

Index Methodology Guide for the FactSet Electric Vehicles Index™

Version 1.0 – September 14, 2021

Table of Contents

Index Methodology Guide for the FactSet Electric Vehicles Index™	1
Table of Contents	2
Index Introduction and Objective	3
Index Construction	4
Index Maintenance	6
Index Calculation and Data Correction	7
Additional Information.....	7

Index Introduction and Objective

1.1 Index Overview

The FactSet Electric Vehicles Index is an equity benchmark designed to track the performance of companies that provide electric power passenger and commercial vehicles, as well as their direct vehicle components suppliers.

The FactSet Electric Vehicles Index is a tier weighted index reconstituted semi-annually in June and December, and rebalanced quarterly in March, June, September and December.

The FactSet Electric Vehicles Index is calculated and maintained by Solactive AG based on a methodology developed by FactSet. It is calculated on a price, gross, and net total return basis in U.S. dollars (USD). The price, gross, and net total returns of the index are calculated continuously and on an end-of-day basis, from Monday to Friday 9:30 a.m. to 4:30 p.m. EST (Eastern Standard Time) following the U.S. market calendar. Index values are distributed via various data channels and market data vendors, including the price marketing services of Boerse Stuttgart AG. End-of-day price, gross, and net total return values of the index may also be obtained from FactSet upon request.

Whenever possible, constituent changes to the index are announced three business days before becoming effective.

1.2 Inception Date and Base Value

The Index Inception Date was June 15, 2018 with a base value of 1000.00. The inception date refers to when the first back-tested index value was calculated. The back test is based on a similar methodology used to calculate the index when it was officially launched on September 14, 2021.

1.3 Commencement Date

The index commencement date was September 14, 2021. Commencement date refers to when the index was officially launched with continuous and end-of-day calculations.

1.4 Reconstitution and Rebalance Schedule

The index is reconstituted semi-annually after the close of the 3rd Friday of June and December each year (“Reconstitution Day”), and it is rebalanced quarterly after the close of 3rd Friday of March, June, September and December (“Rebalance Day”). If the Reconstitution Day or Rebalance Day is a holiday, it will occur on the next business day.

The data used to reconstitute and rebalance the index is as of the close of 1st Friday of March, June, September and December (“Selection Day”). Adjustment to the index composition may be made to account for corporate actions that occur between the Selection Day and the Reconstitution Day or Rebalance Day.

Index Construction

2.1 Constituent Selection and Weighting Schema

1. The securities are primarily listed in one of the following **48** exchanges:

- Athens Exchange
- Australia Stock Exchange
- BM&F Bovespa
- Bolsa de Valores de Lima
- Bombay Stock Exchange*
- Borsa Istanbul
- Borsa Italiana
- Budapest Stock Exchange
- Bursa Malaysia
- Colombia Stock Exchange
- Cyprus Stock Exchange
- Deutsche Borse Xetra
- Euronext Amsterdam
- Euronext Brussels
- Euronext Dublin
- Euronext Lisbon
- Euronext Paris
- Hong Kong Exchange
- Indonesia Stock Exchange
- JASDAQ
- Johannesburg Stock Exchange
- Korea Stock Exchange
- London Stock Exchange
- Madrid Stock Exchange
- Mexican Stock Exchange
- NASDAQ
- NASDAQ Dubai
- New York Stock Exchange
- New Zealand Stock Exchange
- NYSE American
- OMX Nordic Copenhagen
- OMX Nordic Helsinki
- OMX Nordic Stockholm
- Oslo Stock Exchange
- Philippine Stock Exchange
- Prague Stock Exchange
- Qatar Stock Exchange
- Santiago Stock Exchange
- Singapore Exchange
- SIX Swiss Exchange
- Stock Exchange of Thailand
- Taipei Exchange
- Taiwan Stock Exchange
- Tel Aviv Stock Exchange
- Tokyo Stock Exchange
- Toronto Stock Exchange
- Vienna Stock Exchange
- Warsaw Stock Exchange

*Securities listed in Bombay Stock Exchange must also be listed in the National Stock Exchange of India (NSE) to be eligible. In addition, NSE listed securities prices would be used for index return calculation.

