benchmark.

The effective names of a portfolio is the reciprocal of the Herfindahl index of the portfolio, and the minimum effective names constraint is imposed as

$$\sum_k w_k^2 \leq \frac{\sum_k b_k^2}{0.3}$$

where:

$w_k$  = the weight of the  $k^{\text{th}}$  stock in the portfolio and

$b_k$  = the weight of the  $k^{\text{th}}$  asset in the benchmark.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the Maximum Turnover, and Percentile days to trade constraints are relaxed using Axioma's proprietary constraint hierarchy procedure.

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June<sup>160</sup>, September, and December. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review month. Weighting cap factor = (stock's target weight × 1.000.000.000 / closing price of the stock in EUR) rounded to the nearest integer.

**Missing Data Treatment:** The weight of an asset missing a WACI and/or ESG Risk Score is bounded above by its weight in the iSTOXX World AC All Cap Min Vol index.

### 91.5.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

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<sup>160</sup> "The June 2024 review for BSG Index on iSTOXX World AC All Cap Min Vol family was conducted after the close on Friday, May 31<sup>st</sup>, 2024. The cutoff-date for this review was the close of Wednesday, May 22<sup>nd</sup>, 2024.

## 91.6. BSG INDEX ON iSTOXX DEVELOPED WORLD SMALL CAP EXCLUSIONS INDEX

### 91.6.1. OVERVIEW

The BSG index on iSTOXX Developed World Small Cap Exclusions is an optimized index designed to track the performance of STOXX Developed World Universal Small Cap and is constructed using Axioma's world-wide WW4AxiomaMH model, subject to exclusions provided by BSG. The index rules aim to ensure tradability, diversification, and untargeted factor and industry/country exposures are risk managed.

**Universe:** STOXX Developed World Universal Small Cap Index constituents.

**Parent Index:** STOXX Developed World Universal Small Cap.

**Weighting scheme:** The indices are weighted according to a constrained minimum active variance optimization model.

**Base values and dates:** 100 as on 24 December 2018

**Index types and currencies:** Price, net and gross return in USD and EUR.

**Dissemination calendar:** STOXX Global calendar

### 91.6.2. INDEX REVIEW

**Constituent Selection:** The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante active variance of the portfolio.

Minimize:  $(w - b)^T (BVB^T + \Delta^2) (w - b)$

Where:

$w$  = Index weights

$b$  = Parent index weights

$B$  = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

$V$  = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

**Eligible Universe:** The eligible universe is constructed by removing securities from the Parent Index based on the exclusion list provided by BSG.

Baseline exclusions are provided by BSG on a quarterly frequency (March, June, September, and December), and include the following:

**BSG Global Standards Exclusions Flag:** a data attribute provided to exclude companies that BSG identifies as non-compliant based on a Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

**BSG Controversial Weapons Flag:** a data attribute provided to exclude the companies that BSG identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons, white phosphorus weapons, and nuclear weapons.

Criteria for involvement:

- » The company is currently involved in the development, production, maintenance, or trade of weapons.
- » The company is currently involved in the development, production, maintenance, or trade of specifically designed key components for the functioning of weapons, such as sub munitions, fuses, and warheads.
- » The company currently holds a stake of more than 20% in a company or is currently owned for more than 20% by a company that engages in controversial weapons based on criteria 1 or 2.
- » Nuclear weapons: all types of involvement for companies that engage in nuclear weapon programs of countries that have not signed the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

**BSG Sanctions Flag:** a data attribute provided to exclude all jurisdictions, entities, companies, or individuals that BSG identifies to be the subject of any sanctions administered or enforced by the Netherlands, the European Union, the United States, or the United Nations.

Includes:

- » Publicly traded entities listed by EU sanctions/regulations targeting Russia.
- » Publicly traded parent companies of sanctioned entities (ownership >50%)
- » Identified public subsidiaries owned for >50% or more by a sanctioned entity.

**BSG Tobacco Exclusions Flag:** a data attribute provided by BSG to exclude companies that are Tobacco Producers (0% revenue threshold) and Tobacco related Products/Services (> 50%).

The portfolio model includes the following constraints to ensure diversification and control for unintended systematic exposures, turnover, and tradability.

|                          |                                                                                     |
|--------------------------|-------------------------------------------------------------------------------------|
| Do Not Hold (Exclusions) | Exclusions: Global Standard Screening, Controversial Weapons, Sanctions and Tobacco |
|--------------------------|-------------------------------------------------------------------------------------|



|                                               |                                                            |
|-----------------------------------------------|------------------------------------------------------------|
| Active Industry Bounds                        | +/- 1% ICB Industries (Level 1)                            |
| Active Country Bounds                         | +/- 1% (STOXX Country)                                     |
| Active Style Exposures                        | +/- 0.01 std                                               |
| Percentile days to trade/liquidity constraint | Maximum bound using Percentile=10%, Strength=20 parameters |
| Asset Bounds                                  | Max 20x Parent Weight, Min 0.1bps in post-processing       |
| Turnover                                      | 15% (one-way) per annum                                    |
| Maximum issuer weight                         | 8%                                                         |
| Maximum sum of issuers > 4.5%                 | 35%                                                        |
| Minimum Effective Names                       | 30% of Benchmark Effective Names                           |

A brief description of the portfolio constraints and data elements is given below:

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

**Active Industry Weights:** The percentage exposure to each ICB Industry of the BSG index on iSTOXX Developed World Small Cap Exclusions must be within +/- 1% of the Parent Index.

**Active Country Weights:** The percentage exposure to each country of the BSG index on iSTOXX Developed World Small Cap Exclusions must be within +/- 1% of the Parent Index value. Each company's country assignment is based on the STOXX Country classification.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors for the BSG index on iSTOXX Developed World Small Cap Exclusions must be within 0.01 standard deviations of the Parent Index's factor exposures.

**Percentile days to trade/liquidity constraint:** The maximum weight of each asset in the BSG index on iSTOXX Developed World Small Cap Exclusions is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the representative asset  $p$ . The representative asset is the 10th percentile of all assets in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the  $k$ th asset in the portfolio

$p$  = the asset with the 10-th percentile of  $V_k / b_k$

$b_k$  = the weight of the  $k$ -th asset in the benchmark

$V_k$  = the daily trading volume for the  $k$ th asset

$S$  = 20 (Strength).

**Maximum Asset Weight:** Restricted to 20 times its weight in the Parent Index.

**Minimum Asset Weight:** In a post-processing step, after the optimization, components with a weight less than 0.1bps are removed and their weights are assigned pro-rata across the other assets in the optimized portfolio.

**Issuer Weight:** The maximum issuer weight is 8%.

**Diversification:** The sum of all issuer weights greater than 4.5% must be less than 35%.

**Maximum Turnover:** The BSG index on iSTOXX Developed World Small Cap Exclusions has a one-way turnover limit of 3.75% for each quarterly rebalance.

**Minimum Effective Names:** Effective names of portfolio  $\geq$  30% benchmark effective names.

The effective number of names of a portfolio is the reciprocal of the Herfindahl index of the portfolio and the minimum effective names constraint is imposed as

$$\sum_k w_k^2 \leq \frac{\sum_k b_k^2}{0.3}$$

where:

$w_k$  = the weight of the k-th stock in the portfolio and

$b_k$  = the weight of the k-th asset in the benchmark.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the Maximum Turnover, and Percentile days to trade constraints are relaxed using Axioma's proprietary constraint hierarchy procedure.

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September, and December. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review month.

Weighting cap factor = (stock's target weight  $\times$  1,000,000,000 / closing price of the stock in EUR) rounded to the nearest integer.

### 91.6.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not Applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 91.7. BSG INDEX ON iSTOXX DEVELOPED WORLD SMALL CAP CLIMATE INDEX

### 91.7.1. OVERVIEW

The BSG index on iSTOXX Developed World Small Cap Climate is an optimized index that tracks the performance of STOXX Developed World Universal Small Cap and is constructed using Axioma's world-wide WW4AxiomaMH model and also incorporates a decarbonization trajectory. The index rules aim to ensure tradability, diversification, and untargeted factor and industry/country exposures are risk managed.

The index aims to reduce its greenhouse gases (GHG) intensity by at least 30% when compared to the STOXX Developed World Universal Small Cap parent index. Additionally, it is designed to meet a year on year 7% decarbonization target. Scope 1 and Scope 2 emissions are used in the total emission considerations.

**Universe:** STOXX Developed World Universal Small Cap Index constituents.

**Parent Index:** STOXX Developed World Universal Small Cap.

**Weighting scheme:** The indices are weighted according to a constrained minimum active variance optimization model.

**Base values and dates:** 100 as on 24 December 2018

**Index types and currencies:** Price, net and gross return in USD and EUR.

**Dissemination calendar:** STOXX Global calendar

### 91.7.2. INDEX REVIEW

**Constituent Selection:** The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante active variance of the portfolio.

Minimize :  $(w - b)^T (BVB^T + \Delta^2) (w - b)$

Where:

$w$  = Index weights

$b$  = Parent index weights

$B$  = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

V = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

The portfolio model also includes the following constraints to ensure diversification and control for unintended systematic exposures, turnover, and tradability.

|                                                                                                                                                                                                            |                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Minimum Scope 1+2 GHG intensity reduction compared to the corresponding parent index                                                                                                                       | 30% vs parent index on December 2019, where GHG Intensity = (Scope 1 + 2 emissions) / EVIC |
| Year-on-year self-decarbonization per annum relative to the levels in December 2019 in accordance with the global decarbonization trajectory implied by IPCC's 1.5°C scenario with no or limited overshoot | > 7% per annum starting from March 2020 using a base date of Dec 2019                      |
| GHG intensity of Climate index                                                                                                                                                                             | ≤ GHG intensity of parent index from March 2020                                            |
| Active Industry Bounds                                                                                                                                                                                     | +/- 1% ICB Industries (Level 1)                                                            |
| Active Country Bounds                                                                                                                                                                                      | +/- 1% (STOXX Country)                                                                     |
| Active Style Exposures                                                                                                                                                                                     | +/- 0.01 std                                                                               |
| Percentile days to trade/liquidity constraint                                                                                                                                                              | Maximum bound using Percentile=10%, Strength=20 parameters                                 |
| Asset Bounds                                                                                                                                                                                               | Max 20x Parent Weight, Min 0.1bps in post-processing                                       |
| Turnover                                                                                                                                                                                                   | 15% (one-way) per annum                                                                    |
| Maximum issuer weight                                                                                                                                                                                      | 8%                                                                                         |
| Maximum sum of issuers > 4.5%                                                                                                                                                                              | 35%                                                                                        |
| Minimum Effective Names                                                                                                                                                                                    | 30% of Benchmark Effective Names                                                           |

A brief description of the portfolio constraints and data elements is given below:

**Scope 1 and 2 emissions:** The GHG Protocol Corporate Standard classifies companies' greenhouse gas (GHG) emissions as direct and indirect emissions<sup>161</sup>. Direct emissions, also known as Scope 1 emissions, refer to GHG waste produced and consumed by the reporting entity. For instance, on-site generation and use of energy is tracked under Scope 1. In contrast, Scope 2 emissions are indirect emissions attributed to the reporting company but generated by another entity. Scope 2 includes acquired/ purchased energy brought into the company's reporting boundary as a form of: electricity, steam, heating, and cooling. Scope 1 and 2 data is obtained from Sustainalytics ESG.

**Enterprise Value Including Cash (EVIC):** EVIC is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. EVIC includes in its calculation the market capitalization of a company, short-term and long-term debt, and any cash on the company's balance sheet. EVIC data used in index construction is based on fiscal year data for the end of the previous calendar year. EVIC is provided in EUR.

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

<sup>161</sup> [https://ghgprotocol.org/sites/default/files/standards/Scope%20%20Guidance\\_Final\\_Sept26.pdf](https://ghgprotocol.org/sites/default/files/standards/Scope%20%20Guidance_Final_Sept26.pdf)

**GHG Intensity Reduction:** The BSG index on iSTOXX Developed World Small Cap Climate is constructed by constraining the portfolio carbon intensity with respect to that of the STOXX Developed World Universal Small Cap parent index as follows:

- 1) **Minimum 30% reduction vs STOXX Developed World Universal Small Cap on base date:** Enforce a 30% reduction in WACI vs. the STOXX Developed Small Cap parent index in the initial December 2019 rebalance. Security level WACI is equal to (Sustainalytics Total Emissions) / (Enterprise value including cash (EVIC)).
- 2) **GHG intensity reduction from March 2020:** For each subsequent rebalance from March 2020 onwards:

WACI of Climate index  $\leq \text{Min}\{(0.93)^{(\text{Number of quarterly rebalancings from Dec 2019/4})} \times (\text{WACI of Min Vol Climate index in Dec 2019}), \text{GHG intensity of the STOXX Developed World Universal Small Cap Index}\}$ .

The GHG intensity of the Climate index is the smaller of the GHG intensity resulting from the 7% YoY decarbonization for the Climate index from Dec 2019, and the GHG intensity of the STOXX Developed World Universal Small Cap index on that date.

**Active Industry Weights:** The percentage exposure to each ICB Industry of BSG index on iSTOXX Developed World Small Cap Climate must be within +/- 1% of the Parent Index.

**Active Country Weights:** The percentage exposure to each country of the BSG index on iSTOXX Developed World Small Cap Climate must be within +/- 1% of the Parent Index value. Each company's country assignment is based on the STOXX Country classification.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors for the BSG index on iSTOXX Developed World SmallCap Climate must be within 0.01 standard deviations of the Parent Index's factor exposures.

**Percentile days to trade/liquidity constraint:** The maximum weight of each asset in the BSG index on iSTOXX Developed World Small Cap is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the representative asset  $p$ . The representative asset is the 10th percentile of all assets in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the  $k$ th asset in the portfolio,

$p$  = the asset with the 10-th percentile of  $V_k / b_k$ ,

$b_k$  = the weight of the  $k$ th asset in the benchmark,

$V_k$  = the daily trading volume for the k-th asset, and

$S = 20$  (Strength).

**Maximum Asset Weight:** Restricted to 20 times its weight in the Parent Index.

**Minimum Asset Weight:** In a post-processing step, after the optimization, components with a weight less than 0.1bps are removed and their weights are assigned pro-rata across the other assets in the optimized portfolio.

**Issuer Weight:** The maximum issuer weight is 8%.

**Diversification:** The sum of all issuer weights greater than 4.5% must be less than 35%.

**Maximum Turnover:** The BSG index on iSTOXX Developed World Small Cap has a one-way turnover limit of 3.75% for each quarterly rebalance.

**Minimum Effective Names:** Effective names for portfolio  $\geq 30\%$  of effective names of benchmark.

The effective names of a portfolio is the reciprocal of the Herfindahl index of the portfolio, and the minimum effective names constraint is imposed as

$$\sum_k w_k^2 \leq \frac{\sum_k b_k^2}{0.3}$$

where:

$w_k$  = the weight of the k-th stock in the portfolio and

$b_k$  = the weight of the kth asset in the benchmark.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the Maximum Turnover, and Percentile days to trade constraints are relaxed using Axioma's proprietary constraint hierarchy procedure.

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September, and December. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review month.

Weighting cap factor = (stock's target weight  $\times$  1,000,000,000 / closing price of the stock in EUR) rounded to the nearest integer.

## 91. iSTOXX BSG INDICES

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**Missing Data Treatment:** The weight of an asset missing a GHG intensity score is bounded above by its weight in the STOXX Developed World Universal Small Cap parent index.

### 91.7.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not Applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com).



## 91.8. BSG INDEX ON iSTOXX DEVELOPED WORLD SMALL CAP ESG INDEX

### 91.8.1. OVERVIEW

The BSG index on iSTOXX Developed World Small Cap ESG is an optimized index that tracks the performance of STOXX Developed World Universal Small Cap and is constructed using Axioma's world-wide WW4AxiomaMH model. The index also improves on the ESG exposure of the STOXX Developed World Universal Small Cap parent index. The index rules aim to ensure tradability, diversification, and untargeted factor and industry/country exposures are risk managed.

**Universe:** STOXX Developed World Universal Small Cap Index constituents.

**Parent Index:** STOXX Developed World Universal Small Cap.

**Weighting scheme:** The indices are weighted according to a constrained minimum variance optimization model.

**Base values and dates:** 100 as on 24 December 2018

**Index types and currencies:** Price, net and gross return in USD and EUR.

**Dissemination calendar:** STOXX Global calendar

### 91.8.2. INDEX REVIEW

**Constituent Selection:** The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante active variance of the portfolio.

Minimize:  $(w - b)^T (BVB^T + \Delta^2) (w - b)$

Where:

$w$  = Index weights

$b$  = Parent index weights

$B$  = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

$V$  = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

The portfolio model also includes the following constraints to ensure diversification and control for unintended systematic exposures, turnover, and tradability.

|                                               |                                                            |
|-----------------------------------------------|------------------------------------------------------------|
| Active Industry Bounds                        | +/- 1% ICB Industries (Level 1)                            |
| Active Country Bounds                         | +/- 1% (STOXX Country)                                     |
| Active Style Exposures                        | +/- 0.01 std                                               |
| Percentile days to trade/liquidity constraint | Maximum bound using Percentile=10%, Strength=20 parameters |
| Asset Bounds                                  | Max 20x Parent Weight, Min 0.1bps in post-processing       |
| Turnover                                      | 15% (one-way) per annum                                    |
| Maximum issuer weight                         | 8%                                                         |
| Maximum sum of issuers > 4.5%                 | 35%                                                        |
| Minimum Effective Names                       | 30% of Benchmark Effective Names                           |
| Sustainalytics ESG Risk Rating Exposure       | <= Sustainalytics ESG Risk Rating of the parent index      |

A brief description of the portfolio constraints and data elements is given below:

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

**Sustainalytics ESG Risk Ratings:** Sustainalytics' ESG Risk Ratings measure the degree to which a company's enterprise value is at risk driven by ESG factors. The rating provides investors with a signal that reflects to what degree their investments are exposed to ESG risks that are not sufficiently managed by companies.

**Active Industry Weights:** The percentage exposure to each ICB Industry of the BSG index on iSTOXX Developed World Small Cap ESG must be within +/- 1% of the Parent Index.

**Active Country Weights:** The percentage exposure to each country of the BSG index on iSTOXX Developed World Small Cap ESG must be within +/- 1% of the Parent Index value. Each company's country assignment is based on the STOXX Country classification.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors for the BSG index on iSTOXX Developed World Small Cap ESG must be within 0.01 standard deviations of the Parent Index's factor exposures.

**Percentile days to trade/liquidity constraint:** The maximum weight of each asset in the BSG index on iSTOXX Developed World Small Cap ESG is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the representative asset p. The representative asset is the 10th percentile of all assets in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the kth asset in the portfolio

$p$  = the asset with the 10-th percentile of  $V_k / b_k$

$b_k$  = the weight of the  $k$ -th asset in the benchmark

$V_k$  = the daily trading volume for the  $k$ th asset

$S = 20$  (Strength).

**Maximum Asset Weight:** Restricted to 20 times its weight in the Parent Index.

**Minimum Asset Weight:** In a post-processing step, after the optimization, components with a weight less than 0.1bps are removed and their weights are assigned pro-rata across the other assets in the optimized portfolio.

**Issuer Weight:** The maximum issuer weight is 8%.

**Diversification:** The sum of all issuer weights greater than 4.5% must be less than 35%.

**Maximum Turnover:** The BSG index on iSTOXX Developed World Small Cap ESG index has a one-way turnover limit of 3.75% for each quarterly rebalance.

**Minimum Effective Names:** Effective names of portfolio  $\geq 30\%$  benchmark effective names.

The effective number of names of a portfolio is the reciprocal of the Herfindahl index of the portfolio and the minimum effective names constraint is imposed as

$$\sum_k w_k^2 \leq \frac{\sum_k b_k^2}{0.3}$$

where:

$w_k$  = the weight of the  $k$ -th stock in the portfolio and

$b_k$  = the weight of the  $k$ -th asset in the benchmark.

**Blue Sky ESG exposures:** The Sustainalytics ESG risk rating exposure<sup>162</sup> of the BSG index on iSTOXX Developed World Small Cap ESG should be no worse than that of the STOXX Developed World Universal Small Cap parent index.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the Maximum Turnover, and Percentile days to trade constraints are relaxed using Axioma's proprietary constraint hierarchy procedure.

<sup>162</sup> <https://www.sustainalytics.com/esg-ratings>

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September, and December. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review month.

Weighting cap factor = (stock's target weight × 1.000.000.000 / closing price of the stock in EUR) rounded to the nearest integer.

**Missing Data Treatment:** The weight of an asset missing an ESG Risk Score is bounded above by its weight in the STOXX Developed World Universal Small Cap parent index.

### 91.8.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not Applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

## 91.9. BSG INDEX ON iSTOXX DEVELOPED WORLD SMALL CAP INDEX

### 91.9.1. OVERVIEW

The BSG index on iSTOXX Developed World Small Cap is an optimized index that tracks the performance of STOXX Developed World Universal Small Cap, tilts towards higher ESG scores, incorporates a decarbonization trajectory, and applies exclusions provided by BSG. The index is designed to help investors shift and align investments towards a low-carbon economy.

The weighting process follows an optimization process that uses Axioma's world-wide WW4AxiomaMH model to enforce risk targets. The index aims to reduce its greenhouse gases (GHG) intensity by at least 30% when compared to the STOXX Developed World Universal Small Cap parent index. Moreover, it is designed to meet a year on year 7% decarbonization target. Scope 1 and Scope 2 emissions are used in the total emission considerations. Additionally, the index improves on the ESG exposure of the STOXX Developed World Universal Small Cap parent index.

The index rules aim to ensure tradability, diversification, and untargeted factor and industry/country exposures are risk managed.

**Universe:** STOXX Developed World Universal Small Cap Index constituents.

**Parent Index:** STOXX Developed World Universal Small Cap.

**Weighting scheme:** The indices are weighted according to a constrained minimum active variance optimization model.

**Base values and dates:** 100 as on 24 December 2018

**Index types and currencies:** Price, net and gross return in USD and EUR.

**Dissemination calendar:** STOXX Global calendar

### 91.9.2. INDEX REVIEW

**Constituent Selection:** The portfolio construction is performed using Axioma's world-wide WW4AxiomaMH model and portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante active variance of the portfolio.

Minimize:  $(w - b)^T(BVB^T + \Delta^2)(w - b)$

where:

$w$  = Index weights

$b$  = Parent index weights

$B$  = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

$V$  = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model.

**Eligible Universe:** The eligible universe is constructed by removing securities from the Parent Index based on the exclusion list provided by BSG.

Baseline exclusions are provided by BSG on a quarterly frequency (March, June, September, and December), and include the following:

**BSG Global Standards Exclusions Flag:** a data attribute provided to exclude companies that BSG identifies as non-compliant based on a Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

**BSG Controversial Weapons Flag:** a data attribute provided to exclude the companies that BSG identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons, white phosphorus weapons, and nuclear weapons.

Criteria for involvement:

- » The company is currently involved in the development, production, maintenance, or trade of weapons.
- » The company is currently involved in the development, production, maintenance, or trade of specifically designed key components for the functioning of weapons, such as submunitions, fuses, and warheads.
- » The company currently holds a stake of more than 20% in a company or is currently owned for more than 20% by a company that engages in controversial weapons based on criteria 1 or 2.
- » Nuclear weapons: all types of involvement for companies that engage in nuclear weapon programs of countries that have not signed the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

**BSG Sanctions Flag:** a data attribute provided to exclude all jurisdictions, entities, companies, or individuals that BSG identifies to be the subject of any sanctions administered or enforced by the Netherlands, the European Union, the United States, or the United Nations.

Includes:

- » Publicly traded entities listed by EU sanctions/regulations targeting Russia.
- » Publicly traded parent companies of sanctioned entities (ownership >50%)
- » Identified public subsidiaries owned for >50% or more by a sanctioned entity.

**BSG Tobacco Exclusions Flag:** a data attribute provided by BSG to exclude companies that are Tobacco Producers (0% revenue threshold) and Tobacco related Products/Services (> 50%).

The portfolio model also includes the following constraints to ensure diversification and control for unintended systematic exposures, turnover, and tradability.

|                                                                                                                                                                                                            |                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Do Not Hold (Exclusions)                                                                                                                                                                                   | Exclusions: Global Standard Screening, Controversial Weapons, Sanctions and Tobacco        |
| Minimum Scope 1+2 GHG intensity reduction compared to the corresponding parent index                                                                                                                       | 30% vs parent index in December 2019, where GHG Intensity = (Scope 1 + 2 emissions) / EVIC |
| Year-on-year self-decarbonization per annum relative to the levels in December 2019 in accordance with the global decarbonization trajectory implied by IPCC's 1.5°C scenario with no or limited overshoot | > 7% per annum starting from March 2020 using a base date of Dec 2019                      |
| GHG intensity of optimized index                                                                                                                                                                           | ≤ GHG intensity of parent index from March 2020                                            |
| Sustainalytics ESG Risk Rating Exposure                                                                                                                                                                    | ≤ Sustainalytics ESG Risk Rating exposure of parent index                                  |
| Active Industry Bounds                                                                                                                                                                                     | +/- 1% ICB Industries (Level 1)                                                            |
| Active Country Bounds                                                                                                                                                                                      | +/- 1% (STOXX Country)                                                                     |
| Active Style Exposures                                                                                                                                                                                     | +/- 0.01 std                                                                               |
| Percentile days to trade/liquidity constraint                                                                                                                                                              | Maximum bound using Percentile=10%, Strength=20 parameters                                 |
| Asset Bounds                                                                                                                                                                                               | Max 20x Parent Weight, Min 0.1bps in post-processing                                       |
| Turnover                                                                                                                                                                                                   | 15% (one-way) per annum                                                                    |
| Maximum issuer weight                                                                                                                                                                                      | 8%                                                                                         |
| Maximum sum of issuers > 4.5%                                                                                                                                                                              | 35%                                                                                        |
| Minimum Effective Names                                                                                                                                                                                    | 30% of Benchmark Effective Names                                                           |

Short descriptions of the data elements used in the constraints given below:

**Scope 1 and 2 emissions:** The GHG Protocol Corporate Standard classifies companies' greenhouse gas (GHG) emissions as direct and indirect emissions. Direct emissions, also known as Scope 1 emissions, refer to GHG waste produced and consumed by the reporting entity. For instance, on-site generation and use of energy is tracked under Scope 1. In contrast, Scope 2 emissions are indirect emissions attributed to the reporting company but generated by another entity. Scope 2 includes acquired/ purchased energy brought into the company's reporting boundary as a form of: electricity, steam, heating, and cooling. Scope 1 and 2 data is obtained from Sustainalytics ESG.

**Enterprise Value Including Cash (EVIC):** EVIC is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. EVIC includes in its calculation the market capitalization of a company, short-term and long-term debt, and any cash on the company's balance sheet. EVIC data used in index construction is based on fiscal year data for the end of the previous calendar year. EVIC is provided in EUR.

**Sustainalytics ESG Risk Ratings:** Sustainalytics' ESG Risk Ratings measure the degree to which a company's enterprise value is at risk driven by ESG factors. The rating provides investors with a signal

that reflects to what degree their investments are exposed to ESG risks that are not sufficiently managed by companies.

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with base currency USD.

A brief description of the various constraints enforced in the model is given below:

**GHG Intensity Reduction:** The BSG index on iSTOXX Developed World Small Cap Climate is constructed by constraining the portfolio carbon intensity with respect to that of the STOXX Developed World Universal Small Cap parent index as follows:

- 1) **Minimum 30% reduction vs STOXX Developed World Universal Small Cap on base date:** Enforce a 30% reduction in WACI vs. the STOXX Developed Small Cap parent index in the initial December 2019 rebalance. Security level WACI is equal to (Sustainalytics Total Emissions) / (Enterprise value including cash (EVIC)).
- 2) **GHG intensity reduction from March 2020:** For each subsequent rebalance from March 2020 onwards:

$$\text{WACI of BSG index on iSTOXX Developed World Small Cap} \leq (\text{WACI of BSG index on iSTOXX Developed World Small Cap in Dec 2019}) \cdot \text{GHG intensity of the STOXX Developed World Universal Small Cap Index}.$$

The GHG intensity of the optimized index is the smaller of the GHG intensity resulting from the 7% YoY decarbonization for the optimized index from Dec 2019, and the GHG intensity of the STOXX Developed World Universal Small Cap index on that date.

**Blue Sky ESG exposures:** The Sustainalytics ESG risk rating exposure of BSG index on iSTOXX Developed World Small Cap should be no worse than that of the STOXX Developed World Universal Small Cap parent index.

**Active Industry Weights:** The percentage exposure to each ICB Industry of the BSG index on iSTOXX Developed World Small Cap must be within +/- 1% of the Parent Index.

**Active Country Weights:** The percentage exposure to each country of the BSG index on iSTOXX Developed World Small Cap must be within +/- 1% of the Parent Index value. Each company's country assignment is based on the STOXX Country classification.

**Active Style Factor Exposures:** The exposure to each of the Axioma Risk Model style factors for the BSG index on iSTOXX Developed World Small Cap must be within 0.01 standard deviations of the Parent Index's factor exposures.

**Percentile days to trade/liquidity constraint:** The maximum weight of each asset in the BSG index on iSTOXX Developed World Small Cap is limited to twenty times its 60-day median daily trading volume multiplied by the ratio of benchmark weight and 60-day median daily trading volume of the representative asset p. The representative asset is the 10th percentile of all assets in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.



## 91. iSTOXX BSG INDICES

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$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the kth asset in the portfolio,

$p$  = the asset with the 10-th percentile of  $V_k / b_k$ ,

$b_k$  = the weight of the kth asset in the benchmark,

$V_k$  = the daily trading volume for the k-th asset, and

$S$  = 20 (Strength).

**Maximum Asset Weight:** Restricted to 20 times its weight in the Parent Index.

**Minimum Asset Weight:** In a post-processing step, after the optimization, components with a weight less than 0.1bps are removed and their weights are assigned pro-rata across the other assets in the optimized portfolio.

**Issuer Weight:** The maximum issuer weight is 8%.

**Diversification:** The sum of all issuer weights greater than 4.5% must be less than 35%.

**Maximum Turnover:** The BSG index on iSTOXX Developed World Small Cap has a one-way turnover limit of 3.75% for each quarterly rebalance.

**Minimum Effective Names:** Effective names for portfolio  $\geq$  30% of effective names of benchmark.

The effective names of a portfolio is the reciprocal of the Herfindahl index of the portfolio, and the minimum effective names constraint is imposed as:

$$\sum_k w_k^2 \leq \frac{\sum_k b_k^2}{0.3}$$

where:

$w_k$  = the weight of the k-th stock in the portfolio and

$b_k$  = the weight of the kth asset in the benchmark.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the Maximum Turnover, and Percentile days to trade constraints are relaxed using Axioma's proprietary constraint hierarchy procedure.

If there is not a solution that satisfies the constraints after this additional stage of parameter relaxation, the rebalance for the quarter will not take place.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September, and December. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review month.

Weighting cap factor = (stock's target weight × 1.000.000.000 / closing price of the stock in EUR) rounded to the nearest integer.

**Missing Data Treatment:** The weight of an asset missing a WACI and/or ESG Risk Score is bounded above by its weight in the STOXX Developed World Universal Small Cap parent index.

### 91.9.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not Applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

## 92.1. iSTOXX BDFG ESG INDICES

### 92.1.1. OVERVIEW

The iSTOXX BDFG ESG indices track the performance of a selection of STOXX Indices after a customized BDF Gestion exclusion list is applied.

**Universe:** The index universe is defined by the corresponding STOXX index:

| Index                            | Universe                  |
|----------------------------------|---------------------------|
| iSTOXX France BDFG ESG FCPE      | STOXX France Total Market |
| EURO iSTOXX BDFG ESG             | EURO STOXX                |
| iSTOXX Europe 600 BDFG ESG FCPE  | STOXX Europe 600          |
| iSTOXX Europe 600 BDFG ESG       | STOXX Europe 600          |
| iSTOXX Europe Small 200 BDFG ESG | STOXX Europe Small 200    |
| iSTOXX USA 900 BDFG ESG          | STOXX USA 900             |
| iSTOXX Australia 150 BDFG ESG    | STOXX Australia 150       |
| iSTOXX Canada 240 BDFG ESG       | STOXX Canada 240          |
| iSTOXX Japan 600 BDFG ESG        | STOXX Japan 600           |
| EURO iSTOXX 50 BDFG ESG FCPE     | EURO STOXX 50             |

**Secondary Lines Eligibility:** All the share lines of a company are eligible for the selection.

**Weighting scheme:** The indices are weighted according to Free Float Market Capitalization with components weights capped at 10%.

**Base values and dates:** 1000 on December 31, 2025 for EURO iSTOXX 50 BDFG ESG FCPE, and 1000 on October 31, 2023 for all other indices

**Index types and currencies:** Price, net, and gross return in EUR and USD

**Dissemination calendar:** All indices follow the STOXX Europe Calendar except the iSTOXX USA 900 BDFG ESG which follows the STOXX Americas Calendar and the iSTOXX Australia 150 BDFG ESG, iSTOXX Canada 240 BDFG ESG and iSTOXX Japan 600 BDFG ESG which follow STOXX Global Calendar.

### 92.1.2. INDEX REVIEW

**Selection List:** The iSTOXX BDFG ESG indices components will have the components of the parent STOXX indices as of the review effective date excluding the stocks in the BDF Gestion exclusion lists. These are companies that do not meet BDF Gestion's ESG and climate criteria.

The exclusion lists will be provided to STOXX on the Wednesday before the second Friday of April and October. In the event of no delivery of the BDF Gestion exclusion lists by 12pm CET on the second Friday of April and October, prior data will be used for the index review.

**Composition List:** All components of the parent STOXX indices as of the review effective date are eligible except the components in the BDF Gestion exclusion lists.

**Rebalance and Review Frequency:** The indices are rebalanced on a monthly basis and reviewed on a semi-annual basis in April and October. Number of shares and free-float factors are reviewed each quarter in March, June, September, and December.

**Weighting Cap Factors:** Components weights are capped monthly at 10%. Weighting cap factors are calculated monthly and published on the Wednesday before the third Friday every month, based on the stocks' closing prices of the preceding Tuesday.

**Derived Indices:** Not applicable.

### 92.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced. If a company is deleted from the parent index, but remains in the parent STOXX Total Market index, the stock will not be excluded from the iSTOXX BDFG ESG indices.

**Fast Exit:** Not applicable.

**Fast Entry:** Not applicable.

**Spin-offs:** A spin-off is added temporarily for one dissemination day and is then removed from the index.

**Mergers and Takeovers:** Standard STOXX process.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com).

# 93.iSTOXX EUROPE 600 ESG-X LONGEVITY TILTED INDEX

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## 93.1. iSTOXX EUROPE 600 ESG-X LONGEVITY TILTED INDEX

### 93.1.1. OVERVIEW

The iSTOXX Europe 600 ESG-X Longevity Tilted Index tracks the performance of all of the STOXX Europe 600 ESG-X securities and the 10 largest securities from the STOXX Global Silver Economy Index, subject to country, liquidity and ESG screens. The index is reviewed quarterly in March, June, September, and December.

**Universe:** STOXX Europe 600 ESG-X Index and STOXX Global Silver Economy Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the Silver Economy theme.

**Base values and dates:** 100 on March 24, 2014

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 93.1.2. INDEX REVIEW

All of the companies in the STOXX Europe 600 ESG-X Index are added to the selection list.

The companies in the STOXX Global Silver Economy Index must satisfy all of the following criteria for inclusion in the selection list:

- **Country classification:** companies belonging to Japan, US, Switzerland, or the developed markets of the Eurozone.
- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR.
- **ESG screens:** companies must comply with the following ESG screens:

**Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

**ESG Ratings:** Companies with ISS-ESG ESG ratings of D- or below are excluded.

**Controversial Weapons:** Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium

## 93. iSTOXX EUROPE 600 ESG-X LONGEVITY TILTED INDEX

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programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

**Product Involvement:** Not have any Product Involvement in the following areas. The revenue shares used from ISS ESG are the maximum revenue share factors which identify the maximum amount of revenue estimated or company reported to be derived from involvement in a business activity as a percentage of the issuer's total annual revenue, and the estimated values range is not inclusive. STOXX will exclude companies that ISS-ESG identifies to have:

**Tobacco:**

- »>0% revenue from involvement in the production of tobacco products
- »>5% revenue from services related to tobacco products
- »>5% revenues from the wholesale or retail distribution of tobacco products

**Fossil Fuels:**

- »>10% revenues from the extraction of oil (including crude oil, condensate, shale oil, bitumen, synthetic crude oil from oil/tar sands, and heavy oils), refining of oil (including liquefied petroleum gas, naphtha, gasoline, kerosene, diesel, fuel oil, and other combustible oil products), and oil distribution.
- »> 50% revenues from the extraction of natural gas (including coalbed/coal seam methane), natural gas processing and gas-to-liquids operations, and gas distribution.
- »>50% revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh (coal, oil, natural gas, and biomass)

**Thermal Coal:**

- »>1% revenues from coal exploration and mining, processing of coke, coal-to-liquids operations, coal gasification (syngas for thermal use), and the marketing of coal.
- »>5% revenues from the generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available Information

**Unconventional Oil & Gas:**

- »>5% revenues from oil and gas extraction through arctic drilling for the most recent fiscal year period
- »>5% revenues from the extraction and processing of oil sands for the most recent fiscal year period
- »>5% revenues from hydraulic fracturing for the most recent fiscal year period

**Civilian Firearm:**

- »>0% revenues from involvement in the production of civilian firearms and/or the provision of related services
- »>5% revenues from involvement in the distribution of civilian firearms

# 93. iSTOXX EUROPE 600 ESG-X LONGEVITY TILTED INDEX

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## Military Contracting:

»> 10% revenues from involvement in military equipment and services

If data on any of the above fields is missing for the STOXX Global Silver Economy companies, the companies will not be eligible for the selection list.

## Composition list::

All of the STOXX Europe 600 ESG-X Index constituents are selected. The remaining companies in the selection list from the STOXX Global Silver Economy Index are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities are selected (this may include securities that are already selected from the STOXX Europe 600 ESG-X index). The resulting iSTOXX Europe 600 ESG-X Longevity Tilted Index comprises all of the STOXX Europe 600 ESG-X Index constituents and 10 from the STOXX Global Silver Economy Index.

## Review frequency:

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

## Weighting and capping factors:

The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers such that, the companies of the STOXX Europe 600 ESG-X account for 80% and the 10 companies selected from the STOXX Global Silver Economy Index (SE companies) 20% of the iSTOXX Europe 600 ESG-X Longevity Tilted Index.

The STOXX Europe 600 ESG-X company weights are capped at 20% within the STOXX Europe 600 ESG-X company weights, 16% in the final index (0.8 x 20%). Additionally, the 10 SE company weights are capped at 25% within the SE company weights, hence capped at 5% in the final index (0.2 x 25%). The overall exposure to Japanese securities is also capped at 50% within the SE company weights, 10% in the final index (0.2 x 50%).

$w_i = 0.8 \times \frac{ffmcap_i}{\sum_{j=1}^N ffmcap_j}$ ; weight capped at 20% within the STOXX Europe 600 ESG-X companies.

$w_k = 0.2 \times \frac{se_k * ffmcap_k}{\sum_{l=1}^{10} se_l * ffmcap_l}$ ; weights capped at 25% within the SE companies

Where:

|          |                                                                                               |
|----------|-----------------------------------------------------------------------------------------------|
| $i, j$   | STOXX Europe 600 ESG-X constituents                                                           |
| $N$      | the total number of the STOXX Europe 600 ESG-X constituents                                   |
| $w_i$    | weight of the STOXX Europe 600 ESG-X security in the new index (max 16% within the new index) |
| $k, l$   | the 10 selected securities from the STOXX Global Silver Economy Index                         |
| $w_k$    | weight of the 10 SE securities in the new index (max 5% within the new index)                 |
| $ffmcap$ | free float market capitalization                                                              |

## 93. iSTOXX EUROPE 600 ESG-X LONGEVITY TILTED INDEX

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$se_k$  the total revenue exposure of company k to the Silver Economy RBICS sectors<sup>163</sup>

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 93.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** On a monthly basis, in case a company which is an index constituent has a Norms Based Screening assessment of 'Red' or not rated, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

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<sup>163</sup> Please refer to the [STOXX Index Guide](#) for the full list of Silver Economy RBICS sectors used for the STOXX Global Silver Economy Index



# 93. iSTOXX EUROPE 600 ESG-X LONGEVITY TILTED INDEX

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## 93.2. iSTOXX LONGEVITY 10 INDEX

### 93.2.1. OVERVIEW

The iSTOXX Longevity 10 Index tracks the performance of the 10 largest securities from the STOXX Global Silver Economy Index, subject to country, liquidity and ESG screens. The index is reviewed quarterly in March, June, September and December.

**Universe:** STOXX Global Silver Economy Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the Silver Economy theme.

**Base values and dates:** 100 on March 24, 2014

**Index types and currencies:** Price, Net and Gross return in EUR and USD.

**Dissemination calendar:** STOXX Europe calendar

### 93.2.2. INDEX REVIEW

**Selection List:** The companies in the STOXX Global Silver Economy Index must satisfy all of the following criteria for inclusion in the selection list:

- **Country classification:** companies belonging to Japan, US, Switzerland or the developed markets of the Eurozone
- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR
- **ESG-X screens:** companies must comply with the following ESG screens:

**Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

**ESG Ratings:** Companies with ISS-ESG ESG ratings of D- or below are excluded.

**Controversial Weapons:** Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over

## 93. iSTOXX EUROPE 600 ESG-X LONGEVITY TILTED INDEX

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the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

**Product Involvement:** Not have any Product Involvement in the following areas. The revenue shares used from ISS ESG are the maximum revenue share factors which identify the maximum amount of revenue estimated or company reported to be derived from involvement in a business activity as a percentage of the issuer's total annual revenue, and the estimated values range is not inclusive. STOXX will exclude companies that ISS-ESG identifies to have:

**Tobacco:**

- »>0% revenue from involvement in the production of tobacco products
- »>5% revenue from services related to tobacco products
- »>5% revenues from the wholesale or retail distribution of tobacco products

**Fossil Fuels:**

- »>10% revenues from the extraction of oil (including crude oil, condensate, shale oil, bitumen, synthetic crude oil from oil/tar sands, and heavy oils), refining of oil (including liquefied petroleum gas, naphtha, gasoline, kerosene, diesel, fuel oil, and other combustible oil products), and oil distribution.
- »> 50% revenues from the extraction of natural gas (including coalbed/coal seam methane), natural gas processing and gas-to-liquids operations, and gas distribution.
- »>50% revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh (coal, oil, natural gas, and biomass)

**Thermal Coal:**

- »>1% revenues from coal exploration and mining, processing of coke, coal-to-liquids operations, coal gasification (syngas for thermal use), and the marketing of coal.
- »>5% revenues from the generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available information

**Unconventional Oil & Gas:**

- »>5% revenues from oil and gas extraction through arctic drilling for the most recent fiscal year period
- »>5% revenues from the extraction and processing of oil sands for the most recent fiscal year period
- »>5% revenues from hydraulic fracturing for the most recent fiscal year period

**Civilian Firearm:**

- »>0% revenues from involvement in the production of civilian firearms and/or the provision of related services
- »>5% revenues from involvement in the distribution of civilian firearms

**Military Contracting:**

- »> 10% revenues from involvement in military equipment and services

## 93. iSTOXX EUROPE 600 ESG-X LONGEVITY TILTED INDEX

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If data on any of the above fields is missing for the STOXX Global Silver Economy companies, the companies will not be eligible for the selection list.

### Composition list:

The remaining companies in the selection list from the STOXX Global Silver Economy Index are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities are selected.

### Review frequency:

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

### Weighting and capping factors:

The index is price weighted with weight factors based on free-float market capitalization and revenue exposure. The company weights are capped at 25% and the overall exposure to Japanese securities is also capped at 50%.

$$w_k = \frac{se_k * ffmcap_k}{\sum_{l=1}^{10} se_l * ffmcap_l}; \text{ weights capped at 25\%}$$

Where:

|          |                                                                                              |
|----------|----------------------------------------------------------------------------------------------|
| $k, l$   | the 10 selected securities from the STOXX Global Silver Economy Index                        |
| $w_k$    | weight of company $k$ from the 10 securities                                                 |
| $ffmcap$ | free float market capitalization                                                             |
| $se_k$   | the total revenue exposure of company $k$ to the Silver Economy RBICS sectors <sup>164</sup> |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 93.2.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** On a monthly basis, in case a company which is an index constituent has a Norms Based Screening assessment of 'Red' or not rated, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

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<sup>164</sup> Please refer to the [STOXX Index Guide](#) for the full list of Silver Economy RBICS sectors used for the STOXX Global Silver Economy Index

## 93. iSTOXX EUROPE 600 ESG-X LONGEVITY TILTED INDEX

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**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 94.iSTOXX EUROPE 600 ESG-X FINTECH TILTED INDEX

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## 94.1. iSTOXX EUROPE 600 ESG-X FINTECH TILTED INDEX

### 94.1.1. OVERVIEW

The iSTOXX Europe 600 ESG-X Fintech Tilted Index tracks the performance of all of the STOXX Europe 600 ESG-X securities and the 10 largest securities from the STOXX Global Fintech Index, subject to country, liquidity and ESG screens. The index is reviewed quarterly in March, June, September, and December.

**Universe:** STOXX Europe 600 ESG-X Index and STOXX Global Fintech Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the Fintech theme.

**Base values and dates:** 100 on March 24, 2014

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 94.1.2. INDEX REVIEW

All of the companies in the STOXX Europe 600 ESG-X Index are added to the selection list.

The companies in the STOXX Global Fintech Index must satisfy all of the following criteria for inclusion in the selection list:

- **Country classification:** companies belonging to Japan, US, Switzerland, or the developed markets of the Eurozone.
- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR.
- **ESG screens:** companies must comply with the following ESG screens:

**Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

**ESG Ratings:** Companies with ISS-ESG ESG ratings of D- or below are excluded.

**Controversial Weapons:** Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium

## 94. iSTOXX EUROPE 600 ESG-X FINTECH TILTED INDEX

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programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

**Product Involvement:** Not have any Product Involvement in the following areas. The revenue shares used from ISS ESG are the maximum revenue share factors which identify the maximum amount of revenue estimated or company reported to be derived from involvement in a business activity as a percentage of the issuer's total annual revenue, and the estimated values range is not inclusive. STOXX will exclude companies that ISS-ESG identifies to have:

**Tobacco:**

- »>0% revenue from involvement in the production of tobacco products
- »>5% revenue from services related to tobacco products
- »>5% revenues from the wholesale or retail distribution of tobacco products

**Fossil Fuels:**

- »>10% revenues from the extraction of oil (including crude oil, condensate, shale oil, bitumen, synthetic crude oil from oil/tar sands, and heavy oils), refining of oil (including liquefied petroleum gas, naphtha, gasoline, kerosene, diesel, fuel oil, and other combustible oil products), and oil distribution.
- »> 50% revenues from the extraction of natural gas (including coalbed/coal seam methane), natural gas processing and gas-to-liquids operations, and gas distribution.
- »>50% revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh (coal, oil, natural gas, and biomass)

**Thermal Coal:**

- »>1% revenues from coal exploration and mining, processing of coke, coal-to-liquids operations, coal gasification (syngas for thermal use), and the marketing of coal.
- »>5% revenues from the generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available Information

**Unconventional Oil & Gas:**

- »>5% revenues from oil and gas extraction through arctic drilling for the most recent fiscal year period
- »>5% revenues from the extraction and processing of oil sands for the most recent fiscal year period
- »>5% revenues from hydraulic fracturing for the most recent fiscal year period

**Civilian Firearm:**

- »>0% revenues from involvement in the production of civilian firearms and/or the provision of related services
- »>5% revenues from involvement in the distribution of civilian firearms

# 94. iSTOXX EUROPE 600 ESG-X FINTECH TILTED INDEX

## **Military Contracting:**

»> 10% revenues from involvement in military equipment and services

If data on any of the above fields is missing for the STOXX Global Fintech companies, the companies will not be eligible for the selection list.

## **Composition list:**

All of the STOXX Europe 600 ESG-X Index constituents are selected. The remaining companies in the selection list from the STOXX Global Fintech Index are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities are selected (this may include securities that are already selected from the STOXX Europe 600 ESG-X index). The resulting iSTOXX Europe 600 ESG-X Fintech Tilted Index comprises all of the STOXX Europe 600 ESG-X Index constituents and 10 from the STOXX Global Fintech Index.

## **Review frequency:**

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

## **Weighting and capping factors:**

The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers such that, the STOXX Europe 600 ESG-X companies account for 80% and the 10 companies selected from the STOXX Global Fintech Index (FT companies) 20% of the iSTOXX Europe 600 ESG-X Fintech Tilted Index.

The STOXX Europe 600 ESG-X company weights are capped at 20% within the STOXX Europe 600 ESG-X company weights, 16% in the final index (0.8 x 20%). Additionally, the 10 FT company weights are capped at 25% within the FT company weights, hence capped at 5% in the final index (0.2 x 25%). The overall exposure to Japanese securities is also capped at 50% within the FT company weights, 10% in the final index (0.2 x 50%).

$w_i = 0.8 \times \frac{\text{ffmcap}_i}{\sum_{j=1}^N \text{ffmcap}_j}$ ; weight capped at 20% within the STOXX Europe 600 ESG-X companies.

$w_k = 0.2 \times \frac{\text{ft}_k * \text{ffmcap}_k}{\sum_{l=1}^{10} \text{ft}_l * \text{ffmcap}_l}$ ; weights capped at 25% within the FT companies

Where:

|                 |                                                                                               |
|-----------------|-----------------------------------------------------------------------------------------------|
| $i, j$          | STOXX Europe 600 ESG-X constituents                                                           |
| $N$             | the total number of the STOXX Europe 600 ESG-X constituents                                   |
| $w_i$           | weight of the STOXX Europe 600 ESG-X security in the new index (max 16% within the new index) |
| $k, l$          | the 10 selected securities from the STOXX Global Fintech Index                                |
| $w_k$           | weight of the 10 FT securities in the new index (max 5% within the new index)                 |
| $\text{ffmcap}$ | free float market capitalization                                                              |
| $\text{ft}_k$   | the total revenue exposure of company k to the Fintech RBICS sectors <sup>165</sup>           |

<sup>165</sup> Please refer to the [STOXX Index Guide](#) for the full list of Fintech RBICS sectors used for the STOXX Global Fintech Index

## 94. iSTOXX EUROPE 600 ESG-X FINTECH TILTED INDEX

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Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 94.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** On a monthly basis, in case a company which is an index constituent has a Norms Based Screening assessment of 'Red' or not rated, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)



# 94. iSTOXX EUROPE 600 ESG-X FINTECH TILTED INDEX

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## 94.2. iSTOXX FINTECH 10 INDEX

### 94.2.1. OVERVIEW

The iSTOXX Fintech 10 Index tracks the performance of the 10 largest securities from the STOXX Global Fintech Index, subject to country, liquidity and ESG screens. The index is reviewed quarterly in March, June, September and December.

**Universe:** STOXX Global Fintech Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the Fintech theme.

**Base values and dates:** 100 on March 24, 2014

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 94.2.2. INDEX REVIEW

**Selection list:**

The companies in the STOXX Global Fintech Index must satisfy all of the following criteria for inclusion in the selection list:

- **Country classification:** companies belonging to Japan, US, Switzerland, or the developed markets of the Eurozone.
- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR.
- **ESG screens:** companies must comply with the following ESG screens:

**Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

**ESG Ratings:** Companies with ISS-ESG ESG ratings of D- or below are excluded.

**Controversial Weapons:** Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over

## 94. iSTOXX EUROPE 600 ESG-X FINTECH TILTED INDEX

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the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

**Product Involvement:** Not have any Product Involvement in the following areas. The revenue shares used from ISS ESG are the maximum revenue share factors which identify the maximum amount of revenue estimated or company reported to be derived from involvement in a business activity as a percentage of the issuer's total annual revenue, and the estimated values range is not inclusive. STOXX will exclude companies that ISS-ESG identifies to have:

**Tobacco:**

- »>0% revenue from involvement in the production of tobacco products
- »>5% revenue from services related to tobacco products
- »>5% revenues from the wholesale or retail distribution of tobacco products

**Fossil Fuels:**

- »>10% revenues from the extraction of oil (including crude oil, condensate, shale oil, bitumen, synthetic crude oil from oil/tar sands, and heavy oils), refining of oil (including liquefied petroleum gas, naphtha, gasoline, kerosene, diesel, fuel oil, and other combustible oil products), and oil distribution.
- »> 50% revenues from the extraction of natural gas (including coalbed/coal seam methane), natural gas processing and gas-to-liquids operations, and gas distribution.
- »>50% revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh (coal, oil, natural gas, and biomass)

**Thermal Coal:**

- »>1% revenues from coal exploration and mining, processing of coke, coal-to-liquids operations, coal gasification (syngas for thermal use), and the marketing of coal.
- »>5% revenues from the generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available information

**Unconventional Oil & Gas:**

- »>5% revenues from oil and gas extraction through arctic drilling for the most recent fiscal year period
- »>5% revenues from the extraction and processing of oil sands for the most recent fiscal year period
- »>5% revenues from hydraulic fracturing for the most recent fiscal year period

**Civilian Firearm:**

- »>0% revenues from involvement in the production of civilian firearms and/or the provision of related services
- »>5% revenues from involvement in the distribution of civilian firearms

**Military Contracting:**

- »> 10% revenues from involvement in military equipment and services

## 94. iSTOXX EUROPE 600 ESG-X FINTECH TILTED INDEX

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If data on any of the above fields is missing for the STOXX Global Fintech companies, the companies will not be eligible for the selection list.

### Composition list:

The remaining companies in the selection list from the STOXX Global Fintech Index are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities are selected.

### Review frequency:

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

### Weighting and capping factors:

The index is price weighted with weight factors based on free-float market capitalization and revenue exposure. The company weights are capped at 25% and the overall exposure to Japanese securities is also capped at 50%.

$$w_k = \frac{ft_k * ffmcap_k}{\sum_{l=1}^{10} ft_l * ffmcap_l}; \quad \text{weights capped at 25\%}$$

Where:

|          |                                                                                     |
|----------|-------------------------------------------------------------------------------------|
| $k, l$   | the 10 selected securities from the STOXX Global Fintech Index                      |
| $w_k$    | weight of company k from the 10 securities                                          |
| $ffmcap$ | free float market capitalization                                                    |
| $ft_k$   | the total revenue exposure of company k to the Fintech RBICS sectors <sup>166</sup> |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 94.2.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3<sup>rd</sup> dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently.

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<sup>166</sup> Please refer to the [STOXX Index Guide](#) for the full list of Fintech RBICS sectors used for the STOXX Global Fintech Index

## 94. iSTOXX EUROPE 600 ESG-X FINTECH TILTED INDEX

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**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 95.iSTOXX EUROPE 600 ESG-X WATER DEPLETION TILTED INDEX

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## 95.1. iSTOXX EUROPE 600 ESG-X WATER DEPLETION TILTED INDEX

### 95.1.1. OVERVIEW

The iSTOXX Europe 600 ESG-X Water Depletion Tilted Index tracks the performance of all of the STOXX Europe 600 ESG-X securities and the 10 largest Water Depletion securities from the STOXX Developed Markets Total Market Index, subject to country, liquidity and ESG screens. The index is reviewed quarterly in March, June, September, and December.

**Universe:** STOXX Europe 600 ESG-X Index and STOXX Developed Markets Total Market Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the Water Depletion theme.

**Base values and dates:** 100 on March 24, 2014

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 95.1.2. INDEX REVIEW

**Selection list:**

All of the companies in the STOXX Europe 600 ESG-X Index are added to the selection list.

