Mirae Asset Europe Defence Tech Index

2025.11.12

MIRAE ASSET
Global Indices

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1. Index Overview

1.1. Index Description

The objective of the Mirae Asset Europe Defence Tech Index is to track the performance of developed and emerging market companies engaged in defence technology with meaningful exposure to Europe. These firms benefit from rising investments in technologies, systems, and services supporting security, defence, and military sectors.

1.2. Index Calculation

The Index will be calculated by the Index Administrator on every **Index Business Day** starting with the Index **Commencement Date** and will be published onto the vendor platforms and to the clients simultaneously. On any day when the underlying prices are not available from the sources, the last available closing price and 4 p.m. WM FX rate fixings will be used for Index Valuation for that **Index Business Day**. Subject to provisions set out under Market Disruption Events or **Force Majeure Events**, **Index Levels** may not be calculated on an **Index Business Day** and such a day will be termed as a **Disrupted Day**. The initial Index Level along with the other Index details are as below -

Table 1

Index	Currency	Base Date	Base Level	Commencement Date	Administration Start Date
Mirae Asset Europe Defence Tech Index PR	EUR	2014-05-30	1000	2025-05-12	2025-05-12
Mirae Asset Europe Defence Tech Index NTR	EUR	2014-05-30	1000	2025-05-12	2025-05-12
Mirae Asset Europe Defence Tech Index GTR	EUR	2014-05-30	1000	2025-05-12	2025-05-12

2. Index Selection Rules

2.1. Initial Universe

The initial universe is created by identifying the FactSet industry and business segments that are most directly related and relevant to the Defence Technology theme. The industry and business segments identified as relevant to the theme are reviewed annually as part of the May Rebalance. If a company is identified as meeting all of the index selection criteria but is not categorized in one of the industry or business segments identified, the company can still be added, and the relevant industry or business segment will be reviewed for inclusion in the initial universe going forward.

2.2. Eligibility Filter

The following factors are considered for each security when reviewing for inclusion in the initial universe:

- Country of Listing should be either Developed or Emerging Markets with the exception of China (A-Shares and B-Shares), India, Kuwait, Pakistan, Russia, and Saudi Arabia. The Mirae Asset Indices Country Classification document defines the classification of Developed and Emerging Markets.
- Security Level Market Capitalization must be a minimum of USD 200 Million for companies that are not current index components. For existing components as of **Selection Day**, a minimum of USD 160 Million is required.
- Average Daily Traded Value ("ADTV") over a period of 6 months must be at least USD 2 Million for companies that are not current index components. For existing components as of **Selection Day**, a minimum of USD 1.4 Million is required.
- Must be traded on 90% of the eligible **Scheduled Trading Days** for the 6 calendar months preceding the **Selection Day**. For Initial Public Offerings ("IPOs"), the following relaxed criteria apply:
    - To be considered for inclusion, IPOs with less than 6 months of trading history must have been listed for at least 3 calendar months prior to the **Selection Day**.
    - Additionally, the security must have traded on 90% of the eligible **Scheduled Trading Days** for the 3 calendar months preceding the **Selection Day**. In case of SIGNIFICANT IPOs with less than 6 calendar months of trading history as of the **Selection Day**, the security must have been listed at least 10 Calendar Days prior to the **Selection Day**.
    - An IPO is considered to be a SIGNIFICANT IPO, if its Company Level Total Market Capitalization is greater than the Company Level Total Market Capitalization of at least 50% of the existing index constituents as of the previous **Selection Day**.
- Free Float should be a minimum of 10% of the outstanding shares.
- The Security Types considered for inclusion are:
    - Common Stock
    - American Depository Receipts
    - Global Depository Receipts
- The most liquid Share Class/Listing of the security is considered for inclusion in the Index.
    - Liquidity of Share Class/Listing is based on 6-month ADTV.
    - The existing Share Class/Listing in the portfolio is to be retained if it satisfies all the eligibility factors of the index.
- Companies that are included in the Sanctions List of the U.S. Department of the Treasury are excluded from the index.
- The security should have a minimum of 10% **European Revenue**.

