



# **ICE Equity Index Methodology**

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# **1. Publication**

## **1.1 Publication of Index values.**

### **Opening**

The calculation of the opening level of the Index utilizes the most updated prices available at that moment from the official primary exchange for international equities and on a consolidated basis from all exchanges for U.S. equities. In the case of constituents that have a non-traded, halted or suspended status, or have not opened for the current day, the previous day's reference prices (typically primary exchange official closes) or estimated prices (for IPOs, buyouts and swap offers) are used.

### **Dissemination frequency**

The Index levels are published to the ICE Consolidated Feed. The calculated Index levels incorporate the latest traded price of each constituent from within the regular trading session of their respective market. For U.S. equities, intraday calculations of the Index are based on constituent prices that incorporate trades on a consolidated level from all exchanges including those not designated as the security's primary exchange. For all other equities, intraday calculations of the Index are based on constituent prices that solely incorporate trades executed on the security's primary exchange. The Indices are calculated on those days specified as Index Business Days. Index Business Days are days on which at least one of the current constituents' primary listing exchange is open for a full or partial day of trading.

### **Closing level**

The closing Index levels are the last levels disseminated on the trading day and use the official close prices from the primary listing market for each constituent. For constituents that have non-traded, halted or suspended status, or have not opened for the current day, the previous day's reference prices (typically primary exchange official closes) or estimated prices (for IPOs, buyouts and swap offers) are used instead. The currency rates used in the calculation of the closing Index levels are the current day's London 4:00 PM WM/Refinitiv Spot FX rates, or if not available, the prior day's relevant London 4:00 PM WM/Refinitiv Spot FX rates. In the case of exceptional market conditions, the Index Administrator reserves the right to utilize other prices in the calculation of the official closing Index levels, as indicated below in Section 1.2.

### **Data sources**

The ICE Consolidated Feed, which is obtained from ICE Data Services, is the primary market data source for equity real-time and closing prices. Currency rates used in the intraday calculation of the Index are sourced from ICE Data Derivatives. Currency rates used in the closing calculation of the Index are sourced from the WM/Refinitiv spot FX benchmarks provided by Refinitiv. Sector classifications are based on the ICE Uniform Sector Classification schema. Security free float data is sourced from Refinitiv, FactSet and IR TOP Consulting. Environmental, Social and Governance

("ESG") data is sourced from Sustainalytics and Truvalue Labs, which is owned by FactSet. Additional sources of data include market data vendors, company announcements, exchange announcements and other official sources.

## 1.2 Exceptional market conditions and corrections

The Index Administrator retains the right to delay the publication of the opening level of the Index or suspend the publication of the level of the Index if it believes that circumstances prevent the proper calculation of the Index.

If Index constituent intraday prices are cancelled or revised, the Index will not be recalculated unless the Index Administrator decides otherwise.

Reasonable efforts are made to ensure the correctness and validity of data used in real-time Index calculations. Where errors have occurred in the determination or calculation of an Index closing value, the decision to make a restatement will be assessed on a case by case basis. Such decision will take account of the significance, impact, age and scale of the error.

There is the possibility of an exchange or market-wide event resulting in the normal closing auction, or official closing prices, not being available. In those situations, the Index Administrator will take guidance from the respective exchange(s) and determine an appropriate course of action on an event-by-event basis. Exchange or market-wide events include, but are not limited to, the following:

- Volatility Halts
  - LULD (Limit Up / Limit Down)
  - Market Wide Circuit Breaker
- Technological Problems / Failures
- Natural Disaster or Other BCP-Related Event

## 1.3 Changes to the Index

### **Announcement policy**

Changes to the Index methodology are announced on the ICE Index Platform at [indices.theice.com](https://indices.theice.com).

As a general rule, announcement periods relating to the addition and removal of constituents will be applied in accordance with the Index rules. However, emergency actions, including urgently required corporate action treatments, often resulting from late notices from the relevant company or exchange, may require the Index Administrator to deviate from the standard timing.

