

INDEX METHODOLOGY

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INTRODUCTION

This document sets forth the methodology for the Northern Trust Global Index

The index is currently calculated and disseminated each business day by Thomson Reuters.

OVERVIEW

The Northern Trust Global Index is designed to track the performance of the global investable equity markets covering approximately 97.5% of world's float adjusted market capitalization. The Index's coverage encompasses both developed and emerging markets worldwide.

ELIGIBLE SECURITIES

All eligible securities are defined as Common Stock, Unit, Preferred Stock, or Real Estate Investment Trusts only. Master Limited Partnerships, Depository Receipts (including but not limited to ADR, GDR, etc.), Closed End Funds, Convertible Preferred securities, Royal Trusts, LLCs, BDCs, SPACs, and LLPs are excluded.

Securities listed Over the Counter or on the Bulletin Board are not eligible securities.

Eligible securities must have a free float greater than 10% at the time of reconstitution.

Eligible securities must trade on their primary securities exchange during 90% of the last 90 available trading days at the time of reconstitution.

Eligible securities are domiciled in Developed or Emerging countries (see list below) as defined by Factset's categorization of "Country/Region – Based on Domicile". In addition, in cases where the company is categorized as domiciled in a tax advantaged country (see list below), this methodology recognizes the domicile country as the country of the primary listing. Any company headquartered in Puerto Rico, Guam, or U.S. Virgin Islands, is considered domiciled in the United States.



Developed Countries	Emerging Countries	Tax Advantaged Countries
Australia	Brazil	Anguilla
Austria	Chile	Antigua
Belgium	China ⁱ	Antilles
Canada	Colombia	Barbuda
Denmark	Czech Republic	Bahamas
Finland	Egypt	Barbados
France	Hungary	Belize
Germany	India	Bermuda
Greece	Indonesia	British Virgin Islands
Hong Kong	South Korea	Cayman Islands
Ireland	Malaysia	Channel Islands
Israel	Mexico	Cook Islands
Italy	Morocco	Falkland Islands
Japan	Peru	Faroe Islands
Netherlands	Philippines	Gibraltar
New Zealand	Poland	Isle of Man
Norway	Russia	Liberia
Portugal	South Africa	Liechtenstein
Singapore	Taiwan	Luxembourg
Spain	Thailand	Marshall Islands
Sweden	Turkey	Suriname
Switzerland		Turks and Caicos Islands
United Kingdom		
United States		

In the event that access to real time electronic quotation from any of these markets be denied or suspended by the local exchange, the index provider will process a rebalance to remove all impacted constituents from the index. Constituent changes generated as a result of this type of rebalancing activity will be announced according to the rules set within this methodology. For a complete list of excluded markets, contact NT_Index_Services@ntrs.com.

DETAILED METHODOLOGY

The index begins its construction by pulling in all eligible securities. Securities are then grouped by their developed and emerging market classifications, with the developed market securities sorted further by their full market capitalization. Companies that represent the top 97.5% of the cumulative float adjusted market capitalization within the developed markets are then evaluated,

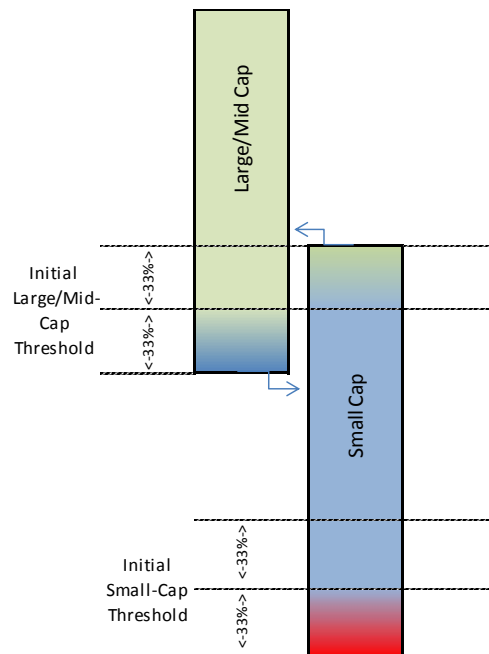
with the full market capitalization of the last company retained being used to establish the *Initial Small Cap Threshold*. Similarly, using the same developed markets grouping, the full market capitalization of the company that represents the top 85% of the cumulative float adjusted market capitalization is also retained to establish the *Initial Large/Mid Cap Threshold*.

Based on those established *Initial Small Cap* and *Initial Large/Mid Cap Thresholds*, additional index size thresholds are then derived at the developed market and emerging market group levels to help establish guidelines for index inclusion and categorization.

- *Developed Market Small Cap Threshold*: For developed markets, the small cap index size threshold is 75% of the *Initial Small Cap Threshold*.
- *Developed Market Large/Mid Cap Threshold*: For developed markets, the large/mid-cap index size threshold is 75% of the *Initial Large/Mid Cap Threshold*.
- *Emerging Market Small Cap Threshold*: For emerging markets, the small cap index size threshold is 37.5% of the *Initial Small Cap Threshold*.
- *Emerging Market Large/Mid Cap Threshold*: For emerging markets, the large/mid-cap index size threshold is 37.5% of the *Initial Large/Mid Cap Threshold*.