- Each constituent of the Index for compliance with the principles of the United Nations Global Compact and involvement in controversial weapons. Companies involved in the production, development, or maintenance of controversial weapons are excluded from the Index. Controversial weapons include, but are not limited to, those defined under the EU Benchmark Regulation Delegated Acts for Paris-Aligned and Climate Transition Benchmarks refer to Commission Delegated Regulation (EU) 2020/1818, which supplements Regulation (EU) 2016/1011, such as cluster munitions, anti-personnel mines, chemical and biological weapons, and white phosphorus weapons. Companies from countries that are not signatories of the Non-Proliferation Treaty (the "NPT") and participate in nuclear weapons shall be excluded.

2.3. Selection Criteria

The following sub-themes have been identified for the Europe Defence Tech Index:

Sub-Theme	Description
Cybersecurity	Companies that develop and manage security protocols that prevent intrusion and attacks to systems, networks, applications, computers, and/or infrastructure for local and/or national Defence application.
Defence Technology	Companies that develop artificial intelligence (AI), internet of things (IoT), augmented/virtual reality (AR/VR), human-machine collaboration, big data, specialized 3D light detecting and ranging (LiDAR), analytics, geospatial intelligence, and/or security scanning solutions (e.g. biometrics, credential authentication, etc.) for local and/or national Defence applications. This theme also includes companies that provide application and services for Mission support that use a combination of command, control, communications, computers, cyber-Defence, combat systems (C6), intelligence, surveillance, and reconnaissance (ISR).
Advanced Military Systems and Hardware	Companies that manufacture and offer robotics, drones, advanced weapon systems and military/naval munitions, Defence-specific power and fuel systems, sensor arrays, processors and networking equipment, space launch (including satellites), radar systems, and/or military aircraft/naval ships/ vehicle production for local and/or national Defence applications. This includes companies that provide engineering, technical training, and simulation for the above systems.

For the avoidance of doubt, the following types of companies and/or business activities are NOT considered as contributing to Defence Technology revenue:

- Non-military/non-Defence firearm manufacturers (i.e.: Civilian)
- Companies manufacturing commercial aircraft components, aircraft interiors and other components unless specified above.

The companies that are identified as deriving a significant proportion of their revenue from the above sub-themes which state that their primary business is providing the above-mentioned products and/or services are evaluated for inclusion. A company can earn the majority of its revenue through one or a combination of the mentioned sub-themes.

- Only **Pure-Play** companies are considered for inclusion. This refers to companies earning greater than or equal to 50% of revenue attributable to one or more of the core businesses of the sub-themes in aggregate.

2.4. Final Selection

From the Selection Universe:

- The index will include the top 50 **Pure-Play** companies ranked by their respective **Company Level Market Capitalization** that satisfy the filter criteria mentioned above.

If there are fewer than 50 eligible **Pure-Play** companies, all eligible **Pure-Play** companies are included in the index.

2.5. Weighting

The index constituents are weighted according to a modified capitalization methodology that accounts for liquidity in determining final weights.

- The weight of a selected Index Constituent will be determined based on the **Free-Float Market Capitalization. Free-Float Market Capitalization** is not adjusted for foreign ownership restrictions.
- Securities are capped based on their **European Revenue** exposure:
    - Less than 25% will be capped at 4.5%
    - Between 25% and 50% will be capped at 8%
    - 50% or more will be capped at 12.5%
    - The excess weight will be distributed proportionately among uncapped constituents.
- The **Weighted Average Exposure Revenue** should have a combined weight of 50% or above.
- If the combined **Weighted Average Exposure Revenue** is less than 50% then the below-mentioned changes in security capping will be introduced incrementally. During each step, the excess weight will be distributed proportionately among uncapped constituents.
    - 4.5% to be reduced to 4%
    - 8% to be reduced to 7%
    - 12.5% to be increased to 13.5%
    - 4% to be reduced to 3.5%
    - 7% to be reduced to 6%
    - 13.5% to be increased to 14.5%

