



# INDEX GUIDE

ETHO MarketVector™ Global Climate Positive Index

VERSION 1.0 | 04.2023

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# Regulation and Disclosures

## Regulation

In accordance with Art. 13 No. 1 (a) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "Benchmark Regulation"), this document provides the rules for establishing, calculating and maintaining the MVIS<sup>®</sup> Equity Index family (the "Indexes").

MarketVector Indexes GmbH (the "Index Administrator") makes no warranties or representations as to the accuracy and/or completeness of the Indexes and does not guarantee the results obtained by persons using the Indexes in connection with trading funds or securities. The Index Administrator makes no representations regarding the advisability of investing in any fund or security.

The Index Administrator reserves the right to update the rules in this Index Guide at any time. The Index Administrator also reserves the right to make, in exceptional cases or in temporary situations, exceptions to the rules in this Index Guide. The Indexes are the property of MarketVector Indexes GmbH. The Index Administrator has selected an index calculator to calculate the Indexes.

For all indexes composed of data of BM&FBOVESPA please reference to the document "Terms and Conditions BM&FBOVESPA" available on <http://www.solactive.com>.

## About Etho Capital

Etho Capital (the "Index Owner") creates index and other investment products that are optimized for climate efficiency, while also complying with Environmental, Social and Governance (ESG) standards.

## About MarketVector Indexes GmbH

MarketVector Indexes GmbH (the "Index Administrator") develops, monitors and markets the MarketVector<sup>™</sup> Indexes, a focused selection of pure-play and investable indexes designed to underlie financial products. MarketVector<sup>™</sup> is a registered trademark of Van Eck Associates Corporation and therefore protected globally against unlawful usage. MarketVector Indexes has selected an index calculation agent to calculate the index.

## Approval of Index Methodologies

The Index Owner has established the Indexes and their individual methodology covered in this Index Guide. A detailed written "Procedure for Index Development" describes the steps and approvals required to develop, document and approve an Index and its methodology. The intention of the Procedure for Index Development is to ensure that the methodology of an Index meets the requirements of Art. 12 of the Benchmark Regulation and is approved and implemented according to a robust and reliable process.

The methodology for each index and its methodology covered in this Index Guide has been analysed by the Index Owner's Index Operations department in order to ensure that it is robust and reliable, has clear rules on use of discretion, allows sustainable validation (based on reasonable back testing) and is traceable and verifiable. Furthermore, the size, liquidity and transparency of the underlying market for each methodology has been tested and particular circumstances for each relevant market have been taken into account.

Each index methodology and the related detailed analysis was presented by the Index Operations Department to the Independent Oversight Function for its approval. Based on the aforementioned approval process and its documentation each Index Methodology was presented to the Management Board (Geschäftsführer) of the Index Owner for final approval.

## Review of this Index Guide

According to Art. 13 No. 1 (b) of the Benchmark Regulation, the Index Owner reviews this Index Guide on an annual basis and immediately in case of special circumstances that require a review. The review



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takes place in meetings attended by the Independent Oversight Function and the Management Board of the Index Owner. If changes to this Index Guide are considered necessary, the process described in Section 6.5 applies.

## 2 INDEX UNIVERSE AND COMPONENT ELIGIBILITY

### 1 Index Description

The ETHO MarketVector™ Global Climate Positive Index tracks the performance of companies that, in aggregate, produce net negative greenhouse gas emissions. In calculating net greenhouse gas emissions, ETHO Capital considers scope 1-3 emissions. The index considers geographic factors and ESG factors, based on data provided by ETHO Capital, as further detailed in section 8.2. Further, companies that are not covered by ETHO Capital or for which any relevant data field is not collected by ETHO Capital are not eligible for inclusion.

