Market consultation

Zug, November 19th, 2025

Market consultation on proposed changes to the STOXX World Index Family

Dear Sir and Madam,

STOXX Ltd., the operator of ISS STOXX index business and a global provider of innovative and tradable index concepts, has decided to conduct a market consultation on proposed changes to STOXX World Index Family.

The market consultation may or may not lead to changes in the index methodology.

Process and timeline

STOXX invites relevant stakeholders and interested third parties to submit responses stoxx-consultation@iss-stoxx.com.

The consultation is open to all market participants until December 19th, 2025.

STOXX intends to announce the results of the market consultation, as well as an announcement about potential changes to the index methodology, latest by January 2nd, 2026.

STOXX intends to implement the potential changes resulting from this market consultation at the index review in March 2026.

Motivation for the market consultation

As part of STOXX's ongoing methodology reviews and preparations for the launch of an upcoming index series, STOXX seeks market feedback to proposed methodology changes, which will ensure enhanced Free-Float Factor within the STOXX World Index Family.

The proposed enhancements aim to incorporate tradability and investability metrics into the free float calculation, ensuring that STOXX indices continue to meet market representation and usability for global investors.

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Proposed Treatments/Amendments

STOXX proposes the following:

a Current Methodology: FREE FLOAT ADJUSTED FOR FOREIGN OWNERSHIP RESTRICTIONS

4.12.2.
Once the free float is calculated following section 4.12.1, when applicable, it is adjusted for foreign ownership restrictions (FOR) as follows

If a foreign ownership limit is not available, or if it is equal to 1 (100%), then the FOR adjusted free float is put equal to the free float as calculated in section 4.12.1. Otherwise, the FOR adjusted free float is calculated as follows

FOR adjusted free float = min[free float, max(0, (foreign ownership limit – foreign holdings))].

where free float, adjusted free float, foreign ownership limit, and foreign holdings are all expressed as a percentage of the total number of shares.
The FOR adjusted free float of China Connect securities is multiplied by a factor of 0.2.
The free-float factors are reviewed on a quarterly basis. They are published on the quarterly underlying data announcement and implemented quarterly.
If there is no historical free float data (for example in case of an index addition which is linked to a newly created company), currently available free float is used historically.

b Proposed Methodology: FREE FLOAT ADJUSTED FOR FOREIGN OWNERSHIP RESTRICTIONS

The free float is defined as:

$$Free\ Float = FHR\ Adjustment\ Factor \times Min(Rounded\ STOXX\ TMI\ Free\ Float, Rounded\ Foreign\ Ownership\ Limit) \times China\ Connect\ Scaling\ Factor,$$

where:
the STOXX Total Market Index (TMI) free float is defined in Section 5.12 of the STOXX Index Methodology Guide.
The Foreign Ownership Limit is defined in Section 4.11.2 of the STOXX World Equity Index Methodology Guide, and is rounded up to the closest 1%.
the Foreign Headroom (FHR) Adjustment Factor is calculated as explained below in the paragraph "Calculation of the FHR Adjustment Factor".
The China Connect Scaling Factor is 0.2 for China Connect securities, otherwise 1.

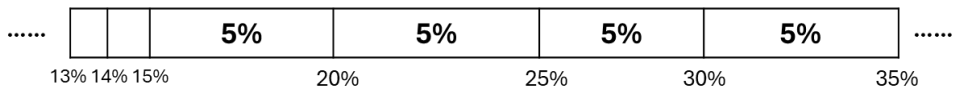
Rounding of the STOXX TMI free float
The STOXX TMI free float of each security is rounded as follows:

If a current 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%
- is rounded up to the closest 5 % if it is higher than 15%.

If a current 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*% < STOXX TMI free float ≤ *N*% + 5%, where *N* = 15, 20, 25,…, 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%.

Calculation of the FHR Adjustment Factor

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 subsequent reviews, the new FHR Adjustment Factor depends on whether or not the respective security belongs to a securities list 1 and a securities list 2, which will be updated 7 business days before the third Friday of the third month of each quarter.

a) For the subsequent reviews, the new FHR Adjustment Factor of **components in securities list 1 and securities list 2** 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

b) For the subsequent index reviews, the FHR Adjustment Factor of components which are not in securities list 1, but are in securities list 2, is determined as follows:

- The FHR Adjustment Factor is set equal to 1 if their FHR is greater than or equal to 25%.
- If the FHR is lower than 25%, and greater than or equal to 15%, 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 zero.

c) For the subsequent index reviews, the FHR Adjustment Factor of components which are not in securities list 2 irrespective whether it is (not) in securities list 1, is determined as follows:

- The FHR Adjustment Factor is set equal to 1 if their FHR is greater than or equal to 25%.
- If the FHR is lower than 25%, and greater than or equal to 10%, the FHR Adjustment Factor is set equal to 0.5.
- If the FHR is lower than 10%, the FHR Adjustment Factor is set equal to zero.

The free-float factors are reviewed and implemented quarterly.

Market consultation

Affected indices

An excerpt of indices impacted (for reference only):
STOXX World AC All Cap
STOXX World AC
STOXX Developed World
STOXX Developed World Small Cap
STOXX Developed World All Cap
STOXX Emerging Markets
STOXX Emerging Markets Small Cap
STOXX Emerging Markets All Cap
STOXX North America
STOXX Developed Europe
STOXX Developed Europe ex UK
STOXX Europe AC
STOXX Developed Asia Pacific ex Japan
STOXX Developed Asia Pacific
STOXX International Developed Markets
STOXX International Developed Markets Small Cap

The above is not an exhaustive list. The complete set of impacted STOXX World indices can be retrieved from the STOXX Vendor Code Sheet under the following package names:

STOXX World All Country All Cap
STOXX World All Country Large and Mid cap
STOXX World All Country Sector
STOXX World All Country Small cap
STOXX World Developed All Cap
STOXX World Developed Large and Mid cap
STOXX World Developed Sector
STOXX World Developed Small cap
STOXX World Emerging All Cap
STOXX World Emerging Large and Mid cap
STOXX World Emerging Sector
STOXX World Emerging Small cap

Questions

1. Do you agree to implement the proposed free-float factor changes as shown in b of the table?

If your answer to the above question is NO, please kindly explain your rationale.

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