The companies in the STOXX Developed Markets Total Market Index must satisfy all of the following criteria for inclusion in the selection list:

- **Country classification:** companies belonging to Japan, US, Switzerland, or the developed markets of the Eurozone.
- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR.
- **ESG screens:** companies must comply with the following ESG screens:

**Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

**ESG Ratings:** Companies with ISS-ESG ESG ratings of D- or below are excluded.

**Controversial Weapons:** Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel

## 95. iSTOXX EUROPE 600 ESG-X WATER DEPLETION TILTED INDEX

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mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

**Product Involvement:** Not have any Product Involvement in the following areas. The revenue shares used from ISS ESG are the maximum revenue share factors which identify the maximum amount of revenue estimated or company reported to be derived from involvement in a business activity as a percentage of the issuer's total annual revenue, and the estimated values range is not inclusive. STOXX will exclude companies that ISS-ESG identifies to have:

**Tobacco:**

- »>0% revenue from involvement in the production of tobacco products
- »>5% revenue from services related to tobacco products
- »>5% revenues from the wholesale or retail distribution of tobacco products

**Fossil Fuels:**

- »>10% revenues from the extraction of oil (including crude oil, condensate, shale oil, bitumen, synthetic crude oil from oil/tar sands, and heavy oils), refining of oil (including liquefied petroleum gas, naphtha, gasoline, kerosene, diesel, fuel oil, and other combustible oil products), and oil distribution.
- »> 50% revenues from the extraction of natural gas (including coalbed/coal seam methane), natural gas processing and gas-to-liquids operations, and gas distribution.
- »>50% revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh (coal, oil, natural gas, and biomass)

**Thermal Coal:**

- »>1% revenues from coal exploration and mining, processing of coke, coal-to-liquids operations, coal gasification (syngas for thermal use), and the marketing of coal.
- »>5% revenues from the generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available Information

**Unconventional Oil & Gas:**

- »>5% revenues from oil and gas extraction through arctic drilling for the most recent fiscal year period
- »>5% revenues from the extraction and processing of oil sands for the most recent fiscal year period
- »>5% revenues from hydraulic fracturing for the most recent fiscal year period

**Civilian Firearm:**

- »>0% revenues from involvement in the production of civilian firearms and/or the provision of related services
- »>5% revenues from involvement in the distribution of civilian firearms

## 95. iSTOXX EUROPE 600 ESG-X WATER DEPLETION TILTED INDEX

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### **Military Contracting:**

»> 10% revenues from involvement in military equipment and services

- **Revenues:** companies generating 25% or more of their revenues from the Water Depletion RBICS L6 sectors listed below. Revenues coming from the "Water Equipment" group must have "water" in their respective RBICS business segment report in order to be considered towards the overall water depletion revenue.

| Nr. | Water Depletion RBICS L6 sectors                  | Group                              |
|-----|---------------------------------------------------|------------------------------------|
| 1   | Americas Water Utilities                          | Water Utilities                    |
| 2   | Asia/Pacific Water Utilities                      | Water Utilities                    |
| 3   | Europe, Middle East and Africa Water Utilities    | Water Utilities                    |
| 4   | Multi-National Water Utilities                    | Water Utilities                    |
| 5   | United States Water Utilities                     | Water Utilities                    |
| 6   | Liquid and Water Purification/Filtration Products | Water Infrastructure and Treatment |
| 7   | Sewage and Water Infrastructure Construction      | Water Infrastructure and Treatment |
| 8   | Wastewater Residual Management                    | Water Infrastructure and Treatment |
| 9   | Wastewater Treatment Services                     | Water Infrastructure and Treatment |
| 10  | Water Treatment Agents Manufacturing              | Water Infrastructure and Treatment |
| 11  | Compressor and Pumping Equipment Manufacturing    | Water Equipment                    |
| 12  | Pipes and Pipe Fittings Manufacturing             | Water Equipment                    |
| 13  | Utilities Pipes and Pipe Fittings Manufacturing   | Water Equipment                    |
| 14  | Utility Meter Manufacturing                       | Water Equipment                    |
| 15  | Valves and Fluid Control Products                 | Water Equipment                    |

If data on any of the above fields is missing for the STOXX Developed Markets Total Market companies, the companies will not be eligible for the selection list.

### **Composition list:**

All of the STOXX Europe 600 ESG-X Index constituents are selected. The remaining companies in the selection list from the STOXX Developed Markets Total Market Index are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities are selected (this may include securities that are already selected from the STOXX Europe 600 ESG-X index).

In the instances where there are less than 10 eligible Water Depletion companies from the STOXX Developed Markets Total Market Index, the revenue requirement is lowered by an increment of 5% until we have 10 or more companies, or we reach a minimum revenue threshold of 5%. The largest 10 securities are selected. If we have less than 10 eligible securities at the minimum revenue threshold of 5%, all of the eligible securities will be selected.

The resulting iSTOXX Europe 600 ESG-X Water Depletion Tilted Index comprises all of the STOXX Europe 600 ESG-X Index constituents and the 10 Water Depletion securities.

# 95. iSTOXX EUROPE 600 ESG-X WATER DEPLETION TILTED INDEX

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## Review frequency:

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

## Weighting and capping factors:

The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers such that, the STOXX Europe 600 ESG-X companies account for 80% and the 10 Water Depletion (WD) companies account for 20% of the iSTOXX Europe 600 ESG-X Water Depletion Tilted Index.

The STOXX Europe 600 ESG-X company weights are capped at 20% within the STOXX Europe 600 ESG-X company weights, 16% in the final index (0.8 x 20%). Additionally, the 10 WD company weights are capped at 15% within the WD company weights, hence capped at 3% in the final index (0.2 x 15%). The overall exposure to Japanese securities is also capped at 50% within the WD company weights, 10% in the final index (0.2 x 50%).

$w_i = 0.8 \times \frac{ffmcap_i}{\sum_{j=1}^N ffmcap_j}$ ; weight capped at 20% within the STOXX Europe 600 ESG-X companies.

$w_k = 0.2 \times \frac{WD_k * ffmcap_k}{\sum_{l=1}^{10} WD_l * ffmcap_l}$ ; weights capped at 15% within the WD companies

Where:

|          |                                                                                                 |
|----------|-------------------------------------------------------------------------------------------------|
| $i, j$   | STOXX Europe 600 ESG-X constituents                                                             |
| $N$      | the total number of the STOXX Europe 600 ESG-X constituents                                     |
| $w_i$    | weight of the STOXX Europe 600 ESG-X securities in the new index (max 16% within the new index) |
| $k, l$   | the 10 Water Depletion securities selected from the STOXX Developed Markets Total Market Index  |
| $w_k$    | weight of the 10 WD securities in the new index (max 3% within the new index)                   |
| $ffmcap$ | free float market capitalization                                                                |
| $WD_k$   | the total revenue exposure of company k to the Water Depletion RBICS sectors                    |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor = (1,000,000,000 x  $w_i$  /  $p_i$ ), rounded to the nearest integer value.

## 95.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** On a monthly basis, in case a company which is an index constituent has a Norms Based Screening assessment of 'Red' or not rated, the respective constituent will be deleted from the



## 95. iSTOXX EUROPE 600 ESG-X WATER DEPLETION TILTED INDEX

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index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 95. iSTOXX EUROPE 600 ESG-X WATER DEPLETION TILTED INDEX

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## 95.2. iSTOXX WATER DEPLETION 10 INDEX

### 95.2.1. OVERVIEW

The iSTOXX Water Depletion 10 Index tracks the performance of the 10 largest Water Depletion securities from the STOXX Developed Markets Total Market Index, subject to country, liquidity and ESG screens. The index is reviewed quarterly in March, June, September and December.

**Universe:** STOXX Developed Markets Total Market Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the Water Depletion theme.

**Base values and dates:** 100 on March 24, 2014

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 95.2.2. INDEX REVIEW

The companies in the STOXX Developed Markets Total Market Index must satisfy all of the following criteria for inclusion in the selection list:

- **Country classification:** companies belonging to Japan, US, Switzerland or the developed markets of the Eurozone
- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR
- **ESG screens:** companies must comply with the following ESG screens:

**Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

**ESG Ratings:** Companies with ISS-ESG ESG ratings of D- or below are excluded.

**Controversial Weapons:** Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

# 95. iSTOXX EUROPE 600 ESG-X WATER DEPLETION TILTED INDEX

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**Product Involvement:** Not have any Product Involvement in the following areas. The revenue shares used from ISS ESG are the maximum revenue share factors which identify the maximum amount of revenue estimated or company reported to be derived from involvement in a business activity as a percentage of the issuer's total annual revenue, and the estimated values range is not inclusive. STOXX will exclude companies that ISS-ESG identifies to have:

**Tobacco:**

- »>0% revenue from involvement in the production of tobacco products
- »>5% revenue from services related to tobacco products
- »>5% revenues from the wholesale or retail distribution of tobacco products

**Fossil Fuels:**

- »>10% revenues from the extraction of oil (including crude oil, condensate, shale oil, bitumen, synthetic crude oil from oil/tar sands, and heavy oils), refining of oil (including liquefied petroleum gas, naphtha, gasoline, kerosene, diesel, fuel oil, and other combustible oil products), and oil distribution.
- »> 50% revenues from the extraction of natural gas (including coalbed/coal seam methane), natural gas processing and gas-to-liquids operations, and gas distribution.
- »>50% revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh (coal, oil, natural gas, and biomass)

**Thermal Coal:**

- »>1% revenues from coal exploration and mining, processing of coke, coal-to-liquids operations, coal gasification (syngas for thermal use), and the marketing of coal.
- »>5% revenues from the generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available Information

**Unconventional Oil & Gas:**

- »>5% revenues from oil and gas extraction through arctic drilling for the most recent fiscal year period
- »>5% revenues from the extraction and processing of oil sands for the most recent fiscal year period
- »>5% revenues from hydraulic fracturing for the most recent fiscal year period

**Civilian Firearm:**

- »>0% revenues from involvement in the production of civilian firearms and/or the provision of related services
- »>5% revenues from involvement in the distribution of civilian firearms

**Military Contracting:**

- »> 10% revenues from involvement in military equipment and services

- **Revenues:** companies generating 25% or more of their revenues from the Water Depletion RBICS L6 sectors listed below. Revenues coming from the "Water Equipment" group must have "water" in their respective RBICS business segment report in order to be considered towards the overall water depletion revenue.

# 95. iSTOXX EUROPE 600 ESG-X WATER DEPLETION TILTED INDEX

| Nr. | Water Depletion RBICS L6 sectors                  | Group                              |
|-----|---------------------------------------------------|------------------------------------|
| 1   | Americas Water Utilities                          | Water Utilities                    |
| 2   | Asia/Pacific Water Utilities                      | Water Utilities                    |
| 3   | Europe, Middle East and Africa Water Utilities    | Water Utilities                    |
| 4   | Multi-National Water Utilities                    | Water Utilities                    |
| 5   | United States Water Utilities                     | Water Utilities                    |
| 6   | Liquid and Water Purification/Filtration Products | Water Infrastructure and Treatment |
| 7   | Sewage and Water Infrastructure Construction      | Water Infrastructure and Treatment |
| 8   | Wastewater Residual Management                    | Water Infrastructure and Treatment |
| 9   | Wastewater Treatment Services                     | Water Infrastructure and Treatment |
| 10  | Water Treatment Agents Manufacturing              | Water Infrastructure and Treatment |
| 11  | Compressor and Pumping Equipment Manufacturing    | Water Equipment                    |
| 12  | Pipes and Pipe Fittings Manufacturing             | Water Equipment                    |
| 13  | Utilities Pipes and Pipe Fittings Manufacturing   | Water Equipment                    |
| 14  | Utility Meter Manufacturing                       | Water Equipment                    |
| 15  | Valves and Fluid Control Products                 | Water Equipment                    |

If data on any of the above fields is missing for the STOXX Developed Markets Total Market companies, the companies will not be eligible for the selection list.

## Composition list:

The companies in the selection list are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities are selected.

In the instances where there are less than 10 companies in the selection list, the revenue requirement is lowered by an increment of 5% until we have 10 or more companies or we reach a minimum revenue threshold of 5%. The largest 10 securities are selected. If we have less than 10 eligible securities at the minimum revenue threshold of 5%, all of the eligible securities will be selected.

## Review frequency:

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

## Weighting and capping factors:

The index is price weighted with weight factors based on free-float market capitalization and revenue exposure. The company weights are capped at 15% and the overall exposure to Japanese securities is also capped at 50%.

$$w_k = \frac{WD * ffmcap_k}{\sum_{l=1}^{10} WD_l * ffmcap_l}; \quad \text{weights capped at 15\%}$$

Where:

$k, l$  the 10 Water Depletion securities

## 95. iSTOXX EUROPE 600 ESG-X WATER DEPLETION TILTED INDEX

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|        |                                                                        |
|--------|------------------------------------------------------------------------|
| $w_k$  | weight of company k                                                    |
| ffmcap | free float market capitalization                                       |
| $WD_k$ | the total revenue exposure of company k to the Water Depletion sectors |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

### 95.2.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** On a monthly basis, in case a company which is an index constituent has a Norms Based Screening assessment of 'Red' or not rated, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 96.iSTOXX SELECT DIVIDEND ESG FILTERED INDICES

## 96.1. iSTOXX SELECT DIVIDEND ESG FILTERED INDICES

### 96.1.1. OVERVIEW

The iSTOXX Select Dividend ESG Filtered indices are derived from the respective STOXX benchmark indices after applying a set of ESG exclusionary screens for Norms Based Screening, Human Rights controversy, Controversial Weapons, tobacco production, coal, civilian firearms, military equipment, emissions intensity and energy consumption intensity. Finally, a fixed number of stocks is selected which represent the highest-yielding stocks relative to their home markets in the respective benchmark index

**Universe:** The Index Universe is defined by all stocks included in the indices as per the below table:

| Index Name                                                 | Universe                                                                                                                                                                               |
|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| iSTOXX Europe Select Dividend ESG Filtered 30 Index        | STOXX Europe 600 Index                                                                                                                                                                 |
| iSTOXX North America Select Dividend ESG Filtered 40 Index | STOXX North America 600 Index                                                                                                                                                          |
| iSTOXX Asia/Pacific Select Dividend ESG Filtered 30 Index  | STOXX Asia/Pacific 600 Index                                                                                                                                                           |
| iSTOXX Global Select Dividend ESG Filtered 100 Index       | Combination of the iSTOXX Europe Select Dividend ESG Filtered 30, iSTOXX North America Select Dividend ESG Filtered 40 and iSTOXX Asia/Pacific Select Dividend ESG Filtered 30 indices |

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the dividend yield.

**Base values and dates:** 100 as on 15 March 2019

**Index types and currencies:** Price, Net and Gross return in USD and EUR

**Dissemination calendar:** STOXX Europe calendar

### 96.1.2. INDEX REVIEW

#### Selection List

For each iSTOXX Select Dividend ESG Filtered index, the components of the corresponding STOXX Regional Benchmark index and their secondary share lines are eligible.

Companies are first screened applying a set of ESG exclusion criteria which follow the ISS-ESG Norms Based Screening assessment, Human Rights controversy, a set of definitions for Controversial Weapons, tobacco production, coal, civilian firearms, military equipment, emissions intensity and energy consumption intensity.

## 96. iSTOXX SELECT DIVIDEND ESG FILTERED INDICES

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**Norms Based Screening:**

Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

**Human rights controversy:**

Companies are assessed based on their worst-case Severity Indicator within the Key Thematic Area Fundamental Human Rights. The Case Severity Indicator is a measure of the reported risk or impact on society or the environment, and takes into account the degree of corporate involvement. Companies identified as "Very Severe" are excluded.

**Controversial Weapons:**

Not involved in Controversial Weapons activities, as identified by ISS-ESG. The following weapons are considered controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programme, white phosphorus, and nuclear weapons (including Non-NPT). ISS ESG's Controversial Weapons Research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to the ultimate parent. Companies identified as 'Red' are excluded.

**Tobacco:**

STOXX will exclude companies that ISS-ESG identifies to have:

- $\geq 5\%$  revenues from involvement in the production of tobacco products.

**Coal:**

STOXX will exclude companies that ISS-ESG identifies to have:

- $\geq 30\%$  revenues from coal exploration and mining, processing of coke, coal-to-liquids operations, coal gasification (syngas for thermal use), and the marketing of coal.
- $\geq 30\%$  revenues from generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available information.

**Civilian Firearms:**

STOXX will exclude companies that ISS-ESG identifies to have:

- $\geq 10\%$  revenues from involvement in the production of civilian firearms and/or the provision of related services.

**Military Equipment:**

STOXX will exclude companies that ISS-ESG identifies to have:

- $\geq 10\%$  revenues from involvement in military equipment and services.

## 96. iSTOXX SELECT DIVIDEND ESG FILTERED INDICES

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### Carbon intensity<sup>167</sup>:

STOXX will exclude companies that ISS-ESG identifies to have:

- Total (Scope 1 + Scope 2) carbon emissions intensity  $\geq 1500$ . Carbon intensity is expressed as the issuer's total carbon emissions per million USD of revenue as a proxy of the carbon efficiency per unit of output.

### Energy consumption intensity<sup>184</sup>:

STOXX will exclude companies that ISS-ESG identifies to have:

- energy consumption in GWh per million EUR of revenue (GWh/mEUR)  $\geq 300$ .

**Further Screens: The companies are further screened according to the criteria detailed in** section 10.1.2, "Component selection," in the STOXX Select Dividend Indices methodology within the STOXX Index Methodology Guide for further details.

### Composition List

#### iSTOXX Europe Select Dividend ESG Filtered 30

Coverage: the 30 highest-yielding companies relative to their home market (STOXX Regional/Country TMI) are selected from the eligible STOXX Europe 600 Index (plus secondary lines).

» Outperformance factor calculation: Net dividend yield of the company divided by the maximum of (STOXX Country TMI net dividend yield or STOXX Europe TMI net dividend yield) -1.

» Component selection: All current components ranked from 1 to 60 in the selection list will remain in the index. If the number of stocks is below 30, the highest ranked non-components are added until the fixed number of index components is reached.

#### iSTOXX North America Select Dividend ESG Filtered 40

Coverage: the 40 highest-yielding companies relative to their home market (STOXX Regional/Country TMI) are selected from the eligible STOXX North America 600 Index (plus secondary lines).

» Outperformance factor calculation: Net dividend yield of the company divided by the STOXX Country TMI net dividend yield -1.

» Component selection: The companies are ranked by the outperformance factor for each country and region as a whole. All current components ranked 60 or above in each country ranking will remain in the index. If the number of stocks is still below 40, the highest ranked non-components from the regional ranking are added until the fixed number of index components is reached. A maximum of 30 stocks per country can be included in the index.

#### iSTOXX Asia/Pacific Select Dividend ESG Filtered 30

Coverage: the 30 highest-yielding companies relative to their home market (STOXX Regional/Country TMI) are selected from the eligible STOXX Asia/Pacific 600 Index (plus secondary lines).

» A payout ratio of less than or equal to 80% applies for non-components.

» Outperformance factor calculation: Net dividend yield of the company divided by the maximum of (STOXX Country TMI net dividend yield or STOXX Asia/Pacific TMI net dividend yield) -1.

» Component selection: The companies are ranked by the outperformance factor for each country and region as a whole. All current components ranked 20 or above in each country ranking will

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<sup>167</sup>. Companies are screened out using the Carbon Intensity and Energy consumption intensity ESG Exclusion criteria from March 2022 onwards.



## 96. iSTOXX SELECT DIVIDEND ESG FILTERED INDICES

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remain in the index. If the number of stocks is still below 30, the highest ranked non-components from the regional ranking are added until the fixed number of index components is reached. A maximum of 10 stocks per country can be included in the index.

### iSTOXX Global Select Dividend ESG Filtered 100

The index is a combination of the iSTOXX Europe Select Dividend ESG Filtered 30 Index, the iSTOXX North America Select Dividend ESG Filtered 40 Index and the iSTOXX Asia/Pacific Select Dividend ESG Filtered 30 Index.

### Review Frequency

The iSTOXX Select Dividend ESG Filtered indices are reviewed on an annual basis in March. The review cut-off date for the annual review is the last trading day of February. The cut-off date for the quarterly updated selection lists is the last trading day of February, May, August and November. The components are announced on the 5th trading day of March, June, September and December, implemented after the close on the third Friday and effective at market open of the next trading day.

### Weighting Cap Factors

The factors are calculated based on net-dividend yields.

Weight determination:

$$w_i = \frac{\frac{D_i}{P_i}}{\sum_{j=1}^N \frac{D_j}{P_j}}$$

- $w_i$  = weight of company i
- $D_i$  = net dividend of company i
- $P_i$  = closing price of company i
- $D_j$  = net dividend of company j
- $P_j$  = closing price of company j
- $N$  = number of index components

Weighting cap factor = (1,000,000,000 x  $w_i$  / closing price of stock in EUR), rounded to integers.

Weighting cap factors are calculated based on the full precision dividend yields.

The weighting cap factors are published on the second Friday in March, one week prior to quarterly review implementation using Thursday's closing prices.

For all iSTOXX Select Dividend ESG Filtered indices, except for the iSTOXX Global Select Dividend ESG Filtered 100 Index, an additional cap factor of 15% applies. The iSTOXX Global Select Dividend ESG Filtered 100 Index has a cap factor of 10%. All weighting cap factors are reviewed quarterly.

## 96. iSTOXX SELECT DIVIDEND ESG FILTERED INDICES

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### 96.1.3. ONGOING MAINTENANCE

**Replacements:** Please refer to section 10.1.4, "Replacements", in the STOXX Select Dividend Indices methodology within the STOXX Index Methodology Guide for further details.

**Fast exit:** Please refer to section 10.1.4, "Fast exit", in the STOXX Select Dividend Indices methodology within the STOXX Index Methodology Guide for further details.

In addition, if a component of the iSTOXX Select Dividend ESG Filtered indices would be excluded due to the ESG exclusion criteria during a quarterly rebalance, that company is removed and replaced by the highest-ranked non-component on the next available selection list. The changes will be announced on the 5th trading day of the month together with the selection list and become effective on the first trading day after the third Friday of the month. The weight factors for the new components will be published on the quarterly underlying data announcement based on previous day closing prices.

**Fast Entry:** Not applicable.

**Spin-offs:** Please refer to section 10.1.4, "Spin-offs", in the STOXX Select Dividend Indices methodology within the STOXX Index Methodology Guide for further details.

**Mergers and takeovers:** Please refer to section 10.1.4, "Mergers and takeovers", in the STOXX Select Dividend Indices methodology within the STOXX Index Methodology Guide for further details.

**Weighting cap factor calculation for replacements:** Please refer to section 10.1.4, "Weighting cap factor Calculation for Replacements," in the STOXX Select Dividend Indices methodology within the STOXX Index Methodology Guide for further details.

#### Corporate Actions

All components are maintained for corporate actions as outlined in the STOXX Calculation Guide available on [stoxx.com](https://www.stoxx.com)

# 97.iSTOXX EUROPE 50 EX FINANCIALS EX BASIC MATERIALS EX ENERGY INDEX

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## 97.1. iSTOXX EUROPE 50 EX FINANCIALS EX BASIC MATERIALS EX ENERGY INDEX

### 97.1.1. OVERVIEW

The iSTOXX Europe 50 ex Financials ex Basic Materials ex Energy Index is derived from the STOXX Europe 50 index and excludes the Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry. Weights of individual securities are capped at a maximum weight of 10% quarterly.

**Universe:** The index universe is defined by the parent index STOXX Europe 50 index as of the effective date.

**Weighting scheme:** The indices are weighted according to Free Float Market Capitalization.

**Base values and dates:** 1000 on October 31, 2024, and the historical index values are available from September 20, 2019.

**Index types and currencies:** Price, Net and Gross return in EUR

**Dissemination calendar:** STOXX Europe calendar

### 97.1.2. INDEX REVIEW

#### Selection List

N/A

#### Composition List

Only companies that are part of STOXX Europe 50 and not part of Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry are selected.

#### Review Frequency

The iSTOXX Europe 50 ex Financials ex Basic Materials ex Energy Index is reviewed on a quarterly basis in March, June, September and December.

#### Weighting Cap Factors

Weights of individual securities are capped at a maximum weight of 10% quarterly.

### 97.1.3. ONGOING MAINTENANCE

**Replacements:** Deletions of stocks from the parent index which are not part of the excluded Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry are also deleted from this index. If a replacement stock in the parent index is not classified as one of the of the excluded Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry, the replacement will be added to the index. If a replacement stock in the parent index is classified as one of the excluded

## 97. iSTOXX EUROPE 50 EX FINANCIALS EX BASIC MATERIALS EX ENERGY INDEX

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Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry, a replacement will not be added to this index.

**Fast exit:** The index follows the parent index' changes. Deletions of components from the parent index which are not part of the excluded Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry are also deleted from this index. If a new component in the parent index is not classified as one of the of the excluded Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry, the new component will be added to the index. If a new component in the parent index is classified as one of the excluded Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry, the stock will not be added to this index.

**Fast entry:** The index follows the parent index' changes. Deletions of components from the parent index which are not part of the excluded Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry are also deleted from this index. If a new component in the parent index is not classified as one of the of the excluded Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry, the new component will be added to the index. If a new component in the parent index is classified as one of the excluded Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry, the stock will not be added to this index.

**Spin-offs:** The index follows the parent index' changes. Deletions of components from the parent index which are not part of the excluded Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry are also deleted from this index. If a new component in the parent index is not classified as one of the of the excluded Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry, the new component will be added to the index. If a new component in the parent index is classified as one of the excluded Financials (ICB 30), Basic Materials (ICB 55) and Energy (ICB 60) industry, the stock will not be added to this index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com).

## 98.iSTOXX TRANSATLANTIC INDICES

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### 98.1. iSTOXX TRANSATLANTIC EU 70 INDEX

#### 98.1.1. OVERVIEW

**Universe:** the index is derived from the parent index STOXX Europe 600

**Weighting scheme:** equal-weighted

**Base value:** 1000

**Base Date:** 20 November 2015

**Index types and currencies:** Gross Return in EUR

**Dissemination calendar:** STOXX Europe calendar

#### 98.1.2. INDEX REVIEW

**Selection list:** the composition of the parent index is observed after the respective quarterly review.

**Composition list:** the largest 70 Eurozone stocks from the STOXX Europe 600 index in terms of free-float market capitalization.

**Review frequency:** quarterly, in line with the Benchmark indices.

#### 98.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently

## 98.2. iSTOXX TRANSATLANTIC US 30 INDEX

### 98.2.1. OVERVIEW

**Universe:** the index is derived from the parent index STOXX North America 600

**Weighting scheme:** equal-weighted

**Base value:** 1000

**Base Date:** 20 November 2015

**Index types and currencies:** Gross Return in EUR, USD

**Dissemination calendar:** STOXX Americas calendar

### 98.2.2. INDEX REVIEW

**Selection list:** the composition of the parent index is observed after the respective quarterly review

**Composition list:** the largest 30 U.S. stocks from the STOXX North America 600 index in terms of free-float market capitalization

**Review frequency:** quarterly, in line with the Benchmark indices.

**Weighting cap factors:** none

### 98.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently

## 98.3. iSTOXX TRANSATLANTIC 100 EQUAL WEIGHT INDEX

### 98.3.1. OVERVIEW

The iSTOXX Transatlantic 100 Equal Weight EUR (GR) is a composite index obtained by rebalancing the iSTOXX Transatlantic EU 70 EUR (GR) and iSTOXX Transatlantic US 30 EUR (GR) indices respectively to 70% and 30% on a daily basis.

**Dissemination calendar:** intersection of the dissemination calendars of the STOXX Europe calendar and the STOXX US Country calendar.

### 98.3.2. INDEX FORMULA

$$IV_t = IV_{t-1} \cdot \sum_{i=1}^2 w_i \cdot \frac{U_{t,i}}{U_{t-1,i}}$$

$w_i$  = target weight of sub-index  $i$

$U_{t,i}$  = close value of sub-index  $i$  on day  $t$

$IV_t$  = value of iSTOXX Transatlantic 100 EUR (GR) index on day  $t$  ( $IV_{31.12.2004} = 413.03$ )

| $i$ | Sub-index name                      | $w_i$ |
|-----|-------------------------------------|-------|
| 1   | iSTOXX Transatlantic EU 70 EUR (GR) | 0.7   |
| 2   | iSTOXX Transatlantic US 30 EUR (GR) | 0.3   |

## 98.4. iSTOXX TRANSATLANTIC EU ESG 70 INDEX

### 98.4.1. OVERVIEW

**Universe:** the index is derived from the parent index EURO STOXX

**Weighting scheme:** equal-weighted

**Base value:** 1000

**Base Date:** 21 September 2009

**Index types and currencies:** Price, Net and Gross Return in EUR, USD

**Dissemination calendar:** STOXX Europe calendar

### 98.4.2. INDEX REVIEW

**Selection list:** the review cut-off date is the last dissemination day of the month preceding the review month of the index.

Upon this date, the selection list is constructed by filtering out all companies from the parent index that are in contravention of Global Standards Screening (GSS) or are involved in Controversial Weapons activities, as identified by Sustainalytics.

To the remaining companies the ESG scores, as calculated by Sustainalytics, are assigned. If for a company this information is not available, an ESG score of 0 is assigned.

The companies are then ranked in descending order in terms of their ESG scores, and the 120 companies with the highest ESG scores are added to the selection list. In case two companies for a given cut-off date have the same ESG score, priority is given to the one with the highest free-float market capitalization.

**Composition list:** the largest 70 companies in terms of free-float market capitalization of the selection list are selected for the final composition list.

**Review frequency:** quarterly, in line with the Benchmark indices.

### 98.4.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently



## 98.5. iSTOXX TRANSATLANTIC US ESG 30 INDEX

### 98.5.1. OVERVIEW

**Universe:** the index is derived from the parent index STOXX USA 500

**Weighting scheme:** equal-weighted

**Base value:** 1000

**Base Date:** 21 September 2009

**Index types and currencies:** Price, Net and Gross Return in EUR, USD

**Dissemination calendar:** STOXX Americas calendar

### 98.5.2. INDEX REVIEW

**Selection list:** the review cut-off date is the last dissemination day of the month preceding the review month of the index.

Upon this date the selection list is constructed by filtering out all companies from the parent index that are in contravention of Global Standards Screening or are involved in Controversial Weapons activities, as identified by Sustainalytics.

To the remaining companies the ESG Risk Scores, as calculated by Sustainalytics, are assigned.

If for a company this information is not available, an ESG Risk Score of 100 is assigned. The companies are then ranked in ascending order in terms of their ESG Risk Scores, and the 200 companies with the lowest ESG Risk Scores are added to the selection list. In case two companies for a given cut-off date have the same ESG Risk Scores, priority is given to the one with the highest free-float market capitalization.

**Composition list:** the largest 30 companies in terms of free-float market capitalization of the selection list are selected for the final composition list.

**Review frequency:** quarterly, in line with the Benchmark indices.

**Weighting cap factors:** none

### 98.5.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently.

## 98.6. iSTOXX TRANSATLANTIC ESG 100 EQUAL WEIGHT INDEX

### 98.6.1. OVERVIEW

The iSTOXX Transatlantic ESG 100 Equal Weight EUR (GR) is a composite index obtained by rebalancing the iSTOXX Transatlantic EU ESG 70 EUR (GR) and iSTOXX Transatlantic US ESG 30 EUR (GR) indices respectively to 70% and 30% on a daily basis.

**Base value:** 1010

**Base date:** 2 January 2018

**Dissemination calendar:** intersection of the dissemination calendars of the STOXX Europe calendar and the STOXX US Country calendar.

### 98.6.2. INDEX FORMULA

$$IV_t = IV_{t-1} \cdot \sum_{i=1}^2 w_i \cdot \frac{U_{t,i}}{U_{t-1,i}}$$

$w_i$  = target weight of sub-index  $i$

$U_{t,i}$  = close value of sub-index  $i$  on day  $t$

$IV_t$  = value of iSTOXX Transatlantic ESG 100 EUR (GR) index on day  $t$  ( $IV_{21.09.2009} = 406.59$ )

| $i$ | Sub-index name                          | $w_i$ |
|-----|-----------------------------------------|-------|
| 1   | iSTOXX Transatlantic EU ESG 70 EUR (GR) | 0.7   |
| 2   | iSTOXX Transatlantic US ESG 30 EUR (GR) | 0.3   |

## 98.7. iSTOXX EUROZONE MEGATRENDS ESG 30 INDEX

### 98.7.1. OVERVIEW

The iSTOXX Eurozone Megatrends ESG 30 Index tracks companies that are exposed to a defined set of megatrends in the Eurozone. The index constituents are linked to one or more of the following themes: Digitalization and Robotics, Infrastructure and Ecological Transition, Well-being, Demographic Transformation.

Revere (RBICS) data allow a detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with substantial exposure to the respective themes.

**Universe:** The index universe is defined by EURO iSTOXX Screened Index.

**Weighting scheme:** The indices are weighted according to free-float market capitalization considering minimum weight at 0.1% and maximum weight at 6%.

**Base value and date:** 1000 on Mar 24, 2014

**Index types and currencies:** Price, Net and Gross Return in EUR.

**Dissemination calendar:** STOXX Europe calendar

### 98.7.2. INDEX REVIEW

#### Selection:

From the universe, STOXX will exclude companies that Sustainalytics identifies to be involved in:

#### a. Unconventional Oil & Gas:

- i) **Arctic Oil and Gas Exploration:**  
»>5% revenues Oil & Gas exploration & extraction in Arctic regions
- ii) **Oil Sands:**  
»>5% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day
- iii) **Shale Energy:**  
»>5% revenues from shale energy exploration and/or production

#### b. Thermal Coal:

- i) **Thermal Coal Extraction:**  
»>5% revenues from thermal coal extraction (including thermal coal mining and exploration)
- ii) **Thermal Coal Power Generation-Capacity:**

»>5% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants).

The remaining companies are ranked in ascending order in terms of their ESG Risk Score, sourced from Sustainalytics ESG Risk Rating dataset. Companies without an ESG Risk Score are not eligible. In case multiple companies for a given cut-off date have the same ESG Risk Score, priority is given to the one with the highest free-float market capitalization. The top 150 companies with the lowest ESG Risk Score remain in the selection.

Next, companies with a maximum revenue exposure<sup>168</sup> in one of the RBICS sectors associated (see table below) are selected. If this information is missing, then the company is excluded from the selection process.

#### List of RBICS sectors associated for the purposes of component selection:

| Nr | RBICS SECTOR                                      | Nr | RBICS SECTOR                                       |
|----|---------------------------------------------------|----|----------------------------------------------------|
| 1  | Accessories Retail                                | 72 | Infrastructure Construction/Contracting Services   |
| 2  | Acute Care and Institutional Patient Care         | 73 | Insurance Brokerage                                |
| 3  | Air and Water Transportation Operators            | 74 | Interconnect Electronic Components                 |
| 4  | Air, Liquid and Gas Control Equipment             | 75 | International Satellite Services                   |
| 5  | Ambulatory and Outpatient Diagnostic Patient Care | 76 | Internet Hosting Services                          |
| 6  | Analog and Mixed Signal Semiconductors            | 77 | Internet Support Services                          |
| 7  | Apparel and Footwear Production                   | 78 | Investment Holding Companies                       |
| 8  | Apparel Retail                                    | 79 | IT Hardware Distributors                           |
| 9  | Architectural and Infrastructure Component Makers | 80 | IT Infrastructure Software                         |
| 10 | Arts, Entertainment and Recreation Providers      | 81 | Life and Health Insurance                          |
| 11 | Automotive and Marine Electronics Manufacturing   | 82 | Long-Term Care Facilities                          |
| 12 | Broadcast Media Services                          | 83 | Memory Semiconductors                              |
| 13 | Building Materials and Garden Supply Stores       | 84 | Mixed International Telecommunications Services    |
| 14 | Building Materials Distribution                   | 85 | Multi-Delivery-Type Patient Care                   |
| 15 | Business Communications Equipment                 | 86 | Multi-National Water Utilities                     |
| 16 | Clinical Diagnostics Devices                      | 87 | Multinational Wholesale Power                      |
| 17 | Computer Peripherals                              | 88 | Multi-Type Apparel and Accessories Production      |
| 18 | Computer Systems                                  | 89 | Natural Gas Pipeline and Storage Services          |
| 19 | Construction Wood Products                        | 90 | Natural Gas Utilities                              |
| 20 | Consumer Data and Services                        | 91 | Natural Resource and Construction Machinery Makers |
| 21 | Consumer Video Electronics Equipment              | 92 | Neurology Biopharmaceuticals                       |
| 22 | Contract Electronic Manufacturing                 | 93 | Nutritional Health Pharmaceuticals                 |
| 23 | Cosmetics Products                                | 94 | Off-Price Retailers                                |

<sup>168</sup> Max. aggregated revenue exposure to Level 4 Factset RBICS data for each company. Derived from the granular Level 6 sectors by summing over the Level 6 sector exposures that belong to the same Level 4 sectors for each company

|    |                                                    |     |                                                   |
|----|----------------------------------------------------|-----|---------------------------------------------------|
| 24 | Data Storage Hardware                              | 95  | Oncology Biopharmaceuticals                       |
| 25 | Department Stores                                  | 96  | Ophthalmology Biopharmaceuticals                  |
| 26 | Design and Engineering Software                    | 97  | Other Ambulatory and Outpatient Patient Care      |
| 27 | Discount Stores                                    | 98  | Other Communications Equipment                    |
| 28 | Discrete Semiconductors                            | 99  | Other Containers and Packaging Products           |
| 29 | Diversified Biopharmaceuticals                     | 100 | Other Electrical Equipment/Power Systems Makers   |
| 30 | Diversified Electronic Components                  | 101 | Other Healthcare Support Services                 |
| 31 | Diversified Healthcare Services                    | 102 | Other International Wholesale Power               |
| 32 | Diversified Insurance                              | 103 | Other Leisure Goods                               |
| 33 | Diversified Materials                              | 104 | Other Machinery Manufacturing                     |
| 34 | Diversified Medical Devices and Instruments        | 105 | Outsourced Drug Services                          |
| 35 | Drug Delivery Devices                              | 106 | Pan-Europe Mixed Telecommunications Services      |
| 36 | Electric Utilities                                 | 107 | Paper and Paper Products                          |
| 37 | Electronics Retail                                 | 108 | Paper Packaging Products                          |
| 38 | Enterprise Management Software                     | 109 | Personal Care Fragrance Products                  |
| 39 | Entertainment and Programming Providers            | 110 | Pet and Pet Supply Retail                         |
| 40 | Entertainment Retail                               | 111 | Pharmacies and Drug Retailers                     |
| 41 | Equipment and Supplies Distributors                | 112 | Power Generation and Support Products             |
| 42 | Express Couriers                                   | 113 | Printing/Publishing Industry Electronics Makers   |
| 43 | Factory Automation Equipment                       | 114 | Processor Semiconductors                          |
| 44 | Finance Software and Services                      | 115 | Programmable Logic and ASIC Semiconductors        |
| 45 | Footwear Retail                                    | 116 | Property Owners                                   |
| 46 | Furniture and Home Furnishings Stores              | 117 | Reinsurance                                       |
| 47 | Games Software                                     | 118 | Respiratory System Biopharmaceuticals             |
| 48 | General and Mixed-Type Software                    | 119 | Restaurants and Bars                              |
| 49 | General Computer Hardware                          | 120 | Road and Rail Transportation Operators            |
| 50 | General Construction Materials Manufacturing       | 121 | Satellite Equipment                               |
| 51 | General Health and Personal Care Retail            | 122 | Semiconductor Manufacturing Capital Equipment     |
| 52 | General Personal Care and Cleaning Products Makers | 123 | Skin Care Products                                |
| 53 | General Semiconductors                             | 124 | Specialized Medical Devices                       |
| 54 | General Waste Collection                           | 125 | Specialized Semiconductors                        |
| 55 | Hardware Components                                | 126 | Sporting and Athletic Goods                       |
| 56 | Hazardous Materials Disposal                       | 127 | System-Specific General Medical Devices           |
| 57 | Health Plan Providers                              | 128 | Telecommunications Carrier Services               |
| 58 | Healthcare Administrative Support Services         | 129 | Telecommunications Industry Software and Services |
| 59 | Healthcare Distributors                            | 130 | Test and Measurement Equipment                    |
| 60 | Heavy Building Material and Aggregate Products     | 131 | Tools and Outdoor Care Equipment                  |
| 61 | Hematology Biopharmaceuticals                      | 132 | Travel Arrangement and Reservation Services       |

|    |                                                 |     |                                        |
|----|-------------------------------------------------|-----|----------------------------------------|
| 62 | Home and Office Furnishings Manufacturing       | 133 | United States Satellite Services       |
| 63 | Home and Office Software                        | 134 | United States Water Utilities          |
| 64 | Home Builders                                   | 135 | United States Wholesale Power          |
| 65 | Household Appliances and Furnishings Production | 136 | Warehouse Clubs and Superstores        |
| 66 | Industrial Machine Parts and Support Equipment  | 137 | Web-Based Data and Services            |
| 67 | Industry-Specific IT Services                   | 138 | Wide Area Networking Equipment         |
| 68 | Industry-Specific Software                      | 139 | Wireless Core Infrastructure Equipment |
| 69 | Infectious Disease Biopharmaceuticals           | 140 | Wireless Mobile Equipment              |
| 70 | Information Technology Consulting               | 141 | Wireless Services                      |
| 71 | Infrastructure and Network Consulting Services  | 142 | Wireline Services                      |

**Composition list:** The largest 30 companies in terms of free-float market capitalization are selected.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date is the last dissemination day of the month preceding the review month.

Factset RBICS data is refreshed on a semi-annual basis in June and December every year, such that for a given company in March and September reviews, revenue information from the previous December and June cut-off date is used.

**Weighting scheme:** The indices are weighted according to free-float market capitalization considering minimum weight at 0.1% and maximum weight at 6%.

### 98.7.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off companies are not added permanently

**Corporate Actions:** All component are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com)

## 98.8. iSTOXX USA MEGATRENDS ESG 30 INDEX

### 98.8.1. OVERVIEW

The iSTOXX USA Megatrends ESG 30 Index tracks companies that are exposed to a defined set of megatrends in the USA. The index constituents are linked to one or more of the following themes: Digitalization and Robotics, Infrastructure and Ecological Transition, Well-being, Demographic Transformation.

Revere (RBICS) data allow a detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with substantial exposure to the respective themes.

**Universe:** The index universe is defined by iSTOXX USA 500 Screened.

**Weighting scheme:** The indices are weighted according to free-float market capitalization considering minimum weight at 0.1% and maximum weight at 6%.

**Base value and date:** 1000 on Mar 24, 2014.

**Index types and currencies:** Price. Net and Gross Return in EUR and USD.

**Dissemination calendar :** STOXX USA calendar

### 98.8.2. INDEX REVIEW

**Selection:**

From the universe, STOXX will exclude companies that Sustainalytics identifies to be involved in:

a. **Unconventional Oil & Gas:**

- i) **Arctic Oil and Gas Exploration:**  
»>5% revenues Oil & Gas exploration & extraction in Arctic regions
- ii) **Oil Sands:**  
»>5% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day
- iii) **Shale Energy:**  
»>5% revenues from shale energy exploration and/or production

b. **Thermal Coal:**

- i) **Thermal Coal Extraction:**  
»>5% revenues from thermal coal extraction (including thermal coal mining and exploration)
- ii) **Thermal Coal Power Generation-Capacity:**  
»>5% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants).

The remaining companies are ranked in ascending order in terms of their ESG Risk Score, sourced from Sustainalytics ESG Risk Rating dataset. Companies without an ESG Risk Score are not eligible. In case multiple companies for a given cut-off date have the same ESG Risk Score, priority is given to the one with the highest free-float market capitalization. The top 250 companies with the lowest ESG Risk Score remain in the selection.

Next, companies with a maximum revenue exposure<sup>169</sup> in one of the RBICS sectors associated (see table below) are selected. If this information is missing, then the company is excluded from the selection process.

List of RBICS sectors associated for the purposes of component selection:

| Nr | RBICS SECTOR                                      | Nr | RBICS SECTOR                                       |
|----|---------------------------------------------------|----|----------------------------------------------------|
| 1  | Accessories Retail                                | 72 | Infrastructure Construction/Contracting Services   |
| 2  | Acute Care and Institutional Patient Care         | 73 | Insurance Brokerage                                |
| 3  | Air and Water Transportation Operators            | 74 | Interconnect Electronic Components                 |
| 4  | Air, Liquid and Gas Control Equipment             | 75 | International Satellite Services                   |
| 5  | Ambulatory and Outpatient Diagnostic Patient Care | 76 | Internet Hosting Services                          |
| 6  | Analog and Mixed Signal Semiconductors            | 77 | Internet Support Services                          |
| 7  | Apparel and Footwear Production                   | 78 | Investment Holding Companies                       |
| 8  | Apparel Retail                                    | 79 | IT Hardware Distributors                           |
| 9  | Architectural and Infrastructure Component Makers | 80 | IT Infrastructure Software                         |
| 10 | Arts, Entertainment and Recreation Providers      | 81 | Life and Health Insurance                          |
| 11 | Automotive and Marine Electronics Manufacturing   | 82 | Long-Term Care Facilities                          |
| 12 | Broadcast Media Services                          | 83 | Memory Semiconductors                              |
| 13 | Building Materials and Garden Supply Stores       | 84 | Mixed International Telecommunications Services    |
| 14 | Building Materials Distribution                   | 85 | Multi-Delivery-Type Patient Care                   |
| 15 | Business Communications Equipment                 | 86 | Multi-National Water Utilities                     |
| 16 | Clinical Diagnostics Devices                      | 87 | Multinational Wholesale Power                      |
| 17 | Computer Peripherals                              | 88 | Multi-Type Apparel and Accessories Production      |
| 18 | Computer Systems                                  | 89 | Natural Gas Pipeline and Storage Services          |
| 19 | Construction Wood Products                        | 90 | Natural Gas Utilities                              |
| 20 | Consumer Data and Services                        | 91 | Natural Resource and Construction Machinery Makers |
| 21 | Consumer Video Electronics Equipment              | 92 | Neurology Biopharmaceuticals                       |
| 22 | Contract Electronic Manufacturing                 | 93 | Nutritional Health Pharmaceuticals                 |
| 23 | Cosmetics Products                                | 94 | Off-Price Retailers                                |
| 24 | Data Storage Hardware                             | 95 | Oncology Biopharmaceuticals                        |

<sup>169</sup> Max. aggregated revenue exposure to Level 4 Factset RBICS data is calculated for each company. Derived from the granular Level 6 sectors by summing over the Level 6 sector exposures that belong to the same Level 4 sectors for each company



|    |                                                    |     |                                                   |
|----|----------------------------------------------------|-----|---------------------------------------------------|
| 25 | Department Stores                                  | 96  | Ophthalmology Biopharmaceuticals                  |
| 26 | Design and Engineering Software                    | 97  | Other Ambulatory and Outpatient Patient Care      |
| 27 | Discount Stores                                    | 98  | Other Communications Equipment                    |
| 28 | Discrete Semiconductors                            | 99  | Other Containers and Packaging Products           |
| 29 | Diversified Biopharmaceuticals                     | 100 | Other Electrical Equipment/Power Systems Makers   |
| 30 | Diversified Electronic Components                  | 101 | Other Healthcare Support Services                 |
| 31 | Diversified Healthcare Services                    | 102 | Other International Wholesale Power               |
| 32 | Diversified Insurance                              | 103 | Other Leisure Goods                               |
| 33 | Diversified Materials                              | 104 | Other Machinery Manufacturing                     |
| 34 | Diversified Medical Devices and Instruments        | 105 | Outsourced Drug Services                          |
| 35 | Drug Delivery Devices                              | 106 | Pan-Europe Mixed Telecommunications Services      |
| 36 | Electric Utilities                                 | 107 | Paper and Paper Products                          |
| 37 | Electronics Retail                                 | 108 | Paper Packaging Products                          |
| 38 | Enterprise Management Software                     | 109 | Personal Care Fragrance Products                  |
| 39 | Entertainment and Programming Providers            | 110 | Pet and Pet Supply Retail                         |
| 40 | Entertainment Retail                               | 111 | Pharmacies and Drug Retailers                     |
| 41 | Equipment and Supplies Distributors                | 112 | Power Generation and Support Products             |
| 42 | Express Couriers                                   | 113 | Printing/Publishing Industry Electronics Makers   |
| 43 | Factory Automation Equipment                       | 114 | Processor Semiconductors                          |
| 44 | Finance Software and Services                      | 115 | Programmable Logic and ASIC Semiconductors        |
| 45 | Footwear Retail                                    | 116 | Property Owners                                   |
| 46 | Furniture and Home Furnishings Stores              | 117 | Reinsurance                                       |
| 47 | Games Software                                     | 118 | Respiratory System Biopharmaceuticals             |
| 48 | General and Mixed-Type Software                    | 119 | Restaurants and Bars                              |
| 49 | General Computer Hardware                          | 120 | Road and Rail Transportation Operators            |
| 50 | General Construction Materials Manufacturing       | 121 | Satellite Equipment                               |
| 51 | General Health and Personal Care Retail            | 122 | Semiconductor Manufacturing Capital Equipment     |
| 52 | General Personal Care and Cleaning Products Makers | 123 | Skin Care Products                                |
| 53 | General Semiconductors                             | 124 | Specialized Medical Devices                       |
| 54 | General Waste Collection                           | 125 | Specialized Semiconductors                        |
| 55 | Hardware Components                                | 126 | Sporting and Athletic Goods                       |
| 56 | Hazardous Materials Disposal                       | 127 | System-Specific General Medical Devices           |
| 57 | Health Plan Providers                              | 128 | Telecommunications Carrier Services               |
| 58 | Healthcare Administrative Support Services         | 129 | Telecommunications Industry Software and Services |
| 59 | Healthcare Distributors                            | 130 | Test and Measurement Equipment                    |
| 60 | Heavy Building Material and Aggregate Products     | 131 | Tools and Outdoor Care Equipment                  |
| 61 | Hematology Biopharmaceuticals                      | 132 | Travel Arrangement and Reservation Services       |

|    |                                                 |     |                                        |
|----|-------------------------------------------------|-----|----------------------------------------|
| 62 | Home and Office Furnishings Manufacturing       | 133 | United States Satellite Services       |
| 63 | Home and Office Software                        | 134 | United States Water Utilities          |
| 64 | Home Builders                                   | 135 | United States Wholesale Power          |
| 65 | Household Appliances and Furnishings Production | 136 | Warehouse Clubs and Superstores        |
| 66 | Industrial Machine Parts and Support Equipment  | 137 | Web-Based Data and Services            |
| 67 | Industry-Specific IT Services                   | 138 | Wide Area Networking Equipment         |
| 68 | Industry-Specific Software                      | 139 | Wireless Core Infrastructure Equipment |
| 69 | Infectious Disease Biopharmaceuticals           | 140 | Wireless Mobile Equipment              |
| 70 | Information Technology Consulting               | 141 | Wireless Services                      |
| 71 | Infrastructure and Network Consulting Services  | 142 | Wireline Services                      |

**Composition list:** The largest 30 companies in terms of free-float market capitalization are selected.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date is the last dissemination day of the month preceding the review month.

Factset RBICS data is refreshed on a semi-annual basis in June and December every year, such that for a given company in March and September reviews, revenue information from the previous December and June cut-off date is used.

**Weighting scheme** The indices are weighted according to free-float market capitalization considering minimum weight at 0.1% and maximum weight at 6%.

### 98.8.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off companies are not added permanently

**Corporate Actions:** All component are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com)

## 98.9. iSTOXX TRANSATLANTIC MEGATRENDS ESG 60 INDEX

### 98.9.1. OVERVIEW

The iSTOXX Transatlantic Megatrends ESG 60 is a composite index obtained by rebalancing the iSTOXX USA Megatrends ESG 30 and the iSTOXX Eurozone Megatrends ESG 30 indices respectively to 50% and 50% on a daily basis.

**Base value and date:** 1000 as of March 24, 2014

**Dissemination calendar:** Intersection of STOXX Europe calendar & STOXX USA calendar

**Index Type & Index Currency:** Price, Net and Gross Return, EUR

### 98.9.2. INDEX FORMULA

The Index values are calculated as follows:

$$IV_t = IV_{t-1} \cdot \sum_{i=1}^2 w_i \cdot \frac{U_{t,i}}{U_{t-1,i}}$$

Where,

$w_i$  = target weight of sub-index  $i$

$U_{t,i}$  = close value of sub-index  $i$  on day  $t$

$IV_t$  = value of iSTOXX Transatlantic Megatrends ESG 60 index on day  $t$  ( $IV_{24.03.2014} = 1000$ )

| $i$ | Sub-index name                    | $w_i$ |
|-----|-----------------------------------|-------|
| 1   | iSTOXX USA Megatrends ESG 30      | 0.5   |
| 2   | iSTOXX Eurozone Megatrends ESG 30 | 0.5   |

## 98.10. iSTOXX EUROZONE 50 INDEX

### 98.10.1. OVERVIEW

The iSTOXX Eurozone 50 Index are selected from the EURO iSTOXX Screened index. Additionally, companies involved in Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy) and Thermal Coal are not eligible for selection. The final index components are determined based on ESG Risk Rating scores calculated by Sustainalytics and free float market capitalization. The selected 50 securities are then weighted according to free-float market capitalization with a 10% maximum capping per constituent.

**Universe:** The index universe is defined by EURO iSTOXX Screened Index.

**Weighting scheme:** The indices are weighted according to free-float market capitalization considering maximum weight at 10%.

**Base value and date:** 1000 as of Mar 24, 2014

**Index types and currencies:** Price, Net and Gross Return in EUR.

**Dissemination calendar:** STOXX Europe calendar

### 98.10.2. INDEX REVIEW

#### Selection list:

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the following indicators:

- i. 3-month Average Daily Traded Volume (ADTV) in EUR
- ii. Controversy Ratings
- iii. Product Involvement information in the categories: Thermal Coal and Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy)

If any of the fields above have missing information for a stock, then that company is excluded from the selection process.

The remaining companies in the index universe are screened for all of the following criteria:

- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 10 million EUR.
- **Minimum size:** Free float market cap in EUR equal to or exceeding 1 billion EUR.
- **Controversy Ratings:** STOXX will exclude companies that Sustainalytics identifies to have a Controversy Rating of Category 4 (High) and 5 (Severe). Sustainalytics assesses companies' involvement in incidents with negative environmental,

social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest Event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.

From the universe, STOXX will exclude companies that Sustainalytics identifies to be involved in:

**a. Unconventional Oil & Gas:**

- i) **Arctic Oil and Gas Exploration:**  
 »>0% revenues Oil & Gas exploration & extraction in Arctic regions
- ii) **Oil Sands:**  
 »>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day
- iii) **Shale Energy:**  
 »>0% revenues from shale energy exploration and/or production

**b. Thermal Coal:**

- i) **Thermal Coal Extraction:**  
 »>5% revenues from thermal coal extraction (including thermal coal mining and exploration)
- ii) **Thermal Coal Power Generation-Capacity:**  
 »>5% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants).

The remaining companies are ranked in ascending order in terms of their ESG Risk Score, sourced from Sustainalytics ESG Risk Rating dataset. Companies without an ESG Risk Score are not eligible. In case multiple companies for a given cut-off date have the same ESG Risk Score, priority is given to the one with the highest free-float market capitalization. The top 240 companies with the lowest ESG Risk Score remain in the selection for the iSTOXX Eurozone 50 Index.

**Composition list:** The largest 50 companies in terms of free-float market capitalization are selected.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date is the last dissemination day of the month preceding the review month.

**Weighting scheme:** The indices are weighted according to free-float market capitalization considering maximum weight at 10%.

### 98.10.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All component is maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 98.11. iSTOXX USA 100 INDEX

### 98.11.1. OVERVIEW

The iSTOXX USA 100 Index are selected from the iSTOXX USA 500 Screened index. Additionally, companies involved in Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy) and Thermal Coal are not eligible for selection. The final index components are determined based on ESG Risk Rating scores calculated by Sustainalytics and free float market capitalization. The selected 100 securities are then weighted according to free-float market capitalization with a 10% maximum capping per constituent.

**Universe:** The index universe is defined by iSTOXX USA 500 Screened Index

**Weighting scheme:** The indices are weighted according to free-float market capitalization considering maximum weight at 10%.

**Base value and date:** 1000 as of Mar 24, 2014

**Index types and currencies:** Price, Net and Gross Return USD and EUR.

**Dissemination calendar:** STOXX USA calendar

### 98.11.2. INDEX REVIEW

#### Selection list:

The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date all stocks in the base universe are screened for the following indicators:

- i. 3-month Average Daily Traded Volume (ADTV) in EUR
- ii. Controversy Ratings
- iii. Product Involvement information in the categories: Thermal Coal and Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy)

If any of the fields above have missing information for a stock, then that company is excluded from the selection process.

