

June 2020

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# **MV Index Solutions (MVIS®)**

## **Corporate Presentation**



# Contents

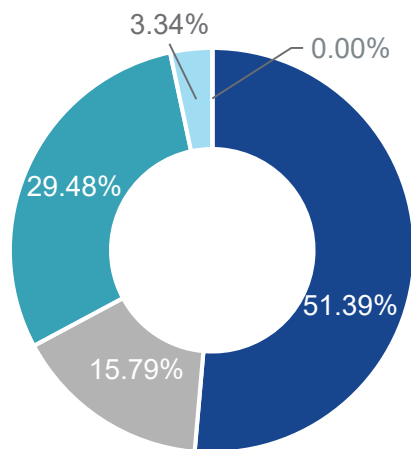
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# MVIS – Specialist for High Quality Indices

- MVIS has innovated the index market in many ways since its launch in 2011.
- Moving beyond common index categories, we have introduced blue chip indices with benchmark characteristics that are specifically designed to underlie exchange-traded products (ETPs).
- The indices are built on three key factors: pure-play exposure, component liquidity, and index diversification. In combination, those factors ensure an intelligent index design, tailor-made for ETPs.
- MVIS only develops indices that capture potential investment themes. Our index selection provides exposure to hard assets, international equity with a strong focus on emerging markets, digital assets, and fixed income..

**AUM in % by Index Category**



- *Hard Asset Indices*
- *Country Indices*
- *Digital Assets Indices*
- *Sector Indices*
- *Bond Indices*

**AUM in USD by Index Category**

Index Category	AUM (USD bn)
<i>Hard Asset Indices</i>	7.46
<i>Sector Indices</i>	2.29
<i>Country Indices</i>	4.28
<i>Bond Indices</i>	0.48
<i>Digital Assets Indices</i>	0.07

Data as of 30 June 2020.

# MVIS – Investable Index Design

- Close to 50% of MVIS Indices are licensed to underly exchange-traded products (ETFs) with currently USD 14.6 billion invested.
- Many of the ETFs based on our indices are the largest in their competitive environment.

Development of Indices, Exchange-Traded Products (ETPs) and AUM



Data as of 30 June 2020.

# Index Concept – Pure-Play



## Following the Cash Flow

- Globalisation has changed industries and economies and created more complex markets. The MVIS index methodology approaches this complexity with a pure-play concept applied to countries and sectors.
- MVIS indices provide a more accurate reflection of an economy than traditional indices and the pure-play concept supports the opening of markets that have historically been difficult to access.
- Country Level: Index exposure includes local companies as well as non-local companies incorporated outside the target country that generate at least 50% of their revenues in the target country.
- Sector Level: Index exposure includes companies that generate at least 50% of their revenues in the target sector.

## Pure-Play Selection Examples

### Country Level - MVIS Mexico Index

<i>Company</i>	<i>Fresnillo plc</i>
<i>Incorporated</i>	<i>United Kingdom</i>
<i>Total Revenues in 2019</i>	<i>\$2,119,641,000</i>
<i>Revenues in Mexico</i>	<i>\$2,119,641,000</i>
<i>% of Total Revenues</i>	<i>100%</i>

### Sector Level - MVIS Global Coal Index

<i>Company</i>	<i>Aurizon Holdings Ltd.</i>
<i>Incorporated</i>	<i>Australia</i>
<i>Total Revenues in 2019</i>	<i>\$2,077,800,000</i>
<i>Revenues in global coal segment</i>	<i>\$1,233,600,000</i>
<i>% of Total Revenues</i>	<i>59%</i>

# Index Concept – Pure-Play

- Traditional index concepts that exclude non-local companies generating the majority of their revenues in the target country of an index might miss key elements of the local economy.
- The sector representation of an index can change significantly based on inclusion or exclusion of non-local companies that meet the above mentioned revenue criteria.