### 2 Index Universe and Component Eligibility

#### 2.1 Index Universe

##### 2.1.1 Pure-Play/Thematic Screening

Companies are screened using data from ETHO Capital based on geographic factors and ESG factors as further detailed in section 8.2:

- Geographic Screen
  - Companies from the following countries are excluded based on incorporation or headquarters: Russia, United Arab Emirates, Saudi Arabia, Qatar, Kuwait, Brunei, Oman, Libya, Guyana and Bahrain.
- Climate Efficiency Screen
  - Companies that pass this screen will either: 1- have at least 50% greater climate efficiency (determined by greenhouse gas emissions) than their respective industry median, or 2- have negative net greenhouse gas emissions.
- 1.5 Degree Celsius Target Screen
  - Companies that pass this screen will either: 1- meet the Paris 2050 Agreement 1.5 degree Celsius greenhouse gas emissions reduction target, or 2- have negative net greenhouse gas emissions.
- Overall ESG Screen
  - Companies that do not pass ETHO's overall ESG screen are not eligible for inclusion. In determining whether companies pass the overall screen ETHO Capital considers a range of primarily environmental and social, as well as governance, factors as detailed in Chapter 8.2. Governance factors impact whether companies pass ETHO's overall ESG score based on a qualitative assessment by ETHO Capital of the severity of governance-related infractions in the context of the company's overall contribution to reduction in greenhouse gas emissions.

##### 2.1.2 Exclusion Criteria

The index universe will include only common stocks and stocks with similar characteristics from financial markets that are freely investable for foreign investors and that provide real-time and historical component and currency pricing, excluding:

- Limited Partnerships (LPs),

## 2 INDEX UNIVERSE AND COMPONENT ELIGIBILITY

- Cannabis/marijuana companies,
- FIs (Fundos de Investimento Imobiliário) in Brazil.

Only stocks that have a full market capitalization exceeding 50.0m USD are included in the index universe.

## 2 INDEX UNIVERSE AND COMPONENT ELIGIBILITY

### 2.2 Investable Universe

#### 2.2.1 Market Capitalization and Liquidity Criteria

Stocks must meet the following size and liquidity requirements to be included in the investable universe. Companies are divided into Tiers and investability criteria apply to each Tier. Tier 1 criteria applies to companies with net negative greenhouse gas emissions. Tier 2 criteria applies to all other companies. If composite country volume data exists, it will be used to identify the investable universe.

For stocks that are currently not included in the index:

- a free float factor (or shares available to foreign investors) of at least 10.0%,
- a full market capitalization exceeding 100.0 mn USD for Tier 1 companies or 5.0 bn USD for Tier 2 companies, and
- a three-month average-daily-trading volume of at least 1.0 mn USD at the current quarter and also at the previous two quarters, and
- at least 0.25 mn shares traded per month over the last six months at the current quarter and also at the previous two quarters.

For stocks already in the index the following applies:

- a free float factor (or shares available to foreign investors) of at least 5.0%,
- a full market capitalization exceeding 75.0 mn USD for Tier 1 companies or 3.5 bn USD for Tier 2 companies, and
- a three-month average-daily-trading volume of at least 0.20 mn USD in at least two of the latest three quarters (current quarter and also at the previous two quarters).
- In addition, a three-month average-daily-trading volume of at least 0.60 mn USD at the current quarter or at one of the previous two quarters, or
- at least 0.2 mn shares traded per month over the last six months at the current quarter or at one of the previous two quarters.

#### 2.2.2 Initial Public Offerings, SPACs , and Spin-Offs

Modified investability rules are applied for recent Initial Public Offerings (IPOs), spin-offs and post-merger/acquisition SPACs. Such companies qualify for fast-track addition to the investable universe once; either at the next regularly scheduled review if it has been trading since at least the last trading day of the month two months prior to the review or else at the following regularly scheduled review. In order to be added to the index the IPO stock has to meet the size and liquidity requirements:

- the IPO must have a free-float factor of at least 10%, and
- the IPO must have a full market capitalization exceeding 100.0 mn USD for Tier 1 companies or 5.0 bn for Tier 2 companies, and
- the IPO must have an average-daily-trading volume of at least 1.0 mn USD, and
- the IPO must have traded at least 0.25 mn shares per month (or per 22 days).

This rule is applicable for newly spun-off companies and post-merger/acquisition SPACs (using the merger/acquisition date like an IPO date) as well.

## 2 INDEX UNIVERSE AND COMPONENT ELIGIBILITY

### 2.3 Eligible Universe

#### 2.3.1 Share Class

One share class of each company in the investable universe is selected to the eligible universe. In case more than one share class fulfills the above specified market capitalization and liquidity rules, only the largest share class by free-float market capitalization qualifies for the eligible universe. In exceptional cases (e.g. significantly higher liquidity), the Index Owner can decide for a different share class.

In case the free-float market capitalization of a currently not included share class of an index component

- exceeds the free-float market capitalization of the currently selected share class by at least 25%, and
- fulfills all market capitalization and liquidity eligibility criteria for non-components

the currently selected share class will be replaced by the larger one. In exceptional cases (e.g. significantly higher liquidity), the Index Owner can decide to keep the current share class instead.

#### 2.3.2 Pricing Source

For each company in the investable universe one pricing source qualifies for the eligible universe. In cases where ADRs, GDRs or similar products, or a secondary listing exists either on an exchange in the US or in the UK, their price source is selected to the eligible universe. If neither a US or UK price source is available and there is a HK price source available, then this price source is used. Otherwise, the respective home market is chosen as the pricing source.

The price sources will be selected to the eligible universe in the following order:

1. US price source,
2. UK price source - London Stock Exchange International Order Book (IOB) only,
3. HK price source,
4. Home-market price source.

Once a company has qualified for the investable universe, only the most liquid single exchange price source within the country qualifies for the eligible universe.

Once a price source is selected, it is used as long as it qualifies for the investable universe. In exceptional cases, the Index Owner can assign alternative pricing sources.

## 3 INDEX REVIEW

### 3 Index Review

#### 3.1 Review Schedule

Components of the index are reconstituted and rebalanced on an annual basis in September according to the following schedule:

1. The index universe for this index is based on the most recent climate and ESG data provided by Etho Capital.
2. The eligible universe and component selection is determined based on the closing data on the last business day in August. For the calculation of the market capitalization the following applies: If a company does not trade on the last business day in November of the previous year, the last available shares and the last available price for this company will be used. A “business day” means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Frankfurt.
3. Component weights are determined based on closing data as of the Wednesday prior to the second Friday of September.
4. The underlying review and rebalance data (e.g. weights, index shares, shares outstanding, free-float factors, and/or new weighting cap factors) is announced on the second Friday of September.
5. Changes will be implemented and based on the closing prices as of the third Friday of September. If the third Friday is not a business day, the review will take place on the last business day before the third Friday. If a company does not trade on the third Friday of September, then the last available price for this company will be used. Changes become effective on the next index dissemination day.

During quarterly reviews in March, June and December, new float factors and shares are applied, but an adjustment factor will account for a constant component weight and divisor at implementation.

#### 3.2 Selection Procedure

Upon an index review, stocks included in the eligible universe are selected to the index, subject to the following final check, which is applied to ensure aggregate net negative greenhouse gas emissions across all selected stocks. The index targets a coverage of 100% of the free-float market capitalization of the eligible universe. The final check procedure is as follows:

- Stocks that have passed the factor screening in the previous step are weighted in two ways: 1- by full company market capitalization, and 2- equally. Sector level weights according to both weighting strategies are recorded.
- The equal weight of each company that remains in the index after each of the following steps multiplied by that company’s net greenhouse gas emissions is aggregated across all companies, herein referred to as the Aggregate Greenhouse Gas Emissions.
- If the Aggregate Greenhouse Gas Emissions is less than zero, then no further steps are taken.
- If the Aggregate Greenhouse Gas Emissions is greater than or equal to zero, companies are deleted from the index according to the following procedure, until the Aggregate Greenhouse Gas Emissions is less than zero.