The remaining companies in the index universe are screened for all of the following criteria:

- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 10 million EUR.
- **Minimum size:** Free float market cap in EUR equal to or exceeding 1 billion EUR.

- **Controversy Ratings:** STOXX will exclude companies that Sustainalytics identifies to have a Controversy Rating of Category 4 (High) and 5 (Severe). Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest Event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.

From the universe, STOXX will exclude companies that Sustainalytics identifies to be involved in:

a. **Unconventional Oil & Gas:**

- i) **Arctic Oil and Gas Exploration:**  
 »>0% revenues Oil & Gas exploration & extraction in Arctic regions
- ii) **Oil Sands:**  
 »>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day
- iii) **Shale Energy:**  
 »>0% revenues from shale energy exploration and/or production

b. **Thermal Coal:**

- i) **Thermal Coal Extraction:**  
 »>5% revenues from thermal coal extraction (including thermal coal mining and exploration)
- ii) **Thermal Coal Power Generation-Capacity:**  
 »>5% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants).

The remaining companies are ranked in ascending order in terms of their ESG Risk Score, sourced from Sustainalytics ESG Risk Rating dataset. Companies without an ESG Risk Score are not eligible. In case multiple companies for a given cut-off date have the same ESG Risk Score, priority is given to the one with the highest free-float market capitalization. The top 400 companies with the lowest ESG Risk Score remain in the selection for the iSTOXX USA 100.

**Composition list:** The largest 100 companies in terms of free-float market capitalization are selected for the iSTOXX USA 100 Index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September, and December. The review cut-off date is the last dissemination day of the month preceding the review month.

**Weighting scheme:** The indices are weighted according to free-float market capitalization considering maximum weight at 10%.



### 98.11.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All component is maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 98.12. iSTOXX TRANSATLANTIC 150 INDEX

### 98.12.1. OVERVIEW

The iSTOXX Transatlantic 150 Index is a composite index obtained by rebalancing the iSTOXX USA 100 Index and the iSTOXX Eurozone 50 Index respectively to 50% and 50% on a daily basis.

**Base value and date:** 1000 as of Mar 24, 2014

**Dissemination calendar:** Intersection of the STOXX Europe calendar and STOXX USA calendar.

**Index Type & Index Currency:** Price, Net and Gross Return in EUR.

### 98.12.2. INDEX FORMULA

The Index values are calculated as follows:

$$IV_t = IV_{t-1} \cdot \sum_{i=1}^2 w_i \cdot \frac{U_{t,i}}{U_{t-1,i}}$$

Where,

$w_i$  = target weight of sub-index  $i$

$U_{t,i}$  = close value of sub-index  $i$  on day  $t$

$IV_t$  = value of iSTOXX Transatlantic 150 Index on day  $t$  ( $IV_{24.03.2014} = 1000$ )

Index calculation uses unrounded values of  $IV_{t-1}$ . The index is to be reported and disseminated rounded to 2 decimal places.

| $i$ | Sub-index name           | $w_i$ |
|-----|--------------------------|-------|
| 1   | iSTOXX USA 100 Index     | 0.5   |
| 2   | iSTOXX Eurozone 50 Index | 0.5   |

### 98.12.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

## 98.13. iSTOXX TRANSATLANTIC ESG 100 INDEX

### 98.13.1. OVERVIEW

The iSTOXX Transatlantic ESG 100 Index is a composite index obtained by rebalancing the iSTOXX Global ESG Eurozone Leg 50 and iSTOXX Global ESG US Leg 50 indices respectively to 45% and 55% on a daily basis.

**Base Value and Date:** 1000 as of March 19, 2012

**Index Type and Currency:** Price, Net and Gross Return in EUR

**Dissemination calendar:** Intersection of STOXX Europe calendar and STOXX US Country calendar.

### 98.13.2. INDEX FORMULA

The formula can be written as:

$$IV_t = IV_{t-1} \cdot \sum_{i=1}^2 w_i \cdot \frac{U_{i,t}}{U_{i,t-1}}$$

Where:

- $w_i$  Target weight of sub-index i
- $U_{i,t}$  Close value of sub-index i on day t
- $IV_t$  Value of iSTOXX Transatlantic ESG 100 Index on day t

| i | Sub-Index Name                    | W <sub>i</sub> |
|---|-----------------------------------|----------------|
| 1 | iSTOXX Global ESG Eurozone Leg 50 | 0.45           |
| 2 | iSTOXX Global ESG US Leg 50       | 0.55           |

### 98.13.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

# 99.iSTOXX GLOBAL REGIONAL ESG INDICES

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## 99.1. iSTOXX NORDIC ESG DW INDEX

### 99.1.1. OVERVIEW

The iSTOXX Nordic ESG DW index aims to select Nordic companies that qualify as global sustainability leaders and do not engage in controversial business activities. The components are weighted according to their 12-month historical dividend yield<sup>170</sup>.

**Universe:** The index universe is defined by all Nordic stocks from the Global ESG Leaders index.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor based on the historical 12-month dividend yield.

**Base values and dates:** The following base values and dates apply: 100 on 22 March 2004

For a complete list please consult the data vendor code sheet on the website<sup>171</sup>. Customized solutions can be provided upon request.

### 99.1.2. INDEX REVIEW

**Selection list:**

The review cut-off date is the last trading day of the month preceding the review month of the index.

All stocks from Nordic countries (Denmark, Finland, Norway and Sweden) that are components of the STOXX Global ESG Leaders Index compose the base universe.

The STOXX Global ESG Leaders Index is based on the STOXX Global 1800 and comprises all components that are part of at least one of the ESG specialized indices (STOXX Global ESG Environmental Leaders, STOXX Global ESG Social Leaders and STOXX Global ESG Governance Leaders). In the ESG approach, each company has a rating for environmental, social and governance sustainability; these ESG-criteria are normalized using a percent ranking. To be a member of one of the ESG specialized index, an eligible company must belong to the best 25% in one of the ESG-criteria and in the best 50% in the two other ESG-criteria. Thus, components of the STOXX Global ESG Leaders index belong to the best 25th percentile in at least one criterion and to the top 50% in all three criteria.

If there are less than 10 Nordic stocks in the STOXX Global ESG Leaders, the base universe is completed with the stocks from the STOXX Global 1800 eligible for at least one of the ESG specialized indices with the best overall ESG Rating until it reaches 10 constituents, exclusion steps 1 and 2 are then omitted. The overall ESG Rating is defined as:

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<sup>170</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](https://stoxx.com).

<sup>171</sup> [www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](https://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

# 99. iSTOXX GLOBAL REGIONAL ESG INDICES

$$R_i = \frac{1}{n} \sum_{j=1}^n \text{NormScore}_{i,j}$$

Where:

NormScore<sub>i,j</sub>      percentilized rating of company i in criteria j (j=E, S or G)  
 n                      Number of criteria (n=3)

For more information on the ESG approach, please consult the STOXX ESG Index Methodology guide on the website<sup>172</sup>.

Exclusion step 1: companies engaged in controversial business activities according to Bank J. Safra Sarasin's classification (AGTAFA) are excluded. According to this criterion, a company is classified as AGTAFA if it generates more than 5% of its revenues from activities related to Alcohol, Gambling, Tobacco, Armaments & Firepower and Adult entertainment. If less than 10 companies fulfil this criterion, exclusion steps 1 and 2 are omitted.

Exclusion step 2: companies that have not paid dividends in the last 12 months, in addition to companies for which dividend information is not available at the review cut-off date, are excluded. If less than 10 companies fulfil these criteria, exclusion step 2 is omitted.

**Composition list:** All remaining stocks are selected for inclusion.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December.

**Weighting cap factors:** The weighting cap factors are calculated based on their 12-month trailing dividend yield.

The weights are based on the prices of the Thursday prior to the second Friday of the review month:

$$w_i = \frac{dy_i}{\sum_{j=1}^N dy_j}$$

w<sub>i</sub>                      target weight of component (i)  
 N                      number of constituents  
 dy<sub>i</sub>                      trailing 12-month gross dividend yield of component (i) as of review cut-off date. If a company has a dividend yield of 0 or missing, it is attributed the lowest non-zero dividend yield among all selected components in order to calculate its weight

Weighting cap factor = (1,000,000,000 x target weight / closing price of the stock in EUR), rounded to integers

Additionally, components are capped at a maximum weight of 15%.

<sup>172</sup> [https://www.stoxx.com/document/Indices/Common/Indexguide/stoxx\\_esg\\_guide.pdf](https://www.stoxx.com/document/Indices/Common/Indexguide/stoxx_esg_guide.pdf)

## 99. iSTOXX GLOBAL REGIONAL ESG INDICES

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### 99.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 99. iSTOXX GLOBAL REGIONAL ESG INDICES

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## 99.2. iSTOXX GLOBAL ESG REGIONAL LEG 50 INDEX

### 99.2.1. OVERVIEW

**Available Indices:**

iSTOXX Global ESG Eurozone Leg 50

iSTOXX Global ESG US Leg 50

iSTOXX Global ESG Japan Leg 50

**Universe:** The index universe is defined by

EURO iSTOXX Screened for the iSTOXX Global ESG Eurozone Leg 50

iSTOXX USA 500 Screened for the iSTOXX Global ESG US Leg 50

iSTOXX Japan 600 Screened for the iSTOXX Global ESG Japan Leg 50

**Weighting scheme:** Free-float market capitalization

**Base value:** 1000

**Base Date:** 19 March 2012

**Index types and currencies:** Price, Net and Gross Return in EUR and USD for the iSTOXX Global ESG Eurozone Leg 50 and the iSTOXX Global ESG US Leg 50.

Price, Net and Gross Return in EUR, USD and JPY for the iSTOXX Global ESG Japan Leg 50.

**Dissemination calendar:** STOXX Europe calendar for iSTOXX Global ESG Eurozone Leg 50, STOXX USA calendar for iSTOXX Global ESG US Leg 50, STOXX Global calendar for iSTOXX Global ESG Japan Leg 50

### 99.2.2. INDEX REVIEW

**Selection list:**

From the universe, STOXX will exclude companies that Sustainalytics identifies to be involved in:

- **Unconventional Oil & Gas:**

i) **Arctic Oil and Gas Exploration:**

»>0% revenues Oil & Gas exploration & extraction in Arctic regions

ii) **Oil Sands:**

»>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

iii) **Shale Energy:**

»>0% revenues from shale energy exploration and/or production

## 99. iSTOXX GLOBAL REGIONAL ESG INDICES

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The remaining companies are ranked in descending order in terms of their free-float market capitalization. The top 250 companies for the iSTOXX Global ESG Eurozone Leg 50, the top 250 companies for the iSTOXX Global ESG US Leg 50 and the top 200 companies for the iSTOXX Global ESG Japan Leg 50, with the highest free-float market capitalization remain in the selection process. Next the remaining companies are ranked in ascending order in terms of their ESG Risk Score, sourced from Sustainalytics ESG Risk Rating dataset. If this information is not available for a company, an ESG Risk Score of 100 is assigned. In case two companies for a given cut-off date have the same ESG Risk Score, priority is given to the one with the highest free-float market capitalization. The top 50% of companies with the lowest ESG Risk Score in each leg remain in the selection process.

**Composition list:** The largest 50 companies for the iSTOXX Global ESG Eurozone Leg 50 and the largest 50 companies for the iSTOXX Global ESG US Leg 50 and iSTOXX Global ESG Japan Leg 50, in terms of free-float market capitalization, in each respective selection list, are selected for the final composition list.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date is the last dissemination day of the month preceding the review month.

### 99.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off companies are not added permanently



# 99. iSTOXX GLOBAL REGIONAL ESG INDICES

## 99.3. iSTOXX GLOBAL ESG 150 INDEX

### 99.3.1. OVERVIEW

The iSTOXX Global ESG 150 is a composite index obtained by rebalancing the iSTOXX Global ESG Eurozone Leg 50, the iSTOXX Global ESG US Leg 50 and the iSTOXX Global ESG Japan Leg 50 indices respectively to 60%, 30% and 10% on a daily basis.

**Base value:** 1000

**Base date:** 19 March 2012

**Dissemination calendar:** Intersection of the following dissemination calendars: STOXX Europe calendar, STOXX US Country calendar and STOXX Japan Country calendar

### 99.3.2. INDEX FORMULA

$$IV_t = IV_{t-1} \cdot \sum_{i=1}^3 w_i \cdot \frac{U_{t,i}}{U_{t-1,i}}$$

$w_i$  = target weight of sub-index  $i$

$U_{t,i}$  = close value of sub-index  $i$  on day  $t$

$IV_t$  = value of iSTOXX Global ESG 150 index on day  $t$  ( $IV_{19.03.2012} = 1000$ )

| $i$ | Sub-index name                    | $w_i$ |
|-----|-----------------------------------|-------|
| 1   | iSTOXX Global ESG Eurozone Leg 50 | 0.6   |
| 2   | iSTOXX Global ESG US Leg 50       | 0.3   |
| 3   | iSTOXX Global ESG Japan Leg 50    | 0.1   |

# 99. iSTOXX GLOBAL REGIONAL ESG INDICES

## 99.4. iSTOXX GLOBAL ESG INDEX IN JPY

### 99.4.1. OVERVIEW

iSTOXX Global ESG Eurozone Leg 50  
iSTOXX Global ESG US Leg 50  
iSTOXX Global ESG Japan Leg 50

**Universe:** The index universe is defined by  
EURO iSTOXX Screened for the iSTOXX Global ESG Eurozone Leg 50  
iSTOXX USA 500 Screened for the iSTOXX Global ESG US Leg 50  
iSTOXX Japan 600 Screened for the iSTOXX Global ESG Japan Leg 50

**Weighting scheme:** Free-float market capitalization

**Base value:** 100

**Base Date:** 19 March 2012

**Index types and currencies:** Price, Net and Gross Return in JPY for the iSTOXX Global ESG Eurozone Leg 50 and the iSTOXX Global ESG US Leg 50.

**Dissemination calendar:** STOXX Europe calendar for iSTOXX Global ESG Eurozone Leg 50, STOXX USA calendar for iSTOXX Global ESG US Leg 50, STOXX Global calendar for iSTOXX Global ESG Japan Leg 50

### 99.4.2. INDEX REVIEW

**Selection list:**

From the universe, STOXX will exclude companies that Sustainalytics identifies to be involved in:

- **Unconventional Oil & Gas:**
  - i) **Arctic Oil and Gas Exploration:**  
»>0% revenues Oil & Gas exploration & extraction in Arctic regions
  - ii) **Oil Sands:**  
»>0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day
  - iii) **Shale Energy:**  
»>0% revenues from shale energy exploration and/or production

The remaining companies are ranked in descending order in terms of their free-float market capitalization. The top 250 companies for the iSTOXX Global ESG Eurozone Leg 50, the top 250 companies for the iSTOXX Global ESG US Leg 50 and the top 200 companies for the iSTOXX Global ESG Japan Leg 50, with the highest free-float market capitalization remain in the selection process.

Next the remaining companies are ranked in ascending order in terms of their ESG Risk Score, sourced from Sustainalytics ESG Risk Rating dataset. If this information is not available for a company, an ESG Risk Score of 100 is assigned. In case two companies for a given cut-off date

## 99. iSTOXX GLOBAL REGIONAL ESG INDICES

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have the same ESG Risk Score, priority is given to the one with the highest free-float market capitalization. The top 50% of companies with the lowest ESG Risk Score in each leg remain in the selection process.

**Composition list:** The largest 50 companies for the iSTOXX Global ESG Eurozone Leg 50 and the largest 50 companies for the iSTOXX Global ESG US Leg 50 and iSTOXX Global ESG Japan Leg 50, in terms of free-float market capitalization, in each respective selection list, are selected for the final composition list.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date is the last dissemination day of the month preceding the review month.

### 99.4.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off companies are not added permanently

# 99. iSTOXX GLOBAL REGIONAL ESG INDICES

## 99.5. iSTOXX GLOBAL ESG COMPOSITE 150 INDEX

### 99.5.1. OVERVIEW

The iSTOXX Global ESG Composite 150 Index is a composite index obtained by rebalancing the iSTOXX Global ESG Eurozone Leg 50, the iSTOXX Global ESG US Leg 50 and the iSTOXX Global ESG Japan Leg 50 indices respectively to 40%, 55% and 5% on a daily basis.

**Base value and date:** 1000 as of March 19, 2012

**Index Rounding:** 2 d.p.

**Dissemination calendar:** Intersection of STOXX Europe calendar, STOXX US Country calendar and STOXX Japan Country calendar.

**Index Type & Index Currency:** Price, Net Return and Gross Return in EUR and JPY.

### 99.5.2. INDEX FORMULA

The formula can be written as:

$$IV_t = IV_{t-1} \cdot \sum_{i=1}^3 w_i \cdot \frac{U_{i,t}}{U_{i,t-1}}$$

Where:

$w_i$  = Target weight of sub-index i.

$U_{i,t}$  = Close value of sub-index i on day t.

$IV_t$  = Value of iSTOXX Global ESG Composite 150 index on day t ( $IV_{19.03.2012} = 1000$ ).

| i | Sub-Index Name                    | $w_i$ |
|---|-----------------------------------|-------|
| 1 | iSTOXX Global ESG Eurozone Leg 50 | 0.40  |
| 2 | iSTOXX Global ESG US Leg 50       | 0.55  |
| 3 | iSTOXX Global ESG Japan Leg 50    | 0.05  |

### 99.5.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

# 100. iSTOXX FRANCE ESG 40 INDEX

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## 100.1. iSTOXX FRANCE ESG 40 INDEX

### 100.1.1. OVERVIEW

The 40 constituents of the iSTOXX France ESG 40 index are selected from the French companies within the EURO iSTOXX Total Market Screened Index. Additionally, companies involved in Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy) are not eligible for selection. The final index components are determined based on their ranks of free float market capitalization and ESG Risk Rating scores calculated by Sustainalytics. The selected 40 securities are then weighted according to free-float market capitalization with a 10% maximum capping per constituent.

**Base value and date:** 1000 on 24 Mar 2014

**Index Type and Currencies:** Price, Net and Gross Return in EUR

**Universe:** EURO iSTOXX Total Market Screened Index

**Weighting scheme:** The index is weighted according to free-float market capitalization with a capping at 10%

**Dissemination calendar:** STOXX Europe calendar

### 100.1.2. INDEX REVIEW

From the universe only the stocks from France are selected.

STOXX will exclude companies that Sustainalytics identifies to be involved in:

- **Unconventional Oil & Gas:**
  - i. **Arctic Oil and Gas Exploration:**
    - » >0% revenues from Oil & Gas exploration & extraction in Arctic regions
  - ii. **Oil Sands:**
    - » >0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day
  - iii. **Shale Energy:**
    - » >0% revenues from shale energy exploration and/or production

The remaining companies are ranked in descending order in terms of their free-float market capitalization. If the number of the remaining companies is fewer than 120, then the remaining companies remain in the selection. Else if the number of the remaining companies is greater than or equal to 120, then the top 120 companies with the highest free-float market capitalization remain in the selection.

Next, the remaining companies are ranked in ascending order in terms of their ESG Risk Score, sourced from Sustainalytics ESG Risk Rating dataset. Companies without an ESG Risk Score are not

eligible. In case multiple companies for a given cut-off date have the same ESG Risk Score, priority is given to the one with the highest free-float market capitalization. The top 60 companies with the lowest ESG Risk Score remain in the selection.

**Composition List:** The largest 40 companies in terms of free-float market capitalization are selected for the final composition list.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date is the last dissemination day of the month preceding the review month.

### 100.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently

# 101. iSTOXX US ESG 100 INDEX

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## 101.1. iSTOXX US ESG 100 INDEX

### 101.1.1. OVERVIEW

The iSTOXX US ESG 100 Index aims to replicate an investment in the largest 100 companies of the STOXX USA Large 300 that are in the top 50% stocks in terms of ESG Risk Rating. Only companies passing standardized ESG exclusion screens such as Global Standards Screening, Controversy Rating, ESG Risk Rating, Controversial Weapons, involvement in Tobacco, Thermal Coal, Unconventional Oil & Gas, Small Arms and Military Weapons are eligible for inclusion.

**Base value and date:** 100 as of 24 Mar 2014

**Index Type and Currencies:** Price, Net and Gross Return in EUR and USD

**Universe:** STOXX USA Large 300 Index

**Weighting scheme:** The index is weighted according to free-float market capitalization with a capping at 10%.

**Dissemination calendar:** STOXX USA calendar

### 101.1.2. INDEX REVIEW

**Selection list:**

From the universe, a set of exclusion criteria are applied which follow the Global Standards Screening assessment, Controversy Rating, ESG Risk Rating and a set of definitions for Controversial Weapons and Product Involvement.

**Global Standards Screening:** STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

**Controversy Rating:** STOXX will exclude companies that Sustainalytics identifies to have a Controversy Rating of Category 5 (Severe). Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest Event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.

**ESG Risk Ratings:** STOXX will exclude companies that Sustainalytics identifies to have a “Severe” ESG Risk Rating. The ESG Risk Rating evaluates the degree of a company's unmanaged material ESG risk by assessing a company's exposure to, and management of, the ESG issues that are considered most material for that company from a financial perspective. Sustainalytics assess and categorize companies into five risk categories (Negligible, Low, Medium, High, Severe).

**Controversial Weapons:** STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale of controversial weapons
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

**Tobacco:**

- » >0% revenues from manufacturing tobacco products
- » >5% revenues from supplying tobacco-related products/services
- » >5% revenues from the distribution and/or retail sale of tobacco products

**Thermal Coal:** STOXX will exclude companies that Sustainalytics identifies to have:

- » >5% revenues from thermal coal extraction (including thermal coal mining and exploration)
- » >5% power generation capacity: coal-fired electricity, heat or steam generation capacity/thermal coal electricity production (including utilities that own/operates coal-fired power plants)

**Unconventional Oil & Gas:**

**i) Arctic Oil and Gas Exploration:**

- » >0% revenues Oil & Gas exploration & extraction in Arctic regions.

**ii) Oil Sands:**

- » >0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day.

**iii) Shale Energy:**

- » >0% revenues from shale energy exploration and/or production.

**Weapons:**

**i) Small Arms:**

- » >0% revenues from manufacturing and selling assault weapons to civilian customers
- » >0% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers
- » >0% revenues from manufacturing and selling key components of small arms
- » >5% revenues from retail and/or distribution of assault weapons
- » >5% revenues from retail and/or distribution of small arms (non-assault weapons)
- » >5% revenues from manufacturing and selling small arms to military / law enforcement customers



**ii) Military Contracting:**

»> 10% aggregated revenues from manufacturing military weapons systems and/or integral, tailor-made components of these weapons and from tailor made products and/or services that support military weapons.

The remaining companies are ranked in ascending order in terms of their ESG Risk Rating score, sourced from Sustainalytics ESG Rating dataset. Companies without ESG Risk Rating scores are not eligible. In case multiple companies for a given cut-off date have the same ESG Risk Rating score, priority is given to the one with the highest free-float market capitalization. The top 150 companies with the lowest ESG Risk Rating score remain in the selection.

**Composition list:** The largest 100 companies in terms of free-float market capitalization are selected for the final composition list.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September, and December. The review cut-off date is the last dissemination day of the month preceding the review month.

**Weighting cap factors:** Components are capped at a maximum weight of 10%.

### 101.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spin-off companies are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

## 102. EURO iSTOXX 50 HEALTH & FITNESS TILTED INDEX

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### 102.1. EURO iSTOXX 50 HEALTH & FITNESS TILTED INDEX

#### 102.1.1. OVERVIEW

The EURO iSTOXX 50 Health & Fitness Tilted Index tracks the performance of all of the EURO STOXX 50 securities and the 10 largest securities from the STOXX Global Health & Weight Loss Index, subject to country and liquidity screens. The index is reviewed quarterly in March, June, September and December.

**Universe:** EURO STOXX 50 Index and STOXX Global Health & Weight Loss Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the Health & Weight Loss theme.

**Base values and dates:** 100 on June 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

#### 102.1.2. INDEX REVIEW

**Selection list:**

All of the securities in the EURO STOXX 50 Index, and securities belonging to securities belonging to Japan, US, Switzerland, Denmark or the developed markets of the Eurozone from the STOXX Global Health & Weight Loss Index that have 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR constitute the selection list.

**Composition list:**

All of the EURO STOXX 50 Index constituents are selected. The remaining companies in the selection list from the STOXX Global Health & Weight Loss Index are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities that are not already part of the EURO STOXX 50 are selected. The resulting EURO iSTOXX 50 Health & Fitness Tilted Index comprises 60 securities: 50 from the EURO STOXX 50 Index and 10 from the STOXX Global Health & Weight Loss Index.

**Review frequency:**

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

# 102. EURO ISTOXX 50 HEALTH & FITNESS TILTED INDEX

## Weighting and capping factors:

The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers such that, the companies of the EURO STOXX 50 account for 80% and the 10 companies selected from the STOXX Global Health & Weight Loss Index (HW companies) 20% of the EURO ISTOXX 50 Health & Fitness Tilted Index.

The EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, 8% in the final index (0.8 x 10%). Additionally, the 10 HW company weights are capped at 15% within the HW company weights, hence capped at 3% in the final index (0.2 x 15%). The overall exposure to Japanese securities is also capped at 50% within the HW company weights, 10% in the final index (0.2 x 50%).

$$w_i = 0.8 \times \frac{\text{ffmcap}_i}{\sum_{j=1}^{50} \text{ffmcap}_j}; \text{ weight capped at 10\% within the EURO STOXX 50 companies}$$

$$w_k = 0.2 \times \frac{hw_k * \text{ffmcap}_k}{\sum_{l=1}^{10} hw_l * \text{ffmcap}_l}; \text{ weight capped at 15\% within the HW companies}$$

Where:

|                 |                                                                                                  |
|-----------------|--------------------------------------------------------------------------------------------------|
| $i, j$          | EURO STOXX 50 constituents                                                                       |
| $w_i$           | weight of the EURO STOXX 50 security in the new index (max 8% within the new index)              |
| $k, l$          | the 10 selected securities from the STOXX Global Health & Weight Loss Index                      |
| $w_k$           | weight of the 10 HW securities in the new index (max 3% within the new index)                    |
| $\text{ffmcap}$ | free float market capitalization                                                                 |
| $hw_k$          | the total revenue exposure of company k to the Health & Weight Loss RBICS sectors <sup>173</sup> |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(100,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

## 102.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

<sup>173</sup> Please refer to the [STOXX Index Guide](#) for the full list of Digital Security RBICS sectors used for the STOXX Global Digital Security Index

## 102. EURO ISTOXX 50 HEALTH & FITNESS TILTED INDEX

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**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 103. iSTOXX SCREENED INDICES

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### 103.1. iSTOXX SCREENED INDICES

#### 103.1.1. OVERVIEW

The objective of the iSTOXX Screened Indices is to reflect STOXX Benchmark Indices with standardized ESG exclusion screens applied for Global Standards Screening, Controversy Rating, ESG Risk Rating, Controversial Weapons, involvement in Tobacco, Thermal Coal, Unconventional Oil & Gas, Small Arms and Military Weapons, with the aim of taking responsible investment criteria into account.

**iSTOXX Total Market Screened Indices**

EURO iSTOXX Total Market Screened

**iSTOXX Country Screened Indices**

iSTOXX Japan 600 Screened

iSTOXX USA 500 Screened

**iSTOXX Regional Screened Indices**

EURO iSTOXX Screened

**Universe:** The index universe is defined by the corresponding STOXX benchmark index.

**Secondary Lines Eligibility:** As per the corresponding STOXX benchmark index, for each company only the most liquid stock is considered.

**Weighting scheme:** The indices are free-float market capitalization weighted capped at a maximum weight of 20%.

**Base values and dates:** 100 on March 19, 2012

**Index types and currencies:** Price, net return and gross return in EUR and USD. Local currency versions available for some country indices.

For a complete list, please consult the data vendor code sheet on the website<sup>174</sup>. Customized solutions can be provided upon request.

**Dissemination calendar:** STOXX Europe calendar, except for iSTOXX USA 500 Screened Index, which relies on the STOXX Americas Calendar

#### 103.1.2. INDEX REVIEW

**Selection List**

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<sup>174</sup>[www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

From the universe, a set of exclusion criteria are applied which follow the Global Standards Screening assessment, Controversy Rating, ESG Risk Rating and a set of definitions for Controversial Weapons and Product Involvement.

**Global Standards Screening:**

STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

**Controversy Rating:** STOXX will exclude companies that Sustainalytics identifies to have a Controversy Rating of Category 5 (Severe). Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. Controversy involvement is one key measure of ESG performance. A controversy is defined as an event or aggregation of events relating to an ESG topic. An event is assessed on its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe). The highest Event rating under a controversy indicator, automatically becomes the Controversy Rating for a given company.

**ESG Risk Ratings:** STOXX will exclude companies that Sustainalytics identifies to have a "Severe" ESG Risk Rating. The ESG Risk Rating evaluates the degree of a company's unmanaged material ESG risk by assessing a company's exposure to, and management of, the ESG issues that are considered most material for that company from a financial perspective. Sustainalytics assess and categorizes companies into five risk categories (Negligible, Low, Medium, High, Severe).

**Controversial Weapons:**

STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are:

- » Internal production or sale of controversial weapons
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

**Tobacco:**

- » >0% revenues from manufacturing tobacco products
- » >5% revenues from supplying tobacco-related products/services
- » >5% revenues from the distribution and/or retail sale of tobacco products.

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**Thermal Coal:**

STOXX will exclude companies that Sustainalytics identifies to have:

- » >5% revenues from thermal coal extraction (including thermal coal mining and exploration)
  - » >5% power generation capacity: coal-fired electricity, heat or steam generation capacity
-

/ thermal coal electricity production (including utilities that own/operates coal-fired power plants)

**Unconventional Oil & Gas:**

**i) Arctic Oil and Gas Exploration:**

»>5% revenues Oil & Gas exploration & extraction in Arctic regions

**ii) Oil Sands:**

»>5% revenue from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day

**iii) Shale Energy:**

»>5% revenues from shale energy exploration and/or production

**Weapons:**

**i) Small Arms:**

»>0% revenues from manufacturing and selling assault weapons to civilian customers

»>0% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers

»>0% revenues from manufacturing and selling key components of small arms

»>5% revenues from retail and/or distribution of assault weapons

»>5% revenues from retail and/or distribution of small arms (non-assault weapons)

»>5% revenues from manufacturing and selling small arms to military / law enforcement customers

**ii) Military Contracting:**

»> 10% aggregated revenues from manufacturing military weapons systems and/or integral, tailor-made components of these weapons and from tailor made products and/or services that support military weapons

**Composition List**

The composition list will consist of the companies that remain from the selection list once all the exclusion criteria have been applied.

**Review Frequency**

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date is the last dissemination day of the month preceding the review month.

**Weighting Cap Factors**

All components are capped at a maximum weight of 20% per security. The weighting cap factors are published on the second Friday of the review month using Thursday's closing prices. In the case of an infeasible solution, all components are equally weighted.

**Derived Indices**

None

### 103.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast Exit:** In case a company which is an index constituent increases its ESG Controversy Rating to Category 5, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast Entry:** Not applicable.

**Spin-offs:** A spin-off is added temporarily for one dissemination day and is then removed from the index.

**Mergers and Takeovers:** Standard STOXX process.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX Calculation Guide available on [stoxx.com](https://www.stoxx.com)



## 104. iSTOXX GLOBAL SELECT DIVIDEND 100 ENHANCED INDEX

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### 104.1. iSTOXX GLOBAL SELECT DIVIDEND 100 ENHANCED INDEX

#### 104.1.1. OVERVIEW

The iSTOXX Global Select Dividend 100 Enhanced Index contains the same components as the STOXX Global Select Dividend 100 Index. The weights are capped for ADTV liquidity to give preference to more liquid components.

**Universe:** STOXX Global Select Dividend 100 Index

**Weighting scheme:** Price-weighted, with the weights based on the dividend yield, and then capped based on liquidity.

**Base values and dates:** 1000 on March 20, 2015.

**Index types and currencies:** Price, Net Return and Gross Return in EUR and USD

**Dissemination Calendar:** STOXX Global Calendar

#### 104.1.2. INDEX REVIEW

##### Component selection

- 1) The components of the STOXX Global Select Dividend 100 Index and their weights are taken as a starting point.
- 2) A liquidity test is performed, based on a reference portfolio with a nominal value of EUR 1bn. Components pass this test if the amount to be allocated does not exceed 2.5 times the company's average daily trading volume (ADTV) over the last three months.
- 3) For components which fail the liquidity test, a weight cap of 2.5 times the company's three-month ADTV is applied.
- 4) The weights of the remaining components are proportionally increased in order to make up for the reduced weight caused by weight capping.
- 5) Steps 2), 3) and 4) are repeated until all components pass the liquidity test or are capped at 2.5 times the company's three-month ADTV.
- 6) In steps 2) – 5), the index weights are calculated based on the amounts allocated to each component.

Illustration:

# 104. iSTOXX GLOBAL SELECT DIVIDEND 100 ENHANCED INDEX

|             | Step 1                                                  |                        |                                                                       |                       | Step 2                                       |               | Step 3        |
|-------------|---------------------------------------------------------|------------------------|-----------------------------------------------------------------------|-----------------------|----------------------------------------------|---------------|---------------|
|             | Original Weight in the STOXX Global Select Dividend 100 | ADTV of component in m | Hypothetical Notional amount in m of a component on a 1000m portfolio | Max Amount 2.5 x ADTV | Max amount smaller than hypothetical amount? | Capped amount | Capped weight |
| Component 1 | 0.1                                                     | 30                     | 100                                                                   | 75                    | FALSE                                        | 75            | 0.075         |
| Component 2 | 0.15                                                    | 150                    | 150                                                                   | 375                   | TRUE                                         |               |               |
| Component 3 | 0.35                                                    | 200                    | 350                                                                   | 500                   | TRUE                                         |               |               |
| Component 4 | 0.2                                                     | 60                     | 200                                                                   | 150                   | FALSE                                        | 150           | 0.15          |
| Component 5 | 0.2                                                     | 250                    | 200                                                                   | 625                   | TRUE                                         |               |               |

## 104.1.3. ONGOING MAINTENANCE

**Replacements:** Please refer to "Replacements", in the section of 'STOXX Select Dividend Indices' methodology within the STOXX Index Methodology Guide for further details.

**Fast exit:** Please refer to "Fast exit", in the section of 'STOXX Select Dividend Indices' methodology within the STOXX Index Methodology Guide for further details.

**Spin-offs:** Please refer to "Spin-offs", in the section of 'STOXX Select Dividend Indices' methodology within the STOXX Index Methodology Guide for further details.

**Mergers and takeovers:** Please refer to "Mergers and takeovers", in the section of 'STOXX Select Dividend Indices' methodology within the STOXX Index Methodology Guide for further details.

**Weighting cap factor calculation for replacements:** Please refer to "Weighting cap factor Calculation for Replacements," in the section of 'STOXX Select Dividend Indices' methodology within the STOXX Index Methodology Guide for further details.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX Calculation Guide available on [stoxx.com](http://stoxx.com)

# 105. EURO iSTOXX 50 STYLE WEIGHTED INDEX

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## 105.1. EURO iSTOXX 50 STYLE WEIGHTED INDEX

### 105.1.1. OVERVIEW

The EURO iSTOXX 50 Style Weighted Index has the same composition as the EURO STOXX 50, but weight its components based on fundamentals data.

**Universe:** EURO STOXX 50

**Weighting scheme:** The indices are price-weighted with a weighting cap factor according to their overall score

**Base values and dates:** The following base values and dates apply: 100 on March 19, 2001

**Index types and currencies:**

EURO iSTOXX 50 Style Weighted: Price, Net and Gross Return in EUR

EURO iSTOXX 50 Style Weighted Decrement: Price Return in EUR

### 105.1.1. INDEX REVIEW

**Composition list:** The composition of the EURO STOXX 50 is used for the EURO iSTOXX 50 Style Weighted Index on a quarterly basis

**Review frequency:** The rebalancing of the weights is conducted each quarter with the STOXX Benchmark indices

**Weighting cap factors:** At cutoff date, for each stock of the EURO STOXX 50, the following scores are calculated:

A Size sub-score,  $w_i^S(t)$ , where FFMC is the Free-Float Market Capitalization:

$$s_i(t) = -(\text{FFMC}(t-1) - \overline{\text{FFMC}(t-1)})$$

$$S_i(t) = \begin{cases} 1 + s_i(t), & s_i(t) > 0 \\ \frac{1}{1 - s_i(t)}, & \text{else} \end{cases}$$

$$w_i^S(t) = \frac{S_i(t)}{\sum S_i(t)}$$

A Value sub-score,  $w_i^V(t)$ , where PB is the Price to Book Ratio:

$$v_i(t) = -(\text{PB}(t-1) - \overline{\text{PB}(t-1)})$$

## 105. EURO ISTOXX 50 STYLE WEIGHTED INDEX

$$V_i(t) = \begin{cases} 1 + v_i(t), & v_i(t) > 0 \\ \frac{1}{1 - v_i(t)}, & \text{else} \end{cases}$$

$$w_i^V(t) = \frac{V_i(t)}{\sum V_i(t)}$$

A Quality sub-score,  $w_i^Q(t)$ , where ROE is the Return on Equity:

$$q_i(t) = (\text{ROE}(t) - \overline{\text{ROE}(t)})$$

$$Q_i(t) = \begin{cases} 1 + q_i(t), & q_i(t) > 0 \\ \frac{1}{1 - q_i(t)}, & \text{else} \end{cases}$$

$$w_i^Q(t) = \frac{Q_i(t)}{\sum Q_i(t)}$$

where,

$i$  constituent of the EURO STOXX 50

$\bar{x}$  average of  $x$  for all constituents of the EURO STOXX 50

The overall score,  $w_i(t)$ , is calculated as following:

$$w_i(t) = \frac{w_i^Q(t) + w_i^V(t) + w_i^S(t)}{3}$$

The components of the index are sorted in a descending way according to their score  $w_i(t)$  and divided into 5 groups of 10 stocks.

Each constituent of the same group get the same weight as described in the following table:

| From rank | To rank | Weight |
|-----------|---------|--------|
| 1         | 10      | 5%     |
| 11        | 20      | 2.5%   |
| 21        | 30      | 1.5%   |
| 31        | 40      | 0.75%  |
| 41        | 50      | 0.25%  |

Weighting cap factor = weight \* (1,000,000,000 / closing price of the stock in EUR), rounded to integers.

The weighting cap factors are published on the second Friday in March, one week prior to quarterly review implementation using Thursday's closing prices.

# 106. iSTOXX EUROPE ESG CLIMATE AWARENESS SELECT 50 INDEX

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## 106.1. iSTOXX EUROPE ESG CLIMATE AWARENESS SELECT 50 INDEX

### 106.1.1. OVERVIEW

The index tracks the performance of 50 liquid stocks with low volatility and high dividend yield. The components are selected from a pool of companies that have considered the implications of climate change for, and on, their businesses, are taking initiatives in their use of renewable energy and are classed as leading companies with regard to Environmental, Social and Governance criteria.

**Universe:**

The STOXX® Europe Climate Awareness Ex Global Compact Controversial Weapons & Tobacco Index, as observed on the review effective date defines the index universe.

**Weighting scheme:**

The index is price-weighted with a weighting cap factor based on the inverse of the historical volatility (maximum between 3-month and 12-month historical volatility in EUR) of the constituents.

**Base values and dates:** 100 on Dec 24, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 106.1.2. INDEX REVIEW

**Selection list:**

The review cut-off date is the last trading day of the month preceding the review month of the index, and upon this date, all stocks in the eligible universe are then screened for their individual Environment, Social and Governance scores, as calculated by ISS' Numeric ESG rating assessment. If this information is not available for a company, the company will be excluded from the selection process.

- i. Carbon Intensity<sup>175</sup> that does not fall in the top 10% (with the highest emissions) of the companies in the parent index
- ii. 12-month historical dividend yield<sup>176</sup>
- iii. 3-month and 12-month historical volatility in EUR
- iv. 3-month Average Daily Traded Volume (ADTV) in EUR equal to or exceeding 7 million EUR
- v. Environmental (E), Social (S) and Governance (G) scores equal to or exceeding 1.5, as derived from ISS' Numeric ESG rating assessment.

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<sup>175</sup> Carbon Intensity = (Scope 1 + Scope 2 GHG emissions) / Revenue (USD million)

<sup>176</sup> Please see STOXX Reference Calculation Guide available on [stoxx.com](http://stoxx.com).

# 106. iSTOXX EUROPE ESG CLIMATE AWARENESS SELECT 50 INDEX

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- vi. No suspension from trading for more than 10% of the total trading days in the STOXX calendar in the previous 12 months<sup>177</sup>.
- vii. Scores on 2 of ISS' ESG Corporate Rating Factors that specifically relate to the commitment of companies to transition to renewable energy consumption, and their progress towards that goal. The two indicators are defined as follows:
  - a. Implementation of an energy management system: This factor provides a rated entity's numeric grade from based on the existence of an energy management system.
  - b. Energy use by source: This factor provides a rated entity's numeric grade based on the sources of the energy used by the company, e.g. renewable sources, natural gas, coal.
    - Either "Implementation of an energy management system" must have a numerical rating exceeding 0, or "Energy use by source" has a numerical rating exceeding 1.

Should any of the above fields iii and iv have missing information for a stock, then that company is removed from the base universe. If the 12-month historical dividend-yield (ii), "Renewable Energy Programmes" (vii.a.) or the "Renewable Energy Use" (vii.b.) indicators for a company have missing information, then a score of zero (0) is assigned.

Companies fulfilling all of the above conditions constitute the selection list.

## Composition list:

The following Equal Strength Ratio is calculated:

$$ESR = \sqrt{\frac{50}{N}}$$

where,

N                      Number of stocks in the selection list

All stocks from the selection list are sorted in descending order in terms of dividend yield and companies are selected for the next step of the selection process based on the ESR:

$$\text{number of companies to select (Dividend screen)} = \text{round down of } (ESR * N)$$

In case of identical dividend yields, priority is assigned to the stock with the lowest volatility (maximum between the 3-month and 12-month historical volatility in EUR).

All remaining stocks are ranked in ascending order in terms of volatility, as defined above. The top 50 stocks (lowest volatility) are selected to compose the index, under the constraint of having a maximum of 8 companies coming from a single ICB industry. If the composition list cannot be completed with 50 names, the industry constraint is relaxed by allowing an additional company per industry until the point where the 50 components have been selected in the index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last dissemination day of February, May, August and November respectively.

**Weighting and capping factors:** Target weights are calculated based on the inverse of the historical volatility of the selected components:

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<sup>177</sup> Min Number of Price Observations<sub>period</sub> = Number of Trading Days<sub>period</sub> \* 0.9

# 106. iSTOXX EUROPE ESG CLIMATE AWARENESS SELECT 50 INDEX

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$$w_i = \frac{\frac{1}{\sigma_i}}{\sum_{j=1}^{50} \frac{1}{\sigma_j}}$$

where,

$w_i$  target weight of component i  
 $\sigma_i$  maximum between the 3-month and 12-month historical volatility of component i as of review cut-off date, based on prices in EUR

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

Additionally, components are capped at a maximum weight of 10%.

## 106.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** On a monthly basis, in case a company which is an index constituent has a Norms Based Screening assessment of 'Red' or not rated, the respective constituent will be deleted from the index. The deletion will take place two dissemination days after the announcement, i.e. at the open of the 3rd dissemination day. The constituent's weight will be distributed among the remaining constituents.

**Fast entry:** Not applicable

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All component are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 107. ISTOXX UK ESG EQUAL WEIGHT INDEX

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## 107.1. iSTOXX UK ESG EQUAL WEIGHT INDEX

### 107.1.1. OVERVIEW

The iSTOXX UK ESG Equal Weight Index aims to replicate an investment in the top 50% stocks in terms of ESG Risk Rating of the STOXX UK Total Market Index. Companies that are non-compliant according to Global Standards Screening (GSS) or are involved in Controversial Weapons activities, as identified by Sustainalytics, are not eligible. Additionally, the eligible companies should not be involved in Unconventional Oil & Gas, Tobacco production, Thermal Coal, Adult Entertainment and Gambling.

The constituents are equally weighted, and the index is reviewed on a quarterly basis.

**Universe:** The index universe is defined by all the stocks included in the STOXX UK Total Market Index, as observed on the review effective date.

**Weighting scheme:** The indices are price-weighted with a weighting cap factor to achieve an equal-Weighting.

**Base value and date:** 100 on Mar 24, 2014.

**Index types and currencies:** Price, Net and Gross Return in EUR and GBP.

**Dissemination calendar:** STOXX Europe calendar.

### 107.1.2. INDEX REVIEW

**Selection list:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date, the companies of the STOXX UK Total Market Index are then screened for the following indicators:

- i. 3-month Average Daily Traded Volume (ADTV) in GBP
- ii. Tobacco, Thermal Coal, Unconventional Oil & Gas (Arctic Oil and Gas Exploration, Oil Sands and Shale Energy), Adult Entertainment, Gambling
- iii. ESG Risk Rating

If any of the fields above have missing information for a stock, then the company is excluded from the selection process.

The Selection list constitutes of all remaining stocks that fulfil the conditions below:

**Global Standards Screening:**

STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United



# 107. iSTOXX UK ESG EQUAL WEIGHT INDEX

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Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

## **Controversial Weapons:**

STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale of controversial weapons
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

## **Tobacco:**

STOXX will exclude companies that Sustainalytics identifies to be tobacco producers (0% revenue threshold).

## **Thermal Coal:**

STOXX will exclude companies that Sustainalytics identifies to have:

- » >5% revenues from thermal coal extraction (including thermal coal mining and exploration)
- » >0% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants).

## **Unconventional Oil & Gas:**

- i) **Arctic Oil and Gas Exploration:**
  - » >0% revenues Oil & Gas exploration & extraction in Arctic regions
- ii) **Oil Sands:**
  - » >0% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day
- iii) **Shale Energy:**
  - » >0% revenues from shale energy exploration and/or production

## **Adult Entertainment:**

STOXX will exclude companies that Sustainalytics identifies to have:

- » >5% revenues from the production of adult entertainment and/or owns/operates adult entertainment establishments
- » >5% significant ownership of another company with involvement in the production of adult entertainment and/or owns/operates adult entertainment establishments

## **Gambling:**

STOXX will exclude companies that Sustainalytics identifies to have:

- » >5% revenues from owning and/or operating a gambling establishment
- » >5% significant ownership of another company with involvement in owning and/or operating a gambling establishment
- » >5% revenues from manufacturing specialized equipment used exclusively for gambling

# 107. iSTOXX UK ESG EQUAL WEIGHT INDEX

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**Minimum Liquidity:**

3-month Average Daily Traded Volume (ADTV) equal to or exceeding 5 million GBP

**Composition list:** The final composition list is derived as follows:

All Stocks from the selection list are sorted in ascending order in terms of their ESG Risk Rating as defined by Sustainalytics.

The top 50% of the companies (having thus the lowest ESG Risk Rating), rounded down to the previous integer, are selected with the additional constrain that at least 50 and no more than 100 companies are selected. In case of two companies having same ESG Risk Rating, priority is given to the company having highest free-float market capitalization.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for all data used in the selection process is the last dissemination day of the month prior to the review month.

**Weighting cap factors:** The constituents are equally weighted

$$w_i = \frac{1}{N}$$

where,

$w_i$  target weight of component  $i$   
 $N$  Number of components in the index

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second

Friday of the review month:

Weighting cap factor =  $(100,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

## 107.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** A spin-off companies are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com).

## 108. iSTOXX APG INDICES

### 108.1. iSTOXX APG WORLD-X AND RESPONSIBLE INDICES

#### 108.1.1. OVERVIEW

The iSTOXX APG World-X and Responsible Indices are a series of indices designed to track and quantify the impact of different ESG, Carbon and SDI constraints and tilts on a broad developed global market cap index. The weighting of each constituent security is determined through an optimization process that is designed to minimize tracking error to the benchmark while improving the ESG, Carbon and SDI exposures.

**Indices:** The iSTOXX APG Index Range is comprised of five separate indices, herein referred to as:

| Index Names                                       |
|---------------------------------------------------|
| iSTOXX APG World-X Index                          |
| iSTOXX APG World Responsible Index                |
| iSTOXX APG World Responsible Low-Carbon Index     |
| iSTOXX APG World Responsible SDI Index            |
| iSTOXX APG World Responsible Low-Carbon SDI Index |

**Universe:** iSTOXX World A Index constituents

**Parent Index:** iSTOXX World A Index

**Weighting scheme:** The constituents in each index are set to minimize the tracking error of the index to the Parent Index while satisfying the other optimization constraints.

**Base values and dates:** 100 and 23 March 2020

**Index types and currencies:** Price, net and gross return in USD and EUR.

For a complete list please consult the data vendor code sheet on the website.

#### 108.1.2. INDEX REVIEW

**Constituent selection:** The portfolio construction is performed using Axioma's portfolio optimization software.

The objective of the optimization problem is to minimize tracking error to the parent index.

Minimize:  $(w - b)^T Q (w - b)$

where

b = Parent Index weights

w = Index weights

Q = covariance matrix from the Axioma Risk Model

The following constraints are enforced in order to ensure diversification, achieve carbon, ESG and SDI targets as well as control for unintended systematic exposures, turnover, diversification, and tradability. Short descriptions of the data elements given are below:

**APG ESG-Leader Flag:** a data attribute designed to identify companies that are considered to be adequately managing ESG risks. Under this policy, companies are systematically assessed based on their conduct in relation to the management of ESG-related risks inherent in companies' industries and markets. The assessment contains both normative and relative components and focuses on companies' preparedness and behavior regarding business ethics, human rights, labor standards and the environment.

**APG SDI Measure:** a data attribute designed to screen for companies that actively contribute to the UN Sustainable Development Goals through the products and services that they offer. Source: Net Purpose.

**APG Exclusion Flag:** a data attribute designed to identify companies that are excluded from the investment universe for product-based reasons (e.g. controversial weapons, tar sands, thermal coal, and tobacco), or conduct-based reasons, or because companies have a high risk of or proven to be violating one or more of the ten UNGC Principles. Tar sands and thermal coal exclusions are included starting from 1st June 2021. Conduct-based exclusions are included starting from 1st December 2021.

**APG Carbon Footprint Equity Measure:** a data attribute that reflects the total absolute emissions of attributable to the equity capital of a company.

**APG Sustainability Risk Score:** a data attribute on an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The underlying methodology uses a public SASB materiality map that forms a basis for APG AM ESG Risk Taxonomy to identify the financially material issues that are reasonably likely to impact the financial condition or operating performance of an entity and hence has been applied as a basis for the (financial) risk identification. A Sustainability Risk Score uses MSCI ESG Key Issue scores aligned with SASB framework to identify and manage ESG risks.

**APG Good Governance Flag:** a data attribute to assess Good Governance Practices (GGP) of the investee companies. It considers 1) sound management structures 2) employee relations 3) remuneration of staff, and 4) tax compliance.

**Axioma Risk Model:** Axioma World Wide Medium Horizon Fundamental Factor Risk Model

#### iSTOXX APG World-X Index

| Target                           | Constraint                                          |
|----------------------------------|-----------------------------------------------------|
| ESG Exclusions                   | Do not hold names flagged by the APG Exclusion Flag |
| Minimum Asset Holding (non-zero) | 0.5 bp                                              |

#### iSTOXX APG World Responsible Index

| Target         | Constraint                                          |
|----------------|-----------------------------------------------------|
| ESG Exclusions | Do not hold names flagged by the APG Exclusion Flag |

|                                       |                                                                                             |
|---------------------------------------|---------------------------------------------------------------------------------------------|
| Good Governance Exclusions            | Do not hold named flagged by the APG Good Governance Flag                                   |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                    |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score $\geq$ Parent Index's APG Sustainability Risk Score |
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Parent Index                                                                    |
| Active Country weights                | +/-5% w/r/t Parent Index                                                                    |
| Active Style Exposures                | +/-5% for all Axioma Risk Model Style factors w/r/t Parent Index                            |
| Maximum Asset Holding                 | 3x parent index weight                                                                      |
| Minimum Asset Holding (non-zero)      | 0.5 bp                                                                                      |
| Individual Issuer Capping             | 4.5% / 8% / 35%                                                                             |
| Active Issuer Constraint              | A maximum of active issuer weight of 1%.                                                    |
| Active Share Constraint               | A maximum of 15% with respect to the local universe.                                        |
| Turnover                              | Maximum Semi-Annual One-Way Turnover: 2.5%                                                  |
| Liquidity                             | Capped at its 60-day MDV, assuming a fixed portfolio reference size of 6bn EUR.             |
| Do not trade                          | Do not trade names with MDV = 0 or missing                                                  |

**iSTOXX APG World Responsible Low-Carbon Index**

| Target                                | Constraint                                                                                  |
|---------------------------------------|---------------------------------------------------------------------------------------------|
| ESG Exclusions                        | Do not hold names flagged by the APG Exclusion Flag                                         |
| Good Governance Exclusions            | Do not hold named flagged by the APG Good Governance Flag                                   |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                    |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score $\geq$ Parent Index's APG Sustainability Risk Score |
| Carbon Reduction                      | Reduce portfolio APG Carbon Footprint Equity Measure by at least X%.                        |
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Parent Index                                                                    |
| Active Country weights                | +/-5% w/r/t Parent Index                                                                    |
| Active Style Exposures                | +/-5% for all Axioma Risk Model Style factors w/r/t Parent Index                            |
| Maximum Asset Holding                 | 3x parent index weight                                                                      |
| Minimum Asset Holding (non-zero)      | 0.5 bp                                                                                      |
| Individual Issuer Capping             | 4.5% / 8% / 35%                                                                             |
| Active Issuer Constraint              | A maximum of active issuer weight of 1%.                                                    |
| Active Share Constraint               | A maximum of 15% with respect to the local universe.                                        |
| Turnover                              | Maximum Semi-Annual One-Way Turnover: 2.5%                                                  |
| Liquidity                             | Capped at its 60-day MDV, assuming a fixed portfolio reference size of 6bn EUR.             |
| Do not trade                          | Do not trade names with MDV = 0 or missing                                                  |

**iSTOXX APG World Responsible SDI Index**

| Target         | Constraint                                          |
|----------------|-----------------------------------------------------|
| ESG Exclusions | Do not hold names flagged by the APG Exclusion Flag |

## 108. iSTOXX APG INDICES

|                                       |                                                                                             |
|---------------------------------------|---------------------------------------------------------------------------------------------|
| Good Governance Exclusions            | Do not hold named flagged by the APG Good Governance Flag                                   |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                    |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score $\geq$ Parent Index's APG Sustainability Risk Score |
| SDI Target                            | Portfolio APG SDI Measure $\geq$ Y%                                                         |
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Parent Index                                                                    |
| Active Country weights                | +/-5% w/r/t Parent Index                                                                    |
| Active Style Exposures                | +/-5% for all Axioma Risk Model Style factors w/r/t Parent Index                            |
| Maximum Asset Holding                 | 3x parent index weight                                                                      |
| Minimum Asset Holding (non-zero)      | 0.5 bp                                                                                      |
| Individual Issuer Capping             | 4.5% / 8% / 35%                                                                             |
| Active Issuer Constraint              | A maximum of active issuer weight of 1%.                                                    |
| Active Share Constraint               | A maximum of 15% with respect to the local universe.                                        |
| Turnover                              | Maximum Semi-Annual One-Way Turnover: 2.5%                                                  |
| Liquidity                             | Capped at its 60-day MDV, assuming a fixed portfolio reference size of 6bn EUR.             |
| Do not trade                          | Do not trade names with MDV = 0 or missing                                                  |

**iSTOXX APG World Responsible Low-Carbon SDI Index**

| Target                                | Constraint                                                                                  |
|---------------------------------------|---------------------------------------------------------------------------------------------|
| ESG Exclusions                        | Do not hold names flagged by the APG Exclusion Flag                                         |
| Good Governance Exclusions            | Do not hold named flagged by the APG Good Governance Flag                                   |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                    |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score $\geq$ Parent Index's APG Sustainability Risk Score |
| Carbon Reduction                      | Reduce portfolio APG Carbon Footprint Equity Measure by at least X%.                        |
| SDI Target                            | Portfolio APG SDI Measure $\geq$ Y%                                                         |
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Parent Index                                                                    |
| Active Country weights                | +/-5% w/r/t Parent Index                                                                    |
| Active Style Exposures                | +/-5% for Axioma Risk Model Style factors w/r/t Parent Index                                |
| Maximum Asset Holding                 | 3x parent index weight                                                                      |
| Minimum Asset Holding (non-zero)      | 0.5 bp                                                                                      |
| Individual Issuer Capping             | 4.5% / 8% / 35%                                                                             |
| Active Issuer Constraint              | A maximum of active issuer weight of 1%.                                                    |
| Active Share Constraint               | A maximum of 15% with respect to the local universe.                                        |
| Turnover                              | Maximum Semi-Annual One-Way Turnover: 2.5%                                                  |
| Liquidity                             | Capped at its 60-day MDV, assuming a fixed portfolio reference size of 6bn EUR.             |
| Do not trade                          | Do not trade names with MDV = 0 or missing                                                  |

**ESG Exclusions:** Those names flagged by the APG Exclusion Flag are not held.

**Good Governance Exclusions:** Those names flagged by the APG Good Governance Flag are not held.

**Non-ESG-Leader Exclusions:** Those names not flagged by the APG ESG-Leader Flag are not held.

**Carbon Reduction:** The aggregate score of the index for the APG Carbon Footprint Equity Measure is reduced from its score in the Parent Index by X%. The target values X% are specified using an annual pathway; further details are available to stakeholders via [stoxx.com/indices](https://stoxx.com/indices).