## MVIS Russia Index

Sector	With Non-Local Companies		Without Non-Local Companies		Difference	
	Weight	Count	Weight	Count	Weight	Count
<i>Consumer Discretionary</i>	0.00%	0	0.00%	0	0.00%	0
<i>Consumer Staples</i>	8.43%	2	5.58%	1	2.85%	1
<i>Energy</i>	37.08%	7	46.35%	7	-9.27%	0
<i>Financials</i>	11.44%	3	14.30%	3	-2.86%	0
<i>Health Care</i>	0.00%	0	0.00%	0	0.00%	0
<i>Industrials</i>	0.00%	0	0.00%	0	0.00%	0
<i>Information Technology</i>	0.00%	0	0.00%	0	0.00%	0
<i>Materials</i>	25.96%	8	24.03%	6	1.93%	2
<i>Telecommunication Services</i>	14.66%	5	6.71%	2	7.96%	3
<i>Utilities</i>	2.43%	1	3.04%	1	-0.61%	0
<i>Real Estate</i>	0.00%	0	0.00%	0	0.00%	0
<b>Total</b>	<b>100%</b>	<b>26</b>	<b>100%</b>	<b>20</b>	<b>-</b>	<b>6</b>

Data as of 30 June 2020. Discrepancies are caused by rounding.

# Index Concept – Liquidity

## Setting the Stage for Investability

- MVIS applies strict and demanding liquidity screenings to companies:
  - Free float of at least 10%
  - Full market capitalisation of at least USD 150 million
  - Three months average daily trading volumes of at least USD 1 million at review date and at the time of the previous two reviews
  - At least 250,000 shares traded per month over the last six months at a review date and at the previous two reviews
- MVIS selection criteria and capping method typically result in a more liquid index.

## Component Selection Criteria for MVIS Russia Index

Criteria	Required	GAZPROM	SBERBANK
Full Market Capitalisation	\$150,000,000	\$65,741,345,323	\$60,983,128,100
Average daily trading volume (1)	\$1,000,000	\$55,008,152	\$68,948,552
Average daily trading volume (2)	\$1,000,000	\$66,587,280	\$51,103,356
Average daily trading volume (3)	\$1,000,000	\$56,197,428	\$35,881,260
Traded shares / per month (1)	250,000	209,964,573	102,626,717
Traded shares / per month (2)	250,000	171,892,214	59,539,841
Traded shares / per month (3)	250,000	176,704,857	60,425,463
Free-Float	10%	50%	48%

Review Q2 2020.

# Index Concept – Diversification

## Mitigating Concentration Issues

- MVIS elaborated capping scheme:
  - Country and regional indices: Maximum of 8% cap for local and 4.5% for non-local companies
  - Commodity and sector indices: Maximum of 8% cap (or 20% for selected indices)
  - Special capping schemes for MVIS Australia Banks and MVIS Australia A-REITs