### **Reconstitution constituent changes**

The addition or removal of constituents typically occurs during the reconstitutions and are announced in advance of the reconstitution becoming effective in accordance with the Index rules. The new Index composition can be accessed on the ICE Index Platform at [indices.theice.com](https://indices.theice.com). Constituents may also be added to or removed from the Index as a result of corporate actions as described below.

## **Corporate actions**

In case of a corporate action that affects one or more constituents, the Index Administrator will publish an announcement explaining its treatment in the Index shortly after the firm details have become available and have been confirmed. When possible, the addition or removal of a constituent is announced before the effective date of the change. However, depending on the availability of public information, less advance notice may be given. In the case of mergers and acquisitions, every effort is made to remove the company at some reasonable time ahead of the suspension in trading in the acquired company. There are certain situations and corporate actions that require the removal of a company that has already ceased trading. In those cases, the company is removed from the Index at its last traded price, or, at the discretion of the Index Administrator, at a derived price that most accurately represents its post-suspension value. Once a corporate action has been actioned in the Index, the Index Administrator confirms the changes and final terms such as Index divisor in a separate announcement.

## 2. Corporate actions

### 2.1 General

Index constituents and their respective weights may need be adjusted in response to corporate actions in order to maintain the continuity of the Index level and the composition. Such adjustments take place in reaction to events that occur with constituents in order to mitigate or eliminate the effect of that event on the Index performance.

While this section outlines the general rules pertaining to the treatment of corporate actions within Indices, any further clarifications or deviations from the standard treatment are outlined in individual Index rules available on the ICE Index Platform at [indices.theice.com](http://indices.theice.com).

### 2.2 Removal of constituents

Any constituent that is deleted from the Index as a result of a corporate action such as a merger, acquisition, spin-off, delisting or bankruptcy may be replaced by a new constituent. Thus, depending on the Index, the total number of constituents in the Index may fluctuate between reconstitutions.

In market capitalization weighted Indices, the replacement generally occurs at the market capitalization weight of the new constituent, subject to any float-adjusted and capping rules. In equal weighted Indices, the replacement occurs at the weight of the deleted constituent. In price weighted Indices, the replacement is added to the Index with the base shares of the Index (typically either 1 or 1000).

If a constituent is removed from the Index, the divisor is adjusted to maintain the Index level.

#### 2.2.1 Mergers and acquisitions

Merger or acquisition between members of the Index: For certain Indices, in the event a merger or acquisition occurs between members of the Index, the acquired constituent is deleted and its Index market capitalization may move to the acquiring constituent's Index weighting, according to the merger terms and depending on the portion of proceeds paid in the stock of the acquirer.

Merger or acquisition between a member and a non-member: A non-member is defined as a constituent that is not a current constituent of the Index. A merger or acquisition between one member of the Index and one non-member can take two forms:

- (1) The acquiring constituent is a member of the Index and the acquired constituent is not. In certain market capitalization weighted Indices, the acquiring constituent's shares and/or float may be adjusted at the time of acquisition, or at the next

scheduled share update, if the stock terms of the acquisition lead to a substantial change in the company market capitalization.

(2) The acquiring constituent is not a member, but the acquired constituent is a member. The acquired constituent is removed from the Index and its Index market capitalization is redistributed proportionately across the remaining constituents via a divisor adjustment. For certain Indices, the acquiring constituent may be considered for inclusion at the next reconstitution, as per the Index rules and methodology. As outlined above, in certain corporate action situations, the Index Administrator may choose to add in the acquiring constituent should it meet general universe requirements. Exceptions to the implied seasoning rule in the Index rules and methodology can be made at the discretion of the Index Administrator. As with any other addition, these actions would be announced with adequate notice prior to the effective date.

