DECEMBER 2024

Equity indexing

Creating targeted solutions for equity exposures

MarketVector™

Your world, indexed.

Let’s turn ambition into an index.

Using a variety of unique approaches, MarketVector Indexes™ (“MarketVector”) creates pure-play, investable indexes that target equity exposures with unparalleled precision, balancing design ideals with practical implementation constraints to drive success. We tailor your index to distinguish your brand, encompass opportunity, and evolve over time to give you an edge in the market.

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THE CHALLENGE

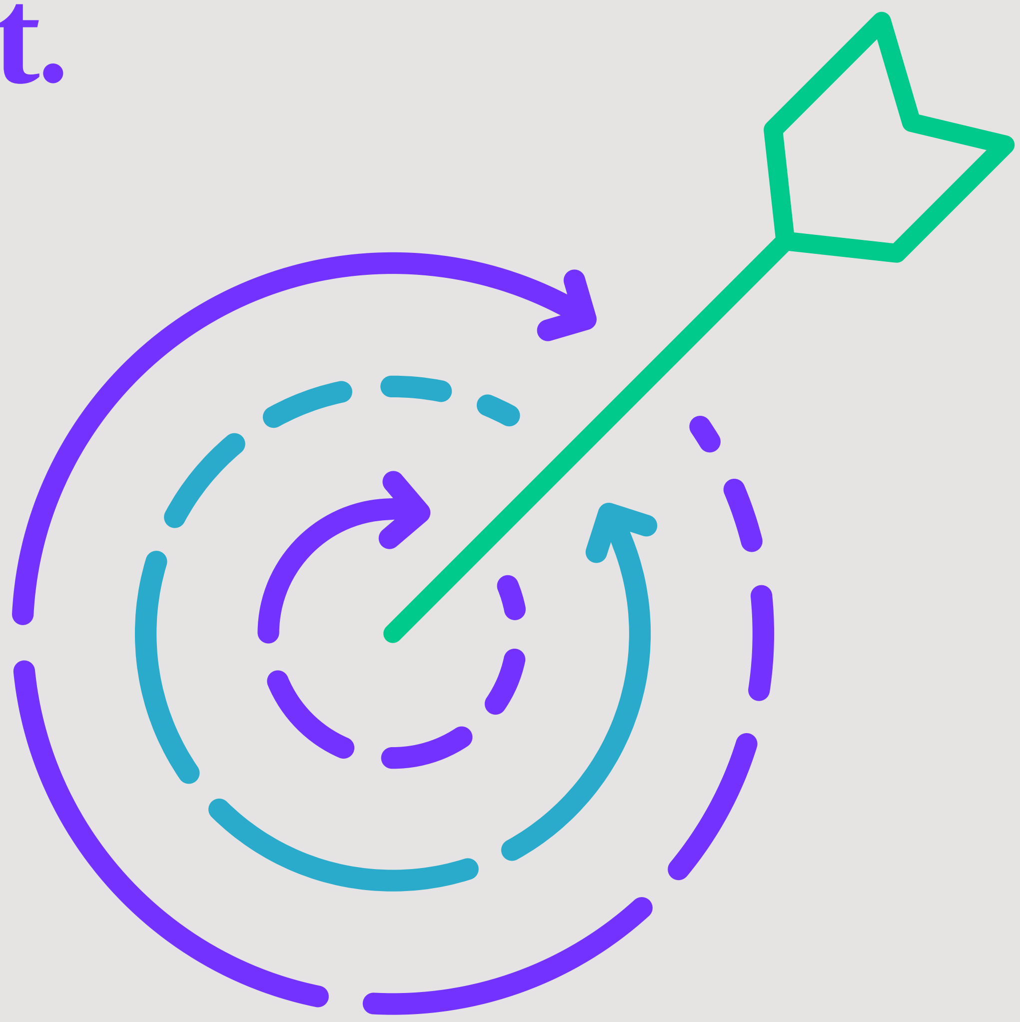
Success is a moving target.

In the investment world, opportunities are constantly emerging and evolving.

Traditional classification schemas use asset class, country, sector, industry, and security traits as a framework for asset, portfolio, and risk management—fitting each company into a convenient category.

But today's big ideas don't fit into tidy boxes.

The conventions of the past can hamstring investors looking to capture new and ever-changing opportunities that aren't well-defined or comprise multiple categories. With a mix of innovative methodologies, creativity, and operational excellence, MarketVector can bring even the most bold investment thesis to life.