All securities with full market capitalizations greater than their respective market’s small cap threshold are then retained, and the index construction is completed by reweighting the securities based on their float adjusted market capitalization.

At each reconstitution, the index construction begins by following the same rules listed above – establishing an updated *Initial Small Cap Threshold* and *Initial Large/Mid Cap Threshold*, as well as deriving the new *Developed Market* and *Emerging Market Thresholds* - based on a current screen of all eligible securities.



Example: An Initial Large/Mid Cap Threshold is established, based on the Northern Trust Global Index's developed markets universe, at \$4 Billion USD. Given that assumption, the derived Large/Mid Cap Threshold for the Developed and Emerging markets would then be set at \$3 billion USD (Upper Bound=3.99 Lower Bound=2.01) and \$1.5 billion USD (Upper Bound=2 Lower Bound=1) respectively.

In addition, an Initial Small Cap Threshold is established during the same reconstitution, based on the Northern Trust Global Index's developed markets universe, at \$700 million USD. Given that assumption, the derived Developed and Emerging Small Cap Thresholds would then be set at \$525 million USD (Developed Markets; Upper Bound=665 Lower Bound=352) and \$262.5 million USD

Newly eligible securities will be automatically added to the index if their full market capitalization exceeds their respective *Developed Market* or *Emerging Market Large/Mid Cap Threshold*, and conversely, existing constituents will be automatically removed from the index if their full market capitalization falls below their respective *Developed Market* or *Emerging Market Small Cap Threshold* by 33%.

In addition to the automatic inclusionary/exclusionary rules mentioned above, eligible securities with a full market capitalization 33% above their *Developed* or *Emerging Small-Cap Threshold*, are added to the index in priority order, based on the security's full market capitalization, with the net new developed or emerging market constituent count additions not to exceed the number of deleted constituents in each market segmentⁱⁱ. This approach has been implemented to help control turnover in the smaller market cap segments of the indexⁱⁱⁱ.

To complete the reconstitution, all remaining securities are then re-weighted based on their float adjusted market capitalization.

Any changes to this methodology will be announced to the public at least sixty (60) days in advance prior to becoming effective.

RECONSTITUTION

The Northern Trust Global Index is reconstituted twice a year and adjusted intra-period only in connection with errors, securities' eligibility, exchange connectivity, float changes and corporate actions, including, but not limited to, initial public offerings^{iv} and spin-offs.

The semi-annual reconstitution is conducted in February and August on the last business day of the month in which the U.S. equity markets are open for trading, and becomes effective immediately after the close. Northern Trust Global Index reserves the right to postpone each planned reconstitution for up to one week with prior public notice of such a postponement.

All changes to constituents and weightings will be announced to the public at least two (2) days prior to reconstitution or rebalancing, and again with definitive weights after the close of the reconstitution or rebalancing date before the following day's market opening.

INDEX MAINTENANCE / CORPORATE ACTION-DRIVEN CHANGES

The Northern Trust Global Index will adopt all corporate action related policies and procedures used by Thomson Reuters. A complete list of Thomson Reuters' methodology is available [online](#), and also on request at NT_Index_Services@ntrs.com.

Disclaimer: *Returns of the indexes do not typically reflect the deduction of investment management fees, trading costs or other expenses. It is not possible to invest directly in an index. Indexes are the property of their respective owners, all rights reserved.*

ⁱ With regards to China, only shares of companies incorporated in mainland China and traded on the Hong Kong Exchange, are eligible for inclusion.

ⁱⁱ Note: This rule does not apply to companies in the eligible universe that lie above the 85% threshold of float adjusted market capitalization which are automatically added to the reconstituted version of the index.

ⁱⁱⁱ Companies with a market cap above their respective Developed or Emerging Market Large/Mid Cap size threshold will be designated as Large/Mid-Cap companies in the Northern Trust Global Index. Similarly, companies with a full market capitalization below their category's Large/Mid-Cap Threshold will be designated as a Small Cap company in the Northern Trust Global Index. At reconstitution, newly added securities or constituents previously designated as Small-Cap, which have a full market capitalization above their respective Large/Mid Cap thresholds, but below the upper 33% bound, are considered small-cap. Furthermore, securities previously designated as Large/Mid-Cap or Small-Cap will need to cross the lower 33% bound to drop out of that designation.

^{iv} IPOs are added to the Northern Trust Global index on the 5th Business day in which the U.S. markets are open for trading in the months of May and November. Recent IPO securities which meet all stated eligibility requirements are retained, and updated index thresholds are struck in accordance to NTGBL methodology. Any eligible IPO's which have a full market capitalization above the 85% Large/Mid Threshold will be automatically added to the index at their current float adjusted market capitalizations