1. Companies are ranked by greenhouse gas emissions from highest to lowest.

### 3 INDEX REVIEW

2. The highest ranking company from each sector that is at least 2% overweight relative to the sector weights of the market capitalization weighting scheme is deleted, starting with the sector that is most overweight, until either the Aggregate Greenhouse Gas Emissions is less than zero or no sector is more than 2% overweight relative to the sector weights of the market capitalization weighting scheme.
3. If following this step, the Aggregate Greenhouse Gas Emissions is still greater than or equal to zero, then the companies with the highest net greenhouse gas emissions are removed, one from each sector at a time, until the Aggregate Greenhouse Gas Emissions is less than zero.

#### 3.3 Weighting Scheme

Upon an index review/rebalance, companies selected to/included in the index will be equally weighted accordingly: Let “N” be the number of companies in the index. The weight for any single stock is  $1/N$ .

## 4 INDEX DISSEMINATION AND IDENTIFIERS

### 4 Index Dissemination and Identifiers

This index is calculated by Solactive AG on weekdays between 01:00 and 22:40 (CET) and index values are disseminated to data vendors every 15 seconds on days when either the US equity market is open for trading or at least one of the index components is available for trading.

The index is disseminated in USD.

Real-time index values are calculated with the midpoint between the latest available real-time bid- and ask-prices. The closing values for this index are calculated at 22:40:00 CET with fixed 16:00 London time exchange rates from WM company.

The ETHO MarketVector™ Global Climate Positive is calculated as a price index, a total return net index and a total return gross index and has the following identifiers:

<b>Index Type</b>	<b>ISIN</b>	<b>SEDOL</b>	<b>WKN</b>	<b>Bloomberg</b>	<b>Reuters</b>
Price Index	DE000SLOHCG2	BMD1MH4	SLOHCG	ETHOI	.ETHOI
Total Return Net Index	DE000SLOHCH0	BMD1MJ6	SLOHCH	ETHOITR	.ETHOITR
Total Return Gross Index	DE000SLOHD28	BMD1MK7	SLOHD2	ETHOITRG	.ETHOITRG

The index was launched on 20 Apr 2023 with a base index value of 1000 as of 20 Sep 2019.

## 5 GENERAL DEFINITIONS

### 5 General Definitions

#### 5.1 Free-Float

The indexes are free-float adjusted - the number of shares outstanding is reduced to exclude closely held shares (amount larger than 5% of the company's full market capitalization) from the index calculation.

At times other adjustments are made to the share count to reflect foreign ownership limits or sanctions. These are combined with the block-ownership adjustments into a single factor. To avoid unwanted double counting, either the block-ownership adjustment or the restricted stocks adjustment is applied, whichever produces the higher result.

#### 5.2 Index Types/Dividend Payments

The total return index includes all dividend payments (on a net-dividend basis, i.e., net dividend equals declared dividend less withholding tax, for the Total Return Net indexes (TRN) and on a gross-dividend basis, i.e., gross dividend equals declared dividend, for the Total Return Gross indexes (TRG)) and the price index only includes special dividends from non-operating income or cash dividends that are either declared as special or extraordinary, or do not coincide with the company's regular dividend distribution schedule.

Australian companies may pay dividends with or without franking credits (unfranked, partially franked or fully franked) attached. Withholding tax will only be applied on the unfranked portion of the dividend but not on the franked portion of the dividend or unfranked portion of the dividend declared to be conduit foreign income.

If the dividend amount for an index component is not available on the ex-date, an amount of "0" (zero) will be applied. If for the same index component the dividend amount is available after the ex-date and applied to the price of this company, there will still be no adjustment to the index on this day either.

For the most recent list of withholding taxes, please refer to our website ([www.marketvector.com](http://www.marketvector.com)).

## 6 ONGOING MAINTENANCE

### 6 Ongoing Maintenance

#### 6.1 Changes to Free-Float Factors and Number of Shares

Changes to the number of shares or the free-float factors due to corporate actions like stock dividends, splits, rights issues, spin-offs etc. are implemented on the ex-date.

Simple share/float changes are implemented the first business day of the following month.