2. The securities are common stocks, ADR, GDR, and preferred shares that exhibit similar characteristics as common stocks with primary difference being voting power.
3. The securities have aggregated revenue of 50% or greater from one or more of the six (6) following Electric Vehicles Manufacturing related RBICS Level 6 sub-industries and are referred to as Tier 1 Electric Vehicles companies:

RBIC L6 Name	RBIC L6 ID	Category
Alternative Energy Car Manufacturers	202010151020	Tier 1
Autonomous Commercial/Transit Vehicle Production	401025101515	Tier 1
Autonomous Control Ship Builders	401025103515	Tier 1
Autonomous Control Truck Production	401025102015	Tier 1
Autonomous Drone Manufacturers	401010101040	Tier 1
Multi-Type Car Manufacturers	202010151010	Tier 1

4. The securities have aggregated revenue of 50% or greater from one or more of the twenty (26) following Electric Vehicle Components Manufacturing related RBICS Level 6 sub-industries, and are suppliers to companies identified in Step 3. These companies are referred to as Tier 2 Electric Vehicles companies:

RBIC L6 Name	RBIC L6 ID	Category
Auto Exterior Comfort/Safety/Electronics Products	202010101010	Tier 2
Auto Interior Comfort/Safety/Electronics Products	202010101015	Tier 2
Automotive and Marine Electronics Manufacturing	551525151010	Tier 2
Commercial/Public Service Vehicle Component Makers	401025101010	Tier 2
Conventional Flat Panel Display Equipment	551520301010	Tier 2
Diversified Electrical/Power System Manufacturing	401015151010	Tier 2
Electric Motors Manufacturing	401015101010	Tier 2
Electrical Systems and Equipment Manufacturing	401015101515	Tier 2
Electronic Interconnect Components	551010101510	Tier 2

Electronic Materials Manufacturing	451020301510	Tier 2
Fuse Passive Electronic Components	551010251010	Tier 2
Global Positioning Systems (GPS) Manufacturing	551515301510	Tier 2
Heavy-Duty and High-End Batteries Manufacturing	401015101520	Tier 2
Monitoring and Control Sensor/Instrument Products	401020202510	Tier 2
Motion Control and Precision Motors Manufacturing	401015101020	Tier 2
Multi-Type Motor Vehicle Parts Manufacturers	202010102510	Tier 2
Optoelectronics Electronic Components	551010201010	Tier 2
Other Auto Comfort, Safety and Electronic Products	202010101020	Tier 2
Other Electric Motors and Motion Control Products	401015101025	Tier 2
Other Industrial Electrical Product Manufacturing	401015101525	Tier 2
Other Module and Subassembly Electronic Components	551010151010	Tier 2
Other Passive Electronic Components	551010252510	Tier 2
Pan-Powertrain and Chassis Manufacturing	202010101515	Tier 2
Powertrain and Chassis Thermal Management Products	202010101525	Tier 2
Powertrain Manufacturing	202010101520	Tier 2
Vehicle Autonomous Control Electronics Makers	202010101025	Tier 2
Vehicle Autonomous Control Software	201510102020	Tier 2

- The securities have a minimum total market capitalization of U.S. \$100 million or greater, and three-month Average Daily Trading Value (ADTV) of U.S. \$1 million or greater.

Existing constituent may remain in the index if it has a minimum total market capitalization of U.S. \$75.0 million or greater, and three-month Average Daily Trading Value (ADTV) of U.S. \$0.75 million or greater.

- If a company has multiple share classes, only include the most liquid issue based on the highest three-month ADTV on Selection Day.
- Rank securities by their total market capitalization, in descending order, within each Tier 1 and Tier 2. Include all securities in Tier 1, and if Tier 1 contains less than fifteen (15) securities, then include in the top ranked Tier 2 securities until total index constituent reaches 15.

8. For the top three (3) ranked securities in Tier 1, allocate index weights of 24%, 16%, and 8% to each, respectively. The remaining 52% index weights will be distributed equally among all other securities.

In addition to the above selection schema, FactSet may at its discretion modify one or more selection criterion to ensure relevant and timely capture of the theme. Whenever possible, any modifications shall be announced 30 days prior to annual Reconstitution Day.

2.2 Index Return Formulas

The price gross, and net total returns levels of the index are calculated using the following formulas.

$$I_{(t)} = \frac{\sum_{i=1}^n S_{i(t)} \times P_{i(t)} \times FX_{i(t)}}{D_{(t)}}$$

where:

$I_{(t)}$ = Index value on Index Valuation Day (t)

$D_{(t)}$ = Divisor on Index Valuation Day (t)

n = Number of stocks in the index

$P_{i(t)}$ = Closing price of stock (i) on Index Valuation Day (t)

$S_{i(t)}$ = Number of allocated shares of stock (i) on Index Valuation Day (t)