**SDI Target:** The aggregate score of the index for the APG SDI Measure is at least Y%. The Y% values Y% are specified using an annual pathway; further details are available to stakeholders via [stoxx.com/indices](https://stoxx.com/indices).

**Sustainability Risk:** The aggregate score of the index for the APG Sustainability Risk Score is greater than or equal to the aggregate score of the parent index.

**Active ICB Industry (Level 1) Weights:** The exposure to each ICB Industry (Level 1) is summed up for the Index, and the percentage exposure of the index must be within 5% of the Parent Index values.

**Active Country Weights:** The exposure to each country is summed up for the Index, and the percentage exposure of the index must be within 5% of Parent Index values.

**Active Style Weights:** The exposure to each Axioma Risk Model Style factor (Dividend Yield, Earnings Yield, Exchange Rate Sensitivity, Growth, Leverage, Liquidity, Medium-Term Momentum, Profitability, Size, Value, Market Sensitivity and Volatility) is summed up for the Index, and the percentage exposure of the index must be within 5% of Parent Index values.

**Maximum Asset Holding:** The maximum weight of each asset in the index is 3 times its weight in Parent Index.

**Minimum Asset Holding (non-zero):** The minimum nonzero weight of each asset in the index is limited to 0.5 bp.

**Individual Issuer Capping:** The maximum weight of each issuer in the index is 8%. The sum of the weights of those issuers above 4.5% cannot exceed 35%. If the parent index itself does not satisfy the individual issuer capping constraints those are not enforced on the corresponding child indices.

**Active Issuer Constraint:** The maximum active issuer weight is 1%.

**Active Share Constraint:** The maximum active share with respect to the local universe is 15%.

**Maximum Turnover:** The index has a semi-annual one-way turnover limit of 2.5%.

**Liquidity:** Each asset weight is capped at its 60-day Median Daily Volume (MDV) in EUR, assuming a portfolio reference size of 6 billion EUR. For security i, we have

$$w_i \leq \frac{MDV_i}{X}$$

where

- $w_i$  is the weight for security  $i$
- $MDV_i$  is the 60-day Median Daily Volume (MDV) in EUR
- $X=6$  bn EUR is the fixed reference size of the portfolio.

**Do Not Trade:** Names with zero median daily trading volume (MDV) are not traded.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed iteratively as necessary: 1) Do Not Trade, 2) Turnover, 3) Maximum Asset Holding, 4) Liquidity, and 5) Active Share Constraint.

**Review frequency:** The reviews are conducted on a semi-annual basis in March and September<sup>178</sup>. The implementation is conducted after the close of third Friday in March and September and effective the next trading day. The weighting cap factors are calculated based on closing prices in EUR from the Wednesday before the second Friday of the review months. Weighting cap factor = stock's target weight × (1.000.000.000 / close price of the stock in EUR), rounded to the nearest integer.

The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months. The cut-off date for APG data is the 5th weekday before the end of the months preceding the review months. APG will provide the input data by the end of the first weekday of the review months. In the event of no delivery of APG data by the end of the first weekday of the review months, prior data will be used for the index review. The underlying announcements are published on the second Friday of the review months.

**Missing Data Treatment:** Securities that are missing all the APG data will not be eligible for selection during index reviews. Missing APG Sustainability Risk Score will be filled with the median value.

### 108.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Index constituents flagged by the APG Exclusion Flag (for all indexes) and APG Good Governance Exclusion Flag (for the indexes whose name contains "Responsible") on the final dissemination days of May and November will be removed from the index. The deletions will be announced on the next dissemination day, i.e. 1<sup>st</sup> day of the review months (June and December) and will take place two dissemination days after the announcement, i.e. at the open of the 4<sup>th</sup> dissemination day. The constituent weight will be distributed among the remaining constituents.

<sup>178</sup> An additional off-cycle review for the iSTOXX APG World-X and Responsible Indices family was conducted after the close on Friday, May 31<sup>st</sup>, 2024. The cutoff-date for this review was the close of Wednesday, May 22<sup>nd</sup>, 2024. Turnover criteria was temporarily modified to 7.5% only for the off cycle rebalance in May 2024 and the regular semi-annual rebalance in September 2024. The application of the fast exit implementation in the June 2024 review was also temporarily suspended since this took place at the same time as the May 2024 extraordinary rebalance.



## 108. iSTOXX APG INDICES

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In the event of late delivery for the APG Exclusion list, the deletions will be announced one dissemination day after the delivery date and will take place two dissemination days after the announcement.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 108. iSTOXX APG INDICES

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### 108.2. iSTOXX APG WORLD-X AND RESPONSIBLE MINIMUM VOLATILITY INDICES

#### 108.2.1. OVERVIEW

The iSTOXX APG World-X and Responsible Minimum Volatility Indices are a set of indices designed by optimizing the parent index (iSTOXX World A index) to produce a set of indices that have the lowest absolute ex-ante volatility under different ESG, Carbon and SDI constraints. Those indices also place controls over style factor tilts, industry / country exposures and liquidity / tradability.

**Indices:** The iSTOXX APG World-X and Responsible Minimum Volatility Index Range is comprised of five separate indices, herein referred to as:

1. iSTOXX APG World-X Minimum Volatility Index
2. iSTOXX APG World Responsible Minimum Volatility Index
3. iSTOXX APG World Responsible Low-Carbon Minimum Volatility Index
4. iSTOXX APG World Responsible SDI Minimum Volatility Index
5. iSTOXX APG World Responsible Low-Carbon SDI Minimum Volatility Index

**Universe:** iSTOXX World A Index

**Weighting scheme:** The indices are price weighted according to a minimum variance optimization with a set of constraints.

**Base values and dates:** 100 on March 18, 2013.

**Index types and currencies:** Price, net, and gross return in USD and EUR.

**Dissemination calendar:** STOXX Global calendar

#### 108.2.2. INDEX REVIEW

**Constituent selection:** The portfolio construction is performed using Axioma's portfolio optimization software.

The objective of the optimization problem is to minimize ex-ante variance of the portfolio.

Minimize:  $(w)^T (\lambda_f \times BV B^T + \lambda_s \times \Delta^2) (w)$

where:

w = Index weights

B = Exposure matrix, its elements denote each asset's exposure/loading to a particular factor

$V$  = Factor covariance matrix from Axioma Risk Model

$\Delta^2$  = Specific variance matrix from Axioma Risk Model

$\lambda_f, \lambda_s$  = Factor Weight and Specific Weight in the covariance matrix.  $\lambda_f = 1, \lambda_s = 10$ .

The following constraints are enforced in order to ensure diversification and control for unintended systematic exposures, turnover and tradability. Short descriptions of the data elements given are below:

**APG Exclusion Flag:** a data attribute designed to identify companies that are excluded from the investment universe for product-based reasons (e.g., controversial weapons, tar sands, thermal coal, and tobacco), or conduct-based reasons, or because companies have an elevated risk of or proven to be violating one or more of the ten UNGC Principles. Tar sands and thermal coal exclusions are included starting from 1st June 2021. Conduct-based exclusions are included starting from 1st December 2021.

**APG ESG-Leader Flag:** a data attribute designed to identify companies that are considered to be adequately managing ESG risks. Under this policy, companies are systematically assessed based on their conduct in relation to the management of ESG-related risks inherent in companies' industries and markets. The assessment contains both normative and relative components and focuses on companies' preparedness and behavior regarding business ethics, human rights, labor standards and the environment.

**APG Carbon Footprint Equity Measure:** a data attribute that reflects the total absolute emissions of attributable to the equity capital of a company.

**APG Sustainability Risk Score:** a data attribute on an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The underlying methodology uses a public SASB materiality map that forms a basis for APG AM ESG Risk Taxonomy to identify the financially material issues that are likely to impact the financial condition or operating performance of an entity and hence has been applied as a basis for the (financial) risk identification. A Sustainability Risk Score uses MSCI ESG Key Issue scores aligned with SASB framework to identify and manage ESG risks.

**APG SDI Measure:** a data attribute designed to screen for companies that actively contribute to the UN Sustainable Development Goals through the products and services that they offer. Source: Net Purpose.

**APG Good Governance Flag:** a data attribute to assess Good Governance Practices (GGP) of the investee companies. It considers 1) sound management structures 2) employee relations 3) remuneration of staff, and 4) tax compliance.

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model with numeraire EUR.

**iSTOXX APG World-X Minimum Volatility Index**

| Target                                         | Constraint                                                                                                                                                                                 |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ESG Exclusions                                 | Do not hold names flagged by the APG Exclusion Flag                                                                                                                                        |
| Active ICB Industry (Level 1) weights          | +/-5% w/r/t Parent Index                                                                                                                                                                   |
| Active Country Weights                         | +/-5% w/r/t Parent Index                                                                                                                                                                   |
| Active Style Exposures                         | +/-0.25 std for Axioma Risk Model Style factors w/r/t Parent Index, except for Market Sensitivity factor and Volatility factor                                                             |
| Individual Issuer Capping                      | Max: 2.5%. Min (non-zero): 2.5 bps.<br><br>For issuers with multiple share lines present in the Parent Index, a minimum non-zero weight of 0.5 bp is applied to each of those share lines. |
| Turnover                                       | Maximum quarterly one-way turnover: 3.75%                                                                                                                                                  |
| Percentile days to trade /liquidity constraint | Maximum bound using Percentile = 10%, strength = 5 parameters                                                                                                                              |
| Do not trade                                   | Do not trade names with MDV = 0 or missing                                                                                                                                                 |

**iSTOXX APG World Responsible Minimum Volatility Index**

| Target                                | Constraint                                                                                                                                                                                 |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ESG Exclusions                        | Do not hold names flagged by the APG Exclusion Flag                                                                                                                                        |
| Good Governance Exclusions            | Do not hold named flagged by the APG Good Governance Flag                                                                                                                                  |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                                                                                                                   |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score >= Parent Index's APG Sustainability Risk Score                                                                                                    |
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Parent Index                                                                                                                                                                   |
| Active Country Weights                | +/-5% w/r/t Parent Index                                                                                                                                                                   |
| Active Style Exposures                | +/-0.25 std for Axioma Risk Model Style factors w/r/t Parent Index, except for Market Sensitivity factor and Volatility factor                                                             |
| Individual Issuer Capping             | Max: 2.5%. Min (non-zero): 2.5 bps.<br><br>For issuers with multiple share lines present in the Parent Index, a minimum non-zero weight of 0.5 bp is applied to each of those share lines. |

## 108. iSTOXX APG INDICES

|                                                |                                                               |
|------------------------------------------------|---------------------------------------------------------------|
| Turnover                                       | Maximum quarterly one-way turnover: 3.75%                     |
| Percentile days to trade /liquidity constraint | Maximum bound using Percentile = 10%, strength = 5 parameters |
| Do not trade                                   | Do not trade names with MDV = 0 or missing                    |

**iSTOXX APG World Responsible Low-Carbon Minimum Volatility Index**

| Target                                         | Constraint                                                                                                                                                                                 |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ESG Exclusions                                 | Do not hold names flagged by the APG Exclusion Flag                                                                                                                                        |
| Good Governance Exclusions                     | Do not hold named flagged by the APG Good Governance Flag                                                                                                                                  |
| Non-ESG-Leader Exclusions                      | Do not hold names not flagged by the APG ESG-Leader Flag                                                                                                                                   |
| Sustainability Risk                            | Portfolio APG Sustainability Risk Score $\geq$ Parent Index's APG Sustainability Risk Score                                                                                                |
| Carbon Reduction                               | Reduce portfolio APG Carbon Footprint Equity Measure by at least X%                                                                                                                        |
| Active ICB Industry (Level 1) weights          | +/-5% w/r/t Parent Index                                                                                                                                                                   |
| Active Country Weights                         | +/-5% w/r/t Parent Index                                                                                                                                                                   |
| Active Style Exposures                         | +/-0.25 std for Axioma Risk Model Style factors w/r/t Parent Index, except for Market Sensitivity factor and Volatility factor                                                             |
| Individual Issuer Capping                      | Max: 2.5%. Min (non-zero): 2.5 bps.<br><br>For issuers with multiple share lines present in the Parent Index, a minimum non-zero weight of 0.5 bp is applied to each of those share lines. |
| Turnover                                       | Maximum quarterly one-way turnover: 3.75%                                                                                                                                                  |
| Percentile days to trade /liquidity constraint | Maximum bound using Percentile = 10%, strength = 5 parameters                                                                                                                              |
| Do not trade                                   | Do not trade names with MDV = 0 or missing                                                                                                                                                 |

**iSTOXX APG World Responsible SDI Minimum Volatility Index**

| Target                     | Constraint                                                |
|----------------------------|-----------------------------------------------------------|
| ESG Exclusions             | Do not hold names flagged by the APG Exclusion Flag       |
| Good Governance Exclusions | Do not hold named flagged by the APG Good Governance Flag |
| Non-ESG-Leader Exclusions  | Do not hold names not flagged by the APG ESG-Leader Flag  |

## 108. iSTOXX APG INDICES

|                                                |                                                                                                                                                                                            |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sustainability Risk                            | Portfolio APG Sustainability Risk Score $\geq$ Parent Index's APG Sustainability Risk Score                                                                                                |
| SDI Target                                     | Portfolio APG SDI Measure $\geq$ Y%                                                                                                                                                        |
| Active ICB Industry (Level 1) weights          | +/-5% w/r/t Parent Index                                                                                                                                                                   |
| Active Country Weights                         | +/-5% w/r/t Parent Index                                                                                                                                                                   |
| Active Style Exposures                         | +/-0.25 std for Axioma Risk Model Style factors w/r/t Parent Index, except for Market Sensitivity factor and Volatility factor                                                             |
| Individual Issuer Capping                      | Max: 2.5%. Min (non-zero): 2.5 bps.<br><br>For issuers with multiple share lines present in the Parent Index, a minimum non-zero weight of 0.5 bp is applied to each of those share lines. |
| Turnover                                       | Maximum quarterly one-way turnover: 3.75%                                                                                                                                                  |
| Percentile days to trade /liquidity constraint | Maximum bound using Percentile = 10%, strength = 5 parameters                                                                                                                              |
| Do not trade                                   | Do not trade names with MDV = 0 or missing                                                                                                                                                 |

**iSTOXX APG World Responsible Low-Carbon SDI Minimum Volatility Index**

| <b>Target</b>                         | <b>Constraint</b>                                                                                                              |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| ESG Exclusions                        | Do not hold names flagged by the APG Exclusion Flag                                                                            |
| Good Governance Exclusions            | Do not hold names flagged by the APG Good Governance Flag                                                                      |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                                                       |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score $\geq$ Parent Index's APG Sustainability Risk Score                                    |
| Carbon Reduction                      | Reduce portfolio APG Carbon Footprint Equity Measure by at least X%                                                            |
| SDI Target                            | Portfolio APG SDI Measure $\geq$ Y%                                                                                            |
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Parent Index                                                                                                       |
| Active Country Weights                | +/-5% w/r/t Parent Index                                                                                                       |
| Active Style Exposures                | +/-0.25 std for Axioma Risk Model Style factors w/r/t Parent Index, except for Market Sensitivity factor and Volatility factor |

|                                                |                                                                                                                                                                                            |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Issuer Capping                      | Max: 2.5%. Min (non-zero): 2.5 bps.<br><br>For issuers with multiple share lines present in the Parent Index, a minimum non-zero weight of 0.5 bp is applied to each of those share lines. |
| Turnover                                       | Maximum quarterly one-way turnover: 3.75%                                                                                                                                                  |
| Percentile days to trade /liquidity constraint | Maximum bound using Percentile = 10%, strength = 5 parameters                                                                                                                              |
| Do not trade                                   | Do not trade names with MDV = 0 or missing                                                                                                                                                 |

**ESG Exclusions:** Those names flagged by the APG Exclusion Flag are not held.

**Good Governance Exclusions:** Those names flagged by the APG Good Governance Flag are not held.

**Non-ESG-Leader Exclusions:** Those names not flagged by the APG ESG-Leader Flag are not held.

**Carbon Reduction:** The aggregate score of the index for the APG Carbon Footprint Equity Measure is reduced from its score in the Parent Index by X%. The target values X% are specified using an annual pathway; further details are available to stakeholders via [stoxx.com/indices](https://stoxx.com/indices).

**SDI Target:** The aggregate score of the index for the APG SDI Measure is at least Y%. The Y% values Y% are specified using an annual pathway; further details are available to stakeholders via [stoxx.com/indices](https://stoxx.com/indices).

**Sustainability Risk:** The aggregate score of the index for the APG Sustainability Risk Score is greater than or equal to the aggregate score of the parent index.

**Active ICB Industry (Level 1) Weights:** The exposure to each ICB Industry (Level 1) is summed up for the Index, and the percentage exposure of the index must be within 5% of the Parent Index values.

**Active Country Weights:** The exposure to each country is summed up for the Index, and the percentage exposure of the index must be within 5% of Parent Index values.

**Active Style Exposures:** The exposure to each of the Axioma Risk Model style factors (except Market Sensitivity and Volatility factors) should be within 0.25 standard deviations of the Parent Index's factor exposures.

**Individual Issuer Capping:** The maximum and minimum (non-zero) weights of each issuer in the index are 2.5% and 2.5 bps, respectively. For issuers with multiple share lines present in the Parent Index, a minimum non-zero weight of 0.5 bp is applied to each of those share lines.

**Maximum Turnover:** The index has a one-way turnover limit of 3.75% for each quarterly rebalance.

**Percentile Days to Trade / Liquidity Constraint:** The maximum weight of each component in the index is limited to 5 times its 60-day median daily trading volume multiplied by the ratio of the benchmark weight and 60-day median daily trading volume of the representative stock p. The representative asset is the 10<sup>th</sup> percentile of all constituents in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the k-th stock in the portfolio

p = the asset with the 10-th percentile of  $V_k/b_k$

$b_k$  = the weight of the k-th stock in the benchmark

$V_p$  = the 60-day median daily trading volume for the k-th stock

S = 5 (Strength)

**Do Not Trade:** Names with zero median daily trading volume (MDV) are not traded.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found. The following constraints are relaxed iteratively, as necessary:

1) Maximum Turnover.

2) Do Not Trade.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June<sup>179</sup>, September and December. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices in EUR from the Wednesday before the second Friday of the review month.

Weighting cap factor = (stock's target weight × 1,000,000,000 / closing price of the stock in EUR), rounded to the nearest integer.

The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months. For March and September reviews, the cut-off date for APG data is the 5th weekday before the end of the months preceding the review months. For June and December reviews, the cut-off date for APG data is the first dissemination day of the review months.

<sup>179</sup> The June 2024 review for the iSTOXX APG World-X and Responsible Minimum Volatility Indices family was conducted after the close on Friday, May 31<sup>st</sup>, 2024. The cutoff-date for this review was the close of Wednesday, May 22<sup>nd</sup>, 2024.



In the event of no delivery of APG data by the end of the first weekday of the review months, prior data will be used for the index review. The underlying announcements are published on the second Friday of the review month.

**Missing Data Treatment:** Securities that are missing all the APG data elements will not be eligible for selection during index reviews. Missing APG Sustainability Risk Score will be filled with the median value.

### 108.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 108.3. iSTOXX APG DEVELOPED REAL ESTATE INDEX

### 108.3.1. OVERVIEW

The iSTOXX APG Developed Real Estate Index is a free float-adjusted market capitalization index designed to capture the performance of companies classified in the Real Estate sector, according to the ICB Classification, and whose revenues derive from Real Estate activities.

Revere (RBICS) data allow for a detailed breakdown of the revenue sources of the eligible companies, helping this index to select companies with substantial exposure.

**Universe:** The index universe is defined by all the securities included in the STOXX Developed Markets Total Market Index, as observed on the review effective date. The review effective date is the first Monday after the third Friday of the review month.

**Weighting scheme:** The indices are weighted according to free-float market capitalization

**Base values and dates:** 1000 on September 21, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Global Calendar

### 108.3.2. INDEX REVIEW

**Selection list:** All securities in the universe are screened for the below information at the review cut-off date:

- v. 3-month Median Daily Traded Volume (MDTV) in USD
- vi. Free-float market capitalization in USD
- vii. ICB classification: stocks classified as belonging to the eligible ICB list
- viii. Revenue information, as captured by Revere's detailed industry classification system (RBICS)

If any of the fields i), ii), iii), and iv) above have missing information for a stock, then that company is excluded from the selection process.

The selection process consists of the following steps in the order they are listed:

#### Step 1.

##### **Size and liquidity screening:**

- Only constituents whose free-float market capitalization is greater than or equal to 200 million USD are eligible.
- Only constituents whose 3-month Median Daily Traded Volume (MDTV) in USD is greater than or equal to 1 million USD are eligible.

#### Step 2.

#### ICB Classification screening:

- Only constituents whose ICB subsector classification belongs to the following ICB subsectors are eligible:

| ICB Subsector                       |
|-------------------------------------|
| Closed End Investments              |
| Real Estate Holding and Development |
| Real Estate Services                |
| Diversified REITs                   |
| Health Care REITs                   |
| Hotel and Lodging REITs             |
| Industrial REITs                    |
| Infrastructure REITs                |
| Office REITs                        |
| Residential REITs                   |
| Retail REITs                        |
| Storage REITs                       |
| Other Specialty REITs               |
| Storage Facilities                  |

- Among the ICB subsectors listed above, Real Estate Holding and Development, Office REITs, Retail REITs, are identified as core real-estate ICB subsectors.

#### Step 3.

#### RBICS sectors screening:

- Only constituents whose RBICS sector classification belongs to the following RBICS sectors are eligible.

| RBICS L6 Sectors – Core and Extended Real Estate Activities |                                                 |
|-------------------------------------------------------------|-------------------------------------------------|
| All Apparel Retail                                          | Hotel and Motel Equity REITs                    |
| Apartment Equity REITs                                      | Industrial and Warehouse Equity REITs           |
| Asia/Pacific Department Stores                              | Industrial Real Estate Developers               |
| Assisted Living                                             | International Full-Service Restaurants and Bars |
| Building Construction                                       | Land Equity REITs                               |
| Casinos and Casino Hotels                                   | Luxury Hotels and Resorts                       |
| Colocation and Data Center Services                         | Manufactured Homes Equity REITs                 |
| Commercial and Residential Property Owners                  | Mixed-Type Hotels, Motels and Resorts           |
| Commercial Property Owners                                  | Multi-Type Equity REITs                         |
| Commercial Real Estate Developers                           | Office Equity REITs                             |
| Commercial Real Estate Services and Brokers                 | Off-Price Retail Stores                         |
| Diversified Patient Care                                    | Other Hospitals                                 |
| Diversified Real Estate Developers                          | Other Infrastructure Construction               |
| Diversified Real Estate Investment and Services             | Other Long-Term Care Facilities                 |

|                                                |                                                |
|------------------------------------------------|------------------------------------------------|
| Diversified Real Estate Services and Brokerage | Primary and Secondary Education                |
| Diversified REITs                              | Primary Patient Care                           |
| Europe Department Stores                       | Residential Property Owners                    |
| Fitness and Recreational Sports Centers        | Residential Real Estate Developers             |
| Full Service Hotels and Resorts                | Residential Real Estate Services and Brokerage |
| General and Acute Hospitals                    | Retail Equity REITs                            |
| Healthcare and Life Sciences Equity REITs      | Self-Storage Equity REITs                      |
| Home Builders                                  | Skilled Nursing Facility (Nursing Home)        |
| Home Centers and Hardware Stores               | Student and Specialty Housing Equity REITs     |

- Among the RBICS sectors listed above, the following sectors listed below, are identified as extended real-estate activities, while all others are identified as core real-estate activities.

| <b>RBICS L6 Sectors – Extended Real Estate Activities</b> |
|-----------------------------------------------------------|
| Commercial Real Estate Services and Brokers               |
| Diversified Real Estate Services and Brokerage            |
| Other Infrastructure Construction                         |
| Residential Real Estate Services and Brokerage            |

#### Step 4.

##### **RBICS sector comparison screening:**

- Only constituents whose aggregated revenues from RBICS core real-estate activities are greater than the aggregated revenues from the RBICS extended real-estate activities, are eligible.

#### Step 5.

##### **RBICS sectors threshold screening:**

- Constituents whose ICB subsector belongs to the core real-estate ICB subsectors, must derive at least 65% of their aggregated revenues from the RBICS sectors (all sectors listed in Step 3) to be eligible<sup>180</sup>.
- Constituents whose ICB subsector belongs to not core real-estate ICB subsectors, must derive at least 75% of their aggregated revenues from the RBICS sectors (all sectors listed in Step 3), to be eligible<sup>181</sup>.

#### Step 6.

##### **RBICS segments screening:**

- Constituents that derive more than 50% of their aggregate revenues from Fund management activities, are not eligible.

**Composition list:** All securities in the universe that passed the selection screenings are selected for final index composition.

<sup>180</sup> The threshold is set to 60% for current components.

<sup>181</sup> The threshold is set to 70% for current components.

## 108. iSTOXX APG INDICES

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**Review frequency:** The reviews are conducted semi-annually in March and September. The review cut-off date for the underlying data is the last dissemination day of the month prior to the review month.

**Weighting cap factors:** The components are not subject to component weight restrictions and capping.

### 108.3.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast entry:** Not applicable.

**Fast exit:** Not applicable.

**Spin-offs:** Spin-offs are added permanently if qualifying for the iSTOXX APG Developed Real Estate Index as of the latest quarterly review list in terms of free-float market capitalization.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com).

## 108.4. iSTOXX APG DEVELOPED REAL ESTATE-X AND RESPONSIBLE INDEX

### 108.4.1. OVERVIEW

The iSTOXX APG Developed Real Estate -X and Responsible Indices start from a broad free float market cap weighted index (iSTOXX APG Developed Real Estate Index) and exclude companies based on various criteria such as APG Product Exclusion Flag, APG Real Estate ESG-Leader Flag, APG Real Estate Sound Governance Flag etc. Those indices incorporate these exclusions while seeking to maintain a similar profile to its parent index. The weighting of each constituent security is determined through an optimization process that is designed to minimize predicted tracking error to the parent index while controlling for subsector / country/ style factor active exposures, turnover, liquidity, absolute and relative issuer weights.

**Indices:** The iSTOXX APG Developed Real Estate -X and Responsible Index Range is comprised of three separate indices, herein referred to as:

1. iSTOXX APG Developed Real Estate -X Index
2. iSTOXX APG Developed Real Estate RI Index
3. iSTOXX APG Developed Real Estate CRREM-Aligned RI Index

**Universe:** iSTOXX APG Developed Real Estate Index constituents

**Parent Index:** iSTOXX APG Developed Real Estate Index

**Weighting scheme:** The constituents in each index are set to minimize the predicted tracking error of the index to the Parent Index subject to a set of constraints.

**Base values and dates:** 100 and 21 Jun 2021

**Index types and currencies:** Price, net and gross in USD and EUR

**Dissemination Calendar:** STOXX Global calendar

For a complete list please consult the data vendor code sheet on the website<sup>182</sup>. Customized solutions can be provided upon request.

### 108.4.2. INDEX REVIEW

**Constituent selection:** The portfolio construction is performed using Axioma's portfolio optimization software.

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<sup>182</sup> [www.stoxx.com/documents/stoxxnet/Documents/Resources/Data\\_Vendor\\_Codes/vendor\\_codes\\_sheet.csv](http://www.stoxx.com/documents/stoxxnet/Documents/Resources/Data_Vendor_Codes/vendor_codes_sheet.csv)

The objective of the optimization problem is to minimize predicted tracking error to the parent index.

Minimize:  $(w - b)^T Q (w - b)$

where

$b$  = Parent Index weights

$w$  = Index weights

$Q$  = covariance matrix from the Axioma Risk Model

The following constraints are enforced in order to apply screens, ensure liquidity and tradability, control for unintended systematic exposures etc. Short descriptions of the data elements given are below:

**APG Product Exclusion Flag:** Data attribute designed to identify companies for their involvement in production, sale or distribution of controversial weapons (nuclear weapons, cluster munitions, anti-personnel mines, chemical or biological weapons) and production of tobacco products.

**APG Real Estate ESG-Leader Flag:** Data attribute designed to identify companies that are considered to be adequately managing ESG risks. Under this policy, companies are systematically assessed based on their conduct in relation to the management of ESG-related risks inherent in companies' industries and markets. The assessment contains both normative and relative components and focuses on companies' preparedness and behavior regarding business ethics, human rights, labor standards and the environment. This flag is designed to identify companies that do not meet selected conduct and behavior standards on Environment and Social issues, as well as companies that fail to deliver sufficient data or have low data transparency, such as building location and carbon emission intensity.

**APG Real Estate Sound Governance Flag:** Data attribute to identify companies with high business integrity and sound governance, where the investee companies to follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

**APG Real Estate Solid Reputation Flag:** Data attribute to identify companies that are facing substantial reputational risks, such as severe open incidents.

**APG Real Estate No Harm Flag:** Data attribute to identify negative impact of the investments on Environmental and Social issues. The set of indicators used include Principal Adverse Impact (PAI) required by SFDR.

**APG Real Estate CRREM-aligned Flag:** Data attribute that measures transition risk by assessing the relative Greenhouse Gas (GHG) emission intensity level (kg CO<sub>2</sub> per sqm) as compared to the CRREM (Carbon Risk Real Estate Monitor) pathways.

**Axioma Risk Model:** Axioma World Wide v4 Medium Horizon Fundamental Factor Risk Model with numeraire EUR.

**iSTOXX APG Developed Real Estate -X Index**

| Target                                         | Constraint                                                                                                                                                                     |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Product Exclusions                             | Do not hold names flagged by APG Product Exclusion Flag                                                                                                                        |
| Active ICB Subsector (Level 4) weights         | +/-5% w/r/t Parent Index                                                                                                                                                       |
| Active Country weights                         | +/-5% w/r/t Parent Index                                                                                                                                                       |
| Active Style Exposures                         | +/-0.01 std for Axioma Risk Model Style factors w/r/t Parent Index                                                                                                             |
| Absolute Individual Issuer Weights             | Max: 10%. Min: 2.5 bps.<br><br>For issuers with multiple share lines present in the Parent Index, a minimum non-zero weight of 0.5 bp is applied to each of those share lines. |
| Relative Individual Issuer Weights             | +/- 5% w/r/t Parent Index                                                                                                                                                      |
| Maximum Turnover                               | Maximum semi-annual one-way turnover: 7.5%                                                                                                                                     |
| Percentile days to trade /liquidity constraint | Maximum bound using Percentile = 5%, strength = 3 parameters                                                                                                                   |

**iSTOXX APG Developed Real Estate RI Index**

| Target                                  | Constraint                                                                                                                                                                     |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Product exclusions                      | Do not hold names flagged by APG Product Exclusion Flag                                                                                                                        |
| Real Estate ESG Laggards exclusions     | Do not hold names not flagged by APG Real threshold Estate ESG-Leader Flag                                                                                                     |
| Real Estate Sound Governance exclusions | Do not hold names not flagged by APG Real Estate Sound Governance Flag                                                                                                         |
| Real Estate Solid Reputation exclusions | Do not hold names not flagged by APG Real Estate Solid Reputation Flag                                                                                                         |
| Active ICB Subsector (Level 4) weights  | +/-5% w/r/t Parent Index                                                                                                                                                       |
| Active Country weights                  | +/-5% w/r/t Parent Index                                                                                                                                                       |
| Active Style Exposures                  | +/-0.01 std for Axioma Risk Model Style factors w/r/t Parent Index                                                                                                             |
| Absolute Individual Issuer Weights      | Max: 10%. Min: 2.5 bps.<br><br>For issuers with multiple share lines present in the Parent Index, a minimum non-zero weight of 0.5 bp is applied to each of those share lines. |
| Relative Individual Issuer Weights      | +/- 5% w/r/t Parent Index                                                                                                                                                      |



|                                                |                                                              |
|------------------------------------------------|--------------------------------------------------------------|
| Maximum Turnover                               | Maximum semi-annual one-way turnover: 7.5%                   |
| Percentile days to trade /liquidity constraint | Maximum bound using Percentile = 5%, strength = 3 parameters |

**iSTOXX APG Developed Real Estate CRREM-Aligned RI**

| Target                                         | Constraint                                                                                                                                                                     |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Product exclusions                             | Do not hold names flagged by APG Product Exclusion Flag                                                                                                                        |
| Real Estate ESG Laggards exclusions            | Do not hold names not flagged by APG Real Estate ESG-Leader Flag                                                                                                               |
| Real Estate Sound Governance exclusions        | Do not hold names not flagged by APG Real Estate Sound Governance Flag                                                                                                         |
| Real Estate Solid Reputation exclusions        | Do not hold names not flagged by APG Real Estate Solid Reputation Flag                                                                                                         |
| Real Estate No Harm exclusions                 | Do not hold names not flagged by APG Real Estate No Harm Flag                                                                                                                  |
| Real Estate CRREM-aligned exclusions           | Do not hold names flagged by APG Real Estate CRREM-aligned Flag                                                                                                                |
| Active ICB Subsector (Level 4) weights         | +/-5% w/r/t Parent Index                                                                                                                                                       |
| Active Country weights                         | +/-5% w/r/t Parent Index                                                                                                                                                       |
| Active Style Exposures                         | +/-0.01 std for Axioma Risk Model Style factors w/r/t Parent Index                                                                                                             |
| Absolute Individual Issuer Weights             | Max: 10%. Min: 2.5 bps.<br><br>For issuers with multiple share lines present in the Parent Index, a minimum non-zero weight of 0.5 bp is applied to each of those share lines. |
| Relative Individual Issuer Weights             | +/- 5% w/r/t Parent Index                                                                                                                                                      |
| Maximum Turnover                               | Maximum semi-annual one-way turnover: 7.5%                                                                                                                                     |
| Percentile days to trade /liquidity constraint | Maximum bound using Percentile = 5%, strength = 3 parameters                                                                                                                   |

**Active ICB Subsector (Level 4) Weights:** The exposure to each ICB Subsector (Level 4) is summed up for the Index, and the percentage exposure of the index must be within 5% of the Parent Index values.

**Active Country Weights:** The exposure to each country is summed up for the Index, and the percentage exposure of the index must be within 5% of Parent Index values.

**Active Style Exposures:** The exposure to each of the Axioma Risk Model style factors should be within 0.01 standard deviations of the Parent Index's factor exposures.

**Absolute Individual Issuer Weights:** The maximum and minimum (non-zero) weights of each issuer in the index are 10% and 2.5 bp respectively. For issuers with multiple share lines present in the Parent Index, a minimum non-zero weight of 0.5 bp is applied to each of those share lines.

**Relative Individual Issuer Weights:** The total weight of each issuer must be within 5% of Parent Index values.

**Maximum Turnover:** The index has a one-way turnover limit of 7.5% for each semi-annual rebalance.

**Percentile Days to Trade / Liquidity Constraint:** The maximum weight of each component in the index is limited to 3 times its 60-day median daily trading volume multiplied by the ratio of the benchmark weight and 60-day median daily trading volume of the representative stock  $p$ . The representative asset is the 5<sup>th</sup> percentile of all constituents in the Parent Index when sorted by the ratio of 60-day median trading volume divided by the Parent Index weight.

$$w_k \leq S V_k b_p / V_p$$

where:

$w_k$  = the weight of the  $k$ -th stock in the portfolio

$p$  = the asset with the 5-th percentile of  $V_k/b_k$

$b_k$  = the weight of the  $k$ -th stock in the benchmark

$V_p$  = the 60-day median daily trading volume for the  $k$ -th stock

$S = 3$  (Strength)

In case all the APG data flags used in the index result in no companies being excluded, the optimization will replicate the Parent Index constituents and weights.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed iteratively, as necessary: 1) Active Style Exposures 2) Active ICB Subsector (Level 4) Weights and Active Country Weight 3) Maximum Turnover.

**Review frequency:** The reviews are conducted on a semi-annual basis in June and December. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices in EUR from the Wednesday before the second Friday of the review months. Weighting cap factor = (stock's target weight  $\times$  1,000,000,000 / closing price of the stock in EUR), rounded to the nearest integer.

The cut-off date for APG data is the 5th weekday before the end of the months preceding the review months. The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months.

In the event of no delivery of APG data by the first weekday of the review months, prior data will be used for the index review. The underlying announcements are published on the second Friday of the review months.

**Missing Data Treatment:** Securities that are missing all the APG data elements will not be eligible for selection during index reviews.

### 108.4.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Index constituents flagged by the APG Product Exclusion Flag (for all indexes) and Sound Governance Exclusions Flag (only for the indexes whose name contains "Responsible") on the final dissemination days of February and August will be removed from the index. The deletions will be announced on the next dissemination day, i.e. 1<sup>st</sup> day of March/September and will take place two dissemination days after the announcement, i.e. at the open of the 4<sup>th</sup> dissemination day. The constituent weight will be distributed among the remaining constituents.

In the event of late delivery for the APG Product Exclusion Flag, the deletions will be announced one dissemination day after the delivery date and will take place two dissemination days after the announcement.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com)

## 108.5. iSTOXX APG WORLD MULTI-FACTOR AND RESPONSIBLE INDICES

### 108.5.1. OVERVIEW

The iSTOXX APG World Multi-Factor Index Family are constructed by maximizing the index exposure to a multi-factor alpha signal while satisfying a set of constraints while improving the ESG, Carbon and SDI exposures on a developed market universe.

**Universe:** The iSTOXX APG World Multi-Factor Index Range is comprised of six separate indices, herein referred to as with their universe:

| Index Name                                                 | Universe              |
|------------------------------------------------------------|-----------------------|
| iSTOXX APG World Multi-Factor -A Index                     | iSTOXX World A Capped |
| iSTOXX APG World Multi-Factor -X Index                     | iSTOXX World A Capped |
| iSTOXX APG World Multi-Factor Responsible Index            | iSTOXX World A Capped |
| iSTOXX APG World Multi-Factor Responsible Low-Carbon Index | iSTOXX World A Capped |

**Weighting scheme:** The final index weights are the result of an optimization process. The indices are optimized to maximize exposure to select factors subject to constraints.

**Base values and dates:** 100 on 22 March 2021.

**Index types and currencies:** Price, net and gross return in USD and EUR.

**Dissemination calendar:** STOXX Global calendar

### 108.5.2. FACTOR DEFINITIONS

The Multi-Factor Alpha Signal is derived from sixteen Signals, which are combined to create 5 Factors - **Momentum**, **Quality**, **Value**, and **Low Volatility**. The Factors are combined to create a Multi-Factor Alpha Signal, as described below.

The Momentum Factor is a composite of the following 2 Signals: **Earnings Momentum**, and **Price Momentum**.

- **Earnings Momentum** is given by the sum of the number of EPS upgrades for the current (FY1) and following (FY2) fiscal years minus the sum of the FY1 and FY2 EPS downgrades for the current and following fiscal years, all divided by the sum of the total number of FY1 and FY2 EPS estimates. The signal is smoothed using an EWMA with a half-life of 6 months. Stocks with resulting ratio greater than 1.0 are treated as missing values in the calculation of the score.
- **Price Momentum** is given by the sum of monthly local currency returns over the 12 complete months prior to the review cut-off date, excluding the latest month. The signal is smoothed using an EWMA with a half-life of 1 month.

Each Signal is z-scored using the Parent Index weights and truncated at +/- 3 standard deviations. The Momentum Factor combines the Signals at 50%, and 50% weights, respectively, and is again z-scored and truncated at +/-3 standard deviations.

The Quality Factor is a composite of the following 4 Signals: **Accruals**, **Dilution**, **Gross Profitability**, and **Change in Net Operating Assets (NOA)**.

- **Accruals** is given by the monthly change in operating assets minus the monthly change in total liabilities, all divided by the 36-month rolling average of total assets and multiplied by -1.0. Values are truncated at -12% and 20%. The signal is smoothed using an EWMA with a half-life of 24 months.
- **Dilution** is given by the negative of the relative monthly change in total shares outstanding, adjusted for any corporate actions. Values are truncated at +/- 50%. The signal is smoothed using an EWMA with a half-life of 24 months.
- **Gross Profitability** is given by the revenues minus the cost of goods sold, all divided by total assets, where all 3 quantities are all greater than 0. Values are truncated at the 2<sup>nd</sup> and 98<sup>th</sup> percentiles. No EWMA smoothing is applied.
- **Change in NOA** is given by the negative of the monthly change in net operating assets divided by the 36-month rolling average of total assets, with net operating assets calculated as the monthly delta in operating assets (total assets minus cash) minus the monthly delta in liabilities (total liabilities minus debt). Values are truncated at -5% and 10%. The signal is smoothed using an EWMA with a half-life of 60 months.

Signals are z-scored using the Parent Index weights and outliers are truncated at +/- 3 standard deviations. The Quality Factor combines the Signals at 25%, 25%, 25%, and 25% weights, respectively, and is again z-scored and truncated.

The Value Factor is a composite of the following 4 Signals: **Book to Price**, **Cash Flow Yield**, **Time Series Normalized Cash Flow Yield**, and **Earnings Yield**.

**Book to Price** is given by the latest book value divided by the total market capitalization.

- **Cash Flow Yield** is given by the latest 12-month cash flow divided by the total market capitalization. Values are truncated at +/- 0.35. The signal is smoothed using an EWMA with a half-life of 3 months.
- **Time Series Normalized Cash Flow Yield** is derived by first computing Cash Flow Yield as described above without the truncation and EWMA. Then, for each stock, z-scoring relative to its own time series, by subtracting its EWMA with a half-life of 36 months, then dividing by its exponentially weighted standard deviation, also using a half-life of 36 months. Finally, the signal is then smoothed using an EWMA with a half-life of 1 month.
- **Earnings Yield** is given by the latest 12-month net income divided by the total market capitalization.

Signals are z-scored using the Parent Index weights and outliers are truncated at +/- 3 standard deviations. The Value Factor combines the 4 Signals equally at 25% weights and is again z-scored and truncated.

The Low Volatility Factor is given by the standard deviation of monthly total returns in local currency, calculated over the 12 complete months prior to the review cut-off date. Stock level volatilities are exponentially smoothed twice using an EWMA with half-lives of 1-month and then 2-months. Values are then multiplied by -1 and are converted to percentage ranks within the eligible universe and truncated at the 1<sup>st</sup> and 99<sup>th</sup> percentiles. The percentage ranks are then transformed into scores using the inverse of cumulative normal distribution and are truncated at +/- 3 standard deviations.

Individual signal z-scores are set to 0 where data is missing.

The Multi-Factor Alpha Signal is created by combining the following Factors with respective weights per index:

30% Quality, 30% Momentum, 30% Value, 10% Low Volatility.

Finally, the Multi-Factor Alpha Signal is smoothed using an EWMA with a half-life of 12 months and then values are multiplied by each stock's corresponding idiosyncratic volatility from the Axioma Risk Model.

### 108.5.3. INDEX REVIEW

**Constituent selection:** The portfolio construction is performed using Axioma's portfolio optimization software.

The objective of the optimization problem is to maximize the exposure of the portfolio to the Multi-Factor Alpha, as described above.

The following constraints are enforced to ensure diversification, achieve carbon and ESG targets as well as control for unintended systematic exposures, turnover, diversification, and tradability. Short descriptions of the data elements given are below:

**APG ESG-Leader Flag:** a data attribute designed to identify companies that are adequately managing ESG risks. Under this policy, companies are systematically assessed based on their conduct in relation to the management of ESG-related risks inherent in companies' industries and markets. The assessment contains both normative and relative components and focuses on companies' preparedness and behavior regarding business ethics, human rights, labor standards and the environment.

**APG Climate Measure:** a data attribute designed to identify leaders and laggards in Climate.

**APG Exclusion Flag:** a data attribute designed to identify companies that are excluded from the investment universe for product-based reasons (e.g., controversial weapons, tar sands, thermal coal, and tobacco), or conduct-based reasons, or because companies have an elevated risk of or proven to be violating one or more of the ten UNGC Principles. Tar sands and thermal coal exclusions are included starting from 1st June 2021. Conduct-based exclusions are included starting from 1st December 2021.

**APG Carbon Footprint Equity Measure:** a data attribute that reflects the total absolute emissions of attributable to the equity capital of a company.

**APG Sustainability Risk Score:** a data attribute on an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The underlying methodology uses a public SASB materiality map that forms a basis for APG AM ESG Risk Taxonomy to identify the financially material issues that are likely to impact the financial condition or operating performance of an entity and hence has been applied as a basis for the (financial) risk identification. A Sustainability Risk Score uses MSCI ESG Key Issue scores aligned with SASB framework to identify and manage ESG risks.

**APG Good Governance Flag:** a data attribute to assess Good Governance Practices (GGP) of the investee companies. It considers 1) sound management structures 2) employee relations 3) remuneration of staff, and 4) tax compliance.

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model.

The following constraints are enforced to ensure diversification and control for turnover.

#### iSTOXX APG World Multi-Factor -A Index

| Target                                | Constraint                                                             |
|---------------------------------------|------------------------------------------------------------------------|
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Parent Index                                               |
| Active Country weights                | +/-5% w/r/t Parent Index                                               |
| Maximum Country Weight                | 50% for securities classified as US (United States)                    |
| Active Risk                           | Maximum of 2.25% relative to Parent                                    |
| Maximum Asset Holding                 | Max(Parent + 2%, Max 20x parent index weight, Max Parent Weight)       |
| Minimum Asset Holding                 | Max(0%, Parent - 2%)                                                   |
| Minimum Asset Holding (non-zero)      | 0.5 bp                                                                 |
| Issuer Bound                          | Below the largest weights of the constituent in the Parent index       |
| Beta Limit                            | Between 0.872 and 0.925                                                |
| Active Style Exposures                | 0%<Value<40%, 20%<Momentum<40%, 20%<Quality<50%, 0%<Low Volatility<40% |
| Turnover                              | Maximum Annual One-Way Turnover: 30.0%                                 |
| Tradability                           | WDTT for two least liquid quintiles <= 10 * Benchmark Quintile WDTT    |
| Do not trade                          | Do not trade names with MDV = 0 or missing                             |

#### iSTOXX APG World Multi-Factor -X Index

| Target                                | Constraint                                                                               |
|---------------------------------------|------------------------------------------------------------------------------------------|
| ESG Exclusions                        | Do not hold names flagged by the APG Exclusion Flag                                      |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score >= Parent Index's APG Sustainability Risk Score. |
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Parent Index                                                                 |
| Active Country weights                | +/-5% w/r/t Parent Index                                                                 |
| Maximum Country Weight                | 50% for securities classified as US (United States)                                      |
| Active Risk                           | Maximum of 2.25% relative to iSTOXX APG World -X                                         |
| Maximum Asset Holding                 | Max(Parent + 2%, Max 20x parent index weight, Max Parent Weight)                         |
| Minimum Asset Holding                 | Max(0%, Parent - 2%)                                                                     |
| Minimum Asset Holding (non-zero)      | 0.5 bp                                                                                   |
| Issuer Bound                          | Below the largest weights of the constituent in the Parent index                         |

|                        |                                                                        |
|------------------------|------------------------------------------------------------------------|
| Beta Limit             | Between 0.872 and 0.925                                                |
| Active Style Exposures | 0%<Value<40%, 20%<Momentum<40%, 20%<Quality<50%, 0%<Low Volatility<40% |
| Turnover               | Maximum Annual One-Way Turnover: 30.0%                                 |
| Tradability            | WDTT for two least liquid quintiles <= 10 * Benchmark Quintile WDTT    |
| Do not trade           | Do not trade names with MDV = 0 or missing                             |

The table below applicable to the following indexes.

- iSTOXX APG World Multi-Factor Responsible Index, and
- iSTOXX APG World Multi-Factor Responsible Low-Carbon Index

| Target                                | Constraint                                                                                                                                                      |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ESG Exclusions                        | Do not hold names flagged by the APG Exclusion Flag                                                                                                             |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                                                                                        |
| Good Governance Exclusions            | Do not hold named flagged by the APG Good Governance Flag                                                                                                       |
| Climate Exclusions                    | Do not hold Climate Laggards flagged by the APG                                                                                                                 |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score >= Parent Index's APG Sustainability Risk Score.                                                                        |
| Carbon Reduction                      | Reduce portfolio APG Carbon Footprint Equity Measure by at least X%.<br><br>Only applicable to<br>1) iSTOXX APG World Multi-Factor Responsible Low-Carbon Index |
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Parent Index                                                                                                                                        |
| Active Country weights                | +/-5% w/r/t Parent Index                                                                                                                                        |
| Maximum Country Weight                | 50% for securities classified as US (United States)                                                                                                             |
| Active Risk                           | Maximum of 2.25% relative to a target index.                                                                                                                    |
| Maximum Asset Holding                 | Max(Parent + 2%, Max 20x parent index weight, Max Parent Weight)                                                                                                |
| Minimum Asset Holding                 | Max(0%, Parent - 2%)                                                                                                                                            |
| Minimum Asset Holding (non-zero)      | 0.5 bp                                                                                                                                                          |
| Issuer Bound                          | Below the largest weights of the constituent in the Parent index                                                                                                |
| Beta Limit                            | Between 0.872 and 0.925                                                                                                                                         |
| Active Style Exposures                | 0%<Value<40%, 20%<Momentum<40%, 20%<Quality<50%, 0%<Low Volatility<40%                                                                                          |
| Turnover                              | Maximum Annual One-Way Turnover: 30.0%                                                                                                                          |
| Tradability                           | WDTT for two least liquid quintiles <= 10 * Benchmark Quintile WDTT                                                                                             |
| Do not trade                          | Do not trade names with MDV = 0 or missing                                                                                                                      |

**ESG Exclusions:** Those names flagged by the APG Exclusion Flag are not held.

**Good Governance Exclusions:** Those names flagged by the APG Good Governance Flag are not held.

**Climate Exclusions:** Those names flagged by the APG Climate Laggard Flag are not held.

**Non-ESG-Leader Exclusions:** Those names not flagged by the APG ESG-Leader Flag are not held.



**Carbon Reduction:** The aggregate score of the index for the APG Carbon Footprint Equity Measure is reduced from its score in the Parent Index by X%. The target values X% are specified using an annual pathway; further details are available to stakeholders via [stoxx.com/indices](https://stoxx.com/indices).

**Sustainability Risk:** The aggregate score of the index for the APG Sustainability Risk Score is greater than or equal to the aggregate score of the parent index.

**Active ICB Industry (Level 1) Weights:** The exposure to each ICB Industry (Level 1) is summed up for the Index, and the percentage exposure of the index must be within 5% of the Parent Index values.

**Active Country Weights:** The exposure to each country is summed up for the Index, and the percentage exposure of the index must be within 5% of Parent Index values.

**Maximum Country Weight:** The aggregate weight of securities in the new composition, is capped at 50%. This applies only to securities which are classified as United States (US) per the STOXX methodology.

**Active Risk:** The maximum active risk relative to the target index is less than 2.25%, using the Axioma Risk Model.

The target indexes for each index are as follows:

1. **iSTOXX APG World Multi-Factor -A Index:**  
iSTOXX World A Capped Index
2. **iSTOXX APG World Multi-Factor -X Index:**  
iSTOXX APG World -X Capped Index
3. **iSTOXX APG World Multi-Factor Responsible Index:**  
iSTOXX APG World Responsible Capped Index
4. **iSTOXX APG World Multi-Factor Responsible Low-Carbon Index:**  
iSTOXX APG World Responsible Low-Carbon Capped Index

**Maximum Asset Holding:** The maximum active weight of each asset in the index is 2%. The maximum weight of each asset in the index is twenty times its weight in Parent Index and maximum weight in the Parent index.

**Minimum Asset Holding:** The minimum weight of each asset in the index is 0% and the minimum active weight of each asset in the index is -2%.

**Minimum Asset Holding (non-zero):** The minimum nonzero weight of each asset in the index is limited to 0.5 bp.

**Individual Issuer Capping:** The maximum weight of each issuer in the index is maximum weight in the Parent index.

**Beta Limit:** The beta of the portfolio must lie between 0.872 and 0.925. The predicted beta from the Axioma Risk model is used for this constraint.

**Active Style Exposures:** The minimum and maximum active exposures to the four custom factors are:

- 0.2 < Quality < 0.5
- 0.2 < Momentum < 0.4
- 0.0 < Value < 0.4
- 0.0 < Low Volatility < 0.4

**Turnover:** The index has an annual one-way turnover limit of 30.0%.

**Tradability:** The weighted-days-to-trade (WDTT) for the two least liquid quintiles is less than ten times the WDTT of the corresponding Parent Index for the two least liquid quintiles.

**Do Not Trade:** Names with zero median daily trading volume (MDV) are not traded.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the following constraints can potentially be relaxed to find a final index solution:

1. Active Risk
2. Do not trade
3. Turnover
4. Tradability

**Review frequency:**

The reviews are conducted on a semi-annual basis in March and September<sup>183</sup>. The implementation is conducted after the close of third Friday in the review months and effective the next trading day. The weighting cap factors are calculated based on closing prices from the Wednesday before the second Friday of the review month. Weighting cap factor is equal to (stock's target weight × 1.000.000.000 / closing price of the stock), rounded to the nearest integer.

The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months. The underlying announcements are published after the close on the second Friday of the review month.

**Missing Data Treatment:** Securities that are missing all the APG data will not be eligible for selection during index reviews. Missing APG Sustainability Risk Score will be filled with the median value.

## 108.5.4. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Index constituents flagged by the APG Exclusion Flag (all indexes except iSTOXX APG World Multi-Factor -A Index) and APG Good Governance Flag (only for indexes whose names contain 'Responsible') on the final dissemination days of May and November will be removed from the

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<sup>183</sup> An additional off-cycle review for the iSTOXX APG Multi-Factor and Responsible Indices family was conducted after the close on Friday, May 31<sup>st</sup>, 2024. The cutoff-date for this review was the close of Wednesday, May 22<sup>nd</sup>, 2024. Turnover criteria was temporarily modified to 7.5% only for the off cycle rebalance in May 2024 and the regular semi-annual rebalance in September 2024. The application of the fast exit implementation in the June 2024 review was also temporarily suspended since this took place at the same time as the May 2024 extraordinary rebalance.

## 108. iSTOXX APG INDICES

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index. The deletions will be announced on the next dissemination day, i.e., 1<sup>st</sup> day of the review months (June and December) and will take place two dissemination days after the announcement, i.e., at the open of the 4<sup>th</sup> dissemination day. The constituent weight will be distributed among the remaining constituents. In the event of late delivery for the fast exit list, the deletions will be announced one dissemination day after the delivery date and will take place two dissemination days after the announcement.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

## 108.6. iSTOXX APG EMERGING MARKETS-X AND RESPONSIBLE INDICES

### 108.6.1. OVERVIEW

The iSTOXX APG Emerging Markets-X and Responsible Indices are a series of indices designed to track and quantify the impact of different ESG, Carbon and SDI constraints and tilts on a broad emerging global market cap index. The weighting of each constituent security is determined through an optimization process that is designed to minimize tracking error to the benchmark while improving the ESG, Carbon and SDI exposures.