#### 6.2 Changes due to Mergers & Takeovers

A merger or takeover is deemed successful if it has been declared wholly unconditional and has received approval of all regulatory agencies with jurisdiction over the transaction. The result of a merger or takeover is typically one surviving stock and one or more non-surviving stocks that may not necessarily be delisted from the respective trading system(s).

- If an index component merges with or takes over another index component:  
The surviving stock remains in the index and the other stock is deleted immediately from the index. Its shares and float are adjusted according to the terms of the merger/takeover. The index market capitalization of the merged company corresponds to the market capitalization of the two separate companies.
- If an index component merges with or takes over a non-index component:
  - If the surviving stock meets the eligible universe requirements, it will remain in the index and its shares and float will be adjusted according to the terms of the merger/takeover.
  - If the surviving stock does not meet the eligible universe requirements, it will be deleted immediately from the index.
- If a non-index component merges with or takes over an index component:
  - If the surviving stock meets the eligible universe requirements, it will be added to the index. Its shares and float will be adjusted according to the terms of the merger/takeover and will replace the current index component.
  - If the surviving stock does not meet the eligible universe requirements, it will not be added to the index and the current index component will be deleted immediately from the index.

#### 6.3 Changes due to Spin-Offs

Each spin-off stock is immediately added to the index for at least two trading days, if traded on its ex-date. If a spin-off company does not qualify for the index, it will be deleted based on its respective closing price. Shares and floats of the surviving companies are adjusted according to the terms of the spin-off.

#### 6.4 Additions due to Replacements

For all corporate events that result in a stock deletion from the index, there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all other index constituents.

## 6 ONGOING MAINTENANCE

### 6.5 Changes to the Index Guide

Any changes to the Index Guide will be reviewed and approved by the Legal and Compliance Department. Legal and Compliance may also request a conclusive description and further information on any change and may consult the operations department on such changes. The key elements to be analysed in this phase of the change process are robustness, transparency, reliability and integrity. The result of the review will be communicated to the operations department. The email will be archived by the operations department.

In case of changes that might immediately change the composition of an index or must be considered material for any other reason also need to be approved by the Independent Oversight Function ("IOF") prior to their publication and implementation.

In case of material changes an advance notice will be published and provided to users. MarketVector Indexes will generally disseminate a notification related to an Index Guide change 30 days prior to the change. A shorter period of time may be applied at MarketVector Indexes' discretion if the relevant index has not been licensed for a financial product to a third party. The notice will describe a clear time frame that gives the opportunity to analyse and comment upon the impact of such proposed material change. Any material comments received in relation to the Index Guide change and MarketVector Indexes' response to those comments will be made publicly accessible after any consultation, except where confidentiality has been requested by the originator of the comments.

### 6.6 Discretion regarding the Use of Input Data

Pursuant to Art. 12 No.1. (b), MarketVector Indexes has established the following rules identifying how and when discretion may be exercised in the administration of an index.

In case input data are or appear to be qualitatively inferior or different sources provide different data, an extraordinary event, or a situation is not covered by the index rules, MarketVector Indexes may use or change data/index composition at its own discretion according to the following discretion policy after a plausibility check. Regarding input data, this may include:

- Liquidity and size data,
- Ownership structures,
- Revenue and asset breakdowns,
- Corporate action information,
- Dividends, volatility and other secondary data.

Regarding extraordinary events, this may include:

- Trading stops,
- Regulatory actions,
- Detection of fraud,
- Tradability,
- Etc.

## 6 ONGOING MAINTENANCE

Any changes must be subject to reasonable discretion. The decision on any change must be required, appropriate, commensurate and in line with the respective index scope and objective and must reasonably consider in a balanced way the interest of Users, investors in related products and the integrity of the market.

Index operations ensure consistency in the use of discretion in its judgement and decision. Employees involved in the operations team must have shown the respective experience and skills. Significant decisions are subject to sign-off by a supervisor. In case of material changes to data the relevant situation will be analysed in detail, described and presented to the IOF and discussed and reviewed with the IOF.