MarketVector™

THE CHALLENGE

Traditional index design has its limits.

1

Indexing new areas of growth

Businesses today defy standard classification. Targeting autonomous driving, for instance, isn't just about selecting names from the automotive industry. It also includes AI, GPS, and semiconductor companies. Our 5G index covers companies ranging from network equipment and software to data centers and real estate—all core to the advancement of next-gen connectivity. Classification is increasingly difficult.

2

Capturing top-down macro drivers

The typical bottom-up approach captures geographic exposure based on a company's locale or primary listing venue. But in an integrated global economy, these factors have little bearing on where a company actually operates and generates revenue. Important top-down macro drivers can sometimes get lost using this approach.

3

Balancing tradeoffs with implementation

Even if you've captured 100% of your targeted exposure, some components of an index may have low liquidity and high implementation costs, rendering it uninvestable. This is one of many tradeoffs that need to be balanced with your specific needs throughout the design process.

THE CHALLENGE

With every move, a new tradeoff to contemplate.

Completeness	Investability
Rebalance frequency	Turnover
Precise float adjustment	Transaction costs
Potential index effect	Liquidity/crossing opportunity
Objective/transparent rules	Flexible methodology
Availability of tradeable products	Customization of index
(Low) turnover	Transaction cost
Self-rebalancing of market cap weights	Stock concentration

Source: Schoenfeld, S. A. (2004). *Active Index Investing: Maximizing Portfolio Performance and Minimizing Risk Through Global Index Strategies*. J. Wiley.

MarketVector™

OUR APPROACH

What makes a great index?

Source: Schoenfeld, S. A. (2004). *Active Index Investing: Maximizing Portfolio Performance and Minimizing Risk Through Global Index Strategies*. J. Wiley.

OUR APPROACH

Forward-looking themes that bring new value within reach.

Using a palette of forward-looking themes and approaches, MarketVector paints outside the lines to create a more representative and diversified picture of exposure. With the flexibility to pinpoint the exact return drivers you want, we design your index to be complete, accurate, investable, and ownable by your brand.

PURE-PLAY TARGETING
We capture growth where it's going—not just where it's been—pursuing relevance as the landscape evolves, no matter where the winds of change may blow.

ESTABLISHING NEW PARADIGMS
Our proprietary classifications and weighting models aim to represent the entire ecosystem of opportunity, including growth drivers and context across asset classes, sectors, and more.

EXTENSIVE RESEARCH
After optimizing the universe with AI and other augmentative tools, we personally validate index components using investor experience and rigorous testing, accounting for every nuance and tradeoff.

ONGOING COLLABORATION
Emerging growth often comes with volatility. By strengthening your investment case and keeping you apprised of change drivers, we build indexes that inspire investor confidence during dips.

MarketVector™

OUR APPROACH

A partner, not just a provider.

Ongoing governance and oversight, due diligence, and compliance

Index services

- Data sourcing and quality review
- Research, index design, product development, and methodology development
- Index and client support
- Index production, maintenance, calculation, and dissemination

Support services

- Product management, strategy, and review
- Insight, content, and education
- Marketing, PR, and index disclosure
- Client service and support

MarketVector™

OUR EQUITY INDEXES

A heritage of pioneering innovation.

MarketVector has one of the broadest and most innovative suites of thematic indexes on the market, including the MarketVector™, MVIS®, and BlueStar® indexes. We offer off-the-shelf and customized indexes spanning countries, regions, sectors, and commodities, with strengths in hard assets, emerging markets, ESG, and disruptive themes.

9

equity indexes with licensed AUM over USD 1 billion

80

equity indexes, many of which have established new paradigms (**166** indexes across all asset classes)

$46B

in assets linked to listed financial products licensed to MarketVector equity indexes (USD **52** billion across all asset classes)[1]

[1]As of June 2024

MarketVector™

OUR EQUITY INDEXES

Countries and regions

Every MarketVector index is shaped by a unique, globally inclusive purview covering circa 150 countries in virtually all market segments, including developed, emerging, frontier, and least developed countries (LDCs).

Mapping frameworks

1. Standard: mapping to a single country based on a wide range of data points, including incorporation, headquarters, primary listing, geographic distribution of long-lived assets, ESG, and other factors

2. Pure-play: requiring incorporation or at least 50% of revenue or long-lived assets within a given country or region

3. Economic exposure: bifurcating companies related to a given area based on revenue exposure to regions, countries, trading blocs, or economic zones in the domestic economy

Covering Australia to Zambia.