$FX_{i(t)}$ = WM Reuters FX rate published at 4:00 p.m. London time on Index Valuation Day (t) required to convert closing price of stock (i) in index currency, USD.

and on Inception Date, where (t) = 0, the initial divisor is calculated as follows:

$$D_{(0)} = \frac{\sum_{i=1}^n S_{i(0)} \times P_{i(0)} \times FX_{i(0)}}{I_{(0)}}$$

where:

$I_{(0)}$ = Price Returns Index value on Index Inception Date

$D_{(0)}$ = Divisor on Index Inception Date

n = Number of stocks in the index on Index Inception Date

$P_{i(0)}$ = Price of stock (i) on Index Inception Date

$S_{i(0)}$ = Number of allocated shares of stock (i) on Index Inception Date

$FX_{i(t)}$ = WM Reuters FX rate published at 4:00 p.m. London time on Index Inception Date required to convert closing price of stock (i) in index currency, USD.

Allocated shares (“S”) are the number of shares required for each constituent such that all constituents are equal-weighted. Allocated shares (“S”) would be adjusted accordingly to account for Corporate Actions.

Net total return is calculated to account for the effect of tax withholding on dividends by adjusting dividend taken out due to tax payment. **For U.S. listed securities, tax withholding is set to zero.**

2.3 Index Divisor Adjustments

From time to time, the index divisor is adjusted to account for corporate actions that could distort index value and continuity using the following formula:

$$D_{(t+1)} = D_{(t)} \times \frac{\sum_{i=1}^n AS_{i(t+1)} \times AP_{i(t+1)} \times FX_{i(t)}}{\sum_{i=1}^n S_{i(t)} \times P_{i(t)} \times FX_{i(t)}}$$

where:

- $D_{(t+1)}$ = Divisor for Index Valuation Day (t+1) after CA and rebal adjustment
- $D_{(t)}$ = Divisor for Index Valuation Day (t)
- $AP_{i(t+1)}$ = Adjusted price of stock (i) calculated for open on Index Valuation Day (t+1) after CA adjustment
- $P_{i(t)}$ = Closing price of stock (i) on Index Valuation Day (t)
- $S_{i(t)}$ = Number of allocated shares of stock (i) on Index Valuation Day (t)
- $AS_{i(t+1)}$ = Adjusted number of allocated shares of stock (i) for open on Index Valuation Day (t+1) after CA adjustment.

Divisor adjustments are generally implemented on the date the corporate action becomes effective, such that for example, the ex-dividend date rather than the payment date is used to time the divisor adjustment.

Find below a detailed calculation for AP, AS, and S in case of corporate actions and rebalancing.

$AP_{i(t)}$ = Adjusted price of stock (i) is determined for the open on Index Valuation Day (t) shall mean:

- If index constituent opens ex-date in respect of the corporate action, then $AP_{i(t)}$ is determined as per Corporate Action Adjustment Section.
- Otherwise

$$AP_{i(t)} = P_{i(t-1)}$$

$S_{i(t)}$ = Number of allocated shares of stock (i) on Index Valuation date (t) is determined as

$$S_{i(t)} = AS_{i(t)}$$

$AS_{i(t)}$ = Adjusted number of allocated shares of stock (i) for open on Index Valuation Day (t) after CA adjustment is determined as:

- If such day opens immediately following the Rebalancing Day (t-1) and if:
 - index constituent opens ex-date in respect to corporate action, then $AS_{i(t)}$ is determined as per Corporate Action Adjustment Section with $S_{i(t-1)}$ replace with:

$$S_{i(t-1)} = \frac{I_{(t-1)} \times Weight_{i(t-1)}}{P_{i(t-1)} \times FX_{i(t-1)}}$$

- index constituent does not opens ex-date in respect to corporate action, then $AS_{i(t)}$ is determined as:

$$AS_{i(t)} = \frac{I_{(t-1)} \times Weight_{i(t-1)}}{P_{i(t-1)} \times FX_{i(t-1)}}$$

- On any other day:

- index constituent opens ex-date in respect to corporate action, then $AS_{i(t)}$ is determined as per Corporate Action Adjustment Section
- Otherwise:

$$AS_{i(t)} = S_{i(t-1)}$$

where $Weight_{i(t-1)}$ is determined as per Section 2.1.

2.4 Corporate Action Adjustments

Special Cash Dividend:

$$AP_{i,t} = P_{i,t-1} - D_{i,t} \times FX_{d,t-1}$$

Where

t = Index Valuation Date (t) is ex-date for corporate action.

D_{i,t} = Dividend amount corresponding to stock (i) with ex-date (t).