The broad range of possible data quality problems does not allow to define specific steps for each possible instance. MarketVector Indexes will always weigh the different interests of the index users, the integrity of the market and other involved parties and determine the least disadvantageous measure that equally considers the relevant interests best.

In order to avoid individual decisions on the use of data in similar cases for the future an update of the index rules can be taken into consideration if applicable. Other possible mitigation measures are the change of input data sources or providers and/or own data research where possible and reasonable.

Records are kept about material judgement or discretion by MarketVector Indexes and will include the reasoning for said judgement or discretion.

### 6.7 Input Data and Contributor Selection

According to the input data requirements under Art. 11 of the Benchmark Regulation, the following shall apply with regard to the input data used for the management and provision of an index and the relevant input data providers ("Contributors"):

- the input data shall be sufficient to represent accurately and reliably the market or economic reality that the benchmark is intended to measure;
- the input data shall be transaction data, if available and appropriate. If transaction data is not sufficient or is not appropriate to represent accurately and reliably the market or economic reality that the index is intended to measure, input data which is not transaction data may be used, including estimated prices, quotes and committed quotes, or other values;
- the input data shall be verifiable;
- clear guidelines regarding the types of input data, the priority of use of the different types of input data and the exercise of expert judgement, to ensure compliance with the Index Guide and index methodology and the aforementioned requirements are defined in the Code of Conduct for Contributors; and
- where an index is based on input data from Contributors, MarketVector Indexes will obtain, where appropriate, the input data from a reliable and representative panel or sample of Contributors so as to ensure that the resulting index is reliable and representative of the market or economic reality that the index is intended to measure.

In order to control the quality of contributors, MarketVector Indexes will conduct the following controls:

- Evaluate market share, reputation, quality and cost of possible input data sources and providers before selecting them on the basis of the gathered information and data;

## 6 ONGOING MAINTENANCE

- Compare the input data of one Contributor with the input data from one or more other Contributors in order to ensure the integrity and accuracy of the input data and in case of bad quality replace a Contributor with another Contributor.

MarketVector Indexes will not use input data from a contributor if it has any indication that the Contributor does not adhere to its Code of Conduct for Contributors and in such a case shall obtain representative publicly available data.

## 7 CALCULATION

### 7 Calculation

#### 7.1 Index Formula

The index is calculated using the Laspeyres' formula:

$$Index\ Value = \frac{\sum_{i=1}^n p_i * q_i * ff_i * cf_i * fx_i}{D} = \frac{M}{D}$$

Where (for all stocks (i) in the index):

- $p_i$  = stock price,
- $q_i$  = number of shares,
- $ff_i$  = free-float factor,
- $fx_i$  = exchange rate (local currency to index currency),
- $cf_i$  = weighting cap factor (if applicable, otherwise set to 1),
- $M$  = free-float market capitalization of the index,
- $D$  = divisor.

#### 7.2 Input Data

The following rounding procedures are used for the index calculation:

- Rounding to 2 decimal places:
  - index values,
  - free-float factors ( $ff_i$ ),
- Rounding to 4 decimal places:
  - stock prices ( $p_i$ ),
- Rounding to 6 decimal places:
  - divisors ( $D$ ),
- Rounding to 12 decimal places:
  - exchange rates ( $fx_i$ ),
- Rounding to 16 decimal places:
  - company-weighting cap factors ( $cf_i$ ).

#### 7.3 Divisor Adjustments

Index maintenance - reflecting changes in shares outstanding, capital actions, addition or deletion of stocks to the index - should not change the level of the index. This is accomplished with an adjustment to the divisor. Any change to the stocks in the index that alters the total market value of the index while holding stock prices constant will require a divisor adjustment.

$$Divisor_{new} = Divisor_{old} * \frac{\sum_{i=1}^n p_i * q_i * ff_i * cf_i * fx_i \pm \Delta MC}{\sum_{i=1}^n p_i * q_i * ff_i * cf_i * fx_i}$$

$\Delta MC$  = Difference between closing and adjusted closing market capitalization of the index.