### **2.2.2 Suspensions and constituent distress**

Immediately upon a company filing for bankruptcy, an announcement is made to remove the constituent from the Index effective for the next trading day. If the constituent is trading on an over-the-counter (OTC) market, the last trade or price on that market is utilized as the deletion price on that day.

If the constituent does not trade on a relevant exchange or OTC market between the bankruptcy announcement and point of deletion from the Index, the constituent may be deleted from the Index in that corporate action treatment with a presumed market value of zero.

### **2.2.3 Price sources**

In the event that the trading in shares is suspended or halted, the last known price established during regular daytime trading on the primary exchange is used. Depending on the particular situation, the Index Administrator may choose to value the security at a price of zero for purposes of Index calculation and/or Index corporate action treatment. This would be applicable for certain extreme cases such as a constituent bankruptcy or severe distress.

## **2.3 Spin-offs and split-offs**

The closing price of the Index constituent is adjusted by the value of the spin-off. For most Indices, spun-off companies are not automatically added into the Index at the time of the event. In equal weighted Indices, the shares of the parent constituent are generally adjusted to maintain its weight in the Index from prior to the spin-off. The divisor is adjusted to account for any changes in the overall Index market capitalization.

Certain Indices may implement a zero-price spin-off policy. A spin-co is added into the index effective for the spin-off ex-date with a \$0 price and no price adjustment is made on the parent constituent. After the close of the first day of trading for the spin-co, it is deleted

from the index at its last traded price. The divisor is adjusted to account for any changes in the overall Index market capitalization. Zero-price spin-offs may occur in conjunction with share adjustments on the parent constituent in equal weighted Indices.

The Index Administrator reserves the right to be able to add spun-off companies into any Index, provided they meet general universe requirements. Exceptions to the implied seasoning rule in the Index rules and methodology can be made in these situations. As with any other addition, the Index Administrator would announce the corporate action with adequate notice ahead of the effective date.

## **2.4 Dividends**

The price return Index is adjusted for dividends that are special in nature through a price adjustment in the constituent paying the dividend. In equal weighted Indices, the shares of the paying constituent are generally adjusted to maintain its weight in the Index from prior to the distribution.

The Index Administrator uses the following criteria in order to determine whether a dividend should be considered a special dividend:

a) The declaration by a company of a dividend additional to those dividends declared as part of the company's normal results and dividend reporting cycle. An adjustment solely to the timing of the declaration of a company's expected dividend would not be considered as a special dividend circumstance; or

b) The identification of an element of a dividend paid in line with a company's normal results and dividend reporting cycle as an element that is unambiguously additional to the company's normal payment.

The price return Index is not adjusted for the following situations:

1. Payment of ordinary dividends, irrespective of how they are financed;
2. Issue of redeemable shares or any other entitlement in lieu of an ordinary dividend;  
or
3. Unexpected increase or decrease, resumption or cessation, or change in frequency to an ordinary dividend.

## **2.5 Rights issues and offerings**

In the event of a rights issue or offering, the price of the distributing constituent is adjusted for the value of the rights before the open on the ex-date. The adjustment assumes that the rights issue is fully subscribed. The amount of the price adjustment is determined from the terms of the rights issue, including the number of rights distributed per share, the number of shares able to be purchased with one right, the subscription price, and the price of the underlying security. Adjustments to the Index are only made if the rights represent a positive value, or are in-the-money, or alternatively, represent or can be converted into a tangible cash value.

Rights issues or offerings may also lead to changes in constituent shares and/or float, representing the increased shares outstanding as a result of the offering. Such changes would typically be handled in subsequent scheduled share updates.

In equal weighted Indices, the shares of the distributing constituent are generally adjusted to maintain its weight from prior to the rights distribution.

## **2.6 Stock splits, stock dividends and bonus issues**

For stock splits, reverse stock splits, stock dividends, and bonus issues, the price and number of shares included in the Index are adjusted in accordance with the ratio given in the corporate action. Since the event won't change the market value of the constituent included in the Index, the divisor is not changed because of this.