## Component Weightings MVIS Russia Index

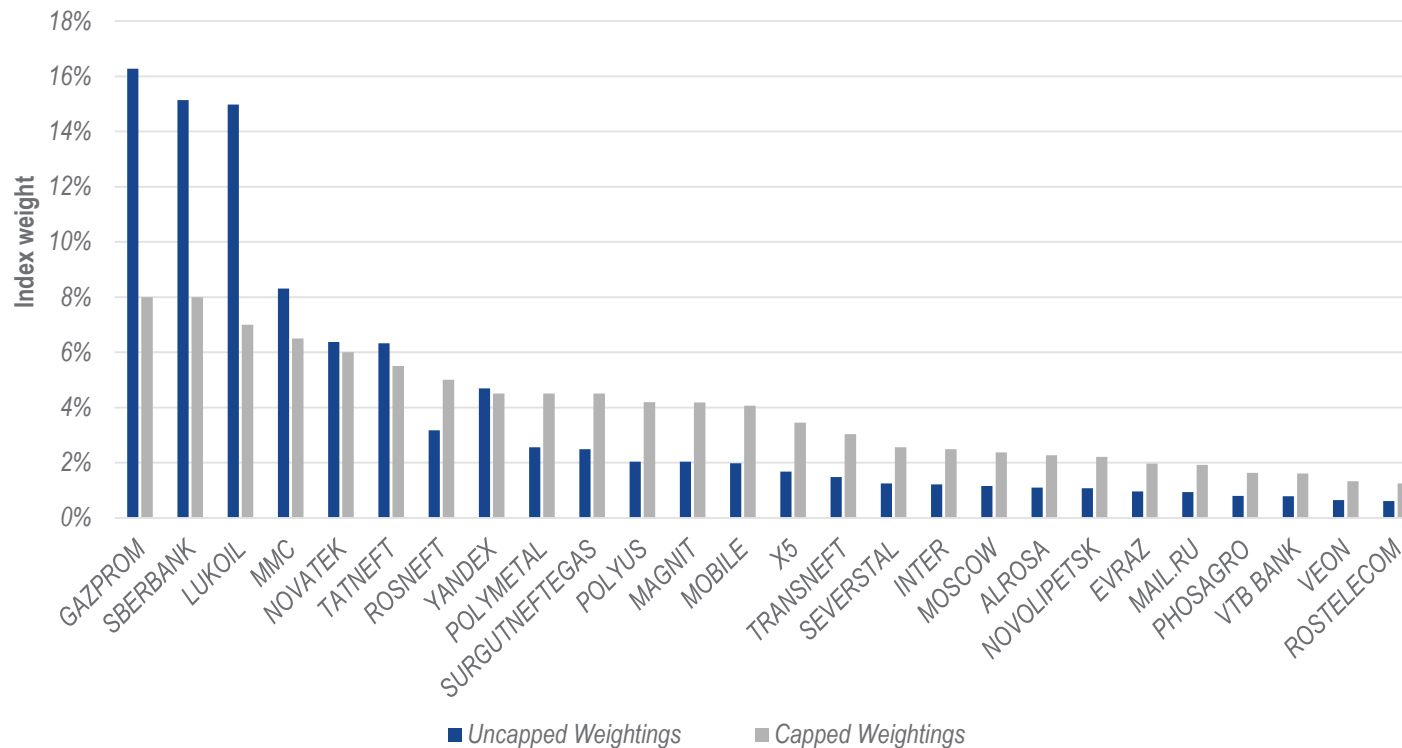
Company	Country	Free Float Map	Weight	Capped Float Map	Capped Weight	Capping Factor
<i>GAZPROM</i>	<i>Russia</i>	34,433,123,111	16.27%	8,245,781,147	8.00%	0.23947
<i>LUKOIL</i>	<i>Russia</i>	32,030,713,585	15.13%	8,245,781,147	8.00%	0.25743
<i>SBERBANK</i>	<i>Russia</i>	31,681,288,339	14.97%	7,215,058,504	7.00%	0.22774
<i>MMC</i>	<i>Russia</i>	17,576,958,268	8.30%	6,699,697,182	6.50%	0.38116
<i>NOVATEK</i>	<i>Russia</i>	13,483,627,330	6.37%	6,184,335,860	6.00%	0.45866
...	...	...	...	...	...	...
<i>ROSTTELECOM</i>	<i>Russia</i>	1,288,686,155	0.61%	1,288,686,155	1.25%	1



# Index Concept – Diversification

- Cap factors guarantee well-balanced, diversified index exposure especially in markets dominated by few large companies, thus large companies will not dominate an index.
- Example MVIS Russia Index: Top 6 companies are capped, all other company weights increase; the excess weight generated by capping is distributed across smaller companies, leading to „underweighted“ large- and „overweighted“ mid- and small cap companies.

Weightings of MVIS Russia Index – 26 Components



Review Q2 2020. \* in USD

# Index Concept – Transparency

Home » Indices » Index Types » