



## **VettaFi Country Classification System**

## 1. *VettaFi Developed Market Status*

VettaFi's Index Sub-committee for Global Benchmarks annually reviews the market status of countries in its indexes. The committee will announce changes resulting from its review. In making its decisions the committee examines its inclusion criteria, market sentiment, and a country's standing relative to the market standing of the market group. The committee will also consider the effects of market changes on its stakeholders in its implementation of market classification changes. Country classifications are reviewed annually or upon significant market changes.

Inclusion Criteria component:

Per Capita GNI. Country must be classified as a High-Income Country as determined by the World Bank based on Per Capita GNI.

Minimum Constituent Count. A country must have a minimum count of three securities that meet its market region's minimum market cap and liquidity requirements. The committee may make exceptions based on market sentiment and country significance to that region. Additionally, a country will generally not be removed from a market based on minimum constituent count. (see index methodology document for liquidity and other requirements)

Foreign Investment Restrictions/Impediments. Restrictions and impediments on foreign investment should be minimal relative to equity market and applying to a limited security set,

Capital Controls. Country may not have in place capital controls or impediments to the free flow of capital internationally.

Stock Exchange Structure. Country must have an effective stock market structure, including effective clearance and settlement systems. Furthermore, the country's stock exchange must demonstrate sufficient liquidity to support trading efficiency. Market structure, instrument availability, and trading mechanism should be in line with developed peers.

Regulatory Oversight. Country's primary securities regulator must be an "ordinary member" of IOSCO, a signatory to the IOSCO Multilateral Memorandum of Understanding and conforming to IOSCO regulatory guidelines.

Stability of Financial Market. Country's finances should be stable as evidenced by their credit ratings and can clearly weather financial crises.

## 2. *Criteria for Emerging Market Status*

Countries that do not qualify for Developed Market Status are eligible to be considered for Emerging Market Status by the Committee. In making its decisions the committee examines its inclusion criteria, market sentiment, constituent market cap sizes, and a country's standing relative to the market standing of the market group. The committee will also consider the effects of market changes on its stakeholders in its implementation of

market classification changes. Country classifications are reviewed annually or upon significant market changes.

Inclusion Criteria component:

Per Capita GNI. Country must be classified as an Upper Middle-Income Country as determined by the World Bank based on Per Capita GNI.

Foreign Investment Restrictions/Impediments. Country may have restrictions on and/or impediments to foreign investments but may not prohibit such foreign investment.

Capital Controls. Country may have capital controls but may not prohibit the free flow of capital internationally.

Stock Exchange Structure. Country must have an effective stock market structure, including effective clearance and settlement systems. Furthermore, the country's stock exchange must demonstrate sufficient liquidity to support trading efficiency.

Regulatory Oversight. Country's primary securities regulator must be an "ordinary member" of IOSCO, a signatory to the IOSCO Multilateral Memorandum of Understanding and conforming to IOSCO regulatory guidelines.

### ***3. Criteria for Frontier Status***

Countries that don't meet Emerging Market status are classified as Frontier unless the Committee considers them not investable. Not investable countries have an Unclassified Status.

### ***4. Company Country Classification***

Companies are classified into countries based primarily on their country of incorporation. When the country of incorporation is a country of convenience or it is not clear that the country of incorporation is an appropriate designation, the committee may assign an alternate country based on factors such as market perception, primary location of operations, revenue, and country of listing.

## Country Classification

AG	Convenience		Antigua & Barbuda
BS	Convenience		Bahamas
BM	Convenience		Bermuda
VG	Convenience		British Virgin Islands
KY	Convenience		Cayman Islands
CW	Convenience		Curacao
CY	Convenience		Cyprus
FO	Convenience		Faroe Islands
GA	Convenience		Gabon
GI	Convenience		Gibraltar
GG	Convenience		Guernsey
IE	Convenience		Ireland <sup>1</sup>
IM	Convenience		Isle of Man
JE	Convenience		Jersey
LR	Convenience		Liberia
LI	Convenience		Liechtenstein
LU	Convenience		Luxembourg
MT	Convenience		Malta
MH	Convenience		Marshall Islands
MO	Convenience		Macau <sup>2</sup>
MU	Convenience		Mauritius
PA	Convenience		Panama
PR	Convenience		Puerto Rico
AT	Developed	Europe	Austria
BE	Developed	Europe	Belgium
DK	Developed	Europe	Denmark
FI	Developed	Europe	Finland
FR	Developed	Europe	France
DE	Developed	Europe	Germany
IE	Developed	Europe	Ireland
IT	Developed	Europe	Italy
NL	Developed	Europe	Netherlands
NO	Developed	Europe	Norway
PT	Developed	Europe	Portugal
ES	Developed	Europe	Spain
SE	Developed	Europe	Sweden
CH	Developed	Europe	Switzerland
GB	Developed	Europe	United Kingdom

<sup>1</sup> Ireland while Developed also serves as a Country of Convenience for many companies.

<sup>2</sup> Macau companies are Classified as Hong Kong (HK)

IL	Developed	Middle East	Israel
CA	Developed	North America	Canada
US	Developed	North America	United States
AU	Developed	Pacific	Australia
HK	Developed	Pacific	Hong Kong
JP	Developed	Pacific	Japan
NZ	Developed	Pacific	New Zealand
SG	Developed	Pacific	Singapore
BR	Emerging	Americas	Brazil
CL	Emerging	Americas	Chile
CO	Emerging	Americas	Colombia
MX	Emerging	Americas	Mexico
PE	Emerging	Americas	Peru
CN	Emerging	APAC	China
IN	Emerging	APAC	India
ID	Emerging	APAC	Indonesia
MY	Emerging	APAC	Malaysia
PH	Emerging	APAC	Philippines
KR	Emerging	APAC	South Korea
TW	Emerging	APAC	Taiwan
TH	Emerging	APAC	Thailand
CZ	Emerging	EMEA	Czech Republic
GR	Emerging	EMEA	Greece
HU	Emerging	EMEA	Hungary
KW	Emerging	EMEA	Kuwait
PL	Emerging	EMEA	Poland
QA	Emerging	EMEA	Qatar
SA	Emerging	EMEA	Saudi Arabia
ZA	Emerging	EMEA	South Africa
TR	Emerging	EMEA	Turkey
AE	Emerging	EMEA	United Arab Emirates
AR	Frontier		Argentina
BD	Frontier		Bangladesh
BG	Frontier		Bulgaria
KH	Frontier		Cambodia
HR	Frontier		Croatia
EG	Frontier		Egypt
EE	Frontier		Estonia
GE	Frontier		Georgia
GH	Frontier		Ghana
KZ	Frontier		Kazakhstan
LB	Frontier		Lebanon

LT	Frontier		Lithuania
MC	Frontier		Monaco
MA	Frontier		Morocco
NG	Frontier		Nigeria
PK	Frontier		Pakistan
PG	Frontier		Papua New Guinea
RO	Frontier		Romania
SL	Frontier		Sierra Leone
LK	Frontier		Sri Lanka
UA	Frontier		Ukraine
TZ	Frontier		United Republic of Tanzania
VN	Frontier		Vietnam
ZW	Frontier		Zimbabwe
RU	Unclassified		Russia

## Rule Book Modifications

Effective Date	Previous	New	Note
12/29/23	Egypt and Bulgaria classified as Emerging.	Egypt and Bulgaria classified as Frontier.  Added constituent market cap sizes as factor for Emerging classification	
Jul 2023	Macau classified as Frontier.	Macau classified as Convenience.	