



**EQM Online Retail Index**

**IBUYXT**

## Table of Contents

Introduction .....	3
Index Objective .....	3
Highlights .....	3
Dates .....	3
Supporting Documents .....	3
Eligibility Criteria and Index Construction .....	4
Universe .....	4
Index Construction .....	4
Constituent Selection .....	4
Constituent Weightings & Constraints .....	5
Monthly Review .....	5
Index Maintenance .....	5
Rebalancing and Reconstitution .....	5
Corporate Actions .....	5
Index Information .....	5
Index Calculation .....	6
Index Governance .....	6
Index Policies .....	6
Contact Information .....	6

## Introduction

### Index Objective

The EQM Online Retail Index tracks the performance of a portfolio of companies with a primary business focus on the online retail industry.

### Highlights

The Index is equal-weighted, subject to constraints, and consists of companies in one of four online retail business segments:

1. Online Retail
2. Online Travel
3. Online Marketplace
4. Omnichannel Retail

### Dates

Reference Dates: Same as Weight Date.

Reconstitution Dates: Indexes reconstituted semi-annually on the second Wednesday in May and November.

Weight Date: Five business days prior to the close of trading on the Reconstitution Date.

Rebalance Dates: Indexes reconstituted semi-annually on the second Wednesday in May and November.

Adjustment Date: The second Wednesday of each calendar month other than May and November.

Review Date: Five business days before the Adjustment Date.

### Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein.

The list of the main supplemental documents for this methodology can be found in the Methodologies and Governance tabs on the [Index Resources](#) page as follows:

Supporting Documents
Index Maintenance Policy
Index Governance
Index Policies
Methodology Policies
Glossary
Index Change and Consultation Policy

## Eligibility Criteria and Index Construction

### Universe

Companies must fulfill the following criteria:

Market capitalization of at least 300 million USD.

Minimum price of 5 USD per share.

Average daily traded value of at least 2 million USD over the last six months.

Adequate constituent liquidity and accessibility for an exchange listed product as determined by the index administrator.

Emerging Market companies are only eligible for inclusion in the index as an ADR version.

Companies must have an Altman Z-Score greater than or equal than -2. (Altman Z-Score's predict the probability of a company filing for bankruptcy in the next 2 years. The higher the score, the lower the probability of bankruptcy.)

Physical omnichannel retailers must exhibit positive year-over-year same store sales growth.

## Index Construction

### Constituent Selection

To qualify for selection companies must have significant business operations in one of four online retail business segments:

1. Online Retail - online shopping in the form of electronic or virtual commerce which allows consumers to buy goods or services directly over the internet.
2. Online Travel - online booking of travel or travel-related services over the internet.
3. Online Marketplace – online platform in which consumer transactions are processed by the marketplace operator and then delivered and fulfilled by participating retailers, restaurants, or wholesalers.
4. Omnichannel Retail – retail strategy meaningfully integrating both digital and physical touchpoints including buy online, pickup in store (BOPIS), curbside delivery, buy now, pay later (BNPL), ship from store/ endless aisle, unified product search and website/mobile application integration, cross-channel product returns, pricing consistency and shared cart across channels, and mobile payment options in store.

Additionally, at least 70% of revenues or a minimum of \$100 billion in annual retail sales should be derived from online and/or virtual business transactions as opposed to brick and mortar and/or in-store transactions, or for omnichannel retailers with a physical presence, online sales must represent at least 10% of total annual retail sales and more than \$2b in revenue or in the top 5 of global online retail market share.

## Constituent Weightings & Constraints

Components are equal weighted. Aggregate weight to omnichannel retailers should not exceed 10%, with excess weight applied equally across remaining holdings. The percentage of non-US domiciled index members is not to exceed 25% in aggregate. Any excess weight will be allocated equally to all US domiciled index members.

## Monthly Review

In addition, if the Index Administrator determines that the Index weight of any Index Component is greater than 6% on any review day, then the weight of the Index Component is reduced to 3%. Any excess weight is redistributed to the other Index Components equally that have a weight of less than 6% in accordance with all weighting constraints.

## Index Maintenance

### Rebalancing and Reconstitution

The Indexes are rebalanced on the “Rebalance Date” and additionally reconstituted on the “Reconstitution Date”. Pricing used in share weights used for reconstitutions are as of the “Weight Date”. Share weights for the rebalanced Indexes are computed as of the “Weight Date”. Changes to the Indexes related to the rebalances are as of the “Rebalance Date”. Additions are only made on reconstitution dates.

## Corporate Actions

Please refer to the Index Maintenance Policy document for information on Corporate Action processing.

## Index Information

Index history availability, base dates and base values are shown in the table below.

Index	Price Index	Base Date	Base Value	Total Return Index	Base Date	Base Value
EQM ONLINE RETAIL INDEX	IBUYXP	11/30/2010	100	IBUYXT	11/30/2010	100

## Methodology Updates and Changes<sup>1</sup>

Date	Version	Previous	New
May 2024	1.0.0	Version 8.1 dated 30 May 2023	Methodology converted to new VettaFi format

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<sup>1</sup> As of May 2024

## Index Calculation

Please refer to the Index Maintenance Policy document for information on index calculations.

## Index Governance

The index is governed and managed by a VettaFi Index Committee for the purpose of meeting the goals of the index. For more information, please refer to the Index Governance document.

## Index Policies

Please refer to the Index Policies document for information regarding Announcements, Holiday Schedules, Unexpected Exchange Closures, and Recalculation Policy.

## Contact Information

For any questions regarding an index, please contact: [index.production@vettafi.com](mailto:index.production@vettafi.com)