



VettaFi Global Travel Index TRAVEL

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 5
- Index Maintenance 5
 - Rebalancing and Reconstitution 5
 - Corporate Actions 6
 - Index Information 6
- Index Calculation 6
- Index Governance 6
- Index Policies 6
- Contact Information 6

Introduction

Index Objective

The VettaFi Global Travel Index is an equity index of companies materially engaged in segments of the global travel industry. The Index includes companies that support those industries and companies that stand to benefit from the overall global travel industry. The Index incorporates quality and growth measurements in its selection and weighting. The index employs factor adjusted float market cap weights scaled to align with region exposures.

Highlights

The index consists of the top 20 companies in each of the following segments:

- 1. Airlines & Airport Services
- 2. Hotels, Casinos, and Cruise Lines
- 3. Booking & Rental Agencies

Dates

Reference Dates: Last Business Date of month prior to Rebalance/Reconstitution Month.

Reconstitution Dates: Indexes are reconstituted quarterly on the third Friday of the last month of each calendar quarter.

Weight Date: Six days before Rebalance Date.

Rebalance Dates: Indexes are rebalanced quarterly on the third Friday of the last month of each calendar quarter.

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

Constituents of the S-Network Global 5500 Index (SNG5500).

Index Construction

Constituent Selection

Initial Selection:

To be eligible for inclusion in TRAVEL, a company must be listed on a recognized stock exchange and principally engaged in one of the following Segments within its Universe:

1. Airlines & Airport Services
2. Hotels, Casinos, and Cruise Lines
3. Booking & Rental Agencies

Certain companies that are not principally engaged in one or more of the Segments, but that derive significant revenues from businesses in one or more of the Segments may be included provided:

- 1) such revenues represent more than 20% of the company's total revenues and such revenues are independently reported in the company's financial reports,
- 2) applicable revenues are likely to have a material impact on the company's overall share price performance, or
- 3) the company's applicable business is likely to have a significant impact on the sector as a whole.

Additionally, companies must meet the following criteria:

- Minimum Company Market Cap – 100 million USD
- Minimum Free Float Factor – 18%
- Liquidity – 1 million USD ADTV for prior 3 months

Ranking and Final Selection:

From among stocks that meet the above requirements, Index constituents are selected by ranking of their quality- and growth-modified float market capitalizations using the following steps:

1) Calculate the company's Quality Score

- Calculate the ratio of Free Cash Flow to Revenue for each of the last five years.
- Calculate the arithmetic average of the five values.
- Calculate a z-score relative to the other companies' averages.
- Calculate the s-score of the z-score — i.e., the cumulative probability of the z-score, assuming a normal distribution.

- In cases of missing or erroneous data, set the s-score to zero.
- 2) Calculate the company's Growth Score
 - Calculate the future short-term growth in earnings per share (FSGE).
 - Subtract the one-year-prior earnings per share (EPS) from the one year forward EPS estimate.
 - Divide the difference by the absolute value of the one-year-prior EPS.
 - Calculate a z-score relative to the other companies' values.
 - Calculate the s-score of the z-score.
 - In cases of missing or erroneous data, set the s-score to zero.
 - 3) Calculate the company's Quality/Growth Score:
 - $Quality/Growth\ Score = 2/3 * Quality\ Score + 1/3 * Growth\ Score$
 - 4) Modify the stock's float-adjusted market capitalization by multiplying by its Quality/Growth Score
 - 5) Select for inclusion in the Index the top 20 eligible stocks in each Segment by modified float market capitalization subject to a minimum of one constituent in the whole Index per region. If the minimum is not met initially for a region, then select the eligible stock with the greatest modified float market capitalization from that region and include it in its relevant Segment, replacing the lowest-ranking stock in that Segment from the initial selection, if needed.

Constituent Weightings

The selected constituents are weighted as follows:

- 1) Calculate a quality-and-growth modified float market capitalization for each constituent using its Quality/Growth Score from the selection process together with its float-adjusted market capitalization as of the Weight Date.
- 2) Calculate interim within-region weights for all the constituents within each of four regions — US & Canada, Europe, Pacific (ex-Canada), and Emerging — based on the constituents' modified float market caps and S-Network Country assignments.
- 3) Set each region's total weight to the corresponding region's weight in its Universe, subject to a cap of 65% weight per region.
- 4) Limit the individual constituents' Index weights to a maximum of 4.5% and a minimum of 0.25%
- 5) Redistribute weights proportionally within the region(s) of the stocks whose weights were constrained.

The constituents' Index Shares will be based on prices as of the close of trading on the Weight Date.

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
VettaFi Global Travel Index	TRAVEL	03/15/2019	1000	TRAVELT	03/15/2019	1000

Methodology Updates and Changes

Date	Version	Previous	New
Apr 2024	1.0.0		Methodology converted to new VettaFi format
Dec 2024	1.1.0	Included Ancillary Beneficiaries segment	Removed Ancillary Beneficiaries segment Rebranded under VettaFi

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