## 7 CALCULATION

### 7.4 Corporate Action Related Adjustments

Corporate actions range widely from routine share issuances or buy backs to unusual events like spin-offs or mergers. These are listed on the table below with notes about the necessary changes and whether the divisor will be adjusted.

$p_i$  = stock price,

$q_i$  = number of shares.

- *Cash dividend (for total return indexes only)* Divisor change: Yes

$$p_{(i,adjusted)} = p_i - (Dividend * (1 - Withholding Tax))$$

(In total return gross indexes the withholding tax is 0.)
- *Special cash dividend (for price and total return indexes)* Divisor change: Yes

$$p_{(i,adjusted)} = p_i - (Dividend * (1 - Withholding Tax))$$

(In total return gross indexes the withholding tax is 0.)
- *Split* Divisor change: No

Shareholders receive 'B' new shares for every 'A' share held.

$$p_{(i,adjusted)} = p_i * A/B$$

$$q_{(i,adjusted)} = q_i * B/A$$
- *Rights Offering* Divisor change: Yes

Shareholders receive 'B' new shares for every 'A' share held. If the subscription-price is either not available or not smaller than the closing price, no adjustment will be made.

$$p_{(i,adjusted)} = ((p_i * A) + (Subscription Price * B))/(A + B)$$

$$q_{(i,adjusted)} = q_i * (A + B)/A$$
- *Stock dividend (withholding taxes are applied, if applicable)* Divisor change: No

Shareholders receive 'B' new shares for every 'A' share held.

$$p_{(i,adjusted)} = p_i * A/(A + B)$$

$$q_{(i,adjusted)} = q_i * (A + B)/A$$
- *Stock dividend from treasury (withholding taxes are applied, if applicable)* Divisor change: Yes

Stock dividends from treasury are adjusted as ordinary (adjustments for price and total return indexes) or special (adjustments for total return indexes only) cash dividends. Shareholders receive 'B' new shares for every 'A' share held.

$$p_{(i,adjusted)} = p_i - (p_i * B)/(A + B)$$
- *Stock dividend of a different company security (withholding taxes are applied, if applicable)* Divisor change: No

The shares of the different company will be added according to the terms.
- *Spin-offs* Divisor change: No

Shareholders receive 'B' new shares for every 'A' share held.

The spun-off company will be added to all indexes where the parent company is an index constituent according to the transaction terms, with a price of zero, on the ex-date. If the spun-off does not start

## 7 CALCULATION

trading on the ex-date a fixed indicative price will be used until the first trading day. If an indicative price is not possible to be calculated the spun-off company will be added with a price of zero to the index. If the spun-off is not eligible for the index it will be deleted after 2 trading days.

- *Addition/Deletion of a company* Divisor change: Yes  
Net change in market value determines the divisor adjustment.
- *Changes in shares outstanding* Divisor change: Yes  
Any secondary issuance, share repurchase, buy back, tender offer, Dutch auction, exchange offer, bought deal equity offering or prospectus offering will be updated at the quarterly review if the change is smaller than 10%. Changes larger than 10% will be pre-announced (3 trading days notice) and implemented effective the following month (on a best effort basis). If necessary and information is available, resulting float changes will be taken into consideration.
- *Changes due to a merger/takeover/spin-off* Divisor change: Yes  
Net change in free-float market value determines the divisor adjustment. In case of no change, the divisor change is 0.

With corporate actions where cash dividends or other corporate assets are distributed to shareholders, the price of the stock will drop on the ex-dividend day (the first day when a new shareholder is eligible to receive the distribution.) The effect of the divisor adjustment is to prevent this price drop from causing a corresponding drop in the Index.

Corporate actions are announced at least four days prior to implementation.

### 7.5 Data Correction and Disruptions

MarketVector Indexes will usually receive information about errors or disruption from calculation agent, client, internal systems (IT) or by monitoring the respective output.