The iSTOXX APG Index Range is comprised of five separate indices, herein referred to as:

| Index Names                                                  |
|--------------------------------------------------------------|
| iSTOXX APG Emerging Markets-X Index                          |
| iSTOXX APG Emerging Markets Responsible Index                |
| iSTOXX APG Emerging Markets Responsible Low-Carbon Index     |
| iSTOXX APG Emerging Markets Responsible SDI Index            |
| iSTOXX APG Emerging Markets Responsible Low-Carbon SDI Index |

**Universe:** STOXX Emerging Markets Universal Index

**Parent Index:** STOXX Emerging Markets Universal Index

**Weighting scheme:** The constituents in each index are set to minimize the tracking error of the index to the Parent Index while satisfying the other optimization constraints.

**Base values and dates:** 100 as on 23 March 2020

**Index types and currencies:** Price, net and gross return in USD and EUR.

For a complete list please consult the data vendor code sheet on the website.

**Dissemination calendar:** STOXX Global calendar

### 108.6.2. INDEX REVIEW

**Constituent selection:** The portfolio construction is performed using Axioma's portfolio optimization software.

A customized parent index is constructed from the parent index with the country cap of 15%.

The objective of the optimization problem is to minimize tracking error to the customized parent index.

$$\text{Minimize: } (w - b)^T Q (w - b)$$

Where,

$b$  = Customized parent Index weights

$w$  = Index weights

$Q$  = covariance matrix from the Axioma Risk Model (USD)

The following constraints are enforced to ensure diversification, achieve carbon, ESG and SDI targets as well as control for unintended systematic exposures, turnover, diversification, and tradability. Short descriptions of the data elements given are below:

**APG ESG-Leader Flag:** a data attribute designed to identify companies that are adequately managing ESG risks. Under this policy, companies are systematically assessed based on their conduct in relation to the management of ESG-related risks inherent in companies' industries and markets. The assessment contains both normative and relative components and focuses on companies' preparedness and behavior regarding business ethics, human rights, labor standards and the environment.

**APG SDI Measure:** a data attribute designed to screen for companies that actively contribute to the UN Sustainable Development Goals through the products and services that they offer. Source: Net Purpose.

**APG Exclusion Flag:** a data attribute designed to identify companies that are excluded from the investment universe for product-based reasons (e.g., controversial weapons, tar sands, thermal coal, and tobacco), or conduct-based reasons, or because companies have an elevated risk of or proven to be violating one or more of the ten UNGC Principles. Tar sands and thermal coal exclusions are included starting from 1st June 2021. Conduct-based exclusions are included starting from 1st December 2021.

**APG Carbon Footprint Equity Measure:** a data attribute that reflects the total absolute emissions of attributable to the equity capital of a company.

**APG Sustainability Risk Score:** a data attribute on an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The underlying methodology uses a public SASB materiality map that forms a basis for APG AM ESG Risk Taxonomy to identify the financially material issues that are likely to impact the financial condition or operating performance of an entity and hence has been applied as a basis for the (financial) risk identification. A Sustainability Risk Score uses MSCI ESG Key Issue scores aligned with SASB framework to identify and manage ESG risks.

**APG Good Governance Flag:** a data attribute to assess Good Governance Practices (GGP) of the investee companies. It considers 1) sound management structures 2) employee relations 3) remuneration of staff, and 4) tax compliance.

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model.

#### iSTOXX APG Emerging Markets-X Index

| Target                           | Constraint                                          |
|----------------------------------|-----------------------------------------------------|
| ESG Exclusions                   | Do not hold names flagged by the APG Exclusion Flag |
| Minimum Asset Holding (non-zero) | 0.5 bps                                             |

#### iSTOXX APG Emerging Markets Responsible Index

| Target                                | Constraint                                                                                             |
|---------------------------------------|--------------------------------------------------------------------------------------------------------|
| ESG Exclusions                        | Do not hold names flagged by the APG Exclusion Flag                                                    |
| Good Governance Exclusions            | Do not hold named flagged by the APG Good Governance Flag                                              |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                               |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score $\geq$ Customized Parent Index's APG Sustainability Risk Score |
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Customized Parent Index                                                                    |
| Active Country weights                | +/-5% w/r/t Customized Parent Index                                                                    |
| Maximum Country weights               | 15%                                                                                                    |
| Active Style Exposures                | +/-0.01% for all Axioma Risk Model Style factors w/r/t Customized Parent Index                         |
| Maximum Asset Holding                 | Twenty times customized parent index weight                                                            |
| Minimum Asset Holding (non-zero)      | 0.5 bps                                                                                                |
| Individual Issuer Capping             | 4.5% / 8% / 35%                                                                                        |
| Active Share Constraint               | A maximum of 15% with respect to the local universe                                                    |
| Turnover                              | Maximum Semi-Annual One-Way Turnover: 15.0%                                                            |
| Tradability                           | WDIT for two least liquid quintiles $\leq 10 \times$ Customized Parent Quintile WDIT                   |
| Do not trade                          | Do not trade names with MDV = 0 or missing                                                             |

#### iSTOXX APG Emerging Markets Responsible Low-Carbon Index

| Target                                | Constraint                                                                                             |
|---------------------------------------|--------------------------------------------------------------------------------------------------------|
| ESG Exclusions                        | Do not hold names flagged by the APG Exclusion Flag                                                    |
| Good Governance Exclusions            | Do not hold named flagged by the APG Good Governance Flag                                              |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                               |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score $\geq$ Customized Parent Index's APG Sustainability Risk Score |
| Carbon Reduction                      | Reduce portfolio APG Carbon Footprint Equity Measure by at least X%.                                   |
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Customized Parent Index                                                                    |
| Active Country weights                | +/-5% w/r/t Customized Parent Index, except countries with benchmark weights $> 20\%$                  |
| Maximum Country weights               | 15%                                                                                                    |
| Active Style Exposures                | +/-0.01% for all Axioma Risk Model Style factors w/r/t Customized Parent Index                         |
| Maximum Asset Holding                 | Twenty times customized parent index weight                                                            |

|                                  |                                                                                      |
|----------------------------------|--------------------------------------------------------------------------------------|
| Minimum Asset Holding (non-zero) | 0.5 bps                                                                              |
| Individual Issuer Capping        | 4.5% / 8% / 35%                                                                      |
| Active Share Constraint          | A maximum of 15% with respect to the local universe                                  |
| Turnover                         | Maximum Semi-Annual One-Way Turnover: 15.0%                                          |
| Tradability                      | WDTT for two least liquid quintiles $\leq 10 \times$ Customized Parent Quintile WDTT |
| Do not trade                     | Do not trade names with MDV = 0 or missing                                           |

#### iSTOXX APG Emerging Markets Responsible SDI Index

| Target                                | Constraint                                                                                             |
|---------------------------------------|--------------------------------------------------------------------------------------------------------|
| ESG Exclusions                        | Do not hold names flagged by the APG Exclusion Flag                                                    |
| Good Governance Exclusions            | Do not hold named flagged by the APG Good Governance Flag                                              |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                               |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score $\geq$ Customized Parent Index's APG Sustainability Risk Score |
| SDI Target                            | Portfolio APG SDI Measure $\geq Y\%$                                                                   |
| Active ICB Industry (Level 1) weights | $\pm 5\%$ w/r/t Customized Parent Index                                                                |
| Active Country weights                | $\pm 5\%$ w/r/t Customized Parent Index                                                                |
| Maximum Country weights               | 15%                                                                                                    |
| Active Style Exposures                | $\pm 0.01\%$ for all Axioma Risk Model Style factors w/r/t Customized Parent Index                     |
| Maximum Asset Holding                 | Twenty times customized parent index weight                                                            |
| Minimum Asset Holding (non-zero)      | 0.5 bps                                                                                                |
| Individual Issuer Capping             | 4.5% / 8% / 35%                                                                                        |
| Active Share Constraint               | A maximum of 15% with respect to the local universe                                                    |
| Turnover                              | Maximum Semi-Annual One-Way Turnover: 15.0%                                                            |
| Tradability                           | WDTT for two least liquid quintiles $\leq 10 \times$ Customized Parent Quintile WDTT                   |
| Do not trade                          | Do not trade names with MDV = 0 or missing                                                             |

#### iSTOXX APG Emerging Markets Responsible Low-Carbon SDI Index

| Target                                | Constraint                                                                                  |
|---------------------------------------|---------------------------------------------------------------------------------------------|
| ESG Exclusions                        | Do not hold names flagged by the APG Exclusion Flag                                         |
| Good Governance Exclusions            | Do not hold named flagged by the APG Good Governance Flag                                   |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                    |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score $\geq$ Parent Index's APG Sustainability Risk Score |
| Carbon Reduction                      | Reduce portfolio APG Carbon Footprint Equity Measure by at least X%.                        |
| SDI Target                            | Portfolio APG SDI Measure $\geq Y\%$                                                        |
| Active ICB Industry (Level 1) weights | $\pm 5\%$ w/r/t Customized Parent Index                                                     |
| Active Country weights                | $\pm 5\%$ w/r/t Customized Parent Index                                                     |
| Maximum Country weights               | 15%                                                                                         |
| Active Style Exposures                | $\pm 0.01\%$ for Axioma Risk Model Style factors w/r/t Customized Parent Index              |
| Maximum Asset Holding                 | Twenty times customized parent index weight                                                 |
| Minimum Asset Holding (non-zero)      | 0.5 bps                                                                                     |
| Individual Issuer Capping             | 4.5% / 8% / 35%                                                                             |

|                         |                                                                                 |
|-------------------------|---------------------------------------------------------------------------------|
| Active Share Constraint | A maximum of 15% with respect to the local universe                             |
| Turnover                | Maximum Semi-Annual One-Way Turnover: 15.0%                                     |
| Tradability             | WDTT for two least liquid quintiles $\leq 10$ * Customized Parent Quintile WDTT |
| Do not trade            | Do not trade names with MDV = 0 or missing                                      |

**ESG Exclusions:** Those names flagged by the APG Exclusion Flag are not held.

**Good Governance Exclusions:** Those names flagged by the APG Good Governance Flag are not held.

**Non-ESG-Leader Exclusions:** Those names not flagged by the APG ESG-Leader Flag are not held.

**Carbon Reduction:** The aggregate score of the index for the APG Carbon Footprint Equity Measure is reduced from its score in the Parent Index by X%. The target values X% are specified using an annual pathway; further details are available to stakeholders via [stoxx.com/indices](https://stoxx.com/indices).

**SDI Target:** The aggregate score of the index for the APG SDI Measure is at least Y%. The Y% values are specified using an annual pathway; further details are available to stakeholders via [stoxx.com/indices](https://stoxx.com/indices).

**Sustainability Risk:** The aggregate score of the index for the APG Sustainability Risk Score is greater than or equal to the aggregate score of the parent index.

**Active ICB Industry (Level 1) Weights:** The exposure to each ICB Industry (Level 1) is summed up for the Index, and the percentage exposure of the index must be within 5% of the Parent Index values.

**Active Country Weights:** The exposure to each country, except countries with benchmark weights greater than 20%, is summed up for the Index, and the percentage exposure of the index must be within 5% of Parent Index values.

**Maximum Country Weights:** The exposure to each country is summed up for the Index, and the maximum percentage exposure of the index is 15%.

**Active Style Weights:** The exposure to each Axioma Risk Model Style factor (Dividend Yield, Earnings Yield, Exchange Rate Sensitivity, Growth, Leverage, Liquidity, Medium-Term Momentum, Profitability, Size, Value, Market Sensitivity and Volatility) is summed up for the Index, and the percentage exposure of the index must be within 0.01% of Parent Index values.

**Maximum Asset Holding:** The maximum weight of each asset in the index is twenty times its weight in Parent Index.

**Minimum Asset Holding (non-zero):** The minimum nonzero weight of each asset in the index is limited to 0.5 bps.

**Individual Issuer Capping:** The maximum weight of each issuer in the index is 8%. The sum of the weights of those issuers above 4.5% cannot exceed 35%. If the parent index itself does not satisfy the individual issuer capping constraints those are not enforced on the corresponding child indices.



**Active Share Constraint:** The maximum active share with respect to the local universe is 15%.

**Maximum Turnover:** The index has a semi-annual one-way turnover limit of 15.0%.

**Liquidity:** The weighted-days-to-trade (WDTT) for the two least liquid quintiles is less than ten times the WDTT of the corresponding Parent Index for the two least liquid quintiles.

**Do Not Trade:** Names with zero median daily trading volume (MDV) are not traded.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed iteratively, as necessary: 1) Liquidity, 2) Maximum Turnover, 3) Do Not Trade and Active Share Constraint

**Review frequency:** The reviews are conducted on a semi-annual basis in March and September<sup>184</sup>. The implementation is conducted after the close of the third Friday in March and September and effective the next trading day. The weighting cap factors are calculated based on closing prices in EUR from the Wednesday before the second Friday of the review month. Weighting cap factor = stock's target weight × (1,000,000,000 / close price of the stock in EUR), rounded to the nearest integer.

The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months. The cut-off date for APG data is the 5th weekday before the end of the months preceding the review months. APG will provide the input data by the end of the first weekday of the review months. In the event of no delivery of APG data by the end of the first weekday of the review months, prior data will be used for the index review. The underlying announcements are published on the second Friday of the review month.

**Missing Data Treatment:** Securities that are missing all the APG data will not be eligible for selection during index reviews. Missing APG Sustainability Risk Score will be filled with the median value.

### 108.6.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Index constituents flagged by the APG Exclusion Flag (for all indexes) and APG Good Governance Flag (only for indexes whose names contain "Responsible") on the final dissemination days of May and November will be removed from the index. The deletions will be announced on the next dissemination day, i.e., 1<sup>st</sup> day of the review months (June and December) and will take place two dissemination days after the announcement, i.e., at the open of the 4<sup>th</sup> dissemination day. The constituent weight will be distributed among the remaining constituents.

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<sup>184</sup> An additional off-cycle review for the iSTOXX APG Emerging Markets-X and Responsible Indices family was conducted after the close on Friday, May 31<sup>st</sup>, 2024. The cutoff-date for this review was the close of Wednesday, May 22<sup>nd</sup>, 2024. Turnover criteria was temporarily modified to 7.5% only for the off cycle rebalance in May 2024 and the regular semi-annual rebalance in September 2024. The application of the fast exit implementation in the June 2024 review was also temporarily suspended since this took place at the same time as the May 2024 extraordinary rebalance.

## 108. iSTOXX APG INDICES

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In the event of late delivery for the fast exit list, the deletions will be announced one dissemination day after the delivery date and will take place two dissemination days after the announcement.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

## 108.7. iSTOXX APG EM RESPONSIBLE LOW CARBON EX SELECT SOE INDEX

### 108.7.1. OVERVIEW

The iSTOXX APG EM Responsible Low Carbon ex Select SOE is an index designed to track and quantify the impact of different ESG and Carbon constraints on a broad emerging global market cap index. The index weights are determined through an optimization process by minimizing the ex-ante tracking error to a Target portfolio constructed from a parent index by capping the country weights at 15%. The index aims to improve its ESG and Carbon exposures over the Target portfolio with risk management, diversification, and liquidity constraints.

**Universe:** STOXX Emerging Markets Universal Index constituents

**Parent Index:** STOXX Emerging Markets Universal Index

**Weighting Scheme:** The index weights are determined through an optimization process by minimizing the ex-ante tracking error to a Target Portfolio while improving its ESG and Carbon exposure. The Target portfolio is constructed from the STOXX Emerging Markets Universal index by capping the country weights at 15%. The optimization model also has risk management, diversification, and liquidity constraints.

**Base Values and Dates:** 100 on March 23<sup>rd</sup>, 2020.<sup>185</sup>

**Index Types and Currencies:** Price, Net, and Gross return in USD and EUR.

**Dissemination Calendar:** STOXX Global calendar.

### 108.7.2. INDEX REVIEW

#### Selection List

The portfolio construction is performed using Axioma's portfolio optimization software.

A **Target portfolio** is first constructed from the STOXX Emerging Markets Universal index with each country's weight capped at 15%.

The objective of the optimization problem is to minimize the ex-ante tracking error to the Target Portfolio and is given by:

Minimize:  $(w - b)^T Q (w - b)$

Where,

<sup>185</sup> The performance until September 20th, 2024, is based on the iSTOXX APG Emerging Markets Responsible Low Carbon Index.

b = Target Portfolio weights,  
w = Index weights,  
Q = covariance matrix from the Axioma Risk Model in USD.

The following constraints are enforced to ensure diversification, achieve carbon and ESG targets, control unintended systematic exposures, and reduce trading costs.

#### iSTOXX APG EM Responsible Low Carbon ex Select SOE Index

| Target                                | Constraint                                                                                                                 |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| ESG Exclusions                        | Do not hold names flagged by the APG Exclusion Flag                                                                        |
| Good Governance Exclusions            | Do not hold names flagged by the APG Good Governance Flag                                                                  |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                                                   |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score $\geq$ Target Portfolio's APG Sustainability Risk Score                            |
| State-Owned Enterprise Exclusions     | Do not hold names that are classified as state-owned or controlled in countries that are listed on the APG EM Country List |
| Carbon Reduction                      | Reduce portfolio APG Carbon Footprint Equity Measure by at least X%.                                                       |
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Parent Index                                                                                                   |
| Active Country weights                | +/-5% w/r/t Parent Index, except countries with benchmark weights > 20%                                                    |
| Maximum Country weights               | 15%                                                                                                                        |
| Active Style Exposures                | +/-0.01% for all Axioma Risk Model Style factors w/r/t Parent Index                                                        |
| Maximum Asset Holding                 | Twenty times parent index weight                                                                                           |
| Minimum Asset Holding (non-zero)      | 0.5 bps                                                                                                                    |
| Individual Issuer Capping             | 4.5% / 8% / 35%                                                                                                            |
| Turnover                              | Maximum Semi-Annual One-Way Turnover: 15.0%                                                                                |
| Tradability                           | WDTT for the least two liquid quintiles $\leq$ 10 * Benchmark Quintile WDTT                                                |
| Do not trade                          | Do not trade names with MDV = 0 or missing                                                                                 |

**ESG Exclusions:** Those names flagged by the APG Exclusion Flag are not held.

**Good Governance Exclusions:** Those names flagged by the APG Good Governance Flag are not held.

**Non-ESG-Leader Exclusions:** Those names not flagged by the APG ESG-Leader Flag are not held.

**Carbon Reduction:** Target an X% reduction in the APG Carbon Footprint Equity Measure over the Parent Index. The target values X% are specified using an annual pathway; further details are available to stakeholders via [stoxx.com/indices](https://stoxx.com/indices).

**Sustainability Risk:** The Sustainability Risk exposure of the optimized index is greater than or equal to that of the parent index.

**Active ICB Industry (Level 1) Weights:** The exposure to each ICB Industry (Level 1) is summed up for the Index, and the percentage exposure of the index must be within 5% of the Parent Index values.

**APG EM Country List:** a data attribute to identify emerging market countries for which companies require to be screened for the classification of their "Sovereign Owned Enterprises" status. The emerging market countries to be considered by APG: Countries that rank low on parameters like accountability and corruption control.

**State-Owned Enterprises (SOEs):** SOEs are entities created, controlled, or owned by a government, where the government owns more than 50% of the voting stock. The classification is based on Refinitiv's 'ULTIMATE\_PARENT\_ISSUER\_TYPE\_ENUM' parameter, and assets with 'ULTIMATE\_PARENT\_ISSUER\_TYPE\_ENUM = Gov' are classified as SOEs.

**Active Country Weights:** The exposure to each country, except countries with benchmark weights greater than 20%, is summed up for the Index, and the percentage exposure of the index must be within 5% of Parent Index values.

**Maximum Country Weights:** The exposure to each country is summed up for the Index, and the maximum percentage exposure of the index is 15%.

**Active Style Weights:** The exposure to each Axioma Risk Model Style factor (Dividend Yield, Earnings Yield, Exchange Rate Sensitivity, Growth, Leverage, Liquidity, Medium-Term Momentum, Profitability, Value, Market Sensitivity and Volatility) is summed up for the Index, and the percentage exposure of the index must be within 0.01% of Parent Index values.

**Maximum Asset Holding:** The maximum weight of each asset in the index is twenty times its weight in the Parent Index.

**Minimum Asset Holding (non-zero):** The minimum nonzero weight of each asset in the index is limited to 0.5 bps.

**Individual Issuer Capping:** The maximum weight of each issuer in the index is 8%. The sum of the weights of those issuers above 4.5% cannot exceed 35%. If the parent index itself does not satisfy the individual issuer capping constraints, then those constraints are not enforced on the corresponding child indices.

**Maximum Turnover:** The index has a semi-annual one-way turnover limit of 15.0%.

**Liquidity:** The weighted-days-to-trade (WDTT) for the two least liquid quintiles is less than ten times the WDTT of the corresponding Parent Index for the two least liquid quintiles.

**Do Not Trade:** Names with zero median daily trading volume (MDV) are not traded.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed as necessary: 1) Liquidity. 2) Maximum Turnover. 3) Do Not Trade

Short descriptions of the data elements given are below:

**APG Exclusion Flag:** a data attribute designed to identify companies that are excluded from the investment universe for product-based reasons (e.g., controversial weapons, tar sands, thermal coal, and tobacco), or conduct-based reasons, or because companies have an elevated risk of or proven to be violating one or more of the ten UNGC Principles. Tar sands and thermal coal exclusions are included starting from 1st June 2021. Conduct-based exclusions are included starting from 1st December 2021.

**APG Good Governance Flag:** a data attribute to assess Good Governance Practices (GGP) of the investee companies. It considers 1) sound management structures 2) employee relations 3) remuneration of staff, and 4) tax compliance.

**APG ESG-Leader Flag:** a data attribute designed to identify companies that are adequately managing ESG risks. Under this policy, companies are systematically assessed based on their conduct in relation to the management of ESG-related risks inherent in companies' industries and markets. The assessment contains both normative and relative components and focuses on companies' preparedness and behavior regarding business ethics, human rights, labor standards and the environment.

**Axioma Risk Model:** Axioma World-Wide Medium Horizon Fundamental Factor Risk Model.

**Review frequency:** The reviews are conducted on a semi-annual basis in March and September. The implementation is conducted after the close of the third Friday in March and September and effective the next trading day. The weighting cap factors are calculated based on closing prices in EUR from the Wednesday before the second Friday of the review month. Weighting cap factor = stock's target weight × (1.000.000.000 / close share price of the stock in EUR), rounded to the nearest integer.

The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months. The cut-off date for APG data is the fifth weekday before the end of the months preceding the review months. APG will provide the input data by the end of the first weekday of the review months<sup>186</sup>. In the event of no delivery of APG data by the end of the first weekday of the review months, prior data will be used for the index review. The underlying announcements are published on the second Friday of the review month.

APG will provide the **APG EM Country List** semi-annually on the first business day of May and August. In case of no delivery, STOXX will use the previously available **APG EM Country List**.

**Missing Data Treatment:** Securities that are missing all the APG data will not be eligible for selection during index reviews. Missing APG Sustainability Risk Score will be filled with the median value.

### 108.7.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Index constituents flagged by the APG Exclusion Flag and APG Good Governance Flag on the final May and November dissemination days will be removed from the index. The deletions will be announced on the next dissemination day, the first day of the review months (June and December), and will take place two days after the announcement, at the open of the fourth dissemination day. The constituent weight will be distributed among the remaining constituents.

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<sup>186</sup> An extraordinary review will be conducted on the 3rd Friday in June 2025 using the latest available input data from APG. The cut-off date for this review is June 11th, 2025. The turnover threshold is temporarily modified to 7.5% only for the off-cycle rebalance in June 2025 and the regular semi-annual rebalance in September 2025. The application of the fast exit implementation in June 2025 is also suspended since this takes place at the same time as the June 2025 off-cycle rebalance

## 108. iSTOXX APG INDICES

---

In the event of late delivery for the APG Exclusion list, the deletions will be announced one dissemination day after the delivery date and will take place two dissemination days after the announcement.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

## 108.8. iSTOXX APG EM COUNTRY CAPPED INCLUSION EX SELECT SOE INDEX

### 108.8.1. OVERVIEW

The iSTOXX APG EM Country Capped Inclusion ex Select SOE is an index designed to track the impact of different ESG exclusions on a broad emerging global market cap index. The weighting of each constituent security is determined through an optimization process designed to minimize the sum of the squares of the relative errors (SSE) over all the assets in the Target Portfolio, where the relative error for an asset is the difference between its index and Target Portfolio weights scaled by the Target Portfolio weight.

The Target portfolio is the FOL-adjusted free-float market capitalization-weighted portfolio, constructed as follows:

1. Start with the STOXX Emerging Markets Universal index.
2. Apply the following exclusions:
  - a. ESG Exclusions
  - b. Good Governance Exclusions
  - c. Non-ESG-Leader Exclusions
  - d. State-Owned Enterprise Exclusions.
3. Cap country weights at 15%.

**Universe:** STOXX Emerging Markets Universal Index.

**Parent Index:** STOXX Emerging Markets Universal Index.

**Weighting Scheme:** The weighting of each constituent security is determined through an optimization process designed to minimize the sum of the squares of the relative errors (SSE) over all the assets in the Target Portfolio, where the relative error for an asset is the difference between its index and Target Portfolio weights scaled by the Target Portfolio weight. A threshold of 0.5 bps is applied to the optimized holdings and the max country weight is 15%.

**Base Values and Dates:** 100 on September 11<sup>th</sup>, 2024.

**Index Types and Currencies:** Price, Net, and Gross return in USD and EUR.

**Dissemination Calendar:** STOXX Global calendar.

### 108.8.2. INDEX REVIEW

#### Selection List

A Target Portfolio is first constructed by restricting the Parent index constituents as per below:

| Target         | Constraint                                          |
|----------------|-----------------------------------------------------|
| ESG Exclusions | Do not hold names flagged by the APG Exclusion Flag |



|                                   |                                                                                                                            |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Good Governance Exclusions        | Do not hold names flagged by the APG Good Governance Flag                                                                  |
| Non-ESG-Leader Exclusions         | Do not hold names not flagged by the APG ESG-Leader Flag                                                                   |
| State-Owned Enterprise Exclusions | Do not hold names that are classified as state-owned or controlled in countries that are listed on the APG EM Country List |

The remaining stocks are reweighted to 100% and an iterative process is applied to cap each country's weight at 15%. Each company's country assignment is based on the STOXX Country classification.

The iSTOXX APG EM Country Capped Inclusion ex Select SOE index is then constructed from the Target portfolio using an optimization process. The objective function in the optimization model minimizes the sum of the squares of the relative errors (SSE) over all the assets in the Target Portfolio, where the relative error for an asset is the difference between its index and Target Portfolio weights scaled by the Target Portfolio weight. The SSE objective function is:

$$SSE = \sum_{i=1}^n \left( \frac{w_i - b_i}{b_i} \right)^2$$

where:

- $w_i$  index weight for stock i
- $b_i$  Target Portfolio weight for stock i.
- $n$  Number of stocks in the Target Portfolio.

The following constraints are also applied in the optimization:

- 1) Long-only and fully invested.
- 2) ESG, Good Governance, Non-ESG Leader, and State-Owned Enterprise Exclusions.
- 3) **Minimum Asset Holding (non-zero):** The minimum non-zero weight of each asset in the index is limited to 0.5 bps.
- 4) **Maximum Country Holding:** The maximum weight in each country is limited to 15%. Each company's country assignment is based on the STOXX Country classification.

Data used:

**APG Exclusion Flag:** a data attribute designed to identify companies that are excluded from the investment universe for product-based reasons (e.g., controversial weapons, tar sands, thermal coal, and tobacco), or conduct-based reasons, or because companies have an elevated risk of or proven to be violating one or more of the ten UNGC Principles. Tar sands and thermal coal exclusions are included starting from 1st June 2021. Conduct-based exclusions are included starting from 1st December 2021.

**APG Good Governance Flag:** a data attribute to assess Good Governance Practices (GGP) of the investee companies. It considers 1) sound management structures 2) employee relations 3) remuneration of staff, and 4) tax compliance.

**APG ESG-Leader Flag:** A data attribute provided by APG to identify companies that are adequately managing ESG risks. Under this policy, companies are systematically assessed on their management of ESG-related risks inherent in companies' industries and markets. The assessment contains both

## 108. iSTOXX APG INDICES

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normative and relative components and focuses on companies' preparedness and behavior regarding business ethics, human rights, labor standards, and the environment.

**State-Owned Enterprises (SOEs):** SOEs are entities created, controlled, or owned by a government, where the government owns more than 50% of the voting stock. The classification is based on Refinitiv's 'ULTIMATE\_PARENT\_ISSUER\_TYPE\_ENUM' parameter and assets with 'ULTIMATE\_PARENT\_ISSUER\_TYPE\_ENUM = Gov' are classified as SOEs.

**APG EM Country List:** Countries that rank low on accountability, corruption control, and other APG screened parameters. Assets in the APG EM Country List market countries are screened to see if they classify as "Sovereign Owned Enterprises" status.

**Review frequency:** The reviews are conducted every quarter in March, June, September, and December. The implementation is done after the close of the third Friday and effective the next trading day. The weighting cap factors are calculated based on closing prices in EUR from the Wednesday before the second Friday of the review month. Weighting cap factor = stock's target weight × (1.000.000.000 / closing stock price in EUR), rounded to the nearest integer.

The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months. The cut-off date for APG data is the 5th weekday before the end of the months preceding the review months. APG will provide the input data by the end of the first weekday of the review months. In the event of no delivery of APG data by the end of the first weekday of the review months, prior data will be used for the index review. The underlying announcements are published on the second Friday of the review month.

APG will provide the **APG EM Country List** semi-annually on the first business day of May and August. In case of no delivery, STOXX will use the previously available **APG EM Country List**.

### 108.8.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com).

## 108. iSTOXX APG INDICES

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### 108.9. iSTOXX APG WORLD-X CAPPED, iSTOXX APG WORLD RESPONSIBLE CAPPED AND iSTOXX APG WORLD RESPONSIBLE LOW-CARBON CAPPED INDEX

#### 108.9.1. OVERVIEW

The iSTOXX APG World-X Capped and Responsible Capped Indices are a series of indices designed to track and quantify the impact of different ESG, and Carbon constraints and tilts on a broad developed global market cap index. The weighting of each constituent security is determined through an optimization process that is designed to minimize tracking error to the benchmark while improving the ESG, and Carbon exposures.

**Indices:** The iSTOXX APG World-X Capped and Responsible Capped Index Range is comprised of three separate indices, herein referred to as:

| Index Names                                    |
|------------------------------------------------|
| iSTOXX APG World-X Capped                      |
| iSTOXX APG World Responsible Capped            |
| iSTOXX APG World Responsible Low-Carbon Capped |

**Universe:** iSTOXX World A Capped Index constituents

**Weighting scheme:** The constituents in each index are set to minimize the tracking error of the index to the Parent Index while satisfying the other optimization constraints.

**Base values and dates:** 100 and 23 March 2020

**Index types and currencies:** Price, net and gross return in USD and EUR.

**Dissemination Calendar:** The indices follow the STOXX Global Calendar

For a complete list please consult the data vendor code sheet on the website.

#### 108.9.2. INDEX REVIEW

**Constituent selection:** The portfolio construction is performed using Axioma's portfolio optimization software.

The objective of the optimization problem is to minimize tracking error to the parent index.

Minimize:  $(w - b)^T Q (w - b)$

where

b = Parent Index weights

w = Index weights

Q = covariance matrix from the Axioma Risk Model

The following constraints are enforced in order to ensure diversification, achieve carbon, ESG and SDI targets as well as control for unintended systematic exposures, turnover, diversification, and tradability. Short descriptions of the data elements given are below:

**APG ESG-Leader Flag:** a data attribute designed to identify companies that are considered to be adequately managing ESG risks. Under this policy, companies are systematically assessed based on their conduct in relation to the management of ESG-related risks inherent in companies' industries and markets. The assessment contains both normative and relative components and focuses on companies' preparedness and behavior regarding business ethics, human rights, labor standards and the environment.

**APG Exclusion Flag:** a data attribute designed to identify companies that are excluded from the investment universe for product-based reasons (e.g. controversial weapons, tar sands, thermal coal, and tobacco), or conduct-based reasons, or because companies have a high risk of or proven to be violating one or more of the ten UNGC Principles. Tar sands and thermal coal exclusions are included starting from 1st June 2021. Conduct-based exclusions are included starting from 1st December 2021.

**APG Carbon Footprint Equity Measure:** a data attribute that reflects the total absolute emissions of attributable to the equity capital of a company.

**APG Sustainability Risk Score:** a data attribute on an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The underlying methodology uses a public SASB materiality map that forms a basis for APG AM ESG Risk Taxonomy to identify the financially material issues that are reasonably likely to impact the financial condition or operating performance of an entity and hence has been applied as a basis for the (financial) risk identification. A Sustainability Risk Score uses MSCI ESG Key Issue scores aligned with SASB framework to identify and manage ESG risks.

**APG Good Governance Flag:** a data attribute to assess Good Governance Practices (GGP) of the investee companies. It considers 1) sound management structures 2) employee relations 3) remuneration of staff, and 4) tax compliance.

**Axioma Risk Model:** Axioma World Wide Medium Horizon Fundamental Factor Risk Model

#### iSTOXX APG World-X Capped

| Target                           | Constraint                                          |
|----------------------------------|-----------------------------------------------------|
| ESG Exclusions                   | Do not hold names flagged by the APG Exclusion Flag |
| Maximum Country Weight           | 50% for securities classified as US (United States) |
| Minimum Asset Holding (non-zero) | 0.5 bp                                              |

#### iSTOXX APG World Responsible Capped

| Target | Constraint |
|--------|------------|
|--------|------------|

## 108. iSTOXX APG INDICES

|                                       |                                                                                             |
|---------------------------------------|---------------------------------------------------------------------------------------------|
| ESG Exclusions                        | Do not hold names flagged by the APG Exclusion Flag                                         |
| Good Governance Exclusions            | Do not hold named flagged by the APG Good Governance Flag                                   |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                    |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score $\geq$ Parent Index's APG Sustainability Risk Score |
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Parent Index                                                                    |
| Maximum Country Weight                | 50% for securities classified as US (United States)                                         |
| Active Country weights                | +/-5% w/r/t Parent Index                                                                    |
| Active Style Exposures                | +/-0.01% for all Axioma Risk Model Style factors w/r/t Parent Index                         |
| Maximum Asset Holding                 | 20x parent index weight                                                                     |
| Minimum Asset Holding (non-zero)      | 0.5 bp                                                                                      |
| Individual Issuer Capping             | 4.5% / 8% / 35%                                                                             |
| Active Issuer Constraint              | A maximum of active issuer weight of 1%                                                     |
| Active Share Constraint               | A maximum of 15% with respect to the local universe.                                        |
| Turnover                              | Maximum Semi-Annual One-Way Turnover: 15.0%                                                 |
| Tradability                           | WDTT for two least liquid quintiles $\leq$ 10 * Benchmark Quintile WDTT                     |
| Do not trade                          | Do not trade names with MDV = 0 or missing                                                  |

## iSTOXX APG World Responsible Low-Carbon Capped

| Target                                | Constraint                                                                                  |
|---------------------------------------|---------------------------------------------------------------------------------------------|
| ESG Exclusions                        | Do not hold names flagged by the APG Exclusion Flag                                         |
| Good Governance Exclusions            | Do not hold named flagged by the APG Good Governance Flag                                   |
| Non-ESG-Leader Exclusions             | Do not hold names not flagged by the APG ESG-Leader Flag                                    |
| Sustainability Risk                   | Portfolio APG Sustainability Risk Score $\geq$ Parent Index's APG Sustainability Risk Score |
| Carbon Reduction                      | Reduce portfolio APG Carbon Footprint Equity Measure by at least X%                         |
| Active ICB Industry (Level 1) weights | +/-5% w/r/t Parent Index                                                                    |
| Active Country weights                | +/-5% w/r/t Parent Index                                                                    |
| Maximum Country Weight                | 50% for securities classified as US (United States)                                         |
| Active Style Exposures                | +/-0.01% for all Axioma Risk Model Style factors w/r/t Parent Index                         |
| Maximum Asset Holding                 | 20x parent index weight                                                                     |
| Minimum Asset Holding (non-zero)      | 0.5 bp                                                                                      |

|                           |                                                                        |
|---------------------------|------------------------------------------------------------------------|
| Individual Issuer Capping | 4.5% / 8% / 35%                                                        |
| Active Issuer Constraint  | A maximum of active issuer weight of 1%                                |
| Active Share Constraint   | A maximum of 15% with respect to the local universe.                   |
| Turnover                  | Maximum Semi-Annual One-Way Turnover: 15.0%                            |
| Tradability               | WDTT for two least liquid quintiles <= 10 *<br>Benchmark Quintile WDTT |
| Do not trade              | Do not trade names with MDV = 0 or missing                             |

**ESG Exclusions:** Those names flagged by the APG Exclusion Flag are not held.

**Good Governance Exclusions:** Those names flagged by the APG Good Governance Flag are not held.

**Non-ESG-Leader Exclusions:** Those names not flagged by the APG ESG-Leader Flag are not held.

**Carbon Reduction:** The aggregate score of the index for the APG Carbon Footprint Equity Measure is reduced from its score in the Parent Index by X%. The target values X% are specified using an annual pathway; further details are available to stakeholders via [stoxx.com/indices](https://stoxx.com/indices).

**Sustainability Risk:** The aggregate score of the index for the APG Sustainability Risk Score is greater than or equal to the aggregate score of the parent index.

**Active ICB Industry (Level 1) Weights:** The exposure to each ICB Industry (Level 1) is summed up for the Index, and the percentage exposure of the index must be within 5% of the Parent Index values.

**Active Country Weights:** The exposure to each country is summed up for the Index, and the percentage exposure of the index must be within 5% of Parent Index values.

**Maximum Country Weight:** The aggregate weight of securities in the new composition, is capped at 50%. This applies only to securities which are classified as United States (US) per the STOXX methodology.

**Active Style Weights:** The exposure to each Axioma Risk Model Style factor (Dividend Yield, Earnings Yield, Exchange Rate Sensitivity, Growth, Leverage, Liquidity, Medium-Term Momentum, Profitability, Size, Value, Market Sensitivity and Volatility) is summed up for the Index, and the percentage exposure of the index must be within 0.01% of Parent Index values.

**Maximum Asset Holding:** The maximum weight of each asset in the index is 20 times its weight in Parent Index.

**Minimum Asset Holding (non-zero):** The minimum nonzero weight of each asset in the index is limited to 0.5 bp.

**Individual Issuer Capping:** The maximum weight of each issuer in the index is 8%. The sum of the weights of those issuers above 4.5% cannot exceed 35%. If the parent index itself does not satisfy the individual issuer capping constraints those are not enforced on the corresponding child indices.

**Active Issuer Constraint:** The maximum active issuer weight is 1%.

**Active Share Constraint:** The maximum active share with respect to the local universe is 15%.

**Maximum Turnover:** The index has a semi-annual one-way turnover limit of 15.0%.

**Liquidity:** The weighted-days-to-trade (WDTT) for the two least liquid quintiles is less than ten times the WDTT of the corresponding Parent Index two least liquid quintiles.

**Do Not Trade:** Names with zero median daily trading volume (MDV) are not traded.

**Infeasibility Handling:** If a solution that satisfies the above constraints cannot be found, the following constraints are relaxed iteratively, as necessary: 1) Liquidity, 2) Maximum Turnover, 3) Do Not Trade and Active Share Constraint.

**Review frequency:** The reviews are conducted on a semi-annual basis in March and September. The implementation is conducted after the close of third Friday in March and September and effective the next trading day. The weighting cap factors are calculated based on closing prices in EUR from the Wednesday before the second Friday of the review months. Weighting cap factor = stock's target weight × (1,000,000,000 / close price of the stock in EUR), rounded to the nearest integer.

The review cut-off date for Parent Index and Axioma data is the Wednesday before the second Friday of the review months. The cut-off date for APG data is the 5th weekday before the end of the months preceding the review months. APG will provide the input data by the end of the first weekday of the review months. In the event of no delivery of APG data by the end of the first weekday of the review months, prior data will be used for the index review. The underlying announcements are published on the second Friday of the review months.

**Missing Data Treatment:** Securities that are missing all the APG data will not be eligible for selection during index reviews. Missing APG Sustainability Risk Score will be filled with the median value.

### 108.9.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast Exit:** Index constituents flagged by the APG Exclusion Flag (for all indexes) and APG Good Governance Exclusion Flag (for the indexes whose name contains "Responsible") on the final dissemination days of May and November will be removed from the index. The deletions will be announced on the next dissemination day, i.e. 1st day of the review months (June and December) and will take place two dissemination days after the announcement, i.e. at the open of the 4th dissemination day. The constituent weight will be distributed among the remaining constituents.

In the event of late delivery for the APG Exclusion list, the deletions will be announced one dissemination day after the delivery date and will take place two dissemination days after the announcement.

**Fast Entry:** Not applicable.

**Spin-offs:** Spin-off stocks are not added permanently.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)



# 109. EURO iSTOXX 50 AEROSPACE & DEFENSE TILTED INDEX

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## 109.1. EURO iSTOXX 50 AEROSPACE & DEFENSE TILTED INDEX

### 109.1.1. OVERVIEW

The EURO iSTOXX 50 Aerospace & Defense Tilted Index tracks the performance of all of the EURO STOXX 50 securities and the 10 largest Aerospace and Defense securities from the STOXX Developed Markets Total Market Index, subject to country, liquidity and ESG screens. The index is reviewed quarterly in March, June, September, and December.

**Universe:** EURO STOXX 50 Index and STOXX Developed Markets Total Market Index, as observed on the review effective date

**Weighting scheme:** The index is price weighted.

**Base values and dates:** 100 on June 20, 2016

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 109.1.2. INDEX REVIEW

#### Selection list:

All of the companies in the EURO STOXX 50 Index are added to the selection list.

The companies in the STOXX Developed Markets Total Market Index must satisfy all of the following criteria for inclusion in the selection list:

- **Country classification:** companies belonging to the developed markets of the Eurozone, UK, Sweden, US and Japan.
- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR.
- **ESG screens:** companies must comply with the following ESG screens:

**Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed

**Controversial Weapons:** Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following are used for controversial weapons exclusions: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, nuclear weapons (only non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty are excluded), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

# 109. EURO ISTOXX 50 AEROSPACE & DEFENSE TILTED INDEX

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- **Theme eligibility:** companies must have Aerospace & Defense exposure. Companies that satisfy at least one of the following criteria are assessed to have Aerospace & Defense exposure:

**ICB classification:** constituents whose ICB classification belongs to the Aerospace and Defense ICB Sector (502010)

**Revenues:** companies generating 25% or more of their revenues from the aggregated Aerospace & Defense RBICS L6 sectors listed below.

| Nr. | Aerospace & Defense Revenue Sector Definition (RBICS) |
|-----|-------------------------------------------------------|
| 1   | Advanced Combat and Support Parts Manufacturing       |
| 2   | Advanced Combat and Support Systems Manufacturing     |
| 3   | Aerospace and Defense IT Services                     |
| 4   | Aerostructures and Composite Parts Makers             |
| 5   | Air Advanced Combat and Support Systems Makers        |
| 6   | Air Freight Transportation Operators                  |
| 7   | Aircraft and Engine Leasing Services                  |
| 8   | Aircraft Engine and Engine Parts Makers               |
| 9   | Aircraft Instrument/Electromechanical Part Makers     |
| 10  | Aircraft Manufacturing                                |
| 11  | Automotive and Marine Electronics Manufacturing       |
| 12  | Autonomous Military Drone Manufacturing               |
| 13  | Defense Contractors                                   |
| 14  | Defense Electronics Equipment Manufacturing           |
| 15  | Defense Training and Testing Providers                |
| 16  | Diversified Aerospace and Defense Manufacturing       |
| 17  | Diversified Aerospace Manufacturing                   |
| 18  | Diversified Defense Providers                         |
| 19  | General Aviation Equipment Manufacturing              |
| 20  | General Small Arms and Security Manufacturing         |
| 21  | Ground Advanced Combat and Support Systems Makers     |
| 22  | Missile Systems and Ordnance Manufacturers            |
| 23  | Mixed Aircraft Parts, Equipment and Services          |
| 24  | Naval Advanced Combat and Support Systems Makers      |
| 25  | Security and Safety Equipment Manufacturing           |

If ESG or liquidity data is missing for the STOXX Developed Markets Total Market companies, the companies will not be eligible for the selection list.

# 109. EURO ISTOXX 50 AEROSPACE & DEFENSE TILTED INDEX

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## Composition list:

All of the EURO STOXX 50 Index constituents are selected.

The remaining companies in the selection list from the STOXX Developed Markets Total Market Index are grouped into two categories based on their country of classification:

- Group 1: companies belonging to the developed markets of the Eurozone, UK, Sweden,
- Group 2: companies belonging to US and Japan.

The companies are ranked in descending order in terms of their free float market capitalization.

The top 10 largest securities from Group 1, developed markets of the Eurozone, UK and Sweden, are selected. This may include securities that are already selected from the EURO STOXX 50 index.

If there are fewer than 10 eligible companies from Group 1 countries, the largest eligible companies from Group 2 countries are selected until we reach a total of 10 constituents from Groups 1 and 2.

The resulting EURO iSTOXX 50 Aerospace & Defense Index comprises all of the EURO STOXX 50 Index constituents and the 10 Aerospace & Defense securities.

## Review frequency:

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

## Weighting and capping factors:

The index is price weighted with weight factors based on free-float market capitalization and multipliers such that, the EURO STOXX 50 companies account for 80% and the 10 Aerospace & Defense (AD) companies account for 20% of the EURO iSTOXX 50 Aerospace & Defense Index.

The EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, 8% in the final index ( $0.8 \times 10\%$ ). Additionally, the 10 AD company weights are capped at 15% within the AD company weights, hence capped at 3% in the final index ( $0.2 \times 15\%$ ). The overall exposure to Japanese securities is also capped at 50% within the AD company weights, 10% in the final index ( $0.2 \times 50\%$ ).

$$w_i = 0.8 \times \frac{\text{ffmcap}_i}{\sum_{j=1}^{50} \text{ffmcap}_j}; \text{ weight capped at 10\% within the EURO STOXX 50 companies.}$$

$$w_k = 0.2 \times \frac{\text{ffmcap}_k}{\sum_{l=1}^{10} \text{ffmcap}_l}; \text{ weights capped at 15\% within the AD companies}$$

Where:

|                 |                                                                                                    |
|-----------------|----------------------------------------------------------------------------------------------------|
| $i, j$          | EURO STOXX 50 constituents                                                                         |
| $w_i$           | weight of the EURO STOXX 50 securities in the new index (max 8% within the new index)              |
| $k, l$          | the 10 Aerospace & Defense securities selected from the STOXX Developed Markets Total Market Index |
| $w_k$           | weight of the 10 AD securities in the new index (max 3% within the new index)                      |
| $\text{ffmcap}$ | free float market capitalization                                                                   |

# 109. EURO ISTOXX 50 AEROSPACE & DEFENSE TILTED INDEX

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Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

## 109.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 109. EURO ISTOXX 50 AEROSPACE & DEFENSE TILTED INDEX

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## 109.2. iSTOXX AEROSPACE & DEFENSE 10 INDEX

### 109.2.1. OVERVIEW

The iSTOXX Aerospace & Defense 10 Index tracks the performance of the 10 largest Aerospace & Defense securities from the STOXX Developed Markets Total Market Index, subject to country, liquidity and ESG screens. The index is reviewed quarterly in March, June, September and December.

**Universe:** STOXX Developed Markets Total Market Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted.

**Base values and dates:** 100 on June 20, 2016

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 109.2.2. INDEX REVIEW

**Selection list:**

The companies in the STOXX Developed Markets Total Market Index must satisfy all of the following criteria for inclusion in the selection list:

- **Country classification:** companies belonging to the developed markets of the Eurozone, UK, Sweden, US and Japan.
- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR.
- **ESG screens:** companies must comply with the following ESG screens:

**Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed

**Controversial Weapons:** Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following are used for controversial weapons exclusions: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, nuclear weapons (only non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty are excluded), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

- **Theme eligibility:** companies must have Aerospace & Defense exposure. Companies that satisfy at least one of the following criteria are assessed to have Aerospace & Defense exposure:

# 109. EURO ISTOXX 50 AEROSPACE & DEFENSE TILTED INDEX

**ICB classification:** constituents whose ICB classification belongs to the Aerospace and Defense ICB Sector (502010)

**Revenues:** companies generating 25% or more of their revenues from the aggregated Aerospace & Defense RBICS L6 sectors listed below.

| Nr. | Aerospace & Defense Revenue Sector Definition (RBICS) |
|-----|-------------------------------------------------------|
| 1   | Advanced Combat and Support Parts Manufacturing       |
| 2   | Advanced Combat and Support Systems Manufacturing     |
| 3   | Aerospace and Defense IT Services                     |
| 4   | Aerostructures and Composite Parts Makers             |
| 5   | Air Advanced Combat and Support Systems Makers        |
| 6   | Air Freight Transportation Operators                  |
| 7   | Aircraft and Engine Leasing Services                  |
| 8   | Aircraft Engine and Engine Parts Makers               |
| 9   | Aircraft Instrument/Electromechanical Part Makers     |
| 10  | Aircraft Manufacturing                                |
| 11  | Automotive and Marine Electronics Manufacturing       |
| 12  | Autonomous Military Drone Manufacturing               |
| 13  | Defense Contractors                                   |
| 14  | Defense Electronics Equipment Manufacturing           |
| 15  | Defense Training and Testing Providers                |
| 16  | Diversified Aerospace and Defense Manufacturing       |
| 17  | Diversified Aerospace Manufacturing                   |
| 18  | Diversified Defense Providers                         |
| 19  | General Aviation Equipment Manufacturing              |
| 20  | General Small Arms and Security Manufacturing         |
| 21  | Ground Advanced Combat and Support Systems Makers     |
| 22  | Missile Systems and Ordnance Manufacturers            |
| 23  | Mixed Aircraft Parts, Equipment and Services          |
| 24  | Naval Advanced Combat and Support Systems Makers      |
| 25  | Security and Safety Equipment Manufacturing           |

If ESG or liquidity data is missing for the STOXX Developed Markets Total Market companies, the companies will not be eligible for the selection list.

**Composition list:**

The remaining companies in the selection list from the STOXX Developed Markets Total Market Index are grouped into two categories based on their country of classification:

- Group 1: companies belonging to the developed markets of the Eurozone, UK, Sweden,

# 109. EURO ISTOXX 50 AEROSPACE & DEFENSE TILTED INDEX

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- Group 2: companies belonging to US and Japan.

The companies are ranked in descending order in terms of their free float market capitalization.

The top 10 largest securities from Group 1, developed markets of the Eurozone, UK and Sweden, are selected. This may include securities that are already selected from the EURO STOXX 50 index.

If there are fewer than 10 eligible companies from Group 1 countries, the largest eligible companies from Group 2 countries are selected until we reach a total of 10 constituents from Groups 1 and 2.

## Review frequency:

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

## Weighting and capping factors:

The company weights are capped at 15% and the overall exposure to Japanese securities is also capped at 50%.

$$w_k = \frac{\text{ffmcap}_k}{\sum_{l=1}^{10} \text{ffmcap}_l}; \text{ weights capped at 15\%}$$

Where:

|                 |                                       |
|-----------------|---------------------------------------|
| $k, l$          | the 10 Aerospace & Defense securities |
| $w_k$           | weight of company $k$                 |
| $\text{ffmcap}$ | free float market capitalization      |

Weighting cap factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting cap factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

## 109.2.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com)

# 110. iSTOXX TRIODOS DEVELOPED MARKETS IMPACT INDICES

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## 110.1. iSTOXX TRIODOS DEVELOPED MARKETS IMPACT INDEX

### 110.1.1. OVERVIEW

The objective of the iSTOXX Triodos Developed Markets Impact Index is to track the performance of global small, mid and large cap companies that contribute positively to society and the environment, while excluding those that fail to meet strict ethical and sustainability standards. This index focuses on companies that score high on environmental, social, and governance (ESG) factors, and contribute to positive change in areas such as climate action, social justice, responsible governance, and ethical business practices. The scoring is based on ISS-ESG screening data. It screens out companies involved in activities that are deemed harmful or unethical, such as those engaged in fossil fuels, tobacco, weapons manufacturing, or other industries with negative societal or environmental impacts. By doing so, the index aims to provide investors with a benchmark consisting of global companies that align with sustainable development goals and foster long-term positive impact, while excluding businesses that do not adhere to these critical standards.

**Universe:** STOXX Developed World Universal All Cap

**Weighting scheme:** The index is free-float market capitalization weighted with an absolute ICB Industry capping and 5/10/40 concentration limits.

**Base value and dates:** 100 on March 18, 2022

**Index types and currencies:** Price, net and gross return in EUR

**Dissemination calendar:** STOXX Global calendar

### 110.1.2. INDEX REVIEW

**Component selection:**

The composition of the iSTOXX Triodos Developed Markets Impact Index is derived from its parent index, the STOXX Developed World Universal All Cap, as follows:

All companies in the universe below a defined threshold of free-float market capitalization are screened from the selection. The remaining companies are assessed against their sustainability characteristics and screened out using the ISS-ESG screens as described below:

**Norms-based screening:** Companies are assessed for their adherence to international human rights, labor, environmental protection and anti-corruption standards as set out in the UN Global Compact and the OECD Guidelines. Companies that have a score equal to 10 are excluded. ISS-ESG scores a company with 10 when it fails to respect established standards and the issue concerned is not addressed.



# 110. iSTOXX TRIODOS DEVELOPED MARKETS IMPACT INDICES

**Controversial weapons:** Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, white phosphorus weapons, incendiary weapons and nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty). ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" or "Amber" are excluded.

## Product Involvement

Companies must not have any Product Involvement in the following areas:

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tobacco                              | Revenues from involvement in the production of tobacco products, wholesale or retail distribution of tobacco products, and/or from services related to tobacco products.                                                                                                                                                                                                                                                                                                                 |
| Alcohol                              | Revenues from the production of alcoholic beverages, revenues from the distribution of alcoholic beverages, and/or revenues from services related to alcoholic beverages.                                                                                                                                                                                                                                                                                                                |
| Genetically Modified Organisms (GMO) | Revenues from the production and farming of genetically modified seeds, plants, and/or animals for agricultural use, revenues from the distribution of foodstuff and/or animal feed from genetically modified plants and animals, and/or revenues from the processing of GMO-based agricultural commodities for the production of foodstuff or animal feed, as well as companies involved in the use of genetically modified animal feed in their animal farming/aquaculture operations. |
| Hazardous Pesticides                 | Revenues from the production of pesticides with technical grade active ingredients classified by the World Health Organisation (WHO) as "extremely hazardous" or "highly hazardous"                                                                                                                                                                                                                                                                                                      |
| Animal Welfare                       | Revenues from products that use animal testing given some circumstances.                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Adult Entertainment                  | Revenues from involvement in the production of pornography, and/or revenues from involvement in the distribution of pornography                                                                                                                                                                                                                                                                                                                                                          |
| Gambling                             | Revenues from involvement in gambling operations, revenues from involvement in retailing low-risk gambling items, and/or revenues from involvement in gambling-related services                                                                                                                                                                                                                                                                                                          |
| Coal                                 | Revenues from coal mining, including thermal and metallurgical coal, revenues from coal production, including extraction, energy generation, and processing and refining, revenues from marketing of coal, and/or revenues from processing of coke, coal-to-liquids operations and coal gasification (syngas for thermal use)                                                                                                                                                            |
| Fossil Fuel                          | Revenue from the pre-production stages of the extraction of fossil fuels for the most recent fiscal year period, revenue from the production of fossil fuels through extraction, processing, and energy generation for the most recent fiscal year period, revenue from the distribution of fossil fuels for the most recent fiscal year period, and/or revenue from the provision of services for fossil fuels for the most recent fiscal year period                                   |
| Shale Oil and Gas                    | Revenues from pre-production stages of mining or drilling for oil sands, revenues from the extraction and processing of oil sands, and/or revenues from the provision of services for oil sands                                                                                                                                                                                                                                                                                          |
| Arctic oil and gas exploration       | Companies involved in production and/or services of arctic drilling, including production or exploration, specifically in offshore locations enclosed by the southernmost extent of winter sea ice above the Arctic Circle                                                                                                                                                                                                                                                               |
| Hydraulic fracturing                 | Revenues from hydraulic fracturing production, and/or revenues from hydraulic fracturing services                                                                                                                                                                                                                                                                                                                                                                                        |
| Nuclear power                        | Revenues from core activities in the nuclear fuel cycle to produce energy, including uranium mining, processing and enrichment, fuel production, and the operation of power reactors, revenues from the provision of services to the nuclear power industry, including the supply of key                                                                                                                                                                                                 |

# 110. iSTOXX TRIODOS DEVELOPED MARKETS IMPACT INDICES

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                    | components, technical support, maintenance, and the management of nuclear waste, and/or revenues from uranium exploration, extraction, and processing.                                                                                                                                                                                                                                                                              |
| Military equipment | Involvement in either production, services, and/or distribution of combat equipment, including military equipment which has a destructive effect, such as barrel weapons, explosives, missiles, bombs, combat vehicles, and apparatus and gear for the aiming and control of military equipment for combat purposes, among others. In all cases this equipment must be designed or modified on the basis of military specifications |

Further details regarding the list of screens above are available in the supplement section and can be made available upon request.

