

## INDEX METHODOLOGY

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### INTRODUCTION

This document sets forth the methodology for the Northern Trust International Large Cap Index.

The index is calculated and disseminated by Refinitiv, and had an inception date of November 30, 2012 at a base index value of 1000.

### OVERVIEW

#### Northern Trust International Large Cap Index

The Northern Trust International Large Cap Index is designed to provide broad-based exposure to both developed (excluding United States) and emerging equity markets.

### INDEX ELIGIBILITY

In order to be eligible for inclusion in the Northern Trust International Large Cap Index, a security must be a constituent of the Northern Trust Global Index, and not domiciled in the United States.

Eligible securities are domiciled in Developed or Emerging countries (see list below) as defined by Northern Trust<sup>1</sup>. 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              |  | Greece             |  | Belize                   |
| Germany             |  | Hungary            |  | Bermuda                  |
| Hong Kong           |  | India              |  | British Virgin Islands   |
| Ireland             |  | Indonesia          |  | Cayman Islands           |

# NORTHERN TRUST INTERNATIONAL LARGE CAP INDEX

|                |  |                      |  |                          |
|----------------|--|----------------------|--|--------------------------|
| Israel         |  | Kuwait               |  | Channel Islands          |
| Italy          |  | Malaysia             |  | Cook Islands             |
| Japan          |  | Mexico               |  | Falkland Islands         |
| Netherlands    |  | Morocco              |  | Faroe Islands            |
| New Zealand    |  | Peru                 |  | Gibraltar                |
| Norway         |  | Philippines          |  | Isle of Man              |
| Portugal       |  | Poland               |  | Liberia                  |
| Singapore      |  | Qatar                |  | Liechtenstein            |
| Spain          |  | Saudi Arabia         |  | Luxembourg               |
| Sweden         |  | South Africa         |  | Marshall Islands         |
| Switzerland    |  | South Korea          |  | Suriname                 |
| United Kingdom |  | Taiwan               |  | Turks and Caicos Islands |
|                |  | Thailand             |  |                          |
|                |  | Turkey               |  |                          |
|                |  | United Arab Emirates |  |                          |

*With regards to China, only shares of companies incorporated in mainland China that are listed on the Hong Kong Exchange or trading globally as a depositary receipt, are eligible for inclusion. In addition to this criteria, the depositary receipts are screened further to insure that each company is only represented once within the index – through the ordinary share listing in Hong Kong, or the depositary receipt listing.*

In the event that access to 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 more information on this policy, please contact [nt\\_index\\_services@ntrs.com](mailto:nt_index_services@ntrs.com).

## DETAILED METHODOLOGY

The Northern Trust International Large Cap Index's eligible universe is derived from the Northern Trust Global Index - which covers approximately 97.5% of world's float adjusted market capitalization. The Northern Trust International Large Cap Index represents all securities in the Northern Trust Global Index, designated as *Large/Mid-Cap*, with the exception of securities domiciled in the United States. As detailed in the Northern Trust Global Index Methodology, at the time of each semi-annual reconstitution, market cap designation bands of +/- 33% are utilized to control turnover for each developed and emerging *Large/Mid-Cap threshold*. The constituents are capitalization weighted based on individual company's float-adjusted market capitalization<sup>ii</sup>.

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



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[northerntrust.com](http://northerntrust.com) | Index Methodology: NT International Large Cap Index | 2 of 4

## RECONSTITUTION & REBALANCING

The Northern Trust International Large Cap Index is reconstituted twice per year (i.e. February and August) 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<sup>iii</sup> and spin-offs.

The index's semi-annual reconstitution occurs on the last business day of the month in which the U.S. equity markets are open for a full day of trading<sup>iv</sup>, and becomes effective immediately after the close. Northern Trust International Large Cap Index reserves the right to postpone the semi-annual reconstitution date for up to one week with prior client notification of such a postponement.

All changes to constituents and weightings will be announced to clients 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 Indexes will adopt all corporate action related policies and procedures used by Refinitiv. A complete list of Refinitiv's corporate action methodology is available by request at [NT\\_Index\\_Services@ntrs.com](mailto:NT_Index_Services@ntrs.com).

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*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.*

<sup>i</sup> Factset's Country/Region – Based on Domicile is used to assign country classification, while the process for assessing country inclusion or exclusion within the Index's Developed or Emerging Markets classifications is bespoke and takes place in October each year. The evaluation covers categories such as the country's economic development, potential constituent size & liquidity, exchange listings, creditworthiness, and also governance. The results of that evaluation are then used to establish a "Watch List" of possible country classification changes. That list is intended to give our clients notice that certain changes may occur to the country classifications in the near future. If the same suggested country mapping changes persist at the following year's evaluation, and the results are affirmed by the index provider, then the changes will become effective at the index's next reconstitution in February.

<sup>ii</sup> Float adjusted market capitalization is calculated by multiplying the current price of the equity security, and the difference of the number of shares outstanding of that security less the number of shares that are not publically available in the float



<sup>iii</sup>Constituents may be added to the Northern Trust Global index during the semi-annual IPO review, which meet all eligibility requirements set forth in the Northern Trust International Large Cap Index methodology, will automatically be added to the index if the security's full market capitalization falls above the established Northern Trust Global Index Large/Mid Threshold by 33% (See NTGBL methodology for further details). New constituents added to the index during the IPO review process have their weight derived by using their current float adjusted market capitalization.

<sup>v</sup> Per the holiday calendar located at nyse.com

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