



## EMIX – BENCHMARK STATEMENT

1. General Disclosures	
<b>Benchmark family name</b>	EMIX Indices
<b>Benchmark administrator</b>	<b>IHS Markit Benchmark Administration Ltd. (IMBA UK)</b>
<b>Date of initial publication of this document</b>	20 December 2019
<b>Date of last update to this document</b>	8 June 2021
<b>ISIN (where available)</b>	The list of identifiers for the indices and sub-indices can be found on the list of benchmarks that are administered by IMBA UK, available on the Administrator’s website <a href="#">here</a> .
<b>Determination by contributions of input data</b>	The administrator does not receive contributions of “input data” as defined by BMR.
<b>Qualification of the benchmark family</b>	Benchmarks within the EMIX family are administered as “significant” (as defined by the BMR).
2. Climate-related disclosures	
<b>Type of benchmark family</b>	Equity benchmarks
<b>Name of the benchmark</b>	EMIX benchmarks
<b>Does the benchmark pursue ESG objectives?</b>	No
<b>Where the answer to the above question is negative, is any EU Climate Transition Benchmark or EU Paris-Aligned Benchmark</b>	Yes

<p>available in the portfolio of IMBA UK or does IMBA UK have benchmarks that pursue ESG objectives or consider ESG factors?</p>	
<p><b>3. Key information relating to the benchmark or family of benchmarks</b></p>	
<p><b>General description of the market or economic reality</b></p>	<p>EMIX Indices measure the performance of a set of equity securities over time. They are used for benchmarking and passive investment products such as ETFs.</p>
<p><b>Geographical boundaries of the market or economic reality</b></p>	<p>EMIX Indices cover the equity markets globally. Many of the indices are designed to reflect the performance of regional or sector equity markets in different currencies such as EUR, GBP, USD and others.</p>
<p><b>Other relevant information relating to the market or economic reality</b></p>	<p>Exchange rates, exchange closing prices, traded volumes, <b>Free Float</b> data or <b>Corporate Actions</b> and number of issued shares used for the calculation and maintenance of the index are provided by third party data vendors.</p>
<p><b>4. The potential limitations of the benchmark and the circumstances in which the measurement of the market or economic reality may become unreliable</b></p>	
<p><b>Circumstances in which we would lack sufficient input data to determine the benchmark according to the methodology</b></p>	<p>Underlying data is provided by third party data aggregators. Failure of those providers may impact the ability to determine benchmarks in accordance with the applicable methodology. In the case of a market or data source disruption, the administrator will either proceed with or defer the determination of the respective index levels in accordance with the relevant index manual and the relevant Markit Disruption Events Policy.</p>
<p><b>Circumstances in which the degree of liquidity of the underlying market becomes insufficient to ensure the integrity and reliability of the benchmark determination according to the methodology</b></p>	<p>See above.</p>

## 5. The controls and rules that govern the exercise of judgment or discretion in the calculation of the benchmark or family of benchmarks

<p><b>Position of each function or body that may exercise discretion in the calculation of a benchmark and governance thereof</b></p>	<p>The administrator's indices are rules based and do not typically permit the use of discretion unless there are exceptional circumstances that are not addressed by either the index rules or an administrator policy. Such scenarios may include (but are not limited to):</p> <ul style="list-style-type: none"> <li>• Failure of data providers;</li> <li>• Significant changes to the underlying market;</li> <li>• Complex corporate events;</li> <li>• Action by governmental or regulatory bodies that causes <b>Market Disruption</b>;</li> <li>• Events beyond human control.</li> </ul> <p>In the event that the administrator needs to take action or make a decision that has not been foreseen by the methodology or associated policy, senior members of the administration team will consult internally with the applicable <b>Index Administration Committee (IAC)</b>; this is to arrive at a decision that is consistent with the objective of the index in question and that causes minimal disruption to index stakeholders.</p> <p>Any changes to the index methodology or cessations will be decided upon as per IMBA's Benchmark Methodology Changes and Cessation policy (available <a href="#">here</a>). Where a proposed methodology change is material IMBA will launch a wider consultation which is addressed to all relevant stakeholders. It will also notify the <b>Board</b> and the <b>Benchmark Oversight Committee</b> who will oversee the consultation process and can challenge the suggested approach. A methodology change is likely to be material if it has a substantial impact on the index calculation process or formula, the quality of the input data, the index selection rules, the underlying market or reality measured, the panel of contributors to the benchmark, or the benchmark level.</p>
<p><b>Ex-post evaluation process</b></p>	<p>As above, the exercise of judgment or discretion in the calculation of equity benchmark indices would need to be approved by the IAC prior to the publication of any benchmark to ensure that no conflict of interest arises and that the EMIX Indices continue to reflect the underlying economic reality. To the extent there is feedback or comment on the use of expert judgment or discretion, the IAC will review those comments at the earliest opportunity.</p>

## 6. Review of the methodology and changes to, or cessation of, the benchmark or family of benchmarks

### The methodology

1. The EMIX methodology is applied to produce standardized indices defined by different regions, currencies, issuer types and other criteria that may be relevant to investors. The indices are published on each working day and the index membership is updated as part of the **Quarterly Review** of the indices. The indices allow investors to get an aggregate view of the performance of the overall market as well as the performance of specific sub-sections of the market. The index rules are subject to at least annual review by the administrator, including seeking feedback from market participants. The results of the review are approved by the **Board** of the administrator and submitted to the **Benchmark Oversight Committee**.
2. The membership of EMIX Indices is determined by clear, transparent and objective rules that are recorded in the publicly available EMIX index guides:  
<https://indices.ihsmarkit.com/EMIX/Methodologies>
3. The exercise of judgment or discretion is very rare and governed by a defined procedure that ensures any such cases are referred to a wider internal forum as described above in section 5.
4. A notification will be sent to users in case the indices cannot be calculated or when the calculation of a significant part of the index is based on assumptions due to the lack of available data. In exceptional situations where it is not possible to calculate an index at all, a working day may be declared a nontrading day.
5. EMIX has a restatement policy in place that describes how errors in the calculation or the membership are handled. The key determinants to decide if an index needs to be restated following an error are the magnitude of the error on the index performance as well as the impact on the users of the index.
6. The identification of potential limitations of the benchmark indices, including its operation in illiquid or fragmented markets, are addressed above in section 5.