## Composition list:

The securities that fulfil the conditions above are screened for their ISS ESG SDG-related revenues. Companies must have a minimum share of net sales (reported or estimated) of products/services defined as having a contributing impact on the achievement of at least one sustainability objective. Securities with no SDG data are not eligible and will not be considered for selection. Further details regarding this are available in the supplement section and can be made available upon request.

The iSTOXX Triodos Developed Markets Impact Index targets at least a 20% reduction in the number of securities from its underlying universe. In the case that after the screening steps mentioned above, the final number of securities is still higher than 80% of the initial number of securities in the universe, companies with the highest SDG revenues are selected until the 80% selection ratio is achieved. In the event that two companies have same SDG revenues, priority is given to the company with the highest free float market capitalization.

The remaining securities compose the final selection and are weighted according to free float market capitalization, adjusted for foreign ownership restrictions.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date is the last dissemination day of the month preceding the review month.

**Weighting cap factors:** The initial weights are defined based on free float market capitalization, adjusted for foreign ownership restrictions.

The capped weights are derived from the initial weights via an iterative process that seeks to maintain a 30% absolute ICB industry cap and the following concentration limits:

- No ICB Industry group should have an absolute weight higher than 30%
- The sum of all weights above 5% on an issuer level shall not exceed 40%
- No single weight shall exceed 10% on an issuer level

To that end, any excess weight is redistributed from a component to the rest of the components of the index that are not already subject to capping under the above rules, proportionally to their free-float capitalization. In case that 19 or fewer securities are included in the index and thus not sufficient to fulfil the capping requirements, the index will be equal-weighted.

In the case where a company is present with multiple listings in the portfolio, the final weights are

# 110. iSTOXX TRIODOS DEVELOPED MARKETS IMPACT INDICES

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capped on a company level and allocated to each share line according to its free-float market capitalization.

## 110.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently.

# 110. iSTOXX TRIODOS DEVELOPED MARKETS IMPACT INDICES

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## 110.2. iSTOXX TRIODOS DEVELOPED MARKETS MID AND SMALL CAP IMPACT INDEX

### 110.2.1. OVERVIEW

The objective of the iSTOXX Triodos Developed Markets Mid and Small Cap Impact Index is to track the performance of global small- and midcap companies that contribute positively to society and the environment, while excluding those that fail to meet strict ethical and sustainability standards. This index focuses on companies that score high on environmental, social, and governance (ESG) factors, and contribute to positive change in areas such as climate action, social justice, responsible governance, and ethical business practices. The scoring is based on ISS-ESG screening data. It screens out companies involved in activities that are deemed harmful or unethical, such as those engaged in fossil fuels, tobacco, weapons manufacturing, or other industries with negative societal or environmental impacts. By doing so, the index aims to provide investors with a benchmark consisting of global small- and midcap companies that align with sustainable development goals and foster long-term positive impact, while excluding businesses that do not adhere to these critical standards.

**Universe:** STOXX Developed World Universal All Cap

**Weighting scheme:** The index is free-float market capitalization weighted with an absolute ICB Industry capping and the 5/10/40 concentration limits

**Base value and dates:** 100 on March 18, 2022

**Index types and currencies:** Price, net and gross return in EUR

**Dissemination calendar:** STOXX Global calendar

### 110.2.2. INDEX REVIEW

**Component selection:**

The composition of the iSTOXX Triodos Developed Markets Mid and Small Cap Impact Index is derived from its parent index, the [STOXX Developed World Universal All Cap](#), as follows:

All companies in the universe not considered as mid or small in terms of free-float market capitalization are screened from the selection. The remaining companies are assessed against their sustainability characteristics and screened out using the ISS-ESG screens as described below:

**Norms-based screening:** Companies are assessed for their adherence to international human rights, labor, environmental protection and anti-corruption standards as set out in the UN Global Compact and the OECD Guidelines. Companies that have a score equal to 10 are excluded. ISS-ESG scores a company with 10 when it fails to respect established standards and the issue concerned is not addressed.

# 110. iSTOXX TRIODOS DEVELOPED MARKETS IMPACT INDICES

**Controversial weapons:** Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, white phosphorus weapons, incendiary weapons and nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty). ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" or "Amber" are excluded.

## Product Involvement

Companies must not have any Product Involvement in the following areas:

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tobacco                              | Revenues from involvement in the production of tobacco products, wholesale or retail distribution of tobacco products, and/or from services related to tobacco products.                                                                                                                                                                                                                                                                                                                 |
| Alcohol                              | Revenues from the production of alcoholic beverages, revenues from the distribution of alcoholic beverages, and/or revenues from services related to alcoholic beverages.                                                                                                                                                                                                                                                                                                                |
| Genetically Modified Organisms (GMO) | Revenues from the production and farming of genetically modified seeds, plants, and/or animals for agricultural use, revenues from the distribution of foodstuff and/or animal feed from genetically modified plants and animals, and/or revenues from the processing of GMO-based agricultural commodities for the production of foodstuff or animal feed, as well as companies involved in the use of genetically modified animal feed in their animal farming/aquaculture operations. |
| Hazardous Pesticides                 | Revenues from the production of pesticides with technical grade active ingredients classified by the World Health Organisation (WHO) as "extremely hazardous" or "highly hazardous"                                                                                                                                                                                                                                                                                                      |
| Animal Welfare                       | Revenues from products that use animal testing given some circumstances.                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Adult Entertainment                  | Revenues from involvement in the production of pornography, and/or revenues from involvement in the distribution of pornography                                                                                                                                                                                                                                                                                                                                                          |
| Gambling                             | Revenues from involvement in gambling operations, revenues from involvement in retailing low-risk gambling items, and/or revenues from involvement in gambling-related services                                                                                                                                                                                                                                                                                                          |
| Coal                                 | Revenues from coal mining, including thermal and metallurgical coal, revenues from coal production, including extraction, energy generation, and processing and refining, revenues from marketing of coal, and/or revenues from processing of coke, coal-to-liquids operations and coal gasification (syngas for thermal use)                                                                                                                                                            |

# 110. iSTOXX TRIODOS DEVELOPED MARKETS IMPACT INDICES

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fossil Fuel                    | Revenue from the pre-production stages of the extraction of fossil fuels for the most recent fiscal year period, revenue from the production of fossil fuels through extraction, processing, and energy generation for the most recent fiscal year period, revenue from the distribution of fossil fuels for the most recent fiscal year period, and/or revenue from the provision of services for fossil fuels for the most recent fiscal year period |
| Shale Oil and Gas              | Revenues from pre-production stages of mining or drilling for oil sands, revenues from the extraction and processing of oil sands, and/or revenues from the provision of services for oil sands                                                                                                                                                                                                                                                        |
| Arctic oil and gas exploration | Companies involved in production and/or services of arctic drilling, including production or exploration, specifically in offshore locations enclosed by the southernmost extent of winter sea ice above the Arctic Circle                                                                                                                                                                                                                             |
| Hydraulic fracturing           | Revenues from hydraulic fracturing production, and/or revenues from hydraulic fracturing services                                                                                                                                                                                                                                                                                                                                                      |
| Nuclear power                  | Revenues from core activities in the nuclear fuel cycle to produce energy, including uranium mining, processing and enrichment, fuel production, and the operation of power reactors, revenues from the provision of services to the nuclear power industry, including the supply of key components, technical support, maintenance, and the management of nuclear waste, and/or revenues from uranium exploration, extraction, and processing.        |
| Military equipment             | Involvement in either production, services, and/or distribution of combat equipment, including military equipment which has a destructive effect, such as barrel weapons, explosives, missiles, bombs, combat vehicles, and apparatus and gear for the aiming and control of military equipment for combat purposes, among others. In all cases this equipment must be designed or modified on the basis of military specifications                    |

Further details regarding the list of screens above are available in the supplement section and can be made available upon request.

## Composition list:

The securities that fulfil the conditions above are screened for their ISS ESG SDG-related revenues. Companies must have a minimum share of net sales (reported or estimated) of products/services defined as having a contributing impact on the achievement of at least one sustainability objective. Securities with no SDG data are not eligible and will not be considered for selection. Further details regarding this are available in the supplement section and can be made available upon request.

The iSTOXX Triodos Developed Markets Mid and Small Cap Impact Index targets at least a 20% reduction in the number of securities from its underlying universe. In the case that after the screening steps mentioned above, the final number of securities is still higher than 80% of the initial number of securities in the universe, companies with the highest SDG revenues are selected until the 80% selection ratio is achieved. In the event that two companies have same SDG revenues, priority is given to the company with the highest free float market capitalization.

The remaining securities compose the final selection and are weighted according to free float market capitalization, adjusted for foreign ownership restrictions.

# 110. iSTOXX TRIODOS DEVELOPED MARKETS IMPACT INDICES

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**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date is the last dissemination day of the month preceding the review month.

**Weighting cap factors:**

The initial weights are defined based on free float market capitalization, adjusted for foreign ownership restrictions.

The capped weights are derived from the initial weights via an iterative process that seeks to maintain a 30% absolute ICB industry cap and the following concentration limits:

- No ICB Industry group should have an absolute weight higher than 30%
- The sum of all weights above 5% on an issuer level shall not exceed 40%
- No single weight shall exceed 10% on an issuer level

To that end, any excess weight is redistributed from a component to the rest of the components of the index that are not already subject to capping under the above rules, proportionally to their free-float capitalization. In case that 19 or fewer securities are included in the index and thus not sufficient to fulfil the capping requirements, the index will be equal-weighted.

In the case where a company is present with multiple listings in the portfolio, the final weights are capped on a company level and allocated to each share line according to its free-float market capitalization.

## 110.2.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

# 111. iSTOXX EUROPE TOTAL MARKET DEFENSE ENHANCED INDEX

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## 111.1. iSTOXX EUROPE TOTAL MARKET DEFENSE ENHANCED INDEX

### 111.1.1. OVERVIEW

The iSTOXX Europe Total Market Defense Enhanced Index is designed to capture the performance of companies classified in the Aerospace and Defense sector, according to the ICB Classification, or that have a proven revenue exposure to Defense activities. The index also aims to place greater emphasis on companies whose core business model is focused on defense activities. The Defense revenue exposure is defined using Revere (RBICS) data. Additionally, it takes into account the Nykredit exclusion list.

**Universe:** The index universe is defined by all the stocks included in the STOXX® Europe Total Market Index.

**Secondary Lines Eligibility:** All share lines are eligible

**Weighting Scheme:** Free-float market-capitalization weighted with capping

**Base Values and Dates:** 100 on December 24, 2012.

**Index Types and Currencies:** Price, net and gross return in EUR, USD, DKK, SEK, NOK.

**Dissemination Calendar:** STOXX Europe Calendar

### 111.1.2. INDEX REVIEW

**Selection list:** All securities in the universe are screened for the below information:

- I. ICB Sector Classification: Aerospace and Defense sector (502010)
- II. Revenue exposure, as defined by the Defense theme revenue sectors (details below)
- III. Total revenues from the Defense theme (details below)
- IV. Nykredit exclusion list

**Eligible universe:** Companies in the index universe that are part of the Nykredit exclusion list are excluded from the selection. The remaining companies define the Eligible universe.

Baseline exclusions are provided by Nykredit and include the following<sup>187</sup>:

- **Controversial weapons:** Confirmed producers or distributors of controversial weapons. This means anti-personnel mines, cluster munitions, biological weapons, chemical weapons,

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<sup>187</sup> For further details on the exclusion criteria, visit the Nykredit webpage: [Policy for Sustainable Investments 2024](#)



# 111. iSTOXX EUROPE TOTAL MARKET DEFENSE ENHANCED INDEX

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depleted uranium, white phosphorus, lasers aimed to blind humans, and nuclear weapons outside the Nuclear Non-Proliferation Treaty.

- **Persistent norm violators:** Companies that persistently fail to remedy violations of international norms and are unresponsive to engagement or otherwise show little prospect of improvement. This links with our engagement work and escalation policy. Where we engage on violation of conventions, progress is evaluated regularly. Progress must be assessed not later than two years after the dialogue commenced. Based on this assessment, Nykredit will determine whether it is realistic that the company will change its practices. If not, the company will be excluded. This includes companies involved in the production of tobacco, as this will be seen by the UN Global Compact as a breach of the 10 Global Compact Principle.
- **Climate transition laggards:** Nykredit has committed to a net zero 2050 Paris-aligned pathway for greenhouse gas emissions. This commitment is based on the Science Based Targets initiative, the Net Zero Banking Alliance and the Net Zero Asset Managers Initiative.

A reduction of fossil fuel emissions is vital in our efforts against climate change. Nykredit sets out to support the necessary green transition of global energy production.

We expect the companies our products invest in to share this ambition. Page 21 Nykredit's efforts build on the Paris Climate Agreement and acknowledged climate science as reflected in reports by the IPCC, the International Energy Agency (IEA) and others.

The IEA predicts that fossil fuels will play an inevitable role in global energy production for years to come. Nykredit acknowledges this, along with the fact that companies involved in the exploration, extraction or production of fossil fuels today have the opportunity and an obligation to play an active and positive role in the green transition by moving their businesses away from fossil fuels and into renewable energy sources.

Nykredit's policy builds on the basic principle that companies acting in conflict with the IEA's conclusions will generally be excluded, but Nykredit still reserves the opportunity to finance specific and necessary renewable energy expansions and to invest in companies that have a credible transition plan and invest in the acceleration of the green transition.

In general, Nykredit will not invest in companies that expand their production in contravention of the IEA's conclusions, nor will Nykredit invest in companies that are involved in unconventional extraction of fossil fuels or the production of thermal coal.

This means that:

- Nykredit will not invest in companies in which more than 5% of the capital expenditure (CapEx) is used to expand production in contravention of the IEA's Net Zero Emissions scenario.
- Nykredit will not invest in companies that derive more than 5% of revenues from unconventional extraction of oil and gas or drilling in the Arctic.

# 111. iSTOXX EUROPE TOTAL MARKET DEFENSE ENHANCED INDEX

- Nykredit will not invest in companies that derive more than 5% of revenues from the production of thermal coal. From 2030, Nykredit will have zero tolerance for the production of thermal coal.
- In exception cases, Nykredit may, however, invest in companies with the above activities, if Nykredit has a legitimate expectation that the company may be influenced via stewardship to transform and develop its business in line with the IEA's Net Zero Emissions scenario. This requires, among other things, that the company meets at least one of the following criteria:
  - Objectives that are in line with the objective of maintaining global temperature increases below 1.5 degrees and a maximum of two degrees
  - A Transition Pathway Initiative score of at least 4
  - A sufficient/substantial share of CapEx targeting green assets
  - Plans for the phasing out of existing production and reserves.

Nykredit may also invest in specific activities that contribute to the green transition in companies with the above activities. This presupposes that the investment can be limited to these activities, for example through green corporate bonds or a collaboration on infrastructure assets.

The selection process consists of the following **selection screens**<sup>188</sup>:

## ICB Classification screening:

- From the Eligible universe, only constituents whose ICB sector classification belongs to the Aerospace and Defense (502010) are selected.

## RBICS sector screening:

- From the Eligible universe, companies are evaluated based on their aggregated RBICS sectors revenue exposure to the Defense theme.

Only companies with a revenue exposure of 10% or higher, and at least 1 million EUR in total revenue from the Defense theme<sup>189</sup> are selected.

Below the associated Defense RBICS sectors:

| Nr. | RBICS                                             |
|-----|---------------------------------------------------|
| 1   | Aerospace and Defense IT Services                 |
| 2   | Defense Electronics Equipment Manufacturing       |
| 3   | Advanced Combat and Support Parts Manufacturing   |
| 4   | Advanced Combat and Support Systems Manufacturing |
| 5   | Air Advanced Combat and Support Systems Makers    |
| 6   | Autonomous Military Drone Manufacturing           |
| 7   | Ground Advanced Combat and Support Systems Makers |

<sup>188</sup> The screenings are conducted at the company level.

<sup>189</sup> Total revenue from the Defense theme is calculated by multiplying the company's latest annual total revenues by its aggregate RBICS sector revenue exposure related to the Defense theme.

# 111. iSTOXX EUROPE TOTAL MARKET DEFENSE ENHANCED INDEX

|    |                                                  |
|----|--------------------------------------------------|
| 8  | Naval Advanced Combat and Support Systems Makers |
| 9  | Diversified Aerospace and Defense Manufacturing  |
| 10 | Security and Safety Equipment Manufacturing      |
| 11 | Defense Contractors                              |
| 12 | Diversified Defense Providers                    |
| 13 | Defense Training and Testing Providers           |
| 14 | Missile Systems and Ordnance Manufacturers       |
| 15 | General Small Arms and Security Manufacturing    |

**Composition list:** All securities in the Eligible universe that passed one or more of the selection screens are constituents of the iSTOXX Europe Total Market Defense Enhanced Index.

## Tier classification:

All companies in the composition list are then classified according to the two tiers Pure Players and Diversified Players as follows:

- Pure Players: Any companies whose ICB classification belongs to the Defense ICB subsector (50201020), or those with at least 50% aggregated exposure to the Defense theme.
- Diversified Players: All other companies that do not meet the criteria for Pure Players.

**Review frequency:** The review is conducted quarterly in March, June, September and December. The result is published on the second Friday of each of those months, and becomes effective on the review effective date, which is on the Monday following the 3rd Friday of March, June, September and December. The review cut-off date for the underlying data is the last dissemination day of the month prior to the review month. The review cut-off date for the Nykredit exclusion list is 10 dissemination days before the review effective date<sup>190</sup>.

**Weighting and cap factors:** All components of the index are subject to capping listed in below sections<sup>191</sup>.

Index cap factors are recalculated quarterly in March, June, September, and December. They are published on the second Friday of each of those months, they become effective on the review effective date, and are based on the stocks' closing prices of the preceding Thursday. Additionally, an intra-quarter capping will be triggered if a company exceeds 15%, in this case the company will be capped at 15%<sup>192</sup>.

## Initial weight calculation:

$$w_i = \frac{ff_i}{\sum_j ff_j}$$

Where  $ff_i$  is the free float market capitalization of company  $i$

<sup>190</sup> If the Nykredit Non-Investable Securities list is not available at its review cut-off date, the latest available Nykredit Non-Investable Securities list is considered.

<sup>191</sup> The capping is conducted at company level.

<sup>192</sup> See Section 3. for full details on intra-quarter capping treatment.

# 111. iSTOXX EUROPE TOTAL MARKET DEFENSE ENHANCED INDEX

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## Capped weight calculation:

For this purpose, we differentiate between Pure players and Diversified players:

$$aw_i = \begin{cases} 2 \times w_i, & \text{if company}_i \in \text{Pure Players} \\ w_i, & \text{if company}_i \in \text{Diversified Players} \end{cases}$$

Where  $aw_i$  the adjusted weight of company  $i$  according to the type of player.  
The adjusted weights are then re-scaled as follows:

$$sw_i = \frac{aw_i}{\sum_j aw_j}$$

The capped weights ( $cw$ ) are derived from the re-scaled adjusted weights ( $sw$ ) via an iterative process that seeks to maintain the following conditions:

$$cw_i \leq \min\{9\%, \text{max\_capacity\_ratio} \times w_i\}$$

Where  $cw_i$  is the capped weight of company  $i$ , and  $\text{max\_capacity\_ratio}$  is 3.

If capping is not feasible, the process is re-attempted by adding an increment of 0.1 to the  $\text{max\_capacity\_ratio}$  till the capping limits are satisfied. If the capping is infeasible as a result of insufficient number of constituents, the capped weights for all companies will be set to  $\frac{1}{n}$ , where  $n$  is the number of companies in the index.

## 111.1.3. INTRA-QUARTER CAPPING TREATMENT

### INTRA-QUARTER CAPPING

If a company exceeds 15% then an intra-quarter capping shall be triggered. The company will be capped at 12% and the excess weight is then redistributed proportionally among the other components.

The timetable for the process is as follows:

- Date  $t$ : Weight exceeds 15% at the close of market
- Date  $t+1$ : Announcement of the new weighting cap factors (12%) after close of market
- Date  $t+3$ : Implementation of the new capping factors after close of market.
- Date  $t+4$ : Effective date

Note: Violations of the 15% threshold between dates  $t+1$  and  $t+3$  do not trigger another capping.

### INTRA-QUARTER CAPPING DURING REVIEW IMPLEMENTATION WEEK

Where a capping breach occurs during the quarterly review implementation week<sup>193</sup>, but prior to Wednesday, the intra quarter capping rule shall not be applied. If this breach is not subsequently resolved by the upcoming review implementation, then the weighting cap factors will be recalculated based on Tuesday's closing prices, and revised weighting cap factors announced in the Review Reports published on Wednesday. Where a capping breach occurs from Wednesday onwards, then the timetable for intra-quarter capping in Section 3.1. above will be applied. For the

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<sup>193</sup> The review implementation week is the week beginning on the Monday following the second Friday of the review month.

# 111. iSTOXX EUROPE TOTAL MARKET DEFENSE ENHANCED INDEX

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avoidance of doubt, the announced Review will be implemented first, and any re-calculation of weight cap factors shall be implemented thereafter.

## ANTICIPATED INTRA-QUARTER CAPPING DUE TO UPCOMING CORPORATE ACTIONS

If an upcoming Corporate Action triggers the company to exceed 15% then an intra-quarter capping will be triggered. The following set of data is used to estimate a potential upcoming breach of the 15% capping due to an upcoming corporate action. The calculation of potential future capping will be using the following data:

- Latest corporate actions forecast published
- Index Composition effective t+3
- Shares effective t+3
- Free-Float effective t+3
- Close price from the previous day adjusted for upcoming corporate actions (excluding cash & special cash dividends)
- Weight Factor (if applicable) effective t+3
- Cap factor effective t+3

In case of a potential breach detected following an upcoming corporate action, the changes are announced immediately, implemented two trading days later and become effective on the ex-date of the corporate action event.

The timetable for the process is as follows:

- Date t-4: Close price of index components for new weighting cap factors calculation
- Date t-3: Announcement after close of market of the new weighting cap factors (12% based on the prior's day close price)
- Date t-1: Implementation of the new capping factors after close of market
- Date t: Latest Effective Date of the Corporate Action / Effective date of the new weighting cap factors in index

However, in case of late announced corporate action or corporate action with an ex-date effective less than 3 trading days ahead, the anticipated intra-quarter capping will be announced immediately, implemented two trading days later and becoming effective on the next trading day after implementation (i.e. after the corporate action effective date).

## ANTICIPATED INTRA-QUARTER CAPPING DUE TO UPCOMING CORPORATE ACTIONS DURING REVIEW IMPLEMENTATION WEEK

If a Corporate Action known to STOXX latest by Tuesday preceding the index review effective date has its ex-date during the review implementation week, and would breach the aforementioned 15% threshold, then the intra-quarter capping shall still be applied as per the time-table in Section 3.3. above. If this breach is not subsequently resolved by the upcoming index review implementation, then the weighting cap factors will be recalculated and revised weighting cap factors announced in the republished Review Reports (to be implemented on index review effective date).

If a Corporate Action known to STOXX on Wednesday preceding the index review effective date has its ex-date during the review implementation week, and would breach the aforementioned 15% threshold, then the intra-quarter capping rule shall not be applied. If this breach is not subsequently resolved by the upcoming index review implementation, then the weighting cap

# 111. iSTOXX EUROPE TOTAL MARKET DEFENSE ENHANCED INDEX

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factors will be recalculated and revised weighting cap factors announced in the republished Review Reports on Wednesday (to be implemented on index review effective date).

For corporate actions that are known to STOXX from Thursday onwards where the ex-date of the event is within two days of the company's announcement, STOXX will announce at earliest possible date the breaches with an implementation for the capping 3 trading days later. For the avoidance of doubt, the announced review will be implemented first, and any re-calculation of weighting cap factors shall be implemented thereafter.

## 111.1.4. ONGOING MAINTENANCE

**Replacements:** All changes affecting the STOXX® Europe Total Market Index also apply to the index.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** All changes affecting the STOXX® Europe Total Market Index also apply to the index.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://stoxx.com).

## 112. iSTOXX IQAM EUROPE CTB ESG SELECT INDEX

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### 112.1. iSTOXX IQAM EUROPE CTB ESG SELECT INDEX

#### 112.1.1. OVERVIEW

The iSTOXX IQAM Europe CTB ESG Select index tracks the performance of liquid securities from the STOXX Europe 600 index. The index<sup>194</sup> is constructed to follow the EU Climate Transition Benchmark (EU CTB) requirements outlined in the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks<sup>195</sup>. The index is designed to help investors in the transition to a low-carbon economy by adopting a decarbonization trajectory.

**Universe:** STOXX Europe 600, as observed on the review effective date.

**Weighting scheme:** The index is price-weighted with weighting factors determined according to an optimization process to meet the EU CTB recommendations

**Base value and dates:** 100 on March 18, 2019

**Index types and currencies:** Price, net and gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

#### 112.1.2. INDEX REVIEW

**Selection List:** The review cut-off date is the last dissemination day of the month preceding the review month of the index, and upon this date, a set of exclusionary criteria are applied.

**Sector Exclusions:** Components that belong to the following ICB Subsectors are excluded Offshore Drilling and Other Services (ICB code 60101015), Oil Equipment and Services (ICB code 60101030) and Pipelines (ICB code 60101035).

**Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

**Environmental Protection:** Companies are assessed based on their worst Case Severity Indicator within the Key Thematic Area Environmental Protection. The Case Severity Indicator is a measure of the reported risk or impact on society or the environment, and takes into account the degree of corporate involvement. Companies identified as "Severe" and "Very Severe" are excluded

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<sup>194</sup> [Regulation \(EU\) 2019/2089 amending Regulation \(EU\) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R2089) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R2089>

<sup>195</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R1818>

## 112. iSTOXX IQAM EUROPE CTB ESG SELECT INDEX

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**Human Rights Severity:** Companies are assessed based on their worst Case Severity Indicator within the Key Thematic Area Fundamental Human Rights. The Case Severity Indicator is a measure of the reported risk or impact on society or the environment, and takes into account the degree of corporate involvement. Companies identified as "Severe" and "Very Severe" are excluded

**Controversial Weapons:** Companies must not be involved in controversial weapons activities, as identified by ISS-ESG. The following weapons are defined as controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programs, nuclear weapons (including non-NPT countries, i.e., countries not belonging to the Nuclear Non-proliferation Treaty), and white phosphorus. ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to and including the ultimate parent. Companies that have been flagged as "Red" are excluded.

**ESG Ratings:** Companies with ISS-ESG ESG ratings of D+ or below are excluded.

**Sustainable Development Goals:** STOXX will exclude companies that ISS ESG assesses to have significant obstruction to the UN Sustainable Development Goals (SDGs) 12, 13, 14 and 15. SDG 12 Responsible Consumption and Production, SDG 13 Climate Action, SDG 14 Life Below Water and SDG 15 Life On Land.

**Product Involvement:** Not have any Product Involvement in the following areas. The revenue shares used from ISS ESG are the maximum revenue share factors which identify the maximum amount of revenue estimated or company reported to be derived from involvement in a business activity as a percentage of the issuer's total annual revenue, and the estimated values range is not inclusive. STOXX will exclude companies that ISS-ESG identifies to have:

**Tobacco:**

- >0% revenues from involvement in the production of tobacco products
- >5% revenues from involvement in tobacco

**Thermal Coal:**

- >0% revenues from the mining of thermal coal
- >5% or more revenues from the generation of electric power sourced from coal.
- Any involvement in thermal coal mine development operations or plans.

**Nuclear Power:**

- >5% revenue from involvement in the provision of services to the nuclear power industry, including the supply of key components, technical support, maintenance, and the management of nuclear waste.
- >5% revenue from involvement in core activities in the nuclear fuel cycle to produce energy, including uranium mining, processing and enrichment, fuel production, and the operation of power reactors.
- >5% revenue from involvement in uranium exploration, extraction, and processing.



# 112. iSTOXX IQAM EUROPE CTB ESG SELECT INDEX

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## Fossil Fuel:

- > 5% revenue from involvement in the extraction, refining and processing of fossil fuels.
- >10% revenues from involvement in the generation of electric power from fossil fuels.

## Unconventional oil & gas

- Any Involvement in shale oil and/or gas.
- >0% revenue from hydraulic fracturing
- Any Involvement in oil and gas exploration in water of depths greater than 125 meters.
- Any Involvement in the production, exploration, or provision of services related to the extraction and processing of oil sands, tar sands, or bituminous sands.
- >0% revenue from oil sands production
- >0% revenue from in oil and gas extraction through arctic drilling

## Civilian Firearms:

- >5% revenue from involvement in civilian firearms or ammunition

## Military Equipment:

- >5% revenue from production of military equipment and/or the provision of related services.

## Carbon emissions intensity:

- All companies with total (Scope 1 + Scope 2) carbon emissions intensity > 1500. Carbon intensity is expressed as the issuer's total carbon emissions per million USD of revenue as a proxy of the carbon efficiency per unit of output.

## Energy consumption intensity:

- All companies with energy consumption in GWh per million EUR of revenue (GWh/mEUR) > 300.

**Weighting and capping factors:** The weights are derived through an optimization process with the goal to have a portfolio which meets the requirements of a CTB index.

**Target weight calculations:** The target weight is defined according to the free-float market capitalization subject to the corporate target setting and carbon risk rating multipliers, as follows:

$$w_i = \frac{ffmcap_i * CR_i}{\sum_j^n ffmcap_j * CR_j}$$

Where:

N                    number of components in the index

CR<sub>i</sub>                = (1 + CR<sub>z\_i</sub>) if CR<sub>z\_i</sub> > 0

                      = (1 - CR<sub>z\_i</sub>)<sup>-1</sup> if CR<sub>z\_i</sub> ≤ 0

CR<sub>z\_i</sub> = zeta score of the company's Carbon Risk Rating, as defined by ISS ESG

**Capped weight calculations:** The capped weights cw<sub>i</sub> are derived from target weights via an optimization that minimizes the relative squared difference between the target weights and the capped weights while ensuring that the year-on-year self-decarbonization fulfils the criteria of at least 7% on average starting from 2025 with respect to 2024. The optimization is performed to arrive at the weights subject to constraints to ensure that the composition fulfils the minimum requirements:

## 112. iSTOXX IQAM EUROPE CTB ESG SELECT INDEX

$$cw_i = \operatorname{argmin}_{cw} \left( \sum_{i=1}^n \left( \frac{(cw_i - w_i)^2}{w_i} \right) \right)$$

The following are the constraints of the optimization:

- a) Maximum security weight of 4.5%, and minimum weight of 0.01%
- b) The GHG intensity reduction of the index,  $\sum_{i=1}^n (cw_i \cdot \text{Security GHG Intensity}_i)$  should be at least 30% when compared to the STOXX Europe 600 Index. The GHG intensity of a security is calculated as:

$$\frac{\text{scope 1 + scope 2 + scope 3 GHG Emissions}}{\text{Enterprise Value Including Cash (in MEUR)}}$$

- c) Year-on-year GHG intensity reduction of at least 7% starting from 2025 with respect to 2024. The year-on-year carbon reduction included is calculated as:

$$1 - \left( \frac{\text{Index GHG Intensity}_{\text{current}} \cdot \text{Cumulative Inflation Adjustment Factor}}{\text{Index GHG Intensity}_{2024 \text{ year-end}}} \right)^{1/T}$$

where T is the number of years since 2024

- d) The green revenue share / brown revenue share of the index,  $\frac{\sum_{i=1}^n (cw_i \cdot \text{Green Revenue \%}_i)}{\sum_{i=1}^n (cw_i \cdot \text{Brown Revenue \%}_i)}$ , is at least equivalent to that of the STOXX Europe 600 Index
- e) The total exposure of components in the "High Climate Impact" according to NACE classification is at least equal to the STOXX Europe 600 Index
- f) The exposure to a single NACE Section code is within 5% of the STOXX Europe 600 Index exposure. If the STOXX Europe 600 Index exposure in any of the NACE Sections is greater than 30%, an additional maximum exposure constraint on the NACE Division weights will be imposed for the CTB index. In this case, the iSTOXX IQAM Europe CTB ESG Select Index exposure to a single NACE Division (within the NACE Section) cannot exceed the STOXX Europe 600 Index exposure by higher than 5%
- g) The exposure to a country is within 5% of the STOXX Europe 600 Index
- h) The potential carbon emissions reduction should be at least 30% compared to the STOXX Europe 600 Index

Weighting factors are based on the closing prices in EUR (pi) of the Thursday prior to the second Friday of the review month:

Weighting factor = (1,000,000,000,000 x wi / pi), rounded to the nearest integer value.

**Review frequency:** The review is conducted on a quarterly basis in March, June, September and December. The cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

# 112. iSTOXX IQAM EUROPE CTB ESG SELECT INDEX

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## 112.1.3. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX Calculation Guide available on [stoxx.com](https://www.stoxx.com)

# 113. EURO iSTOXX 50 GLOBAL AI INFRASTRUCTURE TILTED INDEX

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## 113.1. EURO iSTOXX 50 GLOBAL AI INFRASTRUCTURE TILTED INDEX

### 113.1.1. OVERVIEW

The EURO iSTOXX 50 Global AI Infrastructure Tilted Index tracks the performance of all of the EURO STOXX 50 securities and the 10 largest AI Infrastructure securities from the STOXX Global AI Infrastructure Index, subject to country and liquidity screens. The index is reviewed quarterly in March, June, September, and December.

**Universe:** EURO STOXX 50 Index and STOXX Global AI Infrastructure Index, as observed on the review effective date

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the AI Infrastructure theme.

**Base values and dates:** 100 on June 24, 2019

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 113.1.2. INDEX REVIEW

#### Selection list:

All of the companies in the EURO STOXX 50 Index are added to the selection list.

The companies in the STOXX Global AI Infrastructure Index must satisfy the following criteria for inclusion in the selection list:

- **Country classification:** companies belonging to Japan, US, Switzerland, or the developed markets of the Eurozone<sup>196</sup>.
- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR.
- **Multiple share lines:** In case a company is present with multiple listings and/or DR lines and/or multiple share classes, only the most liquid share line is eligible for selection (based on 3-month ADTV).

#### Composition list:

All of the EURO STOXX 50 Index constituents are selected. The remaining companies in the selection list from the STOXX Global AI Infrastructure Index are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities that are not already part of the EURO STOXX 50 Index are selected. The resulting EURO iSTOXX 50 Global AI Infrastructure Tilted Index

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<sup>196</sup> The developed markets of Eurozone regional classification is based on the latest [STOXX Country Classification](#)

# 113. EURO ISTOXX 50 GLOBAL AI INFRASTRUCTURE TILTED INDEX

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comprises 60 securities: 50 from the EURO STOXX 50 Index and 10 from the STOXX Global AI Infrastructure Index.

## Review frequency:

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

## Weighting and capping factors:

The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers such that, the companies of the EURO STOXX 50 account for 80% and the 10 companies selected from the STOXX Global AI Infrastructure Index (AI companies) 20% of the EURO iSTOXX 50 Global AI Infrastructure Tilted Index.

The EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, 8% in the final index (0.8 x 10%). Additionally, the 10 AI company weights are capped at 15% within the AI company weights, hence capped at 3% in the final index (0.2 x 15%). The overall exposure to Japanese securities is also capped at 50% within the AI company weights, 10% in the final index (0.2 x 50%).

$$w_i = 0.8 \times \frac{\text{ffmcap}_i}{\sum_{j=1}^{50} \text{ffmcap}_j}; \text{ weight capped at 10\% within the EURO STOXX 50 companies}$$

$$w_k = 0.2 \times \frac{a_{ik} * \text{ffmcap}_k}{\sum_{l=1}^{10} a_{il} * \text{ffmcap}_l}; \text{ weight capped at 15\% within the AI companies}$$

Where:

|                 |                                                                                                                 |
|-----------------|-----------------------------------------------------------------------------------------------------------------|
| $i, j$          | EURO STOXX 50 constituents                                                                                      |
| $w_i$           | weight of the EURO STOXX 50 security in the new index (max 8% within the new index)                             |
| $k, l$          | the 10 selected securities from the STOXX Global AI Infrastructure Index                                        |
| $w_k$           | weight of the 10 AI securities in the new index (max 3% within the new index)                                   |
| $\text{ffmcap}$ | free float market capitalization                                                                                |
| $a_{ik}$        | the total revenue exposure of company k to the AI Infrastructure Tier 1 and Tier 2 RBICS sectors <sup>197</sup> |

Weighting factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

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<sup>197</sup> Please refer to the [STOXX Index Guide](#) for the full list of AI Infrastructure Tier 1 and Tier 2 RBICS sectors used for the STOXX Global AI Infrastructure Index

# 113. EURO ISTOXX 50 GLOBAL AI INFRASTRUCTURE TILTED INDEX

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## 113.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](https://www.stoxx.com)

# 114. iSTOXX EMERGING MARKETS EQUITY INDEX

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## 114.1. iSTOXX EMERGING MARKETS EQUITY INDEX

### 114.1.1. OVERVIEW

The iSTOXX Emerging Markets Equity Index is a broad, free float market capitalization weighted index designed to represent the performance of the large and mid cap companies from emerging markets covering approximately 85% of investable market capitalization. Underlying countries are all current Emerging countries as defined by STOXX in the Current STOXX World Country Classification Overview<sup>198</sup>. The index components are screened for size, liquidity and foreign ownership restrictions.

**Universe:** The universe is the aggregate of:

- The STOXX Total Market Index,
- The STOXX GCC Total Market Index,
- The STOXX China A Total Market Index, the STOXX China P-Chip Total Market Index,
- The STOXX China Growth Market Index, the STOXX Asia ex China Growth Market Index, the STOXX Europe Growth Market Index, and
- The STOXX World DR Index.

The STOXX World DR Index is discussed in Chapter 5 of the STOXX World Equity Index Guide<sup>199</sup>, and all other indices are defined in the STOXX Index Methodology Guide<sup>1</sup>. The index universe is defined by all index components as defined in this section, as observed on the index review effective date.<sup>200</sup>

**Weighting Scheme and Free Float:** When the index is reviewed, its components are weighted by free float market capitalization. The free float is defined as:

Free Float = FHR Adjustment Factor × Min(STOXX TMI Free Float, Foreign Ownership Limit) × China Connect Scaling Factor\*,

\* The China Connect Scaling Factor is applied after the component screens and selection and applied to the free float only at the final weighting of the components.

The STOXX Total Market Index (TMI) free float is defined in Section 5.12 of the STOXX Index Methodology Guide. The STOXX TMI free float of each security is rounded as follows:

If a current (as of the cutoff) STOXX TMI free float does not exist for this security, then its new (as of the review date) STOXX TMI free float

- Is rounded to the closest 1% if it is lower than or equal to 15%, otherwise
- It is rounded up to the closest 5 % if it is higher than 15%.

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<sup>198</sup> Countries are classified as Developed or Emerging according to the STOXX World Country Classification rules, discussed in Section 3.3 of the STOXX World Equity Index Guide. The current and previous STOXX World Country Classifications are available at <https://www.stoxx.com/country-classification>.

<sup>199</sup> <https://www.stoxx.com/rulebooks>

<sup>200</sup> For index construction purposes Developed Europe is treated as a single, unified market,

# 114. iSTOXX EMERGING MARKETS EQUITY INDEX

If a current (as of the cut-off) STOXX TMI free float exists for this security, then the following intervals are defined:

- The first interval is for STOXX TMI free float lower than, or equal to, 15%. Further intervals are defined as  $N\% < \text{STOXX TMI free float} \leq N\% + 5\%$ , where  $N = 15, 20, 25, \dots, 95$ .
- If the new (as of the review date) STOXX TMI free float is higher than 15%, and it has changed its interval compared to the current (as of the cut-off) STOXX TMI free float, and the absolute free float change is less than one percentage point, then the new rounded STOXX TMI free float is set equal to the current rounded STOXX TMI free float.
- Otherwise, the new (as of the review date) STOXX TMI free float is rounded to the closest 1% if it is lower than or equal to 15%, and it is rounded up to the closest 5 % if it is higher than 15%.

The Foreign Ownership Limit is rounded up to the closest 1%. Foreign Ownership Limit is defined in Section 4.11.2 of the STOXX World Equity Index Guide.

The Foreign Headroom (FHR) Adjustment Factor scales down the weights of some of the components whose FHR is lower than 25%, where Foreign Headroom is defined in Section 4.11.3 of the STOXX World Equity Index Guide.

When the index is initially created, the FHR Adjustment Factor is set equal to 1 if the FHR is greater than or equal to 25%. Otherwise, if the FHR is greater than, or equal to, 15% and lower than 25%, the FHR Adjustment Factor is set equal to 0.5. If the FHR is lower than 15%, the FHR Adjustment Factor is set equal to 0.

For the subsequent index reviews, the new FHR Adjustment Factor of current components depends on their current FHR Adjustment Factor and on the new FHR. More specifically, the new FHR Adjustment Factor is determined as follows:

|                                      | New FHR Adjustment Factor |                 |                  |                    |             |
|--------------------------------------|---------------------------|-----------------|------------------|--------------------|-------------|
|                                      | FHR ≥ 25%                 | 15% ≤ FHR < 25% | 7.5% ≤ FHR < 15% | 3.75% ≤ FHR < 7.5% | FHR < 3.75% |
| Current FHR Adjustment Factor = 1    | 1                         | 1               | 0.5              | 0.25               | 0           |
| Current FHR Adjustment Factor = 0.5  | 1                         | 0.5             | 0.5              | 0.25               | 0           |
| Current FHR Adjustment Factor = 0.25 | 1                         | 0.5             | 0.25             | 0.25               | 0           |

For the subsequent index reviews, the FHR Adjustment Factor of new components is set equal to 1 if the FHR is greater than or equal to 25%. Otherwise, if the FHR of new components is lower than 25%, and greater than or equal to 15%, the FHR Adjustment Factor is set equal to 0.5. If the FHR of new components is lower than 15%, the FHR Adjustment Factor is set equal to zero.

Foreign Headroom is updated quarterly. An increase of the FHR Adjustment Factor for current components following a previous reduction in foreign headroom will usually be implemented at least 12 months after the weight reduction. Similarly, an increase of the FHR Adjustment Factor following index re-inclusion of a component deleted because of having a foreign headroom lower than 3.75% will usually be implemented at least 12 months after the deletion.



# 114. iSTOXX EMERGING MARKETS EQUITY INDEX

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The China Connect Scaling Factor is applied after the component screens and selection, and it is applied to the free float only at the final weighting of the components. Components from China Connect have a China Connect Scaling factor of 0.2, thus these components are scaled down by 0.2, all other components have a China Connect Scaling Factor of 1.

**Base Values and Dates:** The following base values and dates apply: 1000 on June 15, 2012.

**Index Types and Currencies:** Price, net return and gross return in USD and EUR.

**Dissemination Calendar:** STOXX Global Calendar.

## 114.1.2. INDEX REVIEW: SELECTION

**Selection List:** For all securities in the Universe as defined above, the following screenings and filters are applied to determine eligibility:

**Free Float screen:** For a security to be eligible, its free float should generally be greater than or equal to 15%. In some cases, securities with lower free float can also be eligible. See Section Updating the Universe, Global Minimum Size Points And Intervals for more details for the free float screen for non-components. See Section Final Market Capitalization Criterion for the free float screen for current components.

**Full Market Capitalization screen:** The Equity Universe includes all securities that belong to the Universe as defined in Section Overview, before any screens are applied to them. The full market capitalization screen is applied at company level to all companies in both Developed and Emerging Markets<sup>201</sup>. The USD full market capitalization of each company needs to be equal to or higher than the Equity Universe Minimum Size Criterion, which is calculated by applying the following three steps to all securities from Developed Markets that belong to the Equity Universe:

- Companies from the Developed markets are sorted in descending order by full market capitalization, and the cumulative coverage of the free float market capitalization is calculated at each company. Each company's free float market capitalization is represented by the aggregation of the free float market capitalization of the securities of that company in the STOXX eligible exchange segments.
- When the cumulative free float market capitalization coverage of 99% is achieved, the full market capitalization of the company at that point defines the Equity Universe Minimum Size Criterion.
- The rank of this company by descending order of full market capitalization within the Developed Equity Universe is noted and determines the Equity Universe Minimum Size Criterion

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<sup>201</sup> Countries are classified as Developed or Emerging according to the STOXX World Country Classification rules, discussed in Section 3.3 of the STOXX World Equity Index Guide. The current and previous STOXX World Country Classifications are available at <https://www.stoxx.com/country-classification>.

# 114. iSTOXX EMERGING MARKETS EQUITY INDEX

**Free Float Market Capitalization screen:** This screen is applied at security level. To be eligible, a security needs to have a free float market capitalization which is equal to or higher than 50% of the Equity Universe Minimum Size Criterion. Example:

- The Equity Universe Minimum Size Criterion is EUR 5m, and security A has a free float market capitalization of EUR 2.6m. Security A is eligible.
- The Equity Universe Minimum Size Criterion is EUR 5m, a company has share class A with a free float market capitalization of EUR 2.7m, and share class C with a free float market capitalization of EUR 0.7m. In this case, share class A is eligible, while share class C is not eligible.

**Turnover Ratio Screens:** Securities need to fulfill both 12 month and 3 month Turnover Ratio screen, to be eligible.

**12 month Turnover Ratio screen:** The 12 month Turnover Ratio is defined as the median value of the daily traded volume<sup>202</sup> to the free float shares ratio over the last 12 months prior to the cut-off date, multiplied by 252<sup>203</sup>. The formula for the 12 month Turnover Ratio of security  $i$  is

$$\text{12 Month Turnover Ratio}(i) = 252 \times \text{Median} \left( \frac{\text{Traded Shares}(i, t)}{\text{Free Float}(i, t) \times \text{Number Shares}(i, t)} \mid t \in \text{months } T - 11, \dots, T \right),$$

where  $T$  is the month whose last business day is the cut-off date, and  $t$  refers to the business days.

For Developed Markets, only securities with a 12 month Turnover Ratio of at least 20% are selected ( $\frac{2}{3} \times 20\%$  for current components). For Emerging Markets, only securities with a 12 month Turnover Ratio of at least 15% are selected (10% for current components).

**3 month Turnover Ratio screen:** The 3 month Turnover Ratio is defined as the median value of the daily traded volume to the free float shares ratio over the last 3 months prior to the cut-off date, multiplied by 252. The formula for the 3 month Turnover Ratio of security  $i$  is

$$\text{3 Month Turnover Ratio}(i) = 252 \times \text{Median} \left( \frac{\text{Traded Shares}(i, t)}{\text{Free Float}(i, t) \times \text{Number Shares}(i, t)} \mid t \in \text{months } T - 2, T - 1, T \right),$$

where  $T$  is the month whose last business day is the cut-off date, and  $t$  refers to the business days.

For Developed Markets, only securities with a 3 month Turnover Ratio of at least 20% are selected (5% for current components). For Emerging Markets, only securities with a 3 month Turnover Ratio of at least 15% are selected (5% for current components).

<sup>202</sup> Volume is taken from the STOXX eligible exchange. For India volumes from National Stock Exchange, for Vietnam from Hanoi Stock Exchange are added.

<sup>203</sup> The free float as defined in Section Overview is kept fixed within each quarter as they are updated on a quarterly basis.

# 114. iSTOXX EMERGING MARKETS EQUITY INDEX

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**Foreign Headroom screens:** For non-components to be eligible, their foreign headroom (FHR) as of the cut-off date needs to be at least 15%, and 3.75% for current components. When the index is initially created, the FHR should be at least 15% for all components to be eligible to enter the index.

**Frequency of Trading screen:** The 3-month Frequency of Trading is determined by dividing the number of days a security traded during a 3-month period by the maximum possible number of trading days within this period. If 3 months of data are not available, then Frequency of Trading is calculated using a one month instead of a 3-month period. If a close price is observed, it is assumed that the security was traded on the respective day.

For Developed Markets: only securities with a 3 month Frequency of Trading of at least 90% for new components and 80% for current components are eligible to enter the index.

For Emerging Markets: only securities with a 3 month Frequency of Trading of at least 80% for new components and 70% for current components are eligible to enter the index.

**Security Price screen:** To ensure adequate liquidity, non-components, that are considered for index inclusion, may not have USD-converted prices as of the cut-off date greater than 10,000 USD. For avoidance of doubt, if the price becomes larger than 10,000 USD between reviews, the respective component is not removed.

**Country Classification screen:** Only securities that belong to developed or emerging countries as of the review effective date are considered for index inclusion.

**Screen for China A and China Connect securities:** China A securities, which are not eligible for both buy and sell at China Connect as of the cut-off date are removed. If any China Connect security becomes not eligible for either buy or sell between the cut-off date and the review effective date, it is removed. New China Connect Securities announced after the data cut-off date are not selected for the index inclusion. The final index composition contains only the China Connect listings of the eligible China A securities.

**Depositary Receipt screen:** The Depositary Receipts screen is the last screen, applied for the securities that have passed all other screens. If a local listing and a Depositary Receipt of the same company have passed all other screens, then the Depositary Receipt is removed and the local listing remains. If only a Depositary Receipt of a specific company passes all screens, then this Depositary Receipt is eligible for index inclusion.

The securities, which have passed all screens, form the Investable Equity Universe.

**Review Frequency:** The indices are reviewed on a quarterly basis, and the changes are implemented as of the close on every third Friday in March, June, September, and December. The effective date is the first dissemination day after the third Friday. The data cut-off date is the last dissemination day of the previous month. The STOXX TMI free float as of the index review date is used for the review process.

# 114. iSTOXX EMERGING MARKETS EQUITY INDEX

**Weighting Cap Factors:** When the index is reviewed, securities are weighted by free float market capitalization as defined in Section Overview. The China Connect Scaling Factor of 0.2 is applied for China Connect securities. Between reviews, the index is maintained as a price-weighted index, based on weighting factors. The weighting factor is equal to (stock's target weight  $\times$  1,000,000,000 / closing price of the stock), rounded to the nearest integer. The weighting factors are published seven disseminations days before the effective day and calculated based on prices from the previous day.

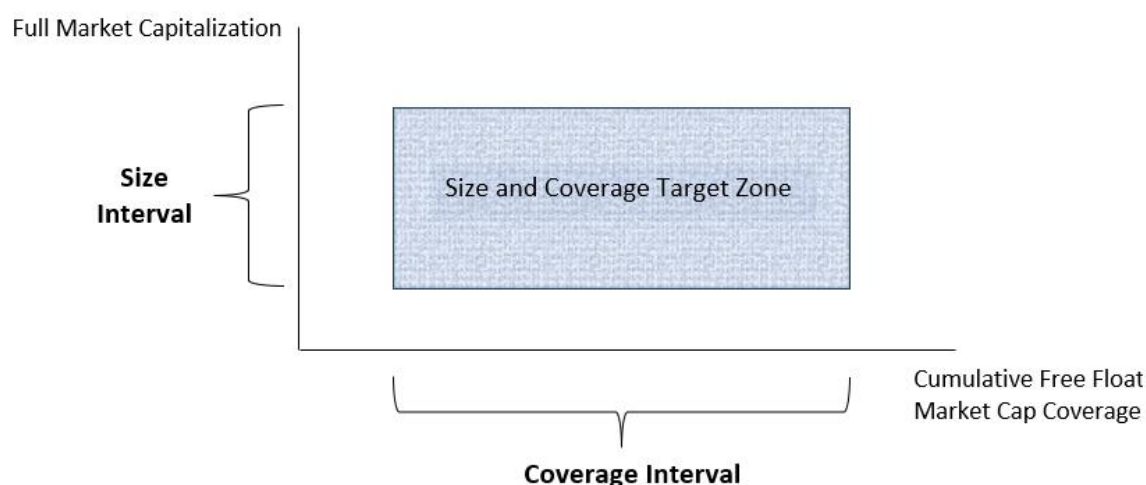
## 114.1.3. ASSIGNMENT OF MAIN SIZE LABELS

The Main size segment contains Large and Mid cap securities. The assignment of Main size segment labels is applied to the companies from the Investable Equity Universe that pass the selection screens in Section Index Review: Selection. The index construction process assigns only Main size labels, and it does not assign separate Large and Mid cap labels.

To form Main size segments that can be effectively combined into broader regional benchmarks, the individual country Main size segment must find a balance between the following requirements:

- Global Size Consistency, meaning that only companies of similar and relevant sizes are included in a specific size category across all markets. This can be achieved by using a Global Minimum Size Reference cutoff based on a company's full market capitalization for each market.
- Relevant market coverage, meaning that each size segment category reflects its proportional weight based on the free float market capitalization in Investable Equity Universe.

The intersection of these ranges determines the Size and Coverage Target Zone, as shown in the picture below. Overall, if both objectives cannot be achieved simultaneously, preference is given to size integrity over market coverage.



## DETERMINING TARGET COVERAGE INTERVALS

# 114. iSTOXX EMERGING MARKETS EQUITY INDEX

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The Main size segment Index for each country is determined by using a Target Coverage Interval that contains  $85\% \pm 5\%$  of the free float market capitalization of the components from this country in the Investable Equity Universe.

## CALCULATION OF THE GLOBAL MINIMUM SIZE POINTS AND INTERVALS

The Global Minimum Size Point for the Main size-segment is determined as follows:

- The companies in the Developed Investable Equity Universe are sorted by full market capitalization in descending order. The cumulative free float market capitalization percentage is calculated for each company.
- The full market capitalization of the company that has 85% of the cumulative free float market capitalization percentage is noted and forms the Global Minimum Size Point for the Developed Main segment.
- For Emerging Markets, the Global Minimum Size Point for the Main size segment is the half of the Developed Global Minimum Size Point for the Main size segment.

The lower and upper limits of the Global Minimum Size Interval for the Main size segment and each market (Developed or Emerging) are calculated by multiplying the Global Minimum Size Point for the respective Main segment by 0.5 (lower limit) and 1.15 (upper limit).

## DEFINING THE MAIN SEGMENT COMPANY COUNT AND CUTOFFS FOR EACH COUNTRY INDEX

For each emerging country, the Country Main Segment Cutoffs are based on identifying a size segment cutoff which falls within, or is as close as possible to, the Size and Coverage Target Zone for the Main segment:

- The companies in the Investable Equity Universe, that belong to the respective country are sorted by full market capitalization in descending order.
- The cumulative free float market capitalization percentage is calculated for each company.
- The full market capitalization of the company that provides 85% cumulative free float market capitalization percentage is recorded.
- If the full market capitalization of the last recorded company is within the Size and Coverage Target Zone for the Emerging Main segment, then:
  - The full market capitalization of the recorded company determines the Main Segment Cutoff for that country.
  - The number of companies whose full market capitalizations are larger than or equal to the one of the recorded company defines the Main Segment Company Count.

The Main segment is assigned to companies, and inherited by all securities of a company. Therefore, the Main size segment may contain more securities than companies.