3. Index Calculation

3.1 Index Calculation Methodology

The Mirae Asset Europe Defence Tech Index will be calculated as per the standard Equity Calculation Methodology of the **Index Administrator** which can be referenced in the Index Documents section of the **Index Administrator's** webpage. All Dividend Forecasts and Corporate Actions are subject to modification. For more information about Corporate Actions, kindly follow the Corporate Action Treatment Methodology available on the **Index Administrator's** website.

4. Index Reconstitution

4.1 Reconstitution and Rebalance

The index follows a Semi-Annual Reconstitution and Rebalance as of the close of the last **Index Business Day** of May and November each year which is called the **'Rebalance Day'**. If the said **Rebalance Day** is not a **UK&US Trading Day** then rebalance date is preponed by two **UK&US Trading Day**. The index will become effective from open of the next **Index Business Day** which is called **'Effective Day'**.

The selection list creation is based on the data as of the **Selection Day** which is the first Friday of May and November each year.

The weight and unit calculation are based on the data as of 5 **Index Business Days** prior to the rebalance date and the shares will be frozen using these calculated weights.

4.2 Ad-hoc Rebalance

The Index is monitored daily to ensure that their index constituent weights do not breach UCITS thresholds. The UCITS rule ensures that the **Primary Security** with a weight greater than 33.5% and/or the **Secondary Security** with a weight greater than 18.5% will trigger reweighting as defined in section 'Ad-hoc Weighting'. The index constituent weights that are used to determine whether the threshold has been breached are calculated using closing constituent prices adjusted for corporate actions on each calculation day.

The Ad-hoc Effective Date will be 5 days post the **Ad-hoc Rebalance Date**. The weight calculation will be done using the data as of close of **Ad-hoc Rebalance Date**. The daily monitoring will not recap an index between the **Ad-hoc Rebalance Date** and their effective date.

4.3 Ad-hoc Weighting

If an Ad-hoc Rebalance is triggered, the following weight adjustments will be implemented:

- If the Primary Security exceeds a weight of 33.5%, it will be capped at 31.5%, and the excess weight will be redistributed proportionally among the uncapped constituents.
- If the Secondary Security exceeds a weight of 18.5%, it will be capped at 16%, with the excess weight will be redistributed proportionally among the uncapped constituents.

- The weight adjustment process will be implemented iteratively till both Primary Security and Secondary Security are below and/or capped at 31.5% and 16% respectively

5. Risk Disclaimer

Index Administrator does not provide any investment advice pertaining to the index. The **Index Administrator** will thereby be exempt from any fiduciary obligation to any person(s) or entity(s) investing into this index by virtue of a product based on this index as an underlying.

6. Market Disruption Events and Force Majeure

The index is a rules-based index and does not have scope for any discretionary adjustment to the day-to-day functioning of the index except under extraordinary circumstances where the **Index Administrator** is unable to calculate the index for a reason external to the **Index Methodology**, some of which may include:

- Disruption of data provider
- **Force Majeure Events**, like calamities
- Any significant changes to the market condition forcing the re-evaluation of the Index Rationale
- Any government regulation change
- Discontinuation in data points like FX rates

In such scenarios the **Index Administrator** reserves the right to invoke a Market Disruption Event. This determination is immediately escalated to the Index Oversight Committee, which will decide the future course of the index. Any decision related to the index will be posted on the **Index Administrator's** website before action is taken. For an expected Disruption event, the **Index Administrator**, after consulting with the Index Oversight Committee, will post a consultation to this effect up to 30 days in advance, or a period rationally feasible in light of the timelines of the disruption.