Incorrect or missing input data will be corrected immediately:

- The error is immediately communicated to the calculation agent, if applicable.
- Calculation agent will be asked to investigate the reason for the error.
- An email will be sent to all affected clients to inform them about the error; this includes the reason for the issue and an estimate on when the issue will be solved.
- MarketVector Indexes recalculates missing EOD data points and disseminates to vendors and clients.

In case of a material error,

- Legal and Compliance to check the relevant agreements for liability of the calculation agent.
- If MarketVector Indexes identifies any conduct that may involve manipulation or attempted manipulation of an index by calculation agent it will report this to the regulator.
- Where possible and economically reasonable MarketVector Indexes will try use another calculation agent.

Investigations and communication regarding disruptions with calculation agents will be handled by Compliance and Senior Management. They are either caused by disruptions in calculation or dissemination, which might affect different servicers.

## 7 CALCULATION

- The disruption is immediately communicated to the calculation/dissemination agent, if applicable.
- Calculation/dissemination agent will be asked to investigate the reason for the disruption.
- An email will be sent to all affected clients to inform them about the disruption; this includes the reason for the issue and an estimate on when the issue will be solved.
- MarketVector Indexes prompts calculation agent to make all efforts to restart index calculation.
- MarketVector Indexes prompts Dissemination agent to make all efforts to restart index dissemination.
- MarketVector Indexes recalculates missing EOD data points and disseminates to vendors and clients.
- Legal and Compliance to check the relevant agreements for liability of the calculation/dissemination agent.
- If MarketVector Indexes identifies any conduct that may involve manipulation or attempted manipulation of an index by calculation/dissemination agent it will report this to BaFin.
- Where possible and economically reasonable MarketVector Indexes will try use another calculation and/or dissemination agent.

## 8 APPENDIX

### 8 Appendix

#### 8.1 Changes to the Index Guide

This table contains all changes to the index guide after 1 January 2018, when the European Benchmark Regulation became effective.

Date	IG Version	Change
20 April 2023	1.0	Initial publication of individual index guide

## 8 APPENDIX

### 8.2 ESG Filters

The following table outlines ESG factors considered in the index. Companies must pass an Overall ESG Screen, a Climate Efficiency Screen, and 1.5 Degree C Screen.

Category	Field name	Description	Filter
Overall ESG	Overall ESG Indicator	Companies are assigned a 1 or 0 score based on the following environmental, social, and governance factors.	IS = 1
	Environmental Sector Involvement	Companies must not be directly involved in: coal production and related utilities, crude oil and natural gas pipelines and usage in energy production, financing of deforestation, deforestation (through the production or consumption of palm oil, paper and pulp, rubber, timber, cattle, or soy, or in relation to the production of consumer goods).	Considered in Overall ESG Screen
	Controversial Weapons Involvement	Companies must not be directly involved in: military contracting, cluster munitions, nuclear weapons, or gun manufacturing or distribution.	Considered in Overall ESG Indicator
	Social Sector Involvement	Companies must not be directly involved in: tobacco products, alcohol products, gambling.	Considered in Overall ESG Indicator
	Governance Infractions	As assessment of whether companies have adequate governance practices or have been found at fault of governance-related infractions related to the following list of activities. This also takes into consideration a qualitative assessment of the severity of such poor governance practices or infractions in the context of the company's overall contribution to the reduction of climate emissions (ie: companies that have proven governance-related infractions may still be assigned a score of 1 if the qualitative assessment indicates that positive climate contributions outweigh the severity of governance-related infractions). Specific governance-related factors considered include: board gender diversity, ratio of independent board members, and instances of fraud, bribery or corruption.	Qualitative Assessment Considered in Overall ESG Indicator
Climate Efficiency	Climate Efficiency Screen	Climate efficiency, as measured by net greenhouse gas emissions considering scopes 1-3 emissions.	Must be at least 50% better than the respective industry median
Climate Efficiency	Paris 2050 Alignment Indicator	Companies receive a score of 1 or 0 based on whether they meet the Paris 2050 Agreement's 1.5 degree Celsius greenhouse gas emissions reduction target.	IS= 1

## 9 DISCLAIMER

## 9 Disclaimer

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