Further details of the administrator's Restatement policy are available on the administrator's website [here](#).

<p><b>Rationale for adopting the methodology</b></p>	<p>The EMIX families consists of a large number of indices and sub-indices across regions, size segments, issuer types and other criteria and is published calculated daily Monday-Friday. Key elements of the methodology that these indices have in common are (1) rules for inclusion and (2) regular rebalancing.</p> <p><b>Rules for inclusion of input data</b></p> <p>The index rules are clear, transparent, objective, and replicable. For a stock to be eligible, it needs to be part of the EMIX Investable Universe which is derived from the global universe of exchange-listed securities where securities are selected according to (i) equity features of the listed security, (ii) accessibility to international investors and (iii) size and liquidity of the security. Individual indices within EMIX are derived from the EMIX Investable Universe by applying additional filters such as geographic region, size, industry sector etc. on the EMIX Investable Universe depending on the specific market an individual index is seeking to represent.</p> <p><b>Regular rebalancing</b></p> <p>The EMIX Investable Universe and the individual index compositions are updated at regular intervals. Such regular rebalancing is used to ensure that the index is current and continues to measure the economic reality it is supposed to measure. On the rebalancing dates, updates to the index composition are performed to reflect IPOs, delistings and suspensions, mergers and other corporate actions as well as changes to liquidity and size of individual stocks. The frequency of rebalancing is chosen to balance this objective with the goal to avoid overly frequent adjustments.</p>
<p><b>Possible impacts of changes to, or the cessation of the benchmarks upon the financial contracts, financial instruments that reference the benchmark or the measurement of the performance of investment funds</b></p>	<p>The EMIX Indices are used for benchmarking, risk and performance reporting, and underlying for passive investments such as ETFs. The impact of a cessation of the EMIX Indices would be that users would need to switch to other comparable indices. Generally, the administrator will publicly consult on any planned material change or the cessation of a benchmark to allow stakeholders to indicate where changes to or the termination of a benchmark are expected to have adverse impacts. The administrator will make reasonable efforts to address stakeholder concerns expressed in their response to such consultation and to allow for reasonable advance notice for stakeholders in order to unwind existing contracts or instruments or identify an appropriate substitute benchmark. However, there may be circumstances where external factors beyond the control of the administrator could lead to short-term changes to or the termination of an EMIX Index without consultation or adequate notice period, e.g. where a continuous disruption of the underlying market or an underlying data point require a change to the methodology or impact the viability of a benchmark. This may have a direct impact on investors with positions in financial contracts or financial instruments referencing the benchmark.</p>

	Further details of the administrator's Change and Cessation policy are available on the administrator's website <a href="#">here</a> .
<b>7. Key Terms</b>	
<b>Corporate Action</b>	means events (mergers, acquisitions and restructurings) that affect a company's number of shares in issue and/or the share price
<b>Free Float</b>	means percentage of shares of a constituent deemed to be in circulation
<b>Market Disruption</b>	means event where trading does not take place
<b>Quarterly Review</b>	means a quarterly sequence of procedures which results in the reconstitution of the EMIX Indices
<b>Benchmark Oversight Committee</b>	means the independent function overseeing the IMBA UK Board with regard to the administration of the EMIX Indices
<b>Board</b>	means the Board of Directors of IMBA UK
<b>ESG</b>	means Environmental, Social and Governance, recognised as the three central factors measuring sustainability and societal impact of institutions, sovereigns, or other entities
<b>IHS Markit Benchmark Administration Ltd. (IMBA UK)</b>	means the administrator, which is the UK entity authorised by the FCA responsible for the daily provision of the EMIX Indices
<b>Index Administration Committee (IAC)</b>	means the committee with responsibility for overseeing day to day administration of the EMIX Indices
<b>8. Additional information</b>	
<b>Additional information</b>	For more information, visit <a href="https://indices.ihsmarkit.com/EMIX">https://indices.ihsmarkit.com/EMIX</a> or contact us at <a href="mailto:indices@ihsmarkit.com">indices@ihsmarkit.com</a> .

## 9. Document governance

<b>Document name</b>	EMIX Benchmark Statement
<b>Document owner</b>	Regulatory Compliance
<b>Applies to</b>	EMIX benchmark family
<b>Approved by</b>	Board of IHS Markit Benchmark Administration Ltd. and Benchmark Oversight Committee
<b>Date of Last review</b>	8 June 2021

## **IMPORTANT:**

This Benchmark Statement will be updated whenever the information it provides is no longer correct or sufficiently precise and at least where:

(a) there is a change in the type of the benchmark;

(b) there is a material change in the methodology for determining the benchmark or, where the Benchmark Statement refers to a family of benchmarks, in the methodology for determining any benchmark within the family of benchmarks.

This Benchmark Statement will be updated at least every two years.

## **ABOUT US**

IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

## **CONTACT US**

For more information, including methodology documents please visit <https://ihsmarkit.com/products/indices.html> or contact us at [indices@ihsmarkit.com](mailto:indices@ihsmarkit.com).

## **NOTICES AND DISCLAIMERS**

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