## FINAL MARKET CAPITALIZATION CRITERION

To be eligible as an underlying component for the Main Index, a security's free float market capitalization must be at least a half of the Main Segment Cutoff. Should the country's Main Segment Cutoff be outside the Global Minimum Size Interval then the security's minimum free float market capitalization will be bound by the upper and lower bound of Global Minimum Size Interval.

# 114. iSTOXX EMERGING MARKETS EQUITY INDEX

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A security, whose free float is lower than 0.15, can be included to the Main Index only if its free float market capitalization is at least 1.8 times the minimum free float market capitalization necessary for the Main Index.

## 114.1.4. INDEX REVIEW

### UPDATING THE UNIVERSE, GLOBAL MINIMUM SIZE POINTS AND INTERVALS

#### Free Float Screen

Non-components, whose free float is lower than 15%, are eligible for inclusion in the Investable Equity Universe if their free float market capitalization is greater than, or equal to 1.8 times half of the respective Country Size Segment Cutoff of the Main Index. These rules do not apply to current components.

#### Full Market Capitalization Screen

The new cumulative free float market capitalization coverage in the Developed Market Equity universe, defined by the company's rank as of the previous index review, is calculated and checked if it is still within the acceptable thresholds. If the coverage falls:

- Between 99% and 99.25%: The Equity Universe Minimum Size Criterion is set to the current full market capitalization of the company at that rank.
- Below 99%: The Equity Universe Minimum Size Criterion is reset to the full market capitalization of the company that marks the 99% coverage threshold, and the rank of that company is recorded for the next review.
- Above 99.25%: Both the Equity Universe Minimum Size Criterion and the rank are reset based on the full market capitalization of the company at the 99.25% coverage level.

New companies are assessed against the updated threshold, while existing constituents are exempt from this Investability requirement.

#### Free Float Market Capitalization Screen

The Equity Universe Minimum Free Float-Adjusted Market Capitalization Criterion is defined as 50% of the updated Equity Universe Minimum Size Criterion.

Existing constituents are not subject to this Investability requirement.

If a security does not pass this screen, it could be still eligible for a potential addition into the Main Index, if its Free Float Market Capitalization is at least 1.8 times the Country Main Segment Cutoff.

#### Global Minimum Size Points and Global Minimum Size Intervals

The Global Minimum Size Points and the respective Global Minimum Size Intervals are recalculated for each Index Review. To enhance index stability, this process is based on the rank of the company that specified the Global Minimum Size Point at the previous Index Review. The detailed steps are as follows:

- The Global Minimum Size Point for the Developed Main Index is the full company market capitalization of the company with the same rank that specified this Point for the Main Index at the previous Index Review, provided that the cumulative free float market

# 114. iSTOXX EMERGING MARKETS EQUITY INDEX

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capitalization percentage of the existing Developed Investable Equity Universe is between 85% and 87%.

- o If the coverage is lower than 85%, the rank is linked to the first company that reaches a cumulative free float market capitalization percentage of at least 85% and the Global Minimum Size Point is recalculated.
- o If the coverage is greater than 87%, the rank is linked to the first company that reaches a cumulative free float market capitalization percentage of no more than 87% and the Global Minimum Size Point is recalculated.

The Global Minimum Size Point for the Emerging Markets Main size segment is put at 50% of the Global Minimum Size Point for the respective Developed Markets Main size segment.

## UPDATING THE MAIN SEGMENT COMPANY COUNT AND CUTOFFS

Each country's coverage should be still within Size and Coverage Target Zone. Hence, it is assessed if the existing company count of each country determined as of the previous index review date, adjusted for the corporate events, falls within this Target Zone.

If the criteria are met, then the full market capitalization of the smallest company in the Main Segment becomes the new Size Segment Cutoff for the respective country. Otherwise, the existing country's company count needs to be adjusted to compliance with the Target Zone.

If the Initial Main Segment Company Count is out of the Size and Coverage Target Zone, it is adjusted to reach the Target Zone. This adjustment considers index stability and turnover. In more detail:

- The Segment Company Count should be increased if the Size Segment Cutoff is greater than the upper limit of the Global Minimum Size Interval or smaller than the lower limit of the Market Coverage Target Interval.
- The Segment Company Count should be reduced if the Size Segment Cutoff is greater than the Market Coverage Target Interval, or smaller than the lower limit of the Global Minimum Size Interval.

If the Segment Company Count needs to be increased, the following steps are taken:

- The Segment Company Count is raised to include all companies whose full market capitalizations are greater than the upper limit of the Global Minimum Size Interval.
- The Segment Company Count is raised to include all companies whose full market capitalizations are greater than the upper limit of the Lower Buffer Zone, that are required to achieve the lower limit of the Market Coverage Target Interval. For avoidance of doubt, this rule is followed even if it causes the Country Size Segment Cutoff to rise from below the lower limit of the Market Coverage Target Interval to above the upper limit of this Interval.
- New companies are added in descending order of their full market capitalization. The new Country Size Segment Cutoff is set equal to the full market capitalization of the lastly added company. This company will also define the new country Company Count.
- If the full market capitalization of this company is greater than the upper limit of the Global Minimum Size Interval, then the new Country Size Segment Cutoff is set equal to the upper limit of the Global Minimum Size Interval.

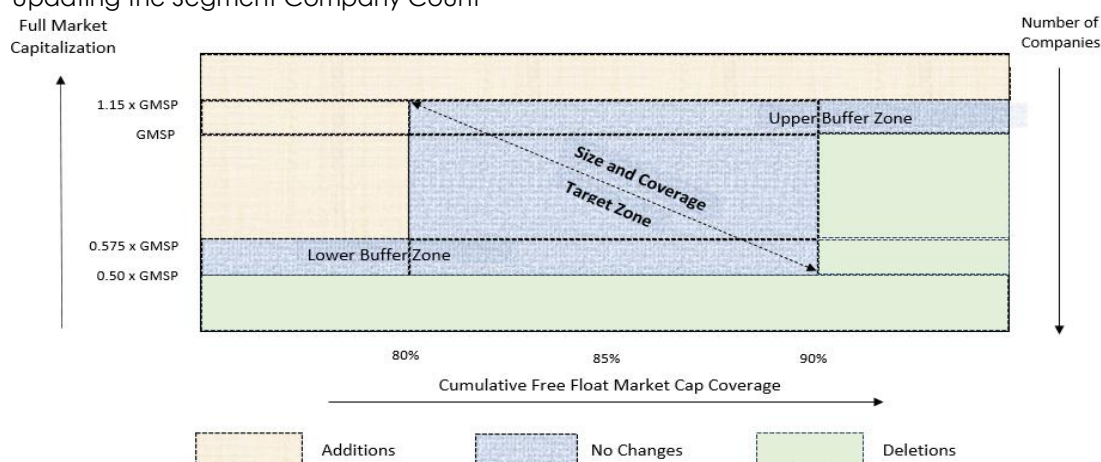
If the Main Segment Company Count needs to be reduced to reach the Size and Coverage Target Zone, the reduction in the number of companies, in order to minimize the turnover, is as follows:



# 114. iSTOXX EMERGING MARKETS EQUITY INDEX

- The Initial Main Segment Company Count is decreased by no more than 5% of the Initial Company Count to bring the Country Size Segment Cutoff within the Size and Coverage Target Zone. A company whose full market capitalization falls within the Global Minimum Size Interval can be removed only if this would not result in the Country Coverage a reduction from above the upper limit of the Market Coverage Target Interval to below the lower limit of this Interval.
- If this adjustment leads to a Country Main Segment Cutoff that lies within the Size and Coverage Target Zone, no further adjustment is required. Similarly, no further adjustment is required if this adjustment leads to the removal of at least 50% of the free float market capitalization that lies between the smallest company prior to the adjustment, and the lower limit of the Global Minimum Size Interval. The new Country Size Segment Cutoff is set equal to the full market capitalization of the last company. This company will also define the new country Company Count
- Otherwise, the Initial Main Segment Company Count is reduced by max 20% of the Initial Main Segment Company Count, or max 50% of the cumulative free float market capitalization that lies between the smallest company of this Initial Count and the lower limit of the Global Minimum Size Interval
- The removal of the first two companies is not subject to the limits described in the previous steps if the Segment Company Count is small.
- In case the above process does not result in reaching the Size and Coverage Target Zone, then the Country Cutoff will be bound by the lower limit of the Global Minimum Size Interval.

## Updating the Segment Company Count



## ALLOCATING COMPANIES TO RELEVANT SIZE SEGMENTS

Companies are allocated to the respective Main segment until the country's respective Main Segment Company Count is achieved, subject to the following priority rules:

- Current components of the respective country size segment with a full market capitalization equal to or above the new Country Cutoff.
- Companies that were assigned to the country size segment during the last Index Review, but did not pass the Final Market Capitalization Criterion, equal to or above the Country Size Segment Cutoff.



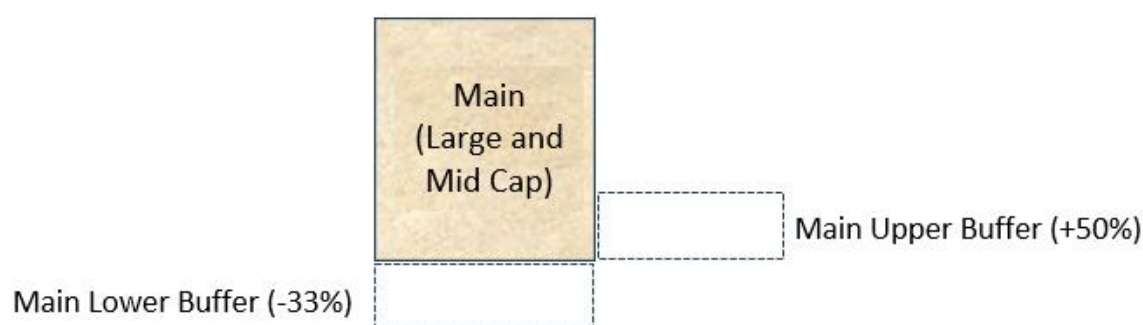
# 114. iSTOXX EMERGING MARKETS EQUITY INDEX

- Newly investable companies with the full market capitalization equal or above the Country Size Segment Cutoff.
- Companies with full market capitalization greater than the upper buffer threshold (see Section Buffers for the Main Size Segment for more details on buffers) of the lower Size-Segment which are currently assigned to lower size segment.
- Companies assigned to the Main Size Segment falling within the Main Lower Buffer are included in a descending full market capitalization order. See Section Buffers for the Main Size Segment for more details on buffers.
- The largest companies belonging to the upper buffer of the lower size segment
- Once the target Country Company count is reached, the company allocations into the Main Size segment index is completed.

## BUFFERS FOR THE MAIN SIZE SEGMENT

Buffer zones are implemented to manage the migration of companies in and out of the Main size segment in order to mitigate the turnover.

Main Size Segment Index Review Buffers:



## FINAL MARKET CAPITALIZATION CRITERION

### New Components

After companies are allocated to the Main Size segments, it is checked whether their securities meet the additional market capitalization criteria for this segment. The securities of newly added companies to the Main segment need to meet the additional market capitalization criteria as described in Section Final Market Capitalization Criterion.

### Existing Components

Existing components stay in the Main Size segment if their security free float market capitalization is equal to, or higher than 2/3rd of the respective threshold. To remain in the Main Index, existing components of the Main Index whose free float is lower than 15% need to have a free float market capitalization at least 2/3rd of the 1.8 times the minimum free float market capitalization necessary for the respective Main Index.

Any component of the Main Index, that does not meet these Criteria, is removed from the Main index.

# 114. iSTOXX EMERGING MARKETS EQUITY INDEX

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To keep the index stability, the current components of the Main Index are checked whether they meet the respective minimum free float market capitalization requirement before the application of the FHR Adjustment Factor.

## 114.1.5. INDEX STABILITY

To maintain index stability and ensure a correct representation:

- A minimum of three securities is required for each Emerging Country Main Index.
- If the components of a Main Country Index fall below this threshold, then:
  - Securities are sorted from the largest to the smallest by free float market capitalization, however, for those currently belonging to the respective country index, their free float market capitalization will be adjusted prior to this sorting by a multiplying factor of 1.5. The top candidates are selected until the minimum of 3 securities is reached.
  - If the above process does not result in 3 securities per country index, the respective country index will be terminated.

## 114.1.6. ONGOING MAINTENANCE

**Replacements:** Deleted companies are not replaced.

**Fast Exit:** China Connect Securities are monitored on a daily basis. If there is an announcement that a China Connect Security index component is ineligible in the future, then the China Connect Security index component is removed from the index with a two-day notice.

**Spin-offs:** If a spin-off from an Emerging country is added between reviews to the underlying universe (i.e., to the STOXX TMI indices, the STOXX Growth Market Indices, the STOXX China A Total Market Index, the STOXX China P-Chip Total Market Index or the STOXX World DR Index), and its free float market capitalization is equal to or higher than the Size Segment Cutoff of the Main Segment for the respective country from the last quarterly Index Review, then it is added also to the iSTOXX Emerging Markets Equity Index. Spin-offs added to the STOXX China A Total Market Index, or to the STOXX China Growth Market Index, are added to the iSTOXX Emerging Markets Equity Index only if they are defined as China Connect Security on the Spin-off effective date, and their free float market capitalization is equal to or higher than the Size Segment Cutoff of the China Main Segment from the last quarterly Index Review. If a spin-off is added to the iSTOXX Emerging Markets Equity Index, its weight factor is determined in accordance with the STOXX calculation guide.

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX Calculation Guide available on [stoxx](https://www.stoxx.com).

# 115. EURO iSTOXX 50 INDUSTRIAL REVOLUTION 4.0 TILTED INDEX

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## 115.1. EURO iSTOXX 50 INDUSTRIAL REVOLUTION 4.0 TILTED INDEX

### 115.1.1. OVERVIEW

The EURO iSTOXX 50 Industrial Revolution 4.0 Tilted Index tracks the performance of all of the EURO STOXX 50 securities and the 10 largest Industry 4.0 securities from the STOXX Global Industry 4.0 Index, subject to country and liquidity screens. The index is reviewed quarterly in March, June, September, and December.

**Universe:** EURO STOXX 50 Index and STOXX Global Industry 4.0 Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the Industry 4.0 theme.

**Base values and dates:** 100 on June 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 115.1.2. INDEX REVIEW

**Selection list:**

All of the companies in the EURO STOXX 50 Index are added to the selection list.

The companies in the STOXX Global Industry 4.0 Index must satisfy the following criteria for inclusion in the selection list:

- **Country classification:** companies belonging to Japan, Switzerland, UK, US, or the developed markets of the Eurozone.
- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR.

**Composition list:** All of the EURO STOXX 50 Index constituents are selected. The remaining companies in the selection list from the STOXX Global Industry 4.0 Index are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities that are not already part of the EURO STOXX 50 Index are selected. The resulting EURO iSTOXX 50 Industrial Revolution 4.0 Tilted Index comprises 60 securities: 50 from the EURO STOXX 50 Index and 10 from the STOXX Global Industry 4.0 Index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

# 115. EURO iSTOXX 50 INDUSTRIAL REVOLUTION 4.0 TILTED INDEX

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**Weighting and capping factors:** The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers such that, the companies of the EURO STOXX 50 account for 80% and the 10 companies selected from the STOXX Global Industry 4.0 Index (14 companies) account for 20% of the EURO iSTOXX 50 Industrial Revolution 4.0 Tilted Index.

The EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, 8% in the final index (0.8 x 10%). Additionally, the 10 Industry 4.0 company weights are capped at 15% within the Industry 4.0 company weights, hence capped at 3% in the final index (0.2 x 15%). The overall exposure to Japanese securities is also capped at 50% within the Industry 4.0 company weights, 10% in the final index (0.2 x 50%).

$$w_i = 0.8 \times \frac{\text{ffmcap}_i}{\sum_{j=1}^{50} \text{ffmcap}_j}; \text{ weight capped at 10\% within the EURO STOXX 50 companies}$$

$$w_k = 0.2 \times \frac{I4_k * \text{ffmcap}_k}{\sum_{l=1}^{10} I4_l * \text{ffmcap}_l}; \text{ weight capped at 15\% within the industry 4.0 companies}$$

Where:

|                 |                                                                                          |
|-----------------|------------------------------------------------------------------------------------------|
| $i, j$          | EURO STOXX 50 constituents                                                               |
| $w_i$           | weight of the EURO STOXX 50 security in the new index (max 8% within the new index)      |
| $k, l$          | the 10 selected securities from the STOXX Global Industry 4.0 Index                      |
| $w_k$           | weight of the 10 Industry 4.0 securities in the new index (max 3% within the new index)  |
| $\text{ffmcap}$ | free float market capitalization                                                         |
| $I4_k$          | the total revenue exposure of company k to the Industry 4.0 RBICS sectors <sup>204</sup> |

Weighting factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting factor =  $(100,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

## 115.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stxx.com](https://stxx.com)

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<sup>204</sup> Please refer to the [STOXX Index Guide](#) for the full list of Industry 4.0 RBICS sectors used for the STOXX Global Industry 4.0 Index

# 116. EURO iSTOXX 50 VIDEO GAMING TILTED INDEX

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## 116.1. EURO iSTOXX 50 VIDEO GAMING TILTED INDEX

### 116.1.1. OVERVIEW

The EURO iSTOXX 50 Video Gaming Tilted Index tracks the performance of all of the EURO STOXX 50 securities and the 10 largest Video Gaming & eSports securities from the STOXX Global Video Gaming & eSports Index, subject to country and liquidity screens. The index is reviewed quarterly in March, June, September, and December.

**Universe:** EURO STOXX 50 Index and STOXX Global Video Gaming & eSports Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the Video Gaming & eSports theme.

**Base values and dates:** 100 on June 18, 2012

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 116.1.2. INDEX REVIEW

**Selection list:** All of the companies in the EURO STOXX 50 Index are added to the selection list.

The companies in the STOXX Global Video Gaming & eSports Index must satisfy the following criteria for inclusion in the selection list:

- **Country classification:** companies belonging to Japan, Switzerland, UK, US, or the developed markets of the Eurozone.
- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR.

**Composition list:** All of the EURO STOXX 50 Index constituents are selected. The remaining companies in the selection list from the STOXX Global Video Gaming & eSports Index are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities that are not already part of the EURO STOXX 50 Index are selected. The resulting EURO iSTOXX 50 Video Gaming Tilted Index comprises 60 securities: 50 from the EURO STOXX 50 Index and 10 from the STOXX Global Video Gaming & eSports Index.

**Review frequency:** The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

**Weighting and capping factors:** The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers such that, the companies of the EURO

# 116. EURO iSTOXX 50 VIDEO GAMING TILTED INDEX

STOXX 50 account for 80% and the 10 companies selected from the STOXX Global Video Gaming & eSports Index (VG companies) account for 20% of the EURO iSTOXX 50 Video Gaming Tilted Index.

The EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, 8% in the final index (0.8 x 10%). Additionally, the 10 Video Gaming & eSports company weights are capped at 15% within the Video Gaming & eSports company weights, hence capped at 3% in the final index (0.2 x 15%). The overall exposure to Japanese securities is also capped at 50% within the Video Gaming & eSports company weights, 10% in the final index (0.2 x 50%).

$$w_i = 0.8 \times \frac{\text{ffmcap}_i}{\sum_{j=1}^{50} \text{ffmcap}_j}; \text{ weight capped at 10\% within the EURO STOXX 50 companies}$$

$$w_k = 0.2 \times \frac{\text{VG}_k * \text{ffmcap}_k}{\sum_{l=1}^{10} \text{VG}_l * \text{ffmcap}_l}; \text{ weight capped at 15\% within the Video Gaming \& eSports companies}$$

Where:

|               |                                                                                                    |
|---------------|----------------------------------------------------------------------------------------------------|
| $i, j$        | EURO STOXX 50 constituents                                                                         |
| $w_i$         | weight of the EURO STOXX 50 security in the new index (max 8% within the new index)                |
| $k, l$        | the 10 selected securities from the STOXX Global Video Gaming & eSports Index                      |
| $w_k$         | weight of the 10 Video Gaming & eSports securities in the new index (max 3% within the new index)  |
| ffmcap        | free float market capitalization                                                                   |
| $\text{VG}_k$ | the total revenue exposure of company k to the Video Gaming & eSports RBICS sectors <sup>205</sup> |

Weighting factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting factor =  $(100,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

## 116.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced

**Fast exit:** Not applicable

**Fast entry:** Not applicable

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stxx.com](https://stxx.com)

<sup>205</sup> Please refer to the [STOXX Index Guide](#) for the full list of Video Gaming & eSports RBICS sectors used for the STOXX Global Video Gaming & eSports Index

# 117. EURO iSTOXX 50 PRECIOUS AND INDUSTRIAL METAL MINERS TILTED INDEX

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## 117.1. EURO iSTOXX 50 PRECIOUS AND INDUSTRIAL METAL MINERS TILTED INDEX

### 117.1.1. OVERVIEW

The EURO iSTOXX 50 Precious and Industrial Metal Miners Tilted Index tracks the performance of all of the EURO STOXX 50 securities and the 10 largest Mining securities from the STOXX World AC Universal All cap Index, subject to country and liquidity screens. The index is reviewed quarterly in March, June, September, and December.

**Universe:** EURO STOXX 50 Index and STOXX World AC Universal All cap Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted with weight factors based on free-float market capitalization and revenue exposure to the Mining theme.

**Base values and dates:** 100 on June 24, 2019

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 117.1.2. INDEX REVIEW

**Selection list:**

All of the companies in the EURO STOXX 50 Index are added to the selection list.

The companies in the STOXX World AC Universal All cap Index must satisfy all of the following criteria for inclusion in the selection list:

- **Country classification:** companies belonging to Japan, US, Switzerland, UK, or the developed markets of the Eurozone.
- **Minimum liquidity:** 3-month Average Daily Traded Volume (ADTV) equal to or exceeding 10 million EUR.
- **Multiple share lines:** In case a company is present with multiple listings and/or DR lines and/or multiple share classes, only the most liquid share line is eligible for selection (based on 3-month ADTV).
- **Revenues:** companies generating 25% or more of their revenues from the Mining RBICS L6 sectors listed below.

| Nr. | RBICS_L6_Name      | Group             |
|-----|--------------------|-------------------|
| 1   | Bauxite Ore Mining | Industrial Metals |
| 2   | Copper Ore Mining  | Industrial Metals |
| 3   | Lead Ore Mining    | Industrial Metals |

# 117. EURO iSTOXX 50 PRECIOUS AND INDUSTRIAL METAL MINERS TILTED INDEX

|    |                                                  |                       |
|----|--------------------------------------------------|-----------------------|
| 4  | Nickel Ore Mining                                | Industrial Metals     |
| 5  | Other Non-Ferrous Metals Ore Mining              | Industrial Metals     |
| 6  | Cobalt Ore Mining                                | Industrial Metals     |
| 7  | Tungsten Ore Mining                              | Industrial Metals     |
| 8  | Iron Ore Mining                                  | Industrial Metals     |
| 9  | Mixed Non-Ferrous and Ferrous Metals Ore Mining  | Industrial Metals     |
| 10 | Molybdenum Ore Mining                            | Industrial Metals     |
| 11 | Zinc Ore Mining                                  | Industrial Metals     |
| 12 | Africa Lithium Ore Mining                        | Industrial Metals     |
| 13 | Pan-Americas Lithium Ore Mining                  | Industrial Metals     |
| 14 | Latin America Lithium Ore Mining                 | Industrial Metals     |
| 15 | North America Lithium Ore Mining                 | Industrial Metals     |
| 16 | Pan-Asia/Pacific Lithium Ore Mining              | Industrial Metals     |
| 17 | Australia including Oceania Lithium Ore Mining   | Industrial Metals     |
| 18 | Rest of Asia/Pacific Lithium Ore Mining          | Industrial Metals     |
| 19 | Europe Lithium Ore Mining                        | Industrial Metals     |
| 20 | Diversified Lithium Ore Mining                   | Industrial Metals     |
| 21 | Africa Rare Earth Elements Ore Mining            | Industrial Metals     |
| 22 | Pan-Americas Rare Earth Elements Ore Mining      | Industrial Metals     |
| 23 | Pan-Asia/Pacific Rare Earth Elements Ore Mining  | Industrial Metals     |
| 24 | Australia/Oceania Rare Earth Elements Ore Mining | Industrial Metals     |
| 25 | China Rare Earth Elements Ore Mining             | Industrial Metals     |
| 26 | Rest of Asia/Pac Rare Earth Elements Ore Mining  | Industrial Metals     |
| 27 | Europe Rare Earth Elements Ore Mining            | Industrial Metals     |
| 28 | Diversified Rare Earth Elements Ore Mining       | Industrial Metals     |
| 29 | Diversified Metal Ore Mining                     | Industrial Metals     |
| 30 | Lithium Compounds Manufacturing                  | Industrial Metals     |
| 31 | Canada Gold Ore Mining                           | Precious Metal Mining |
| 32 | Latin America Gold Ore Mining                    | Precious Metal Mining |
| 33 | Other Americas Gold Ore Mining                   | Precious Metal Mining |
| 34 | Other North America Gold Ore Mining              | Precious Metal Mining |
| 35 | United States Gold Ore Mining                    | Precious Metal Mining |
| 36 | Australia Gold Ore Mining                        | Precious Metal Mining |
| 37 | China Gold Ore Mining                            | Precious Metal Mining |
| 38 | Pan-Asia Gold Ore Mining                         | Precious Metal Mining |
| 39 | Rest of Asia Gold Ore Mining                     | Precious Metal Mining |
| 40 | Southeast Asia Gold Ore Mining                   | Precious Metal Mining |



# 117. EURO iSTOXX 50 PRECIOUS AND INDUSTRIAL METAL MINERS TILTED INDEX

|    |                                          |                       |
|----|------------------------------------------|-----------------------|
| 41 | Europe Gold Ore Mining                   | Precious Metal Mining |
| 42 | Multinational Gold Ore Mining            | Precious Metal Mining |
| 43 | Other Africa Gold Ore Mining             | Precious Metal Mining |
| 44 | Russia and CIS Gold Ore Mining           | Precious Metal Mining |
| 45 | South Africa Gold Ore Mining             | Precious Metal Mining |
| 46 | Multiple Precious Metals Ore Mining      | Precious Metal Mining |
| 47 | Platinum and Palladium Metals Ore Mining | Precious Metal Mining |
| 48 | Silver Ore Mining                        | Precious Metal Mining |

If data on any of the above fields is missing for the STOXX World AC Universal All cap companies, the companies will not be eligible for the selection list.

## Composition list:

All of the EURO STOXX 50 Index constituents are selected. The remaining companies in the selection list from the STOXX World AC Universal All cap Index are ranked in descending order in terms of their free float market capitalization. The top 10 largest securities and that are not part of the EURO STOXX 50 are selected.

In the instances where there are less than 10 eligible Mining companies from the STOXX World AC Universal All cap Index, the revenue requirement is lowered by an increment of 5% until we have 10 or more companies or we reach a minimum revenue threshold of 5%. The largest 10 securities and that are not part of the EURO STOXX 50 are selected. If we have less than 10 eligible securities at the minimum revenue threshold of 5%, all of the eligible securities which are not part of the EURO STOXX 50 will be selected.

The resulting EURO iSTOXX 50 Precious and Industrial Metal Miners Tilted Index comprises all of the EURO STOXX 50 Index constituents and the 10 Mining securities.

## Review frequency:

The reviews are conducted on a quarterly basis in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

## Weighting and capping factors:

The index is price weighted with weight factors based on free-float market capitalization, revenue exposure and multipliers such that, the EURO STOXX 50 companies account for 80% and the 10 Mining companies account for 20% of the EURO iSTOXX 50 Precious and Industrial Metal Miners Tilted Index.

The EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, 8% in the final index ( $0.8 \times 10\%$ ). Additionally, the 10 Mining company weights are capped at 15% within the Mining company weights, hence capped at 3% in the final index ( $0.2 \times 15\%$ ). The overall exposure to Japanese securities is also capped at 50% within the Mining company weights, 10% in the final index ( $0.2 \times 50\%$ ).

$$w_i = 0.8 \times \frac{\text{ffmcap}_i}{\sum_{j=1}^N \text{ffmcap}_j}; \text{ weight capped at 10\% within the EURO STOXX 50 companies}$$

# 117. EURO iSTOXX 50 PRECIOUS AND INDUSTRIAL METAL MINERS TILTED INDEX

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$w_k = 0.2 \times \frac{M_k * ffmcap_k}{\sum_{i=1}^{10} M_i * ffmcap_i}$ ; weights capped at 15% within the Mining companies

Where:

|          |                                                                                       |
|----------|---------------------------------------------------------------------------------------|
| $i, j$   | EURO STOXX 50 constituents                                                            |
| $N$      | the total number of the EURO STOXX 50 constituents                                    |
| $w_i$    | weight of the EURO STOXX 50 securities in the new index (max 8% within the new index) |
| $k, l$   | the 10 Mining securities selected from the STOXX World AC Universal All cap Index     |
| $w_k$    | weight of the 10 Mining securities in the new index (max 3% within the new index)     |
| $ffmcap$ | free float market capitalization                                                      |
| $M_k$    | the total revenue exposure of company k to the Mining RBICS sectors                   |

Weighting factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting factor =  $(1,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

## 117.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com)

# 118. EURO iSTOXX 50 UTILITIES TILTED INDEX

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## 118.1. EURO iSTOXX 50 UTILITIES TILTED INDEX

### 118.1.1. OVERVIEW

The EURO iSTOXX 50 Utilities Tilted Index tracks the performance of the components of the EURO STOXX 50 Index and the STOXX Europe 600 Utilities Index. The EURO STOXX 50 accounts for 80% of the index, while the STOXX Europe 600 Utilities accounts for the remaining 20%. The index is reviewed quarterly in March, June, September, and December.

**Universe:** The EURO STOXX 50 Index and the STOXX Europe 600 Utilities Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted

**Base values and dates:** 1000 on March 22, 2010

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 118.1.2. INDEX REVIEW

**Selection process:**

The components of the EURO STOXX 50 and the STOXX Europe 600 Utilities Index as of the review effective date form the final composition of the index.

**Review frequency:**

The reviews are conducted on a quarterly basis, effective on the Monday after the third Friday in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

**Weighting and capping factors:**

The index is price weighted with weighting factors based on free-float market capitalization. The weights of the EURO STOXX 50 components for the index review date are multiplied by 0.8. Since the EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, they are capped at 8% in the final index ( $0.8 \times 10\%$ ), provided that the component is not present in the STOXX Europe 600 Utilities Index.

The weights of the STOXX Europe 600 Utilities Index components for the index review date are multiplied by 0.2. Since the STOXX Europe 600 Utilities component weights are capped at 30%/15% within the STOXX Europe 600 Utilities component weights, they are capped at 6% in the final index ( $0.2 \times 30\%$ ), provided that the component is not present in the EURO STOXX 50 Index.

# 118. EURO iSTOXX 50 UTILITIES TILTED INDEX

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The resulting component lists and their weights are combined. If any component is present in both the EURO STOXX 50 Index and the STOXX Europe 600 Utilities Index, its weights are added up to form its final weight in the EURO iSTOXX 50 Utilities Tilted Index.

$w_i = 0.8 \times \frac{ffmcap_i}{\sum_{j=1}^{50} ffmcap_j}$ ; weight capped at 10% within the EURO STOXX 50 companies

$w_k = 0.2 \times \frac{ffmcap_k}{\sum_{l=1}^{600} ffmcap_l}$ ; weight capped at 30%/15% within the STOXX Europe 600 Utilities companies

Where:

|          |                                                                                                  |
|----------|--------------------------------------------------------------------------------------------------|
| $i, j$   | EURO STOXX 50 constituents                                                                       |
| $w_i$    | weight of the EURO STOXX 50 security in the new index (max 8% within the new index)              |
| $k, l$   | STOXX Europe 600 Utilities constituents                                                          |
| $w_k$    | weight of the STOXX Europe 600 Utilities security in the new index (max 6% within the new index) |
| $ffmcap$ | free float market capitalization                                                                 |

If a component is present in both EURO STOXX 50 and STOXX Europe 600 Utilities, the respective  $w_i$  and  $w_k$  are summed up to form the final weight for this component.

Weighting factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting factor =  $(1,000,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

## 118.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stox.com](http://stox.com).

# 119. EURO iSTOXX 50 BASIC RESOURCES TILTED INDEX

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## 119.1. EURO iSTOXX 50 BASIC RESOURCES TILTED INDEX

### 119.1.1. OVERVIEW

The EURO iSTOXX 50 Basic Resources Tilted Index tracks the performance of the components of the EURO STOXX 50 Index and the STOXX Europe 600 Basic Resources Index. The EURO STOXX 50 accounts for 80% of the index, while the STOXX Europe 600 Basic Resources accounts for the remaining 20%. The index is reviewed quarterly in March, June, September, and December.

**Universe:** The EURO STOXX 50 Index and the STOXX Europe 600 Basic Resources Index, as observed on the review effective date.

**Weighting scheme:** The index is price weighted

**Base values and dates:** 1000 on March 22, 2010

**Index types and currencies:** Price, Net and Gross return in EUR and USD

**Dissemination calendar:** STOXX Europe calendar

### 119.1.2. INDEX REVIEW

#### Selection process

The components of the EURO STOXX 50 and the STOXX Europe 600 Basic Resources Index as of the review effective date form the final composition of the index.

#### Review frequency

The reviews are conducted on a quarterly basis, effective on the Monday after the third Friday in March, June, September and December. The review cut-off date for the underlying data is the last calculation day of February, May, August and November respectively.

#### Weighting and capping factors

The index is price weighted with weighting factors based on free float market capitalization.

The weights of the EURO STOXX 50 components for the index review date are multiplied by 0.8. Since the EURO STOXX 50 company weights are capped at 10% within the EURO STOXX 50 company weights, they are capped at 8% in the final index ( $0.8 \times 10\%$ ), provided that the component is not present in the STOXX Europe 600 Basic Resources Index.

The weights of the STOXX Europe 600 Basic Resources Index components for the index review date are multiplied by 0.2. Since the STOXX Europe 600 Basic Resources component weights are capped at 30%/15% within the STOXX Europe 600 Basic Resources component weights, they are capped at 6%/3% in the final index ( $0.2 \times 30\%$  /  $0.2 \times 15\%$ ), provided that the component is not present in the EURO STOXX 50 Index.

# 119. EURO iSTOXX 50 BASIC RESOURCES TILTED INDEX

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The resulting component lists and their weights are combined. If any component is present in both the EURO STOXX 50 Index and the STOXX Europe 600 Basic Resources Index, its weights are added up to form its final weight in the EURO iSTOXX 50 Basic Resources Tilted Index.

$w_i = 0.8 \times \frac{\text{ffmcap}_i}{\sum_{j=1}^{50} \text{ffmcap}_j}$ ; weight capped at 10% within the EURO STOXX 50 companies

$w_k = 0.2 \times \frac{\text{ffmcap}_k}{\sum_l \text{ffmcap}_l}$ ; weight capped at 30%/15% within the STOXX Europe 600 Basic Resources companies

Where,

|        |                                                                                                        |
|--------|--------------------------------------------------------------------------------------------------------|
| $i, j$ | EURO STOXX 50 constituents                                                                             |
| $w_i$  | weight of the EURO STOXX 50 security in the new index (max 8% within the new index)                    |
| $k, l$ | STOXX Europe 600 Basic Resources constituents                                                          |
| $w_k$  | weight of the STOXX Europe 600 Basic Resources security in the new index (max 6% within the new index) |
| ffmcap | free float market capitalization                                                                       |

If a component is present in both EURO STOXX 50 and STOXX Europe 600 Basic Resources, the respective  $w_i$  and  $w_k$  are summed up to form the final weight for this component.

Weighting factors are based on the closing prices in EUR ( $p_i$ ) of the Thursday prior to the second Friday of the review month:

Weighting factor =  $(1,000,000,000,000 \times w_i / p_i)$ , rounded to the nearest integer value.

## 119.1.3. ONGOING MAINTENANCE

**Replacements:** A deleted company will not be replaced.

**Fast exit:** Not applicable.

**Fast entry:** Not applicable.

**Spin-offs:** Spin-offs are not added permanently

**Corporate Actions:** All components are maintained for corporate actions as outlined in the STOXX calculation guide available on [stoxx.com](http://stoxx.com).

# 120. CHANGES TO GUIDE BOOK

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## 120.1. HISTORY OF CHANGES TO iSTOXX® EQUITY METHODOLOGY GUIDE

- » September 2025: Creation of 'iSTOXX® Equity Indices Methodology Guide' for former changes please refer to the section named 'History of Changes to the Former iSTOXX Methodology Guide' of iSTOXX® Equity Indices Methodology Guide.
  - » October 2025: Addition of iSTOXX MUTB Japan Inbound Tourism Index
  - » October 2025(2): Addition of iSTOXX MUTB Europe Total Market Aerospace and Defense Index
  - » October 2025(3): Addition of iSTOXX MUTB Europe Luxury 10 Index
  - » November 2025: Addition of iSTOXX Emerging Markets Equity Index
  - » November 2025(2): Dissemination calendar change for iSTOXX Global Select Dividend 100 Enhanced Index
  - » November 2025(3): Methodology update of iSTOXX Global Sustainable Pool Index, iSTOXX Global E-Sustainable Pool Index and iSTOXX Global S-Sustainable Pool Index; Footnote addition in the "Overview Section" of iSTOXX World AC All Cap Min Vol, BSG index on iSTOXX World AC All Cap Min Vol Exclusions, BSG index on iSTOXX World AC All Cap Min Vol Climate, BSG index on iSTOXX World AC All Cap Min Vol ESG and BSG index on iSTOXX World AC All Cap Min Vol Index
  - » December 2025: Rule clarification in iSTOXX MUTB Europe Luxury 10 Index
  - » January 2026: Addition of EURO iSTOXX 50 BDFG ESG FCPE Index
  - » January 2026 (2): Addition of EURO iSTOXX 50 Industrial Revolution 4.0 Tilted, EURO iSTOXX 50 Video Gaming Tilted and EURO iSTOXX 50 Precious and Industrial Metal Miners Tilted Index
  - » January 2026 (3): Addition of iSTOXX MUTB Japan Defense, iSTOXX World A Capped, iSTOXX APG World -X Capped, iSTOXX APG World Responsible Capped and iSTOXX APG World Responsible Low-Carbon Capped Index
  - » January 2026 (4): Addition of iSTOXX MUTB US AI Infrastructure Index
  - » January 2026 (5): Renaming of STOXX World Indices; and rule clarification in section named 'iSTOXX Emerging Markets Equity Index' & 'iSTOXX Global ESG ex-Controversial Activities Select 30 Index'
  - » February 2026: Deletion of STOXX APG World Multi-Factor Responsible SDI & iSTOXX APG World Multi-Factor Responsible Low-Carbon SDI Index ; Methodology update for iSTOXX World A Capped, iSTOXX APG World-X Capped, iSTOXX APG World Responsible Capped, iSTOXX APG World Responsible Low-Carbon Capped, iSTOXX APG World Responsible, iSTOXX APG World Responsible Low-Carbon, iSTOXX APG World Responsible SDI, iSTOXX APG World Responsible Low-Carbon SDI, iSTOXX APG World Multi-Factor -A, iSTOXX APG World Multi-Factor -X, iSTOXX APG World Multi-Factor Responsible, iSTOXX APG World Multi-Factor Responsible Low-Carbon and iSTOXX Triodos Developed Markets Impact Index ; Addition of iSTOXX Triodos Developed Markets Mid and Small Cap Impact Index
  - » March 2026: Addition of EURO iSTOXX 50 Utilities Tilted Index; and change in the review cycle for iSTOXX Developed World Min Vol and iSTOXX Developed World Min Vol ESG
  - » March 2026 (2): Update in the SDI Data Source for iSTOXX APG World Responsible SDI, iSTOXX APG World Responsible Low-Carbon SDI, iSTOXX APG World Responsible SDI Minimum Volatility, iSTOXX APG World Responsible Low-Carbon SDI Minimum Volatility, iSTOXX APG Emerging Markets Responsible SDI and iSTOXX APG Emerging Markets Responsible Low-Carbon SDI Indices
  - » March 2026 (3): Correction of Typo in EURO iSTOXX Environmental 50 Equal Weight Index
  - » April 2026: Removed reference of STOXX Currency Rates Indices Methodology guide
  - » April 2026(2): Addition of EURO iSTOXX 50 Basic Resources Tilted Index
  - » April 2026(3): Update in the 'Overview' section of iSTOXX Triodos Developed Markets Impact Index and iSTOXX Triodos Developed Markets Mid and Small Cap Impact Index
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» May 2026: Methodology change for iSTOXX MUTB US AI Infrastructure, iSTOXX MUTB Japan Semiconductor Leaders, iSTOXX Developed Markets B.R.A.I.N., iSTOXX AI Global Artificial Intelligence 100, iSTOXX L&G Developed World Min Vol, iSTOXX L&G Developed World Min Vol ESG and iSTOXX L&G Developed World ESG Index



## 120.2. HISTORY OF CHANGES TO THE FORMER ISTOXX METHODOLOGY GUIDE

- » June 2011: Publication of a completely new rule book
- » July 2011: Inclusion of iSTOXX World Select
- » May 2012: Inclusion of EURO iSTOXX 50 Equal Risk index
- » December 2012: Inclusion of iSTOXX Efficient Capital Managed Futures 20 index
- » January 2013: Inclusion of the iSTOXX Dynamic VSTOXX
- » February 2013: Inclusion of iSTOXX Low Risk weighted indices, modification of chapter 4 iSTOXX MINIMUM VARIANCE
- » September 2013: Inclusion of STOXX SD-KPI indices
- » November 2013: Addition of iSTOXX Turkey Strong Quality indices
- » December 2013: Addition of iSTOXX Global ESG Select
- » February 2014: Addition of iSTOXX Turkey Optimised Risk Control RV indices
- » March 2014: Amendment of notation in chapter 4.1 EURO iSTOXX EQUAL RISK index
- » July 2014: Addition of chapter 4.4 iSTOXX EUROPE NEXT DIVIDEND LOW
- » July 2014: Addition of chapter 8 iSTOXX QUALITY and chapter 3 GENERAL PRINCIPLE
- » August 2014: Amendment of chapter 3.3 iSTOXX EUROPE NEXT DIVIDEND LOW RISK 50
- » November 2014: Addition of the iSTOXX Europe ESG Select 30
- » December 2014: Addition of Decrement indices: EURO iSTOXX Equal Weight Constant and Increment indices
- » December 2014: Addition of iSTOXX Europe Select High Beta 50
- » May 2015: Addition of iSTOXX Europe Maximum Dividend 8% Decrement
- » July 2015: Addition of EURO iSTOXX 50 Style Weighted and EURO iSTOXX 50 Style Weighted Decrement
- » August 2015: Addition of chapter 10 iSTOXX MUTB INDICES
- » August 2015: Addition of chapter 17 iSTOXX Centenary indices
- » August 2015: Addition of chapter 12 iSTOXX DEMOGRAPHY
- » August 2015: Addition of chapter 11 iSTOXX HIGH DIVIDEND
- » September 2015: Addition of EURO iSTOXX High Dividend Low Volatility 50
- » September 2015: Addition of iSTOXX Global ESG Select 50
- » January 2016: Addition of iSTOXX Transatlantic 100 Equal Weight Decrement, modifications of section 11. EURO iSTOXX ex Financials High Dividend 50
- » January 2016: Addition of iSTOXX MUTB Global Quality indices to section 10 iSTOXX MUTB INDICES
- » February 2016: Deletion of iSTOXX Efficient Capital Managed Futures 20 index
- » March 2016: Addition of chapter 4.2 iSTOXX EUROPE MINIMUM VARIANCE HIGH DIVIDEND INDICES
- » March 2016: Modification of chapter 4.1 iSTOXX EUROPE MINIMUM VARIANCE INDICES, effective July 18, 2016
- » March 2016: Addition of EURO iSTOXX 50, EURO iSTOXX 50 Equal Weight and EURO iSTOXX 50 Low Carbon Decrement Indices
- » April 2016: Addition of iSTOXX Europe Single & Multi Factor Indices
- » April 2016 (2): Modification of section 10 iSTOXX MUTB INDICES
- » April 2016 (3): Modification to STOXX SD-KPI indices
- » April 2016 (4): Addition of EURO iSTOXX 60 Equal Weight and EURO iSTOXX 70 Equal Weight indices
- » April 2016 (5): Addition of EURO iSTOXX Smart Quality Momentum Value and EURO iSTOXX Smart Quality Momentum Value Decrement 50 indices
- » April 2016 (6): Addition of EURO iSTOXX 60 Equal Weight Decrement 4.5% and EURO iSTOXX 70 Equal Weight Decrement 5% indices

- » May 2016: Addition of EURO ISTOXX 50 FX Neutral indices
- » May 2016 (2): Addition of ISTOXX MUTB JAPAN PROACTIVE LEADERS 200
- » May 2016 (3): Addition of ISTOXX Broad Demography Indices, ISTOXX Global Demography Select 50 Index and ISTOXX North America ESG Select 30 Index
- » June 2016: Addition of ISTOXX USA Weak Balance Sheet Ex Utilities and Financials Index
- » June 2016 (2): Addition of ISTOXX FactSet Thematic Indices
- » October 2016: Change of score name for SD-KPI indices
- » November 2016: Addition of ISTOXX MUTB QUALITY DIVIDEND INDICES
- » December 2016: Addition of ISTOXX FactSet Thematic Indices
- » December 2016 (2): Addition of ISTOXX GLOBAL WOMEN LEADERSHIP SELECT 30 INDEX
- » January 2017: Addition of ISTOXX Europe Single & Multi Factor Market Neutral Indices
- » February 2017: Improvement of wording and addition of details to the ISTOXX Global ESG Select 100 and ISTOXX Europe ESG Select 30, EURO ISTOXX High Dividend 50, EURO ISTOXX High Dividend Low Volatility 50, ISTOXX Europe Low Variance Adjusted Beta, ISTOXX Equal Risk, ISTOXX Quality Income indices. All modifications are intended to better describe the existing processes and no changes have been made to the existing index methodologies.
- » March 2017: Addition of section 19 EURO ISTOXX BANKS CAP 5% INDEX
- » March 2017 (2): Addition of ISTOXX Nordic ESG DW Decrement 4.5% Index.
- » March 2017 (3): Addition of 4.5/8/35 diversification rules during the calculation of the final index weights in the ISTOXX EUROPE SINGLE & MULTI FACTOR Indices in order to have portfolios in line with broadly accepted diversification criteria in terms of single weights concentration
- » March 2017 (4): Addition of section 10.3 ISTOXX MUTB Japan Quality 150 Daily Hedged index
- » March 2017 (5): Addition of ISTOXX Global Transitions Select 30 Index
- » April 2017: Addition of ISTOXX Europe Economic Growth Select 50 Index
- » July 2017: Addition of ISTOXX MUTB China A Quality AM 150 indices to section 10 ISTOXX MUTB INDICES; addition of ISTOXX Börsen-Zeitung Global 600 and addition of ISTOXX Infrastructure True Exposure USA 75% DW Index
- » August 2017: addition of 6.6 ISTOXX MUTB VALUE INDICES
- » August 2017 (2): addition of EURO ISTOXX 50 Futures Leveraged Index
- » September 2017: correction of universe for ISTOXX Broad Demography Indices
- » October 2017: addition of further index versions to 6.4 ISTOXX MUTB QUALITY DIVIDEND INDICES
- » October 2017 (2): addition of index-specific dissemination calendars in line with definition of Dissemination Calendar in the STOXX Calculation Guide for the following indices: ISTOXX® MUTB Japan Quality 150 Index, ISTOXX® MUTB Japan Proactive Leaders 200 Index, ISTOXX® MUTB Global ex Australia Quality 150 Index, ISTOXX® MUTB Global ex Japan Quality 150 Index, ISTOXX® MUTB Global Quality 150 Index, ISTOXX® MUTB Asia/Pacific Quality Dividend 100 Index, ISTOXX® MUTB Japan Quality 150 Daily Hedged Index, ISTOXX® MUTB China A Quality AM 150 Index, ISTOXX® Transatlantic US 30 Index, ISTOXX® Transatlantic 100 Equal Weight Index, ISTOXX® Transatlantic 100 Equal Weight Decrement Index, ISTOXX® MUTB Global Value 600, ISTOXX® MUTB Global ex Japan Value 600, ISTOXX® MUTB Japan Value 300, ISTOXX® MUTB Japan Quality Dividend 100, ISTOXX® MUTB Japan ex Banks Quality Dividend 100, ISTOXX® MUTB Global Quality Dividend 300, ISTOXX® MUTB Global ex Japan Quality Dividend 250, ISTOXX® MUTB Global ex Australia Quality Dividend 300.
- » November 2017: Termination of calculation and dissemination of ISTOXX World Select Index
- » November 2017 (2): addition of index-specific dissemination calendars in line with definition of Dissemination Calendar in the STOXX Calculation Guide for the following indices: Dynamic VSTOXX, Dynamic VSTOXX Net of Costs, EURO ISTOXX Futures Leveraged
- » November 2017 (3): Addition of ISTOXX Diversity Impact Select Indices
- » November 2017 (4): Addition of ISTOXX Global Economic Growth Select 50 Index
- » November 2017 (5): Addition of ISTOXX USA Factor indices under Section 20 (ISTOXX Factor Indices)

- » November 2017 (6): Addition of iSTOXX World Top 200 Indices, and iSTOXX World Top 200 Decrement 50 Index in Decrement Indices.
- » November 2017 (7): Termination of calculation and dissemination of iSTOXX Optimised Turkey Risk Control RV Index and iSTOXX Turkey Strong Quality Index
- » November 2017 (8): Addition of iSTOXX MUTB Minimum Variance Indices
- » December 2017: Clarification of index-specific dissemination calendars in line with definition of Dissemination Calendar in the STOXX Calculation Guide for the following indices: iSTOXX® MUTB Japan Quality 150 Index, iSTOXX® MUTB Japan Proactive Leaders 200 Index, iSTOXX® MUTB Global ex Australia Quality 150 Index, iSTOXX® MUTB Global ex Japan Quality 150 Index, iSTOXX® MUTB Global Quality 150 Index, iSTOXX® MUTB Asia/Pacific Quality Dividend 100 Index, iSTOXX® MUTB Japan Quality 150 Daily Hedged Index, iSTOXX® MUTB China A Quality AM 150 Index, iSTOXX® Transatlantic US 30 Index, iSTOXX® Transatlantic 100 Equal Weight Index, iSTOXX® Transatlantic 100 Equal Weight Decrement Index, iSTOXX® MUTB Global Value 600, iSTOXX® MUTB Global ex Japan Value 600, iSTOXX® MUTB Japan Value 300, iSTOXX® MUTB Japan Quality Dividend 100, iSTOXX® MUTB Japan ex Banks Quality Dividend 100, iSTOXX® MUTB Global Quality Dividend 300, iSTOXX® MUTB Global ex Japan Quality Dividend 250, iSTOXX® MUTB Global ex Australia Quality Dividend 300, iSTOXX World Top 200 Indices and iSTOXX MUTB Minimum Variance Indices (iSTOXX MUTB Japan Minimum Variance, iSTOXX MUTB Global ex Japan Minimum Variance and iSTOXX MUTB Global Minimum Variance)
- » December 2017 (2): Addition of iSTOXX American Century USA Indices
- » January 2018: Amendment in the base values of the iSTOXX China H 20 Equal Weight HKD Index and iSTOXX Switzerland 10 Equal Weight CHF Index, following a restatement in their history. Clarification of index-specific dissemination calendars in line with definition of Dissemination Calendar in the STOXX Calculation Guide for the following indices: EURO iSTOXX 65 Equal Weight Index, iSTOXX UK 25 Equal Weight Index, iSTOXX Switzerland 10 Equal Weight Index, iSTOXX USA 60 Equal Weight Index, iSTOXX Japan 20 Equal Weight Index, iSTOXX China H 20 Equal Weight Index, iSTOXX World Top 200 Equal Weight Index and iSTOXX World Top 200 Equal Weight Decrement 50 Index.
- » February 2018: Addition of EURO iSTOXX 50® Collar Hedged Index
- » February 2018: Addition of EURO iSTOXX Banks GR Decrement 50 Index
- » February 2018: Addition of EURO iSTOXX 50 Equal Weight NR Decrement 5% Index
- » March 2018: Addition of iSTOXX Global Industry Neutral ESG 600 index
- » March 2018 (2): Addition of iSTOXX MUTB Global Ex Australia Quality Leaders 150 index
- » April 2018: Addition of iSTOXX Europe Diversity Impact Select 30 NR Decrement 5%, and iSTOXX Global Diversity Impact Select 30 NR Decrement 5% Indices
- » April 2018 (2): Addition of EURO iSTOXX 50 Daily Leverage, and EURO iSTOXX 50 Daily Short Indices
- » April 2018 (3): Change of review dates of iSTOXX American Century USA Value Index and iSTOXX American Century USA Income Index, change of review procedure due to calculation change of iSTOXX American Century USA Quality Value Index
- » May 2018: Addition of EURO iSTOXX 50 ESG Focus and EURO iSTOXX 50 ESG Focus GR Decrement 5% Indices
- » May 2018 (2): Clarification of optimization and constraint relaxation procedure for iSTOXX Factor Indices
- » May 2018 (3): Inclusion of iSTOXX Asia indices
- » May 2018 (4): Amendment of iSTOXX Decrement index calculation methodology and link to the Strategy guide (no functional change)
- » May 2018 (5): Amendment of iSTOXX FactSet Thematic Indices methodology as per the OC determination in May 2018
- » June 2018: Rule clarification: Chapter 12 iSTOXX MUTB Indices: change market capitalization to free-float market capitalization

- » June 2018 (2): Addition of EURO iSTOXX 25 Challengers Equal Weight and EURO iSTOXX 25 Challengers Equal Weight NR Decrement 5.5% indices.
- » July 2018: Addition of iSTOXX MUTB Momentum Indices
- » July 2018 (2): Addition of Euro iSTOXX Next 30 Index and Euro iSTOXX Next 30 NR Decrement 5% Index
- » July 2018 (3): Addition of iSTOXX UK 35 Index, iSTOXX Switzerland 15 Index, iSTOXX European 100 Index and iSTOXX European 100 GR Decrement 50 Index
- » July 2018 (4): Addition of iSTOXX Developed Markets B.R.A.I.N. Index
- » August 2018: Addition of EURO iSTOXX 50 Monthly KRW Hedged Index
- » August 2018 (2): Addition of iSTOXX A.C.I. USA Pure Growth Index, iSTOXX A.C.I. USA Stable Growth Index, iSTOXX American Century USA Quality Growth Index
- » August 2018 (3): Addition of iSTOXX Yewno Developed Markets Blockchain Index
- » August 2018 (4): Amendment in the base values of the iSTOXX MUTB Global ex-Australia Quality Leaders 150 USD Index and iSTOXX MUTB Global ex-Australia Quality Leaders 150 AUD Index, following a restatement in their history.
- » August 2018 (5): Addition of iSTOXX Europe ESG Climate Awareness Select 50 Index
- » September 2018: Addition of iSTOXX Asia/Pacific and South Korea Total Market Index
- » September 2018 (2): Addition of WIBOR 6-month interest rate for PLN to the iSTOXX Quality Income Indices
- » Valid from 21.12.2018: Addition of second non-relaxable beta constraint in iSTOXX Factor Indices
- » September 2018 (3): Addition of EURO iSTOXX 50 NR Decrement 5% Index and EURO iSTOXX 50 ESG Focus NR Decrement 5% Index
- » October 2018 (1): Addition of iSTOXX Europe 600 Energy ex Coal GR Decrement 50 Index and iSTOXX Europe 600 Real Estate GR Decrement 50 Index
- » October 2018 (2): Addition of iSTOXX FactSet Automation & Robotics (TTM) JPY Index
- » October 2018 (3): Addition of iSTOXX Europe Climate Impact ex GC CW & Tobacco GR Decrement 5% Index and iSTOXX Europe Climate Impact ex GC CW & Tobacco NR Decrement 4.75%
- » October 2018 (4): Addition of EURO iSTOXX 50 Collar Index
- » November 2018: Deletion of EURO iSTOXX 50 Collar Hedged Index
- » November 2018 (2): Addition of iSTOXX Global Diversity Enhanced Impact Select 30 Index
- » November 2018 (3): Addition of EURO iSTOXX 50 Quanto EURKRW Adjusted Index
- » November 2018 (4): Addition of iSTOXX MUTB ESG Quality 200 Indices and EURO iSTOXX 50 Futures Roll Daily Leverage and Short Indices
- » December 2018: Addition of iSTOXX MUTB China All Shares AM Quality Consumer 50 Index and iSTOXX China All Shares AM Index
- » December 2018 (2): Addition of iSTOXX Increment Indices
- » January 2019: Addition of EURO iSTOXX Equal Industry 50 EW Index and EURO iSTOXX Equal Industry 50 EW NR Decrement 5% Index
- » January 2019 (2): Addition of iSTOXX Europe 600 ESG-X GR Decrement 5% Index and iSTOXX Europe 600 ESG-X NR Decrement 4.75% Index
- » January 2019 (3): Addition of iSTOXX France Germany Benelux 60 Equal Weight Index and iSTOXX France Germany Benelux 60 Equal Weight NR Decrement 5% Index
- » January 2019 (4): Addition of EURO iSTOXX Environmental 50 Equal Weight Index and EURO iSTOXX Environmental 50 Equal Weight NR Decrement 5% Index
- » January 2019 (5): Addition of EURO iSTOXX ESG-X & Ex Nuclear Power Multi Factor Index
- » February 2019: Addition of EURO iSTOXX ESG Leaders 50 GR Decrement 5% Index, EURO iSTOXX ESG Leaders 50 NR Decrement 5% Index and EURO iSTOXX 50 GR Decrement 3.75% Index
- » February 2019 (2): Addition of iSTOXX Developed and Emerging Markets ex USA PK VN Real Estate Index