The starting point for every MarketVector index is a globally inclusive perspective that provides much wider coverage than most other indexes.

We are known across the industry for including areas other index providers don't, exploring well beyond emerging markets to ensure the scope of your index is as rich and comprehensive as possible.

Please contact us for a list of countries we cover →

MarketVector™

OUR EQUITY INDEXES

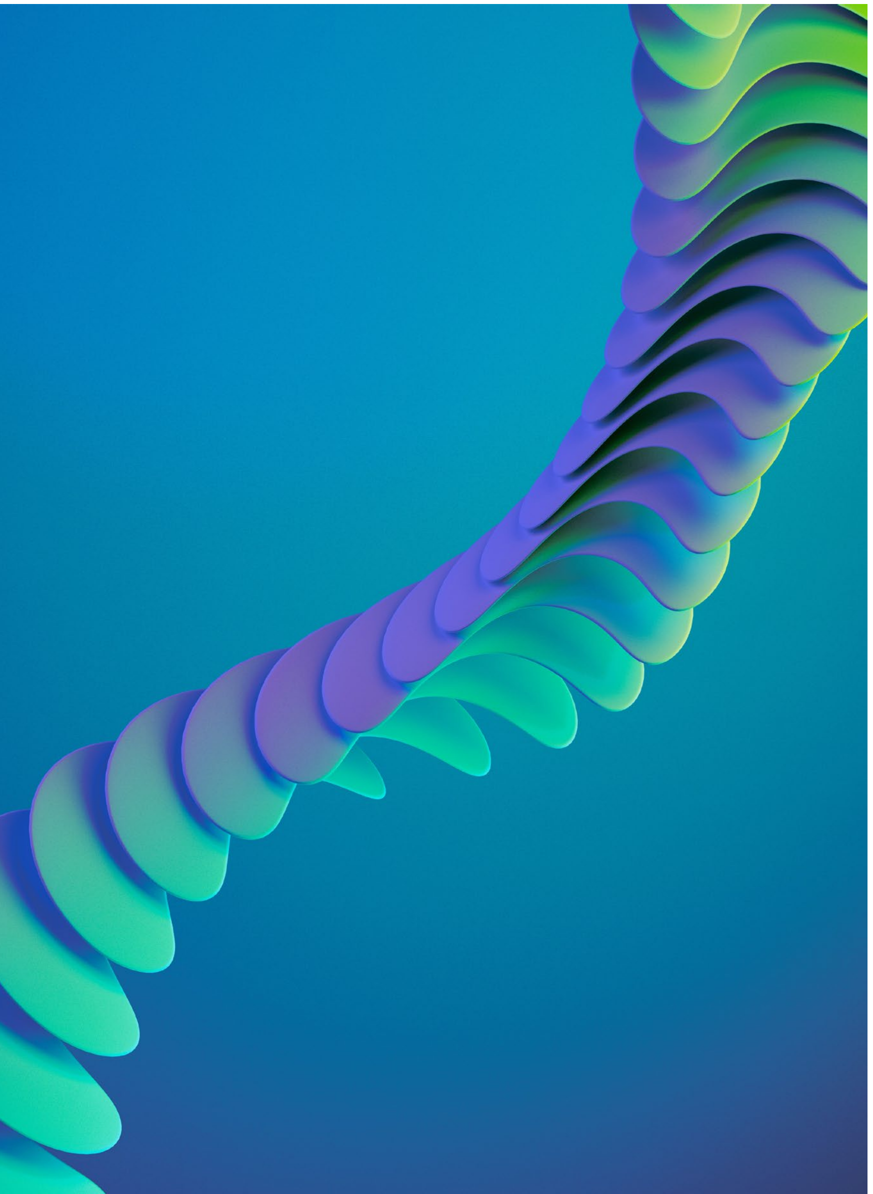
Sectors and thematics

Breaking away from bottom-up classification, we use a top-down approach driven by common macro factors to target diversified exposures that express your unique views.

