



Nearshoring Index Methodology

- **VettaFi North American Nearshoring Index
NSHRNA**

- **VettaFi European Nearshoring Index
NSHREU**

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Introduction

Index Objective

The Nearshoring Index Family provides exposure to companies from industries expected to benefit from the move to bring supply chains closer to home:

VettaFi North American Nearshoring Index – Targets exposure to Canadian, US, and Mexican companies that trade on recognized exchanges in those countries, from industries expected to benefit from the move to bring supply chains closer to North American destinations.

VettaFi European Nearshoring Index - Targets exposure to European, Egyptian, and Moroccan companies that trade on recognized exchanges in those countries, from industries expected to benefit from the move to bring supply chains closer to European destinations.

Highlights

The indexes are float market cap weighted and target industries involved in transportation of goods and industries involved in the buildout of the nearshoring production base.

Dates

Reference Dates: Close of the last trade date of the month preceding the reconstitution month.

Weight Date: Close of trading on the trade date preceding the second Friday of the rebalance month.

Reconstitution Dates: Indexes are reconstituted on calendar quarters on the open of trading following the third Friday of the month.

Rebalance Dates: Indexes are rebalanced on calendar quarters on the open of trading following the third Friday of the month.

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

Transportation related industries within countries involved in nearshoring and industries in countries benefitting from nearshoring buildout are included as follows:

VettaFi North American Nearshoring Index -

Companies from the respective sub-industries and countries in the table below will be considered for index inclusion:

Ice Sub-Industry	Countries
Air Freight	Canada, Mexico, United States
Airport & Terminal Services	Canada, Mexico, United States
Freight Logistics	Canada, Mexico, United States
Industrial REITs	Canada, Mexico, United States
Maritime Freight	Canada, Mexico, United States
Rail Freight	Canada, Mexico, United States
Road & Railway Construction & Ops	Canada, Mexico, United States
Truck Freight	Canada, Mexico, United States
Aluminum	Mexico
Cement & Aggregates	Mexico
Construction	Mexico
Construction Engineering & Services	Mexico
Construction Supplies	Mexico
Industrial Metal Products	Mexico
Other Construction Materials	Mexico
Steel	Mexico

VettaFi European Nearshoring -

Companies from the respective sub-industries and countries in the table below will be considered for index inclusion:

Ice Sub-Industry	Countries/Regions
Air Freight	Europe, *Benefitting Countries
Airport & Terminal Services	Europe, *Benefitting Countries
Freight Logistics	Europe, *Benefitting Countries
Industrial REITs	Europe, *Benefitting Countries
Maritime Freight	Europe, *Benefitting Countries
Rail Freight	Europe, *Benefitting Countries
Road & Railway Construction & Operation	Europe, *Benefitting Countries
Truck Freight	Europe, *Benefitting Countries
Aluminum	*Benefitting Countries
Cement & Aggregates	*Benefitting Countries
Construction	*Benefitting Countries

Construction Engineering & Services	*Benefitting Countries
Construction Supplies	*Benefitting Countries
Industrial Metal Products	*Benefitting Countries
Other Construction Materials	*Benefitting Countries
Steel	*Benefitting Countries

*Benefitting Countries includes the following: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Egypt, Greece, Hungary, Kosovo, Moldova, Montenegro, Morocco, North Macedonia, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey

Index Construction

Constituent Selection

Index constituents are selected from their universe that meet the following criteria:

Minimum Market Cap: 500 million USD

Minimum Float Market Cap: 100 million USD

Minimum Float: 20%

Minimum 3 Month Average Daily Trading Volume: 1 million USD

Constituent Weightings & Constraints

Index constituents are float-market cap weighted with the following constituent weight caps:

VettaFi North American Nearshoring Index – 5%

VettaFi European Nearshoring Index – 4%

Excess weight is distributed proportionately to the uncapped constituents.

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 North American Nearshoring Index	NSHRNA	12/21/2018	1000	NSHRNAT	12/21/2018	1000
VettaFi European Nearshoring Index	NSHREU	12/21/2018	1000	NSHREUT	12/21/2018	1000

Methodology Updates and Changes

Date	Version	Previous	New

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@vetafi.com