FX_{d,t-1} = WM Reuters FX rate published at 4:00 p.m. London time fixing on Index Valuation Day (t) required to convert dividend amount in underlying stock currency, USD.

Spin-off Adjustment

On effective date, the spun-off security will be added to Index with a Price of 0 and the price of the parent company will remain unchanged.

$$AP_{i,t,s} = P_{i,t-1} - P_{f,t-1} \times Share\ Ratio_{f,t} \times FX_{j,t-1}$$

Where

P_{f,t-1} = Closing price of Spin-off stock on Index Valuation Date (t-1).

FX_{j,t-1} = WM Reuters FX rate published at 4:00 p.m. London time on Index Valuation Day (t) required to convert price of spun-off company to constituent stock currency, USD.

Rights Issue Adjustment

$$AP_{j,t} = \frac{P_{j,t-1} + C_{j,t} \times Share\ Ratio_{j,t}}{1 + Share\ Ratio_{j,t}}$$

$$AS_{j,t} = S_{j,t-1} \times (1 + Share\ Ratio_{j,t})$$

Where

$C_{j,t}$ = Official tender price.

Stock Splits Adjustment

$$AP_{j,t} = \frac{P_{j,t-1}}{\text{Share Ratio}_{j,t}}$$

$$AS_{j,t} = S_{j,t-1} \times \text{Share Ratio}_{j,t}$$

Stock distribution

$$AP_{j,t} = P_{j,t-1} \times \frac{1}{1 + \text{Share Ratio}_{j,t}}$$

$$AS_{j,t} = S_{j,t-1} \times (1 + \text{Share Ratio}_{j,t})$$

Index Maintenance

Constituent changes may occur between review periods due to corporate events that disqualify their eligibility for index inclusion. Adjustments to corporate events are described below:

3.1 Corporate Actions – Delisting

A constituent is removed immediately after being delisted from its primary markets.

3.2 Corporate Actions – Merger or Acquisition

If a merger or acquisition results in one constituent acquiring another, the acquiring company remains a constituent, and the acquired company is removed. If a non-constituent acquires a constituent, the acquired constituent is removed. If a constituent acquires a non-constituent, the acquiring constituent remains a constituent.

3.3 Corporate Actions – Spin-off

If a constituent spins or splits off a portion of its business, both the spun-off companies and the parent companies (with the highest market value relative to the spun-off companies) will be kept in the index, and be considered for removal from the index at the next Reconstitution or Rebalance Day should they fail to meet the eligibility criteria in Section 2.1. However, FactSet may at its discretion, remove the parent and/or the spun-off company immediately post spin-off, if it could determine the parent and/or the spun-off company fail eligibility criteria in Section 2.1.

3.4 Corporate Actions – Bankruptcy

If a constituent is delisted after bankruptcy, it will be removed immediately with a price of 0 from the index.

Index Calculation and Data Correction

4.1 Index Calculation

Price, gross, and net total return values for the FactSet Electric Vehicles Index are calculated by Solactive AG. The price, gross, and net total return values are calculated on a continuous and end-of-day basis by using the trading price for each component in the index from relevant exchanges and markets. Index values are rounded to 2 decimal places and divisors are rounded to 6 decimal places.

If trading in a stock is suspended prior to the market opening, the stock's adjusted closing price from the previous day will be used in the index calculation until trading commences. If trading in a stock is suspended while the relevant market is open, the official closing price published by relevant exchange for that stock will be used for all subsequent index calculations until trading resumes.

In case of exceptional market conditions disrupting normal closing auction, or causing official closing prices not being available, Solactive and FactSet reserve the right to utilize other prices in the calculation of the official closing level.

4.2 Data Correction

Incorrect index constituent data, corporate action data, or index divisors will be corrected upon detection. If such errors are discovered within five days of occurrence, they will be corrected retroactively on the day of discovery. If discovered after five days, corrective actions will be decided based on the errors' significance and feasibility of a correction.

4.3 Decision Making in Undocumented Events

A FactSet Index Committee consisting of select employees of FactSet Research Systems Inc. is responsible for amending rules as documented in the Index Methodology Guide due to undocumented or extraordinary events.

Additional Information

5.1 Contact Information

FactSet Research Systems Inc.
One Sansome St. Floor 19
San Francisco, CA 94104
Tel.: 1.415.645.0967
Fax: 1.415.645.0901
Contact: GoIndexing@factset.com

5.2 Version History

Version	Release Date	Notes
Version 1.0	September 14, 2021	