7. Definitions Used

- ***"Ad-hoc Rebalance Date"*** is defined as the day the existing portfolio is triggered to be rebalanced provisionally to maintain the index as UCITS compliant.
- ***"Base Date"*** is defined as the date which has been set for the initial value of the Index as defined in Table 1 of the Methodology document.
- ***"Base Level"*** is defined as the initial level of the Index selected for the Index Base Date. This is defined in Table 1 above.
- ***"Commencement Date"*** is defined as the date when the Index goes live. Before this date the **Index Levels** generated are backtested levels.
- ***"Company Level Market Capitalization"*** is defined as the sum of all share class specific market capitalizations of a company with regards to the securities in the index universe.
- ***"Disrupted Day"*** is defined as a day(s) identified by the **Index Administrator** for the Index or one of its components having a Market Disruption Event as defined in the section above.
- ***"Effective Day"*** is the day, as defined in the section on Rebalancing and Reconstitution, when the latest portfolio goes live.
- ***"European Revenue"*** refers to the percentage of revenue that is generated from countries within Europe as reported by the companies or data vendors.
- ***"Exchanges"*** is defined as the list of Exchanges where the current or future composition of the Index constituents are trading.
- ***"Force Majeure Events"*** is defined in the Section on Market Disruption Event, as an event which is beyond human control and can have an impact on the trading characteristics of one or more Index Constituents or one or more Exchanges on one or more **Index Business Days**.
- ***"Free-Float Market Capitalization"*** is defined as the market capitalization of a security adjusted for the free float. It represents the portion of the market capitalization that is available for public trading.
- ***"Index"*** when used in conjunction with any other word is defined as the Mirae Asset Europe Defence Tech Index as defined in this Methodology document.
- ***"Index Administrator"*** is defined as Mirae Asset Global Index Private Limited.
- ***"Index Business Day"*** is defined as any weekday other than a Saturday and Sunday.
- ***"Index Level"*** is defined as the levels of the Index calculated basis the Index Calculation defined in the **Index Manual** above for any **Index Business Day**.
- ***"Index Manual"*** or ***"Index Methodology"*** is defined as this document.
- ***"Index Owner"*** is defined as Mirae Asset Global Index.
- ***"Primary Security"*** is defined as the security that has the highest weight in the index.
- ***"Pure-Play"*** is defined as a company which is deriving majority of its revenue (≥50%) from the sub-themes that have been defined in the Index Methodology.
- ***"Scheduled Trading Days"*** is defined as a day when the exchange for the security is open for trading. In case any company goes for voluntary trading suspension/halt because of corporate actions, **Scheduled Trading Days** will be adjusted accordingly for that security.
- ***"Selection Day"*** is defined as the day when the Universe is selected for creation of the latest portfolio. All the selection rules are applied on this universe as of this date.
- ***"Secondary Security"*** is defined as the security that has the second highest weight in the index.

- ***"Security Level Market Capitalization"*** is defined as the market capitalization of the security only for the share class of that security in consideration.
- ***"UK&US Trading Day"*** is defined as a day when it is not a holiday or partial trading day for the U.S and U.K. stock exchanges.
- ***"Weight Implementation Day"*** is defined as the day when the data on the basis of which the weights and shares will be calculated.
- ***"Weighted Average Exposure Revenue"*** is defined as the weight that is exposed to a corresponding revenue. In this case, it refers to values obtained by multiplying each security's weight post security capping with its **European Revenue**.

8. History of Amendments

Section	Amendment Description	Effective Date
4. Index Reconstitution	Inclusion of U.K. stock exchange holidays and partial trading days alongside existing consideration of U.S. stock exchange holidays and partial trading days for defining rebalance dates.	2025-08-13
4. Index Reconstitution	Weight and unit calculation schedule during rebalances amended from 3rd Friday of May and Nov to 5 Index Business Days prior to the rebalance date.	2025-11-12

Disclaimer

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