However, in price weighted Indices, generally only the price is adjusted, and the shares are not changed. Thus, the divisor is adjusted to maintain the Index level.

## **2.7 Changes in number of shares outstanding and free float level**

Changes in the number of shares outstanding and/or free float, typically due to share repurchases, tenders, or offerings, may lead to an adjustment in the constituent shares and/or float in market capitalization weighted Indices. This change may occur either at the time of the corporate event, in subsequent scheduled share updates, or at the next reconstitution or rebalance.

### 3. Calculation methodology

#### 3.1 Calculation of the Index

The Index may be calculated on a price return, gross total return and/or net total return basis. The current Index level is calculated by dividing the current Index market capitalization by the Index divisor. The Index market capitalization represents the sum product of Index constituent shares and prices. The divisor was determined as a function of the initial Index market capitalization and base Index level. The divisor is updated as a result of corporate actions, reconstitutions, rebalances and any other composition changes.

#### 3.2 Divisor

Price return Indices look to measure the period to period change in the value of its components due to changes in the valuation (price) of those components, including the impact of any special cash dividends and spin-offs. For a total return Index, the change in value also includes any income produced by those components, such as regular cash dividends.

Indices are maintained so as to avoid having corporate actions or changes in the composition resulting from additions, deletions, and share changes directly impact the Index level in any way.

The divisor is an important element in the determination of Index levels. At the inception of an Index (Base Date) the divisor is set such that the initial Index level (Base Level) is at the desired starting point. Indices generally have a starting level of 100 or 1,000, although any number could be used. The general formula to determine an Index level is:

$$\text{Index Level} = \frac{\text{Index Market Capitalization}}{\text{Divisor}}$$

which can be rearranged as:

$$\text{Divisor} = \frac{\text{Index Market Capitalization}}{\text{Index Level}}$$

This formula allows the continuity of the Index to be maintained in the face of changes that may occur in Index market capitalization not attributed to changes in the prices of components. For example, at the effective date of a reconstitution there may be changes to

the pool of components and/or the number of shares held of those components. These changes to the Index are made at the closing prices of the Index constituents and as such there should be no change to the observed Index level pre- and post-rebalance. A simple example is as follows:

|                             | <b>Current Index Market Capitalization</b> | <b>New Index Market Capitalization</b> |
|-----------------------------|--|--|
| Component #1                | \$1,500,000                                | \$1,500,000                            |
| Component #2                | \$1,250,000                                | \$1,250,000                            |
| Component #3                | \$1,250,000                                | \$1,250,000                            |
| Component #4                | \$0  | \$2,000,000                            |
| Index Market Capitalization | \$4,000,000                                | \$6,000,000                            |
| Pre-Rebalance Index Level   | 2,000.00                                   |  |
| Pre-Rebalance Divisor       | 2,000.00                                   |  |
| Post-Rebalance Index Level  |  | 2,000.00                               |
| Post-Rebalance Divisor      |  | 3,000.00                               |

In this example, an Index reconstitution has added another component to the Index. This addition has increased the Index market capitalization from 4 to 6 million USD. If the current divisor is used, the Index level would be calculated incorrectly ( $6,000,000 / 2,000 = 3,000.00$ ). As there were no component price changes, the Index level pre- and post-reconstitution should not change. In order to maintain that Index level, a new divisor of 3,000 is calculated.

### 3.3 Formulas

The general formula for the **Price Return version [Index(PR)<sub>t</sub>]** of the Index is:

$$\text{Index(PR)}_t = \frac{\sum_i P_{i,t} Q_{i,t}}{D_t}$$

Where:

$t$  = Index Business Day  $t$

$D_t$  = Price Return Index Divisor on Index Business Day  $t$

$P_{i,t}$  = Price (in the Index Base Currency) of Index Constituent  $i$  on Index Business Day  $t$

$Q_{i,t}$  = Shares of Index Constituent  $i$  on Index Business Day  $t$

The Index is only calculated on Index Business Days, which are defined in section 1.1 above.