- CLEAN ENERGY
- HEALTHCARE INNOVATION
- FINANCIALS 2.0
- NEXTGEN HARDWARE & COMMUNICATIONS
- NEXTGEN SOFTWARE
- CONSUMER TRENDS
- THEMATIC INDUSTRIALS & INFRASTRUCTURE
- THEMATIC REITS
- MATERIALS
- REGIONAL TECH

OUR EQUITY INDEXES

Custom solutions and strategy

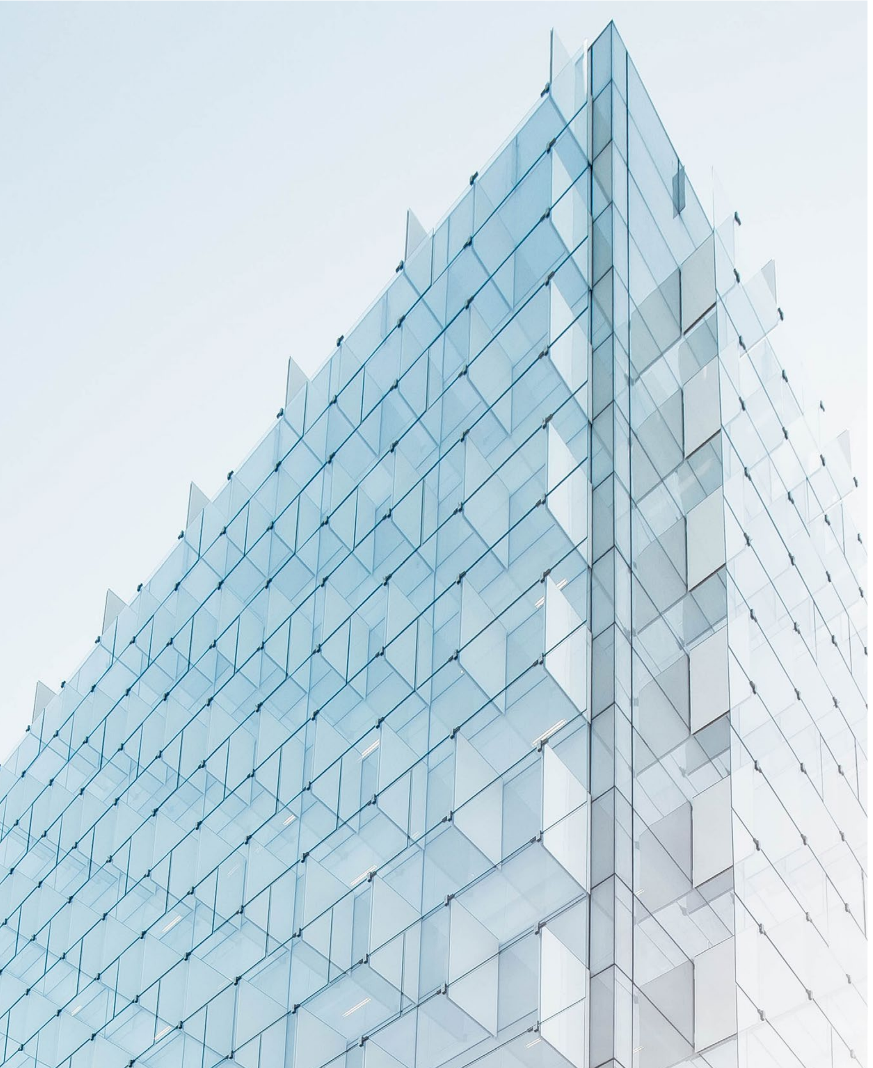


Our database of proprietary classifications allows us to provide a full range of index strategies shaped to your competitive advantage. We'll work with you to:

- Articulate your unique vision with proprietary metathemes and unique classifications that transcend standard taxonomies
- Modify an existing methodology or index to help your customers target specific exposures, such as those based on a company's capital structure or revenue lines
- Create factor-based products to help facilitate dynamic asset allocation
- Design alternative index strategies that let you rebalance holdings or rotate assets based on proprietary signals like economic indicators, valuation metrics, or technical analysis—deviating from the standard calendar-based schedule

GOVERNANCE AND COMPLIANCE

Ground-breaking creativity, grounded in best practices.

