

EMIX Index Family *Benchmark Statement*

September 2022

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General Disclosures

Benchmark family name	EMIX
Benchmark administrator	IHS Markit Benchmark Administration Ltd. (IMBA UK)
Date of initial publication of this document	20 December 2019
Date of last update to this document	1 September 2022
ISIN (where available)	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 here .
Determination by contributions of input data	The administrator does not receive contributions of "input data" (as defined by BMR) in relation to this family of benchmarks.
Qualification of the benchmark family	The EMIX indices are administered as significant benchmarks.

Market or Economic Reality of the Benchmark

General description of the market or economic reality

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.

Geographical boundaries of the market or economic reality

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.

Other relevant information relating to the market or economic reality

Exchange rates, exchange closing prices, traded volumes, **Free Float** data or **Corporate Actions** and number of issued shares used for the calculation and maintenance of the index are provided by third party data vendors.

Potential Limitations of the Benchmark

Circumstances in which we would lack sufficient input data to determine the benchmark according to the methodology

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.

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

See above.

Exercise of Expert Judgment and Discretion

Position of each function or body that may exercise discretion in the calculation of a benchmark and governance thereof

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):

- Failure of data providers;
- Significant changes to the underlying market;
- Complex corporate events;
- Action by governmental or regulatory bodies that causes Market Disruption
- Events beyond human control.

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 **Index Administration Committee (IAC)**; 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.

Any changes to the index methodology or cessations will be decided upon as per IMBA's Benchmark Methodology Changes and Cessation policy (available [here](#)). 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 **Board** and the **Benchmark Oversight Committee** 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.

Ex-post evaluation process

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.

Methodology Changes and Benchmark Cessations

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](#).

Rationale for adopting the methodology

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.

Rules for inclusion of input data - 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.

Regular rebalancing - 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.

Possible impact 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

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.

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

Key Terms

Corporate Action	means events (mergers, acquisitions and restructurings) that affect a company's number of shares in issue and/or the share price.
Free Float	means percentage of shares of a constituent deemed to be in circulation.
Quarterly Review	means a quarterly sequence of procedures which results in the reconstitution of the EMIX Indices.
Benchmark Oversight Committee	means the Benchmark Oversight Committee, the independent function overseeing the IMBA UK Board with regard to the administration of the EMIX indices.
BMR	means the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016.
Board	means the Board of Directors of IMBA UK.
ESG	means Environmental, Social, Governance, recognised as the 3 central pillars measuring sustainability and societal impact of institutions, sovereigns, or other entities.
IHS Markit Benchmark Administration Ltd. (IMBA UK)	means the administrator, which is the UK entity authorised by the FCA responsible for the daily provision of the EMIX indices.
Index Administration Committee (IAC)	means the committee with responsibility for overseeing day to day administration of the EMIX Indices.

Additional Information

Updates to this Benchmark Statement

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.

Contact us

For more information, visit <https://indices.ihsmarkit.com/EMIX> or contact us at indices@ihsmarkit.com.

Appendix I - Consideration of ESG Factors

Type of benchmark family	Equity benchmarks
Name of the benchmarks	EMIX Indices
Does the benchmark pursue ESG objectives?	No
Where the answer to the above question is negative, is any EU Climate Transition Benchmark or EU Paris-Aligned Benchmark available in the portfolio of IMBA UK or does IMBA UK have benchmarks that pursue ESG objectives or benchmarks that take into account ESG factors?	Yes

Appendix II - Disclosure of the Alignment with the Objectives of the Paris Agreement

Does the benchmark align with the target of reducing carbon emissions or the attainment of the objectives of the Paris Agreement?	No
The temperature scenario, in accordance with international standards, used for the alignment with the target of reducing GHG emissions or attaining of the objectives of the Paris Agreement.	Not applicable. The benchmarks do not pursue the objective of seeking to reduce carbon emissions or attaining the objectives of the Paris Agreement and therefore a temperature scenario is not relevant to the benchmarks.
The name of the provider of the temperature scenario used for the alignment with the target of reducing GHG emissions or the attainment of the objectives of the Paris Agreement.	Not applicable
The methodology used for the measurement of the alignment with the temperature scenario.	Not applicable
The hyperlink to the website of the temperature scenario used.	Not applicable
Date on which information has last been updated and reason for the update.	Not applicable

Disclaimer

Performance Disclosure/Back-Tested Data

Where applicable, S&P Dow Jones Indices and its index-related affiliates (“S&P DJI”) defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index’s Launch Date are considered back-tested. S&P DJI defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company’s public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed “Date of introduction”) is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index’s public release date.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Information presented prior to an index’s launch date is hypothetical back-tested performance, not actual performance, and is based on the index methodology in effect on the launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate certain ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using “Backward Data Assumption” (or pulling back) of ESG data for the calculation of back-tested historical performance. “Backward Data Assumption” is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as “product involvement”) were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on “Backward Data Assumption” please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used. Index returns shown do not represent the results of actual trading of investable assets/securities. S&P DJI maintains the index and calculates the index levels and performance shown or discussed but does not manage any assets.

Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

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