The **Index Divisor  $D_t$**  is adjusted for corporate actions and any additions, deletions, and share changes for the Index Constituents:

$$D_t = \frac{\sum_i APC_{i,t} Q_{i,t}}{\text{Index}(PR)_{t-1}}$$

Where:

$D_t$  = Index Divisor on Index Business Day t

$\text{Index}(PR)_{t-1}$  = Price Return Index Level from Date t-1

$APC_{i,t}$  = Adjusted Previous Close Price (adjusted for corporate actions, and denominated in the Index base currency) of Index Constituent i on Index Business Day t

$Q_{i,t}$  = Shares of Index Constituent i on Index Business Day t

The general formula for the **Gross Total Return version [Index(GTR) $_t$ ]** of the Index follows that of the Price Return version:

$$\text{Index}(GTR)_t = \frac{\sum_i P_{i,t} Q_{i,t}}{D_{gtr,t}}$$

Where:

$D_{gtr,t}$  = Gross Total Return Index Divisor on Index Business Day t

$P_{i,t}$  = Price (in the Index Base Currency) of Index Constituent i on Index Business Day t

$Q_{i,t}$  = Shares of Index Constituent i on Index Business Day t

The **Index Divisor** for the **Gross Total Return Index** is adjusted as follows:

$$D_{gtr,t} = \frac{\sum_i APC_{i,t} Q_{i,t}}{\text{Index}(GTR)_{t-1}}$$

Where:

$D_{gtr,t}$  = Gross Total Return Index Divisor on Index Business Day t

$APC_{i,t}$  = Adjusted Previous Close Price (adjusted for gross dividends going ex-dividend on Index Business Day t and corporate actions, and denominated in the Index base currency) of Index Constituent i on Index Business Day t

$Q_{i,t}$  = Shares of Index Constituent i on Index Business Day t

$\text{Index}(GTR)_{t-1}$  = Gross Total Return Index Level from Index Business Day t-1

The general formula for the **Net Total Return version [Index(NTR) $_t$ ]** of the Index follows that of the Price Return version:

$$\text{Index}(NTR)_t = \frac{\sum_i P_{i,t} Q_{i,t}}{D_{ntr,t}}$$

Where:

$D_{ntr,t}$  = Net Total Return Index Divisor on Index Business Day t

$P_{i,t}$  = Price (in the Index Base Currency) of Index Constituent i on Index Business Day t

$Q_{i,t}$  = Shares of Index Constituent i on Index Business Day t

The **Index Divisor** for the **Net Total Return Index** is adjusted as follows:

$$D_{ntr,t} = \frac{\sum_i APC_{i,t} Q_{i,t}}{Index(NTR)_{t-1}}$$

Where:

$D_{ntr,t}$  = Net Total Return Index Divisor on Index Business Day t

$APC_{i,t}$  = Adjusted Previous Close Price (adjusted for net dividends going ex-dividend on Index Business Day t and corporate actions, and denominated in the Index Base Currency) of Index Constituent i on Index Business Day t

$Q_{i,t}$  = Shares of Index Constituent i on Index Business Day t

$Index(NTR)_{t-1}$  means the Net Total Return Index Level from Index Business Day t-1

The formula for the **Net Dividend** of an Index Constituent is:

$$Div_{net,i,t} = Div_{gross,i,t} \times (1 - WTR_{i,t})$$

Where:

$Div_{net,i,t}$  = Net Dividend for Index Constituent i on Index Business Day t

$Div_{gross,i,t}$  = Gross Dividend for Index Constituent i on Index Business Day t

$WTR_{i,t}$  = Withholding Tax Rate being utilized for the respective country of incorporation for Index Constituent (i) on Index Business Day t

The schedule of applicable withholding tax rates can be found on the ICE Index Platform at [indices.theice.com](http://indices.theice.com). Withholding tax rates are based on a non-resident investor located in a country that does not benefit from double-taxation treaties.

