



VettaFi Future of Defence Indo-Pac ex-China Index (IPDEF)

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Introduction

Index Objective

The VettaFi Future of Defence Indo-Pac ex-China Index tracks the market performance of companies from the Indo-Pacific region excluding China, generating revenues from defence and cyber defence spending.

Highlights

The Index uses a modified free float market capitalization weighting algorithm. Additionally, companies are screened for controversial weapons exposure of above 20% of revenue.

Dates

Reference Dates: Same as Weight Date.

Reconstitution Dates: Indexes reconstitute quarterly on the COB of the fourth Tuesday in January, April, July, and October.

Weight Date: Five trading days prior to the Rebalance/Reconstitution Date.

Rebalance Dates: Indexes rebalance quarterly on the COB of the fourth Tuesday in January, April, July, and October.

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 domiciled in Australia, India, Indonesia, Japan, New Zealand, Philippines, Singapore, South Korea, Taiwan, or Thailand that trade on major local or major US exchanges.

Index Construction

Constituent Selection

All companies that meet the following requirements are selected:

- Constituent business operations must derive more than 20% of their revenues from the manufacture and development of defence equipment (military armored vehicles & tanks, weapon systems and missiles, munitions and accessories, electronics & mission systems, and naval ships), defence technology applications, or cyber security and contract with an included country verified by publicly available contract information. Companies developing naval ships with less than 20% defense related revenue may be added if their defense related revenue is at least \$3 billion USD.
- ESG/Human Rights Filter: Constituent business operations must comply with United Nation Global Compact (UNGC) principles and Organization for Economic Cooperation (OECD) Guidelines for Multinationals¹.
- Controversial Weapons Filter: Constituent business operations must derive less than 20% of their revenue from controversial weapons¹.
- 3-Month Average Daily Trading Value: 1 million USD
- Float Percent: 20%
- Full Market Cap: 500 million USD

Constituent Weightings & Constraints

Constituents are free-float market cap-weighted with the following constraints:

- Constituent weighting needs to accommodate the ability to trade 50% of its 3-month ADTV given a 25 million USD flow.
- Issuer weights are capped at 10% for core² companies while non-core companies are capped at 5%.
- Issuer weights are at least 0.2%.

Excess weights are redistributed proportionally among the rest of the uncapped securities. This redistribution is repeated iteratively until all the capping conditions are met.

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

¹ UNGC, OECD, and controversial weapons screens are defined by the Index provider using data from third-party sources.

² Companies with at least 50% defense related revenues are classified as core.

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	Net Total Return Index	Base Date	Base Value
VettaFi Future of Defence Indo-Pac ex-China Index	IPDEF	01/25/2022	1000	IPDEFT	01/25/2022	1000

Methodology Updates and Changes

Date	Version	Previous	New
Apr 2025	1.0.0		Initial Version

Index Calculation

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

Index Governance

The index is governed and administered 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

Disclaimer

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