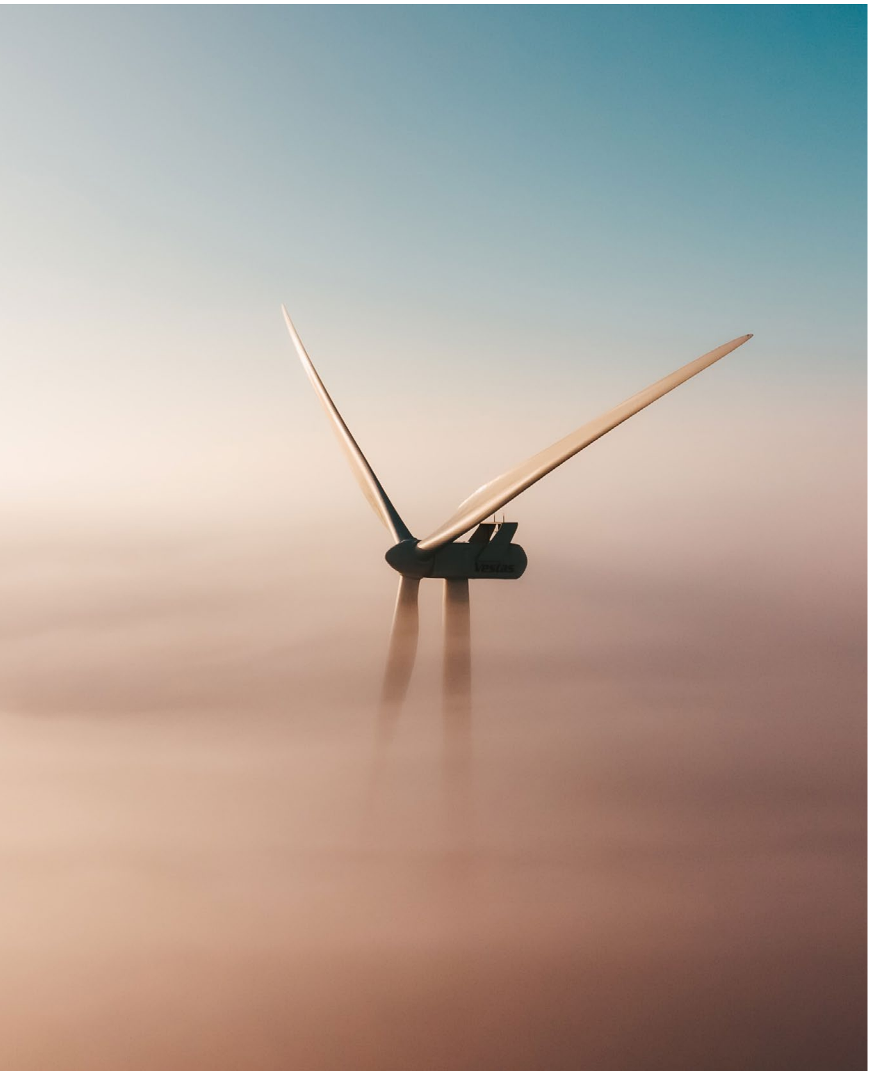


MarketVector backs up every decision with facts, real-world experience, investor instincts, and practical knowledge. We adhere to exceptionally high standards when constructing our indexes, ensuring strict compliance with regulations. Our commitment to institutional quality drives us to incorporate transparency, governance, and oversight at every stage of the index process.

- Institutional quality based on the International Organization of Securities Commissions (IOSCO) principles, governed by the Benchmarks Regulation (BMR)
- Guidance from the Independent Oversight Function (IOF) and the Index Advisory Committee (IAC)—a body of industry and thematic experts
- Transparent, rules-based management by a dedicated global index data and support team operating with minimal influence and bias
- Thorough backtesting, stress testing, scenario planning, and monitoring to model outcomes and maintain relevance and consistency

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Two worlds come together to form a better one.



A well-designed ESG index solution is an integral part of a modern ESG strategy. As demand for sustainable investing increases, governments are mandating stricter requirements for asset managers. Today's solutions must satisfy "do no harm" and best-in-class standards while delivering risk-adjusted returns.

Our thematic index screening and weighting process integrates powerful ESG data from Institutional Shareholder Services (ISS) to help you target granular risks and business activities. We offer solutions that meet the European regulation requirements for Sustainable Finance Disclosure Regulation (SFDR), Principal Adverse Impact Standards (PAIs), as well as UN Sustainable Development Goals (SDGs).

To support our climate-positive strategies, we've also partnered with Etho Capital, a financial technology company delivering proprietary climate research across global companies with comprehensive scope 1–3 climate accounting.

Where can we take your idea?

MarketVector has been pioneering index innovation since 2011 with a unique combination of creativity, collaboration, and operational excellence. As a leading provider of blue-chip indexes, MarketVector has charted the territory with proven results.

Get in touch today to learn what deep expertise, innovative thinking, and a commitment to regulatory compliance can do for your ambitions in the equity asset market.

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Important Disclaimer

It is not possible to invest directly in an index. Exposure to an asset class represented by an index is available through investable instruments based on that index. MarketVector does not sponsor, endorse, sell, promote, or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. MarketVector makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. MarketVector is not an investment advisor, and it makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document.

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