The following formula is utilized to calculate additional **Currency Variants** of an Index:

$$Index(C)_t = Index(C)_b \times \frac{Index(B)_t}{Index(B)_b} \times \frac{FX_t}{FX_b}$$

Where:

$Index(C)_t$  = Index Level (Currency Variant) on Index Business Day t

$Index(C)_b$  = Index Level (Currency Variant) on Index Base Date b

$Index(B)_t$  = Index Level (Base Currency) on Index Business Day t

$Index(B)_b$  = Index Level (Base Currency) on Index Base Date b

$FX_t$  = FX rate between Base Currency and Variant Currency on Index Business Day t

$FX_b$  = FX rate between Base Currency and Variant Currency on Index Base Date b

## 4. Country of risk

The country of risk is typically based on the physical location of a company's operating headquarters. However, for holding companies, the country of risk determination is based on the location of most operating assets. If no single country represents most operating assets, or if this cannot be determined, the country of risk is based on the company's operating headquarters.

## 5. Free float methodology

Free float levels are calculated by dividing the security free float shares by the total security shares outstanding. The security free float shares are equal to the security shares outstanding minus treasury shares and strategic holdings by other corporations, holding companies, individuals, and government agencies. Individual holdings are deemed strategic if the individual, or a member of the individual's immediate family, is an officer or director of the company, or if they comprise a significant percentage of total shares outstanding (commonly 5% or more). Shares held by banks and financial institutions in a fiduciary capacity are not deemed strategic.

## 6. Additional third-party data used in index construction

**FactSet RBICS Focus:** single-sector classifications based on companies' primary lines of business as determined on the basis of their revenue sources.

**FactSet Revere Hierarchy:** an industry classification system built from the bottom-up, where the lowest hierarchical levels capture companies' products and services.

**FactSet Supply Chain Relationships:** a dataset that captures the business relationships among companies globally, including a company's (i) competitors, (ii) suppliers, (iii) customers and (iv) strategic partners, as publicly disclosed by the company including in annual reports, investor presentations and press releases.

**Truvalue Labs<sup>1</sup> Pulse Score:** a measure of near-term ESG performance of a company for each of the 26 sustainability-related business issues as identified by the Sustainability Accounting Standards Board ("SASB")<sup>2</sup> as well as in the aggregate ("All Categories"). The universe of SASB issues spans 5 areas: 1) Business Model & Innovation; 2) Leadership & Governance; 3) Environment; 4) Human Capital; and 5) Social Capital.

**Truvalue Labs ESG Insight Score:** a measure of the longer-term ESG track record of a company for each of the 26 SASB issues that is derived by calculating an exponentially weighted moving average of its Pulse Score. Scores are also derived to reflect the aggregate score across all 26 SASB issues (All Categories), based on a function of information flow to each individual issue (category), with each category being weighted by its volume of information flow in the trailing 12 months.

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<sup>1</sup> Truvalue Labs is owned by FactSet. <http://www.truvaluelabs.com/>

<sup>2</sup> <https://materiality.sasb.org/>

## 9. Governance

### Index Sponsor & Administrator

ICE Data Indices, LLC (“IDI”) is the Index Sponsor and the Index Administrator.

IDI is responsible for the day-to-day management of the Index in accordance with its rules, including retaining primary responsibility for all aspects of the Index determination process, including implementing appropriate governance and oversight, as required under the International Organization of Securities Commission’s Principles for Financial Benchmarks (the IOSCO Principles). The IDI Governance Committee is responsible for helping to ensure IDI’s overall compliance with the IOSCO Principles, by performing the Oversight Function which includes overseeing the development, design, issuance and operation of the Indices, as well as reviewing the control framework. IDI is also responsible for decisions regarding the interpretation of these rules and the IDI Governance Committee is responsible for reviewing all rule book modifications with respect to the Index to ensure that they are made objectively, without bias, and in accordance with applicable law and regulation and IDI’s policies and procedures. Consequently, all IDI and IDI Governance Committee discussions and decisions are confidential until released to the public.