- » February 2019 (3): Change of turnover constraint and quality filter for both iSTOXX A.C.I. USA Pure Growth Index and iSTOXX A.C.I. USA Stable Growth Index, change of minimum growth constraint of iSTOXX A.C.I. USA Stable Growth Index, amendment of allocation formula for both iSTOXX American Century USA Quality Value and Quality Growth Index
- » February 2019 (4): Change of dissemination calendar for EURO iSTOXX 50 Futures Roll Daily Leverage and Short Indices and EURO iSTOXX 50 Quanto EURKRW Adjusted Index
- » February 2019 (5): Addition of iSTOXX Global Millennials Risk Control 5% RV Index
- » March 2019: Addition of iSTOXX MUTB Global ex Japan Quality 150 Monthly Hedged Index
- » March 2019 (2): Addition of EURO iSTOXX 50 Low Carbon NR Decrement 3.75% Index
- » April 2019: Addition of iSTOXX Global ESG ex-Controversial Activities Select 30 and iSTOXX Global Low Carbon ex-Controversial Activities Select 30 Indices
- » May 2019: Addition of iSTOXX Singapore Developed REITs Index
- » May 2019 (2): Addition of EURO iSTOXX 50 KRW Hedged on Decrement 3.5% ER Index
- » June 2019: Addition of EURO iSTOXX Responsibility Screened Select 30 Index
- » June 2019 (2): Addition of iSTOXX Global Cities of Tomorrow Select 30 Index and addition of iSTOXX Transatlantic ESG 100 Equal Weight Decrement, iSTOXX Transatlantic ESG 100 Equal Weight, iSTOXX Transatlantic EU ESG 70, iSTOXX Transatlantic US ESG 30 Indices
- » July 2019: Addition of iSTOXX Global ESG Trend Select 30 Index
- » July 2019 (2): Addition of EURO iSTOXX ESG Choice 50 EW Index and EURO iSTOXX ESG Choice 50 EW NR Decrement 4% Index
- » August 2019: Addition of EURO iSTOXX 50 ER 1.2 Monthly Leverage KRW Index
- » August 2019 (2): Switch from DVFA/EFFAS KPI's to standard Sustainalytics KPI's. Affected indices: iSTOXX ESG Select Indices, iSTOXX Global Industry Neutral ESG 600 Index and iSTOXX Nordic ESG DW Index
- » August 2019 (3): Addition of EURO iSTOXX ESG Core Leaders 50 Index, EURO iSTOXX ESG Core Leaders 50 NR Decrement 4% Index, EURO iSTOXX Equal Industry ESG 30 Index, EURO iSTOXX Equal Industry ESG 30 NR Decrement 4% Index and EURO iSTOXX Equal Industry ESG 30 NR Decrement 5% Index
- » August 2019 (4): Addition of iSTOXX Global Responsible Waste Management Select 30 Index, EURO iSTOXX 50 Carbon Adaptation Index and EURO iSTOXX 50 Carbon Adaptation GR Decrement 5% Index
- » August 2019 (5): Addition of iSTOXX Europe Collateral Indices
- » September 2019: Addition of iSTOXX Equity Dividend Indices
- » September 2019 (2): amendment of effective date for ICB change from September 2019 to September 2020 as per communications on STOXX website. Clarification of cut-off date for iSTOXX Global ESG Select 100 and iSTOXX Europe ESG Select 30 indices
- » October 2019: Clarifications relating to changes in the EONIA rate determination
- » October 2019 (2): Addition of iSTOXX Europe Total Market Food Producers Capped 30-15 index
- » October 2019 (3): Addition of iSTOXX Global Cities of Tomorrow Select 30 Decrement Indices
- » October 2019 (4): Addition of EURO iSTOXX Ocean Care 40, EURO iSTOXX Ocean Care 40 Decrement 5%
- » November 2019: Addition of iSTOXX Top Citywire Fund Managers NF and iSTOXX Top Citywire Fund Managers Risk Control 8% Index
- » November 2019 (2): Addition of iSTOXX Dynamic Gold Hedge Indices
- » November 2019 (3): Clarification relating to the dissemination calendar of the iSTOXX Dynamic Gold Hedge Indices
- » November 2019 (4): Addition of iSTOXX Top Citywire Fund Managers Index, introduction of cutoff date for rating data for the iSTOXX Top Citywire Fund Managers NF Index
- » November 2019 (5): Addition of iSTOXX Global Ethical Select 30 Index



- » November 2019 (6): Removal of the word "Basket" from the name of the indices in the iSTOXX Europe collateral family.
- » November 2019 (7): Addition of EURO iSTOXX ESG Weighted 50 Index and EURO iSTOXX ESG Weighted 50 NR Decrement 5% Index
- » November 2019 (8): Addition of iSTOXX Germany Real Estate Capped 20 and iSTOXX Cross-Atlantic Sustainable Infrastructure Select 30 indices
- » December 2019: Addition of iSTOXX Top Citywire Fund Managers Fixed Weights and iSTOXX Top Citywire Fund Managers Fixed Weights NF Index; addition of missing Dublin's Christmas Holiday to non-dissemination days for the iSTOXX Top Citywire Fund Managers and iSTOXX Top Citywire Fund Managers Fixed Weights indices.
- » December 2019 (2): Addition of iSTOXX Spread Ratio Indices
- » December 2019 (3): Change of the methodology for the following indices: iSTOXX Europe ESG Climate Awareness Select 50 index, EURO iSTOXX Ocean Care 40 index, iSTOXX MUTB ESG Quality Indices, to reflect changes in Sustainalytics' data and keep the economic reality of these indices intact
- » January 2020: Addition of iSTOXX Italy Small and Mid Cap Index
- » January 2020 (2): Addition of additional iSTOXX Spread Ratio Indices, correction of typo in high liquidity bound for iSTOXX MUTB Minimum Variance Indices
- » January 2020 (3): Addition of iSTOXX Global Megatrends Select 50 Index
- » January 2020 (4): Addition of iSTOXX Global NexGen Communication Innovative Technology Index
- » February 2020: Addition of iSTOXX Global Profitability Select 30 Index
- » March 2020: Clarification on UN Global Compact with Sustainalytics Global Standards Screening and ESG Controversy Rating
- » March 2020 (2): Addition of EURO iSTOXX ESG Choice 50 EW NR Decrement 5% Index
- » March 2020 (3): Addition of iSTOXX Top Citywire Fund Managers Fixed Weights BE Index and iSTOXX Top Citywire Fund Managers AR Index
- » April 2020: Addition of additional iSTOXX Spread Ratio Indices
- » April 2020 (2): Methodology change in the iSTOXX FactSet Thematic indices, as per the IOC determination
- » May 2020: Addition of iSTOXX MUTB Japan Empowering Women 30 Index
- » May 2020 (2): Addition of iSTOXX AI Global Artificial Intelligence High Dividend 30 Index
- » May 2020 (3): Addition of EURO iSTOXX 50® Futures Roll TR Decrement 3%
- » May 2020 (4): Addition of iSTOXX Core Euro & Global Water Index and iSTOXX Core Euro & Global Water Decrement 5% Index
- » June 2020: Addition of iSTOXX MUTB Global ex Australia Quality Leaders 150 Monthly Hedged Index
- » June 2020 (2): Addition of iSTOXX Global Women in Management ex-Controversial Activities Select 30 and EURO iSTOXX Women in Management High Dividend 30 Indices
- » June 2020 (3): Clarification of quarterly review of number of shares and free-float for iSTOXX Global NexGen Communication Innovative Technology Index
- » June 2020 (4): Addition of iSTOXX Ambition Climat PAB Index
- » June 2020 (5): Change in name resulted to STOXX Global Thematic Indices being moved to the STOXX Index Methodology Guide (previously named iSTOXX FactSet Thematic Index)
- » June 2020 (6): Addition of ICB treatment effective on September 18, 2020 for indices EURO iSTOXX ESG Weighted 50, iSTOXX Global Ethical Select 30, iSTOXX Global ESG ex-Controversial Activities Select 30
- » June 2020 (7): Addition of ICB treatment effective on September 18, 2020 for indices iSTOXX Global Profitability Select 30, iSTOXX Global Megatrends Select 50, iSTOXX Germany Real Estate

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- Capped 20, iSTOXX Global Responsible Waste Management Select 30, EURO iSTOXX Equal Industry ESG 30, iSTOXX Global ESG Trend Select 30
- » July 2020: Addition of ICB treatment effective on September 18, 2020 for indices iSTOXX MUTB Japan ESG Quality 200, iSTOXX MUTB Global ESG Quality 200, iSTOXX MUTB Global Ex-Japan ESG Quality 200, iSTOXX MUTB China All Shares AM Quality Consumer, iSTOXX Developed and Emerging Markets ex USA PK VN Real Estate, iSTOXX Global Diversity Enhanced Impact Select 30, iSTOXX Global Low Carbon ex-Controversial Activities Select 30, iSTOXX Singapore Developed REITs, iSTOXX Global Cities of Tomorrow Select 30, iSTOXX MUTB Global ex Australia Quality 150, iSTOXX MUTB Global ex Japan Quality 150, iSTOXX MUTB Global Quality 150, iSTOXX MUTB Japan Quality 150
  - » July 2020 (2): Addition of ICB treatment effective on September 18, 2020 for indices iSTOXX MUTB Quality Dividend and iSTOXX MUTB Minimum Variance
  - » July 2020 (3): Addition of ICB treatment effective on September 18, 2020 for indices iSTOXX Europe Broad Demography, iSTOXX Global Broad Demography, iSTOXX Europe Demography 50, iSTOXX Global Demography Select 50, iSTOXX Europe Centenary Select 30, iSTOXX MUTB Global ex Japan Value 600, iSTOXX MUTB Global Value 600, iSTOXX MUTB Japan Value 300, iSTOXX MUTB Global ex-Australia Quality Leaders 150, iSTOXX MUTB Japan Proactive Leaders 200, iSTOXX MUTB Global Momentum 600, iSTOXX MUTB Global ex Japan Momentum 600, iSTOXX MUTB Japan Momentum 300, iSTOXX MUTB Japan Empowering Women 30, iSTOXX Global Women in Management ex-Controversial Activities Select 30, EURO iSTOXX Women in Management High Dividend 30
  - » July 2020 (4): Addition of iSTOXX MUTB Japan ESG 30 Index
  - » July 2020 (5): Addition of iSTOXX Europe ESG Leaders Additional Exclusions Select 30 Index
  - » July 2020 (6): Addition of ICB treatment effective on September 18, 2020 for iSTOXX Global Transitions Select 30
  - » August 2020: Addition of iSTOXX AI Global Artificial Intelligence 100 and iSTOXX AI Global Artificial Intelligence 100 NR Decrement 5% indices
  - » August 2020 (2): Addition of EURO iSTOXX Megatrends Select 30 and EURO iSTOXX Megatrends Select 30 NR Decrement 3% indices
  - » August 2020 (3): Addition of iSTOXX MUTB Japan Market Share Leaders Index
  - » September 2020: Addition of ICB treatment effective on September 18, 2020 for iSTOXX MUTB Quality 150 index family, iSTOXX USA Weak Balance Sheet ex Utilities and Financials index, iSTOXX Europe Quality Income UH, EURO iSTOXX ex Financials High Dividend 50
  - » October 2020: Clarification of description of Decrement and Increment indices
  - » October 2020 (2): Addition of iSTOXX Northern Trust indices
  - » October 2020 (3): Addition of iSTOXX Top Citywire Fund Managers Daily Hedged Index
  - » October 2020 (4): Addition of iSTOXX Europe Longevity Select 50 Index
  - » November 2020: Addition of iSTOXX Global Transformation Select 30 EUR and iSTOXX Global Transformation Select 30 EUR NR Decrement 4.5% indices
  - » November 2020 (2): Addition of iSTOXX Global Fintech 30 and iSTOXX Global Fintech 30 NR Decrement 5% indices
  - » November 2020 (3): Change of swap rate for iSTOXX Europe Low Variance Adjusted Beta index
  - » November 2020 (4): Addition of iSTOXX Northern Trust Emerging Markets indices
  - » December 2020: Methodology change for the EURO iSTOXX ESG Weighted 50 Index, effective December 21, 2020
  - » December 2020 (2): Addition of iSTOXX Select Dividend Futures Roll TR Decrement Indices
  - » January 2021: Addition of iSTOXX AI Global Artificial Intelligence Large 100 and iSTOXX AI Global Artificial Intelligence Large 100 NR Decrement 5% indices
  - » January 2021 (2): Addition of EURO iSTOXX ESG Weighted Additional Exclusions 50 and EURO iSTOXX ESG Weighted Additional Exclusions 50 NR Decrement indices
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- » January 2021 (3): Addition of EURO iSTOXX 50 Artificial Intelligence Tilted and EURO iSTOXX 50 Artificial Intelligence Tilted NR Decrement 5% indices
- » February 2021: Addition of EURO iSTOXX® 50 and EURO iSTOXX® 50 Equal Weighted Decrement Indices and iSTOXX Supersector Europe Decrement Indices
- » February 2021 (2): Addition of iSTOXX Spread Ratio (1-day) Indices
- » February 2021 (3): Addition of EURO iSTOXX 50 ESG Focus Monthly KRW Hedged Index, EURO iSTOXX 50 Futures Roll TR KRW Hedged (Monthly) Index and EURO iSTOXX 50 Futures Roll TR KRW Hedged (Monthly) Decrement 3.5% Index
- » February 2021 (4): Addition of iSTOXX Global Electric Vehicles & Driving Technology 30 and iSTOXX Global Electric Vehicles & Driving Technology 30 NR Decrement 5% indices
- » March 2021: Addition of iSTOXX Global Blue and Green Economy Select 50 index
- » March 2021 (2): Addition of iSTOXX World A Index
- » March 2021 (3): Addition of iSTOXX APG World-X and Responsible Indices
- » March 2021 (4): Addition of iSTOXX Single Stock GR Decrement Indices
- » March 2021 (5): Change of timing of gold price used for iSTOXX Dynamic Gold Hedge Indices
- » April 2021: Addition of EURO iSTOXX 50 Futures Roll TR Decrement 5% Index
- » April 2021 (2): Addition of EURO iSTOXX ESG Performance 50 and EURO iSTOXX ESG Performance 50 NR Decrement 5% indices
- » April 2021 (3): Addition of EURO iSTOXX Banks GR Decrement 50 Series 2, EURO iSTOXX Insurance GR Decrement 50 Series 1, iSTOXX Global Demographic Trends Select 50 and iSTOXX Global Demographic Trends Select 50 NR Decrement 5% indices
- » April 2021 (4): Addition of iSTOXX Developed Markets Gold Miners 10 EW and iSTOXX Developed Markets Gold Miners 10 EW NR Decrement 5% indices
- » May 2021: Addition of EURO iSTOXX 50 Electric Vehicles Tilted and EURO iSTOXX 50 Electric Vehicles Tilted NR Decrement 5% indices
- » May 2021 (2): Addition of EURO iSTOXX ESG Performance 50 GR Decrement 45 Index
- » May 2021 (3): Addition of EURO iSTOXX 50 ESG KRW-converted Daily Reset Index
- » May 2021 (4): Addition of EURO iSTOXX Ocean Care 40 NR Decrement 3.5 Index
- » May 2021 (5): Correction of dissemination calendar of iSTOXX Fund indices, which erroneously indicated Ascension Day as a fixed date.
- » May 2021 (6): Addition of iSTOXX Citywire Fund Managers Selection FW Risk Control 5% Index
- » May 2021 (7): Addition of iSTOXX Univest World Index
- » June 2021: Addition of iSTOXX Univest USA Index
- » June 2021 (2): Addition of iSTOXX Global ESG Eurozone Leg Equal Weight, iSTOXX Global ESG US Leg Equal Weight, iSTOXX Global ESG Japan Leg Equal Weight, iSTOXX Global ESG 120 and iSTOXX Global ESG 120 Decrement indices
- » June 2021 (3): Correction of iSTOXX Single Stock GR Decrement Index currency in document
- » June 2021 (4): Addition of EURO iSTOXX ESG Performance 50 NR Decrement 4% index
- » June 2021 (5): Addition of EURO iSTOXX 50 Recovery Tilted and EURO iSTOXX 50 Recovery Tilted NR Decrement 5% indices
- » June 2021 (6): Addition of 19 additional iSTOXX Single Stock GR Decrement Indices.
- » June 2021 (7): Addition of iSTOXX Vietnam Futures Roll Indices.
- » July 2021: Addition of USD denominated versions of iSTOXX Global Transformation Select 30 and iSTOXX Global Transformation Select 30 NR Decrement 4.5%
- » July 2021 (2): Addition of percentile days to trade/liquidity constraint to iSTOXX Northern Trust Emerging Market indices
- » July 2021 (3): Clarification that Decrement indices have a floor value of zero
- » July 2021 (4): Addition of iSTOXX Global ESG Dividend Trend Index
- » July 2021 (5): Addition of 17 iSTOXX Single Stock GR Decrement Indices



- » August 2021: Change of return version for Sharpe ratio calculation of iSTOXX American Century indices
- » August 2021 (2): Change of index name for iSTOXX Global 5G & NexGen Telecommunication Components Index (previously named iSTOXX Global NexGen Communication Innovative Technology Index)
- » August 2021 (3): Removal of iSTOXX Asia and iSTOXX USA Weak Balance Sheet ex Utilities and Financials
- » September 2021: Methodology updates for the EURO iSTOXX 50 Monthly KRW Hedged index and EURO iSTOXX 50 NR Decrement 120 KRW Hedged index. Changes to be effective on the 13<sup>th</sup> of September 2021.
- » September 2021 (2): Changes to the BP LN iSTOXX Single Stock GR Decrement Indices.
- » September 2021 (3): Methodology change for iSTOXX APG World-X and Responsible Indices
- » September 2021 (4): Addition of an index to the iSTOXX Single Stock GR Decrement Indices.
- » September 2021 (5): Addition of EURO iSTOXX 50 ESG NR Decrement 30 and EURO iSTOXX 50 ESG NR Decrement 30 Monthly KRW Hedged indices.
- » September 2021 (6): Addition of EURO iSTOXX Banks Futures Roll TR Decrement 4% Index and EURO iSTOXX Banks Futures Roll TR Decrement 5% Index.
- » September 2021 (7): Addition of the iSTOXX Uninvest Sustainable World Index.
- » October 2021: Methodology change for iSTOXX Northern Trust Indices.
- » October 2021 (2): Deletion of iSTOXX Europe Minimum Variance and STOXX Europe Minimum Variance High Dividend Indices.
- » October 2021 (3): Base date update for iSTOXX Global ESG 120 Decrement Index.
- » October 2021 (4): Addition of the iSTOXX PPF Responsible SDG Index.
- » November 2021: Addition of the iSTOXX PPF Responsible SDG Monthly Hedged 50% Index.
- » November 2021 (2): Changes related to the new risk-free rates transition, from EONIA to the euro short-term rate (€STR), USD LIBOR to the USD Secured Overnight Financing Rate (SOFR), and LIBOR GBP to the GBP Sterling Overnight Index-Average (SONIA).
- » November 2021 (3): Methodology change for EURO iSTOXX Ambition Climat PAB Index
- » November 2021 (4): Addition of the EURO iSTOXX 50 Sharing Economy Tilted Index, EURO iSTOXX 50 Sharing Economy Tilted NR 5% Decrement Index, EURO iSTOXX 50 Future Healthcare Tilted Index, EURO iSTOXX 50 Future Healthcare Tilted NR 5% Decrement Index.
- » November 2021 (5): Clarification of the underlying for iSTOXX Europe Maximum Dividend Net Return Index
- » November 2021 (6): Addition of the iSTOXX Europe Responsibility Low Vol 30 Index, iSTOXX Europe Responsibility Low Vol 30 Decrement 3.5% Index, iSTOXX Europe Basic Resources GR Decrement 50 Index, iSTOXX Europe 600 Telecommunications GR Decrement 50 Index
- » November 2021 (7): Factset RBICS L6 sectors updated to be effective with the December 2021 review for: iSTOXX Global Transformation Select 30 Index, iSTOXX Global Megatrends Select 50 Index, EURO iSTOXX Megatrends Select 30 Index, iSTOXX Cross-Atlantic Sustainable Infrastructure Select 30 Index, iSTOXX Global Cities of Tomorrow Select 30 Index.
- » November 2021 (8): Change of index name for iSTOXX Europe 600 Basic Resources GR Decrement 50 Index (previously named iSTOXX Europe Basic Resources GR Decrement 50 Index).
- » November 2021 (9): Addition of the iSTOXX USA Ocean Care 40 Index, iSTOXX USA Ocean Care 40 NR decrement 3.5% Index and iSTOXX USA Ocean Care 40 NR decrement 5% Index
- » December 2021: Rule clarification of APG Exclusion Flag for iSTOXX APG World-X and Responsible Indices
- » December 2021 (2): Addition of the active risk constraint to the iSTOXX Uninvest Sustainable World Index

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- » December 2021 (3): Addition of the EURO iSTOXX Environmental 50 Equal Weight NR Decrement 4% Index
  - » January 2022: Methodology change for iSTOXX Europe Quality Income UH index
  - » January 2022(2): Addition of the iSTOXX MUTB Japan Low Carbon Risk 30 Index
  - » January 2022(3): Addition of the iSTOXX AI Global Artificial Intelligence 100 NR Risk Control 8% Decrement 3% Index
  - » January 2022(4): Addition of the iSTOXX France ESG 40 Decrement 50 Index
  - » January 2022(5): Addition of the iSTOXX Single Stock GR Forward Looking Decrement Indices
  - » February 2022: Addition of the iSTOXX MUTB Japan Platinum Career 150 Index
  - » February 2022(2): Methodology update for iSTOXX Top Citywire Fund Managers NF Index, iSTOXX Top Citywire Fund Managers Fixed Weights NF Index, iSTOXX Top Citywire Fund Managers Fixed Weights BE Index
  - » February 2022(3): Addition of the EURO iSTOXX 50 NR Decrement 2.5% Index
  - » February 2022(4): Methodology change for the EURO iSTOXX Ambition Climat PAB Index
  - » February 2022(5): Addition of the EURO iSTOXX 50 Inflation Adjusted Indices
  - » March 2022: Addition of iSTOXX Global ESG Eurozone Leg 50, iSTOXX Global ESG US Leg 50, iSTOXX Global ESG Japan Leg 50, iSTOXX Global ESG 150, iSTOXX Global ESG 150 Decrement indices, EURO iSTOXX Banks NR Decrement 5% Index, iSTOXX Global Transformation Select 30 NR Decrement 5% Indices
  - » March 2022(2): Addition of two indices to the iSTOXX Single Stock GR Decrement Indices
  - » March 2022(3): Deletion of EURO iSTOXX 50 Equal Risk Indices
  - » April 2022: Addition of the iSTOXX on Single Stock Indices and iSTOXX Europe 600 Oil & Gas NR Decrement 5% Index
  - » April 2022(2): Addition of the 3 iSTOXX on Single Stock Indices, iSTOXX® Eurozone ESG 50 NR Decrement 5% Index and EURO iSTOXX 50 ESG NR Decrement 4.75% Index
  - » April 2022(3): Addition of the iSTOXX Europe 600 Oil & Gas Futures Roll TR Decrement 5% Index
  - » April 2022(4): Change in Underlying Data Announcement date to five days for the iSTOXX Europe Next Dividend Low Risk 50 Index, iSTOXX Europe Select High Beta 50 Index, and EURO iSTOXX Next 30 Index; and Addition of the EURO iSTOXX® 50 Futures Roll TR Decrement 3.75% Index
  - » May 2022: Addition of 5 indices to the iSTOXX Single Stock GR Decrement Indices and Addition of iSTOXX Single Stock on Stellantis to the iSTOXX on Single Stock Indices.
  - » May 2022(2): Addition of the iSTOXX Global Climate Change ESG Index and iSTOXX Global Climate Change ESG NR Decrement 4.5% Index
  - » May 2022(3): Changing the calendar name STOXX Asia calendar to STOXX Global calendar and changing the dissemination calendar name to STOXX US calendar for iSTOXX American Century USA Quality Value, iSTOXX American Century USA Quality Growth, iSTOXX A.C.I. USA Income, iSTOXX A.C.I. USA Value, iSTOXX A.C.I. USA Pure Growth, iSTOXX A.C.I. USA Stable Growth
  - » May 2022(4): Addition of the iSTOXX Eurozone ESG 50 GR Decrement 50 index
  - » June 2022: Addition of the iSTOXX UK ESG Equal Weight Fixed Deduction index, iSTOXX UK ESG Equal Weight Net of Financing index and iSTOXX UK ESG Equal Weight index
  - » June 2022(2): Methodology update of the iSTOXX Europe Quality Income UH Index
  - » June 2022(3): Addition of 14 indices to the iSTOXX Single Stock GR Decrement Indices, addition of 11 indices to the iSTOXX on Single Stock Indices, and addition of the iSTOXX Europe 600 Automobiles & Parts GR Decrement 50 Index.
  - » June 2022(4): Addition of the EURO iSTOXX 50 Digital Security Tilted Index, EURO iSTOXX 50 Broad Infrastructure Tilted Index, EURO iSTOXX 50 Digital Security Tilted NR Decrement 4.5% Index, and EURO iSTOXX 50 Broad Infrastructure Tilted NR Decrement 4.5% Index
  - » July 2022: Methodology update of the iSTOXX Northern Trust Developed Markets High Dividend Climate ESG Index, iSTOXX Northern Trust Developed Markets Low Volatility Climate ESG Index, iSTOXX Northern Trust Emerging Markets High Dividend Climate ESG Index, iSTOXX Northern Trust
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Emerging Markets Low Volatility Climate ESG Index and addition of iSTOXX Access Metaverse Index.

- » July 2022(2): Addition of the EURO iSTOXX Sector exclusions Index, addition of the iSTOXX Bank Auto & Basic Resources EW Index, addition of the iSTOXX Bank Auto & Basic Resources EW GR Decrement 50 Index and section 1 updated with new guides.
- » July 2022(3): Addition of the iSTOXX World Min Vol ESG Index
- » July 2022(4): Change in the base value and date of iSTOXX Europe 600 Automobiles & Parts GR Decrement 50 Index
- » July 2022(5): Addition of the iSTOXX APG World-X and Responsible Minimum Volatility Indices and methodology change of the iSTOXX Top Citywire Fund Indices
- » August 2022: Change of base date and base values for 8 single stock indices.
- » August 2022(2): Addition of 8 indices to the iSTOXX Single Stock GR Decrement Indices, addition of 4 indices to the iSTOXX on Single Stock Indices and addition of 1 index to the iSTOXX Single Stock GR Forward Looking Decrement Indices
- » August 2022(3): Addition of EURO iSTOXX 50 Futures Leverage Indices.
- » September: Clarification of EURO iSTOXX 50 Futures Leverage Indices intraday rebalancing formulae.
- » September (2): Changes in section 126 with addition of new leverage indices
- » September (3): Addition of the iSTOXX Europe 600 Ircantec PAB Index
- » October: Addition of EURO iSTOXX Banks Futures Leverage Long & Short 5X and EURO iSTOXX Oil & Gas Futures Leverage Long and Short 5X indices
- » October (2): Rule clarification of iSTOXX Low Variance 120 Index
- » November 2022: Updates in Section 4.1 & 4.2
- » November 2022(2): Methodology change for the EURO iSTOXX Ambition Climat PAB Index & iSTOXX Global Climate Change ESG Index
- » November 2022(3): Rule clarification of Selection Lists during review month, addition of the iSTOXX Family Owned ESG Company Indices and updates in RBICS sectors for EURO iSTOXX Megatrends Select 30; iSTOXX Global Megatrends Select 50, iSTOXX Cross-Atlantic Sustainable Infrastructure Select 30, iSTOXX Global Transformation Select 30 and iSTOXX Global Cities of Tomorrow Select 30 indices and update in the overview of iSTOXX Cross-Atlantic Sustainable Infrastructure Select 30 index.
- » November 2022(4): Addition of iSTOXX Eurozone Megatrends 30 Index, iSTOXX USA Megatrends 30 Index, iSTOXX Transatlantic Megatrends 60 Index, iSTOXX Transatlantic Megatrends 60 GR Decrement 50 index, iSTOXX L&G Developed World ESG index, iSTOXX L&G Developed World Min Vol index and iSTOXX L&G Developed World Min Vol ESG index
- » December 2022: Deletion of iSTOXX Global Women in Management ex-Controversial Activities Select 30, EURO iSTOXX 50 SD-KPI, iSTOXX Europe 50 SD-KPI and iSTOXX Europe 600 SD-KPI indices
- » December 2022(2): Rule clarification of Selection Lists during review month. This is a correction to the November 2022(3): Rule clarification of Selection Lists during review month published on 25.11.2022.
- » December 2022(3): Amendments in single stock index treatment, methodology change in iSTOXX MUTB Japan Platinum Career 150 index, addition of iSTOXX Europe 600 Oil & Gas Futures Leverage Long & Short 5X and iSTOXX Europe 600 Oil & Gas Futures Leverage Long & Short 7X indices and added reference of STOXX Eligible Market Segments Guide.
- » December 2022(4): Name correction for iSTOXX Transatlantic Megatrends ESG 60 GR Decrement 50 Indices
- » January 2023: Added reference of STOXX Bond Index Guide and minor formatting.
- » January 2023(2): Separated sections for iSTOXX World Min Vol and Min Vol ESG indices.

- » January 2023(3): Addition of 12 indices to the iSTOXX Single Stock GR Decrement Indices and addition of 11 indices to the iSTOXX on Single Stock
- » January 2023(4): Addition of EURO iSTOXX 50 ESG NR Decrement 5% Index and iSTOXX APG Developed Real Estate Index
- » February 2023: Addition of iSTOXX Global Healthcare ESG Exclusions Select 30 Index, iSTOXX Global Healthcare ESG Exclusions Select 30 NR Decrement 5% Index, iSTOXX Global Healthcare ESG Exclusions Select 30 NR Risk Control 10% Index, iSTOXX Global Healthcare ESG Exclusions Select 30 NR Risk Control 10% Decrement 4.5% Index, iSTOXX Global Clean Energy Selected 30 Index, iSTOXX Global Clean Energy Selected 30 NR Decrement 5% Index, iSTOXX Global Clean Energy Selected 30 NR Risk Control 10% Index and iSTOXX Global Clean Energy Selected 30 NR Risk Control 10% Decrement 4.5% Index
- » February 2023(2): Addition of iSTOXX PPF Responsible SDG Emerging Markets Index, iSTOXX PPF Emerging Markets Index and iSTOXX APG Developed Real Estate-X and Responsible Indices
- » February 2023(3): Addition of iSTOXX Global Transformation Select 30 NR Risk Control 10% Index and iSTOXX Global Transformation Select 30 NR Risk Control 10% Decrement 4% Index
- » February 2023(4): Methodology change for the iSTOXX Core Euro & Global Water Index, The iSTOXX APG World-X and Responsible Indices, the iSTOXX APG World-X and Responsible Minimum Volatility Indices, iSTOXX Univest Sustainable World Index and iSTOXX PPF Responsible SDG Index
- » February 2023(5): Rule clarification for the iSTOXX MUTB China A Quality AM 150 Index, iSTOXX MUTB China All Shares AM Quality Consumer 50 Index, iSTOXX China All Shares AM Index, iSTOXX Global 5G & NexGen Telecommunication Components Index and addition of the iSTOXX USA 100 Index, iSTOXX Eurozone 50 Index, iSTOXX Transatlantic 150 Index, iSTOXX Transatlantic 150 GR Decrement 50 Index, iSTOXX Eurozone 50 GR Decrement 50 Index and removed reference of iSTOXX Bond Index Guide
- » March 2023: Methodology update for EURO iSTOXX ESG-X & Ex Nuclear Power Multi Factor index
- » March 2023(2): Methodology update for iSTOXX MUTB Japan Platinum Career 150 index
- » March 2023(3): Deletion of iSTOXX Yewno Developed Markets Blockchain Index
- » March 2023(4): Addition of iSTOXX Univest Emerging World Index, iSTOXX Global ESG Index in JPY, iSTOXX Global ESG Composite 150 Index and iSTOXX Global ESG Composite 150 GR Decrement 50 JPY Index
- » March 2023(5): Addition of iSTOXX MUTB Paris Aligned Index Family
- » April 2023: Correction in the formula for Realized Volatility in iSTOXX Global Transformation Select 30 NR Risk Control 10% Index, iSTOXX Global Healthcare ESG Exclusions Select 30 NR Risk Control 10% Index and iSTOXX Global Clean Energy Selected 30 NR Risk Control 10% Index
- » May 2023: Addition of 5 indices to the iSTOXX Single Stock GR Decrement Indices, iSTOXX Single Stock on Ferrari to the iSTOXX on Single Stock Indices, iSTOXX US ESG 100 Index and iSTOXX US ESG 100 Decrement 50 Index and termination of iSTOXX Single Stock on EDF indices
- » May 2023(2): Methodology clarification for the iSTOXX US ESG 100 Decrement 50 Index
- » May 2023(3): Addition of iSTOXX USA 100 GR Decrement 50 Index
- » May 2023(4): Addition of 2 indices to the iSTOXX Single Stock GR Decrement Indices
- » May 2023(5): Methodology update of iSTOXX Developed Markets B.R.A.I.N. Index
- » June 2023: Amendments in the methodology of iSTOXX AI Global Artificial Intelligence High Dividend 30 Index, iSTOXX AI Global Artificial Intelligence 100 Index and minor change in iSTOXX AI Global Artificial Intelligence Large 100 index
- » June 2023(2): Addition of iSTOXX Global ESG Composite 150 and iSTOXX Global ESG Composite 150 GR Decrement 50 EUR Index
- » June 2023(3): Addition of 5 indices to the iSTOXX Single Stock GR Decrement Indices, iSTOXX Single Stock on SCOR and FincoBank to the iSTOXX on Single Stock Indices

- » July 2023: Addition of one index to the iSTOXX Single Stock GR Decrement Indices and addition of iSTOXX Single Stock on STMicroelectronics to the iSTOXX on Single Stock Indices
- » August 2023: Addition of iSTOXX L&G Developed World ESG, iSTOXX L&G Developed World Min Vol and iSTOXX L&G Developed World Min Vol ESG Indices in USD Version
- » August 2023(2): Methodology clarification for the iSTOXX APG Developed Real Estate-X and Responsible Indices
- » August 2023(3): Addition of EURO iSTOXX 50 Volatility Short-Term Futures Investable, EURO iSTOXX 50 Volatility Short-Term Futures and EURO iSTOXX 50 Volatility Short-Term Futures Investable 0.5x Daily Short Indices
- » August 2023(4): Methodology update of iSTOXX Global 5G & NexGen Telecommunication Components Index and addition of iSTOXX Equity Dividend Indices in GBP version.
- » August 2023(5): Addition of iSTOXX Global Sustainable Pool, iSTOXX Global E-Sustainable Pool and iSTOXX Global S-Sustainable Pool Indices
- » August 2023(6): Change in calendar of iSTOXX Univest Sustainable World, iSTOXX Transatlantic Megatrends ESG 60, iSTOXX Transatlantic Megatrends ESG 60 GR Decrement 50, iSTOXX USA Megatrends ESG 30, iSTOXX Transatlantic 150, iSTOXX Transatlantic 150 GR Decrement 50, iSTOXX USA 100, iSTOXX USA 100 GR Decrement 50 and iSTOXX Global ESG US Leg 50 Indices
- » September 2023: Addition of iSTOXX Bank Auto and Oil & Gas EW and iSTOXX Bank Auto and Oil & Gas EW GR Decrement 50 Index
- » September 2023(2): Methodology change of iSTOXX Family Owned ESG Company Indices
- » October 2023: Change in the STOXX Logo
- » October 2023(2): Addition of iSTOXX Developed World Min Vol index, iSTOXX Developed World Min Vol ESG Index and termination of EURO iSTOXX 50 FX Neutral Index
- » October 2023(3): Addition of iSTOXX Transatlantic ESG 100 Index and iSTOXX Transatlantic ESG 100 GR Decrement 50 Index
- » October 2023(4): Methodology change of iSTOXX Global ESG Composite 150 GR Decrement 50 EUR Index
- » October 2023(5): Addition of EURO iSTOXX ALH CTB Index
- » October 2023(6): Addition of iSTOXX World AC All Cap Min Vol Index, BSG index on iSTOXX World AC All Cap Min Vol Exclusions Index, BSG index on iSTOXX World AC All Cap Min Vol Climate Index, BSG index on iSTOXX World AC All Cap Min Vol ESG Index and BSG index on iSTOXX World AC All Cap Min Vol Index
- » November 2023: Methodology update of iSTOXX Developed and Emerging Markets ex USA PK VN Real Estate Index
- » November 2023(2): Change in the review frequency schedule of the iSTOXX American Century Indices and addition of a footnote in section 'Index Review' of index iSTOXX APG World-X and Responsible Minimum Volatility Indices
- » November 2023(3): Termination of 35 decrement indices from the section "iSTOXX Single Stock Decrement GR Indices" and 7 iSTOXX Single Stock from "iSTOXX On Single Stock Indices"
- » November 2023(4): Methodology update of iSTOXX Global Transformation Select 30 Index, iSTOXX Global Cities of Tomorrow Select 30 Index, iSTOXX Cross-Atlantic Sustainable Infrastructure Select 30 Index, iSTOXX Global Clean Energy Selected 30 Index, iSTOXX Global Megatrends Select 50 Index and EURO iSTOXX Megatrends Select 30 Index
- » December 2023: Termination of iSTOXX Northern Trust Emerging Market Indices
- » December 2023(2): Change of dissemination calendar for iSTOXX PPF Responsible SDG Index, iSTOXX PPF Responsible SDG Monthly Hedged 50% Index and iSTOXX APG World-X and Responsible Minimum Volatility Indices
- » December 2023(3): Addition of iSTOXX France BDFG ESG FCPE Index, EURO iSTOXX BDFG ESG Index, iSTOXX Europe 600 BDFG ESG FCPE Index, iSTOXX Europe 600 BDFG ESG Index, iSTOXX



- Europe Small 200 BDFG ESG Index, iSTOXX USA 900 BDFG ESG Index, iSTOXX Australia 150 BDFG ESG Index, iSTOXX Canada 240 BDFG ESG Index and iSTOXX Japan 600 BDFG ESG Index
- » January 2024: Termination of iSTOXX Single Stock on CNH Industrial Index and iSTOXX Single Stock on CNH Industrial GR Decrement 0.28 Index
  - » January 2024(2): Addition of EURO iSTOXX 50 GR Decrement TRF Spread 10x Index
  - » January 2024(3): Addition of iSTOXX MUTB Japan Semiconductor Leaders Index
  - » February 2024: Change in the name of iSTOXX American Century USA Quality Value index, iSTOXX American Century USA Quality Growth index, iSTOXX A.C.I. USA Value index, iSTOXX A.C.I. USA Pure Growth index, iSTOXX A.C.I. USA Income index and iSTOXX A.C.I. USA Stable Growth index to iSTOXX USA Dynamic Quality Value index, iSTOXX USA Dynamic Quality Growth index, iSTOXX USA Pure Value index, iSTOXX USA Pure Growth index, iSTOXX USA Income index and iSTOXX USA Stable Growth index respectively
  - » February 2024(2): Termination of iSTOXX Spread Ratio Indices, addition of iSTOXX Europe 600 ESG-X Longevity Tilted Index and iSTOXX Europe 600 ESG-X Longevity Tilted NR Decrement 4% Index, and addition of minimum liquidity & exposure criteria in iSTOXX AI Global Artificial Intelligence High Dividend 30 Index
  - » February 2024(3): Addition of iSTOXX Eurozone & US ESG 100 GR Decrement 50 Index
  - » February 2024(4): Methodology update of iSTOXX MUTB Japan Platinum Career 150 Index
  - » February 2024(5): Clarification of replacement rule in iSTOXX Global ESG Select 100 and iSTOXX Europe ESG Select 30 indices, methodology update for iSTOXX Global Low Carbon ex-Controversial Activities Select 30 Index & EURO iSTOXX 50 Carbon Adaptation Index, and suspension of iSTOXX Northern Trust Developed Markets High Dividend Climate ESG Index and iSTOXX Northern Trust Developed Markets Low Volatility Climate ESG Index
  - » March 2024: Methodology update for: EURO iSTOXX 50 Artificial Intelligence Tilted, EURO iSTOXX 50 Electric Vehicles Tilted, EURO iSTOXX 50 Recovery Tilted, EURO iSTOXX 50 Future Healthcare Tilted and EURO iSTOXX 50 Sharing Economy Tilted indices
  - » March 2024(2): Rule clarification in sub-section 'Adjustments Due to Extreme Market Movements' of EURO iSTOXX 50 Daily Leverage and Short Indices, EURO iSTOXX 50 Futures Roll Daily Leverage and Short Indices; and 'index floor' of EURO iSTOXX Futures Leverage Indices
  - » March 2024(3): Addition of iSTOXX L&G Single Factor Indices, iSTOXX L&G Multi-Factor Indices and iSTOXX L&G Multi-Factor ESG Indices
  - » April 2024: Addition of iSTOXX APG Emerging Markets-X, iSTOXX APG Emerging Markets Responsible, iSTOXX APG Emerging Markets Responsible Low-Carbon, iSTOXX APG Emerging Markets Responsible SDI, iSTOXX APG Emerging Markets Responsible Low-Carbon SDI, iSTOXX APG World Multi-Factor -A, iSTOXX APG World Multi-Factor -X, iSTOXX APG World Multi-Factor Responsible, iSTOXX APG World Multi-Factor Responsible Low-Carbon, iSTOXX APG World Multi-Factor Responsible SDI and iSTOXX APG World Multi-Factor Responsible Low-Carbon SDI Indices
  - » May 2024: Addition of EURO iSTOXX 50 ESG NR Decrement 4% Index
  - » May 2024(2): Methodology update of EURO iSTOXX 50 Artificial Intelligence Tilted Index, EURO iSTOXX 50 Electric Vehicles Tilted Index, EURO iSTOXX 50 Recovery Tilted Index, EURO iSTOXX 50 Future Healthcare Tilted Index and EURO iSTOXX 50 Sharing Economy Tilted Index
  - » May 2024(3): Methodology update of iSTOXX APG World Multi-Factor And Responsible Indices, iSTOXX APG Emerging Markets-X And Responsible Indices, BSG Index On iSTOXX World AC All Cap Min Vol Indices, iSTOXX APG World-X And Responsible Minimum Volatility Indices and iSTOXX APG World-X and Responsible Indices, and addition of a footnote in section 'Index Review' of iSTOXX APG World Multi-Factor And Responsible Indices, iSTOXX APG Emerging Markets-X And Responsible Indices, BSG Index On iSTOXX World AC All Cap Min Vol Index,

iSTOXX APG World-X And Responsible Minimum Volatility Indices, and iSTOXX APG World-X and Responsible Indices

- » May 2024(4): Addition of BSG Index on iSTOXX Developed World Small Cap Exclusions, BSG Index on iSTOXX Developed World Small Cap Climate, BSG Index on iSTOXX Developed World Small Cap ESG and BSG Index on iSTOXX Developed World Small Cap Index
- » May 2024(5): Methodology update of iSTOXX APG Developed Real Estate -X and Responsible Indices, EURO iSTOXX 50 Electric Vehicles Tilted Index, iSTOXX Global Electric Vehicles & Driving Technology 30 Index, iSTOXX AI Global Artificial Intelligence 100 Index, iSTOXX AI Global Artificial Intelligence High Dividend 30 Index, and iSTOXX Developed Markets B.R.AI.N. Index
- » May 2024(6): Methodology update of EURO iSTOXX Ambition Climat PAB Index
- » May 2024(7): Addition of iSTOXX Europe 600 ESG-X Fintech Tilted Index and iSTOXX Europe 600 ESG-X Fintech Tilted NR Decrement 4.5% Index
- » June 2024: Rule clarification in iSTOXX PPF Emerging Markets Index
- » July 2024: Addition of EURO iSTOXX 50 ESG+ GR Decrement 5% Index
- » August 2024: Methodology clarification in iSTOXX L&G Multifactor Indices and iSTOXX L&G Multifactor ESG Indices
- » August 2024(2): Methodology update of iSTOXX Univest Sustainable World Index
- » August 2024(3): Methodology update for iSTOXX Cross-Atlantic Sustainable Infrastructure Select 30 Index, EURO iSTOXX Ocean Care 40 Index, iSTOXX USA Ocean Care 40 Index, iSTOXX Global Responsible Waste Management Select 30 Index and iSTOXX APG Developed Real Estate Index, and methodology clarification in EURO iSTOXX Ambition Climat PAB Index, iSTOXX Europe 600 Ircantec PAB Index and iSTOXX Global Climate Change ESG
- » September 2024: Methodology update of BSG index on iSTOXX Developed World Small Cap Climate Index, BSG Index on iSTOXX Developed World Small Cap Index, BSG Index on iSTOXX World AC All Cap Min Vol Climate Index and BSG Index on iSTOXX World AC All Cap Min Vol Index, and termination of EURO iSTOXX 50 ER 1.2 Monthly Leverage KRW Index
- » September 2024(2): Addition of EURO iSTOXX 50 ESG+ GR Decrement 3.75% Index
- » September 2024(3): Addition of iSTOXX Europe 600 ESG-X Water Depletion Tilted NR Decrement 4% Index, iSTOXX Europe 600 ESG-X Water Depletion Tilted Index, iSTOXX Water Depletion 10 Index, iSTOXX Univest World Factor Index, iSTOXX Univest World ESG Carbon Index and iSTOXX Univest World Factor ESG Index; and termination of EURO iSTOXX Smart Quality Momentum Value Index and EURO iSTOXX Smart Quality Momentum Value Decrement 50 Index
- » October 2024: Minor edit in the overview section of 'iSTOXX Europe/USA Single & Multi Factor' and addition of iSTOXX Europe Select Dividend ESG Filtered 30, iSTOXX North America Select Dividend ESG Filtered 40, iSTOXX Asia/Pacific Select Dividend ESG Filtered 30 and iSTOXX Global Select Dividend ESG Filtered 100 Index
- » October 2024(2): Addition of EURO iSTOXX 50 12:55-13:00 TWAP, iSTOXX Longevity 10 and iSTOXX Fintech 10 Index
- » November 2024: Methodology update of EURO iSTOXX 50 12:55-13:00 TWAP Index
- » November 2024(2): iSTOXX L&G Single Factor Indices, iSTOXX L&G Multi-Factor Indices and iSTOXX L&G Multi -Factor ESG Indices have been removed from iSTOXX Methodology Guide and have been added in iSTOXX L&G Indices Methodology Guide
- » November 2024(3): Methodology update to switch from Sustainalytics ESG Ratings to Sustainalytics ESG Risk Ratings of sub sections named 'iSTOXX Diversity Impact Select Indices, iSTOXX Diversity Enhanced Impact Select, iSTOXX AI Global Artificial Intelligence High Dividend 30, iSTOXX Global Transformation Select 30 and iSTOXX Global Cities of Tomorrow Select 30 Index'

- » November 2024(4): Update in the list of RBICS sectors for iSTOXX Eurozone Megatrends ESG 30, iSTOXX USA Megatrends ESG 30, iSTOXX Global Cities of Tomorrow Select 30, iSTOXX Cross-Atlantic Sustainable Infrastructure Select 30, iSTOXX Global Megatrends Select 50, EURO iSTOXX Megatrends Select 30, iSTOXX AI Global Artificial Intelligence High Dividend 30, iSTOXX Global Transformation Select 30 and iSTOXX Global Clean Energy Selected 30 Indices
- » November 2024(5): Addition of EURO iSTOXX 50 NR Decrement 3.75% Index and termination of iSTOXX Global Blue and Green Economy Select 50 Index
- » November 2024(6): Addition of iSTOXX Europe 50 ex Financials ex Basic Materials ex Energy Index
- » November 2024(7): Methodology update of iSTOXX Transatlantic EU ESG 70 Index and iSTOXX Transatlantic ESG US 30 Index
- » December 2024: Change in the selection screen 'Level Involvement Score' of the section 'iSTOXX MUTB Paris Aligned Index Family'
- » December 2024(2): Deletion of iSTOXX Factor Indices and update in the footnote of EURO iSTOXX Ambition Climate PAB Index and iSTOXX Europe 600 Ircantec PAB Index
- » December 2024(3): Deletion of iSTOXX Infrastructure True Exposure USA 75% DW Index
- » January 2025: Addition of iSTOXX MUTB Japan Quality Dividend Growth 70 Index
- » February 2025: Deletion of iSTOXX World Top 200 Equal Weight Decrement 50, iSTOXX European 100 GR Decrement 50, iSTOXX Global ESG 120, iSTOXX Global ESG US Leg Equal Weight, iSTOXX Global ESG Japan Leg Equal Weight, iSTOXX Global ESG Eurozone Leg Equal Weight, iSTOXX Global ESG 120 Decrement, iSTOXX Eurozone ESG 50 GR Decrement 50, iSTOXX UK 25 Equal Weight, iSTOXX Japan 20 Equal Weight, iSTOXX Switzerland 10 Equal Weight, iSTOXX World Top 200 Equal Weight, EURO iSTOXX 65 Equal Weight, iSTOXX USA 60 Equal Weight, iSTOXX China H 20 Equal Weight, iSTOXX European 100, EURO iSTOXX 50 ESG NR Decrement 30, EURO iSTOXX 50 ESG NR Decrement 30 Monthly KRW Hedged and iSTOXX UK ESG Equal Weight Fixed Deduction
- » February 2025(2): Addition of iSTOXX Equity Dividend Indices in CHF currency
- » February 2025(3): Update in the universe of iSTOXX Global Transformation Select 30 Index; addition of EURO iSTOXX 50 Health & Fitness Tilted Index, EURO iSTOXX 50 Health & Fitness Tilted NR Decrement 4.5% Index.
- » February 2025(4): Methodology update for EURO iSTOXX Ambition Climate PAB Index, EURO iSTOXX Equal Industry ESG 30 Index, EURO iSTOXX 50 ESG Focus Index, EURO iSTOXX ESG Choice 50 EW Index, EURO iSTOXX ESG Core Leaders 50 Index, iSTOXX Europe ESG Climate Awareness Select 50 Index, iSTOXX Global ESG ex-Controversial Activities Select 30 Index, iSTOXX Global ESG Dividend Trend Index, iSTOXX Global ESG Trend Select 30 Index, EURO iSTOXX Environmental 50 Equal Weight Index, EURO iSTOXX ESG Weighted 50 Index, EURO iSTOXX ESG Weighted Additional Exclusions 50 Index, EURO iSTOXX Responsibility Screened Select 30 Index, iSTOXX Europe Responsibility Low Vol 30 Index, and deletion of EURO iSTOXX ESG-X & Ex Nuclear Power Multi Factor Index, and removed reference of STOXX ESG Index Methodology guide
- » March 2025: Addition of EURO iSTOXX Total Market Screened Index, iSTOXX Japan 600 Screened Index, iSTOXX USA 500 Screened Index and EURO iSTOXX Screened Index; and methodology update for iSTOXX France ESG 40, iSTOXX Global ESG US Leg 50, iSTOXX Global ESG Eurozone Leg 50, iSTOXX Global ESG Japan Leg 50, iSTOXX USA Megatrends ESG 30, iSTOXX Eurozone Megatrends ESG 30, iSTOXX Eurozone 50 and iSTOXX USA 100 Index
- » March 2025(2): Correction in the 'Index Review' section of iSTOXX Cross-Atlantic Sustainable Infrastructure Select 30 Index
- » March 2025(3): Addition of iSTOXX Global Select Dividend 100 Enhanced Index



- » April 2025: Update in the name of indicators for EURO iSTOXX Ocean Care 40 Index and iSTOXX USA Ocean Care 40 Index
- » April 2025(2): Methodology change for iSTOXX MUTB Japan Value 300 Index, iSTOXX MUTB Global Value 600 Index and iSTOXX MUTB Global ex Japan Value 600 Index
- » May 2025: Deletion of EURO iSTOXX 50 Monthly KRW Hedged Index
- » May 2025(2): Addition of EURO iSTOXX 50 Aerospace & Defense Tilted NR Decrement 5% Index, EURO iSTOXX 50 Aerospace & Defense Tilted Index, iSTOXX Aerospace & Defense 10 Index and iSTOXX Leveraged 3X GLOB 0.75% MF Deducted Index
- » May 2025(3): Addition of Denmark in the Index review subsection of 'EURO iSTOXX 50 Health & Fitness Tilted Index'
- » May 2025(4): Addition of iSTOXX APG EM Responsible Low Carbon ex Select SOE Index and iSTOXX APG EM Country Capped Inclusion ex Select SOE Index
- » May 2025(5): Addition of iSTOXX Triodos Developed Markets Impact Index and iSTOXX Europe Total Market Defense Enhanced Index; and deletion of EURO iSTOXX Banks Futures Leverage Short 7X Index
- » May 2025(6): Update in the list of RBICS sectors for iSTOXX AI Global Artificial Intelligence 100 and iSTOXX Developed Markets B.R.A.I.N. Index
- » May 2025(7): Methodology update for iSTOXX MUTB ESG Quality 200 indices, iSTOXX Europe 600 ESG-X Longevity Tilted, iSTOXX Longevity 10, iSTOXX Europe 600 ESG-X Fintech Tilted, iSTOXX Fintech 10, iSTOXX Europe 600 ESG-X Water Depletion Tilted, and iSTOXX Water Depletion 10 Index
- » June 2025: Deletion of EURO iSTOXX Insurance GR Decrement 50 Series 1 Index
- » June 2025(2): Deletion of iSTOXX Europe Collateral Indices
- » July 2025: Addition of iSTOXX MUTB Euro Paris Aligned, iSTOXX MUTB Developed Europe Paris Aligned and iSTOXX MUTB US Paris Aligned Index
- » August 2025: Clarifications related to referencing to STOXX Reference Calculation Guide and to external dividend data sources
- » August 2025(2): Addition of iSTOXX IQAM Europe CTB ESG Select Index
- » August 2025(3): Addition of EURO iSTOXX 50 Global AI Infrastructure Tilted NR Decrement 5% Index and EURO iSTOXX 50 Global AI Infrastructure Tilted Index
- » August 2025(4): Methodology update for iSTOXX Europe Economic Growth Select 50, iSTOXX Global Industry Neutral ESG 600 Index, iSTOXX PPF Responsible SDG Emerging Markets Index and iSTOXX Singapore Developed Reits Index
- » September 2025: Deletion of iSTOXX Global Economic Growth Select 50 Index
- » September 2025(2): Methodology change for iSTOXX Europe Total Market Defense Enhanced Index