### Periodic review of Index rules

The Index is constructed based on a defined set of rules which spell out all pertinent details of how it is compiled. The Index rules specify the criteria for selecting constituent securities. The rules also establish the methodologies for weighting, valuing and rebalancing the constituents. Rules and methodologies are reviewed periodically, in accordance with IDI’s policies and procedures, to ensure the Index continues to meet its objective. IDI shall announce changes in rules and methodologies, along with their implementation dates, in accordance with its policies and procedures.

IDI consults with stakeholders on proposed material changes that affect the Index, which may result from a periodic review, feedback from customers or rebalance events, prior to making such changes, in accordance with IDI’s consultation policy:

<https://www.theice.com/market-data/indices/regulation>.

### Rule book changes

The IDI Governance Committee reviews all rule book modifications and Index changes to ensure that they are made objectively, without bias and in accordance with applicable law and regulation and IDI’s policies and procedures. These rules may be supplemented, amended in whole or in part, revised or withdrawn at any time in accordance with applicable law and regulation, IDI applicable policies and procedures and results of special consultations or emergency actions. Supplements, amendments, revisions and withdrawals may also lead to changes in the way the Index is compiled or calculated or affect the Index in another way.

### Cases not covered in rules

In cases which are not expressly covered in these rules, operational adjustments are made, as needed, to ensure the Index meets its intended objectives. Operational adjustments may also take place if, in the opinion of the Index Administrator, it is desirable to do so to maintain a fair and orderly market in derivatives on this Index and/or this is in the best interests of the investors in products based on the Index and/or the proper functioning of the markets. Any such modifications described under this section or exercise of Expert Judgment will also be governed by any applicable policies, procedures and Guidelines in place by IDI at such time.

### Limitations of the Index

All indices produced by IDI (the “Indices”) may be subject to potential limitations in terms of the number of qualifying constituents and diversification. In some cases, this is by design – for example, some Indices are designed to narrowly measure a specific theme, sector or geography. In addition, changes in the economy, changes in regulation or accounting rules, consolidation in certain sectors or industries, or other factors could materially impact an Index such that it is no longer representative of the market it is intended to measure in accordance with its objective. Other limitations may include the ability of an Index to operate in illiquid or fragmented markets. IDI seeks to manage and mitigate these limitations through the Index design, review and oversight process.

### Sanctions affecting Index inclusion

Sanctions policies sometimes affect the ability of investors to transact in and/or hold securities of certain issuers. In these cases, we review the impact and may consult on rule updates to Indices affected by the sanctions. The following sanctioned issuer exclusions are currently in effect:

- China: All companies specifically named in U.S. Presidential Executive Order 14032, or subsequently named by the Office of Foreign Assets Control (“OFAC”), do not qualify for inclusion in ICE equity indices.

## 10. Disclaimer

The products and services mentioned herein solely in relation to the Indices (each an “Index”) may not be available in all jurisdictions. This document does not constitute an offer of services in jurisdictions or circumstances where ICE Data Indices, LLC (“IDI”) does not have the necessary or appropriate licenses or approvals for the offering of the products and services described herein. Each Index provides a general investment strategy, does not take into account any of the specific needs or financial circumstances of any person, entity or group of persons and should not be considered investment advice. All information provided by IDI, including without limitation, any materials that describe any Index, is of a general nature only.

The development or creation of any financial product that is based on, developed in connection with, or uses directly or indirectly an IDI Index, including any bi-lateral contract, fund, investment vehicle or issue of securities (an “Investable Product”), is prohibited without the prior written consent of IDI. IDI is not obligated to enter into or promote Investable Products or other transactions or investments that are linked to any ICE Index or any of its constituents.

IDI receives compensation in connection with the licensing of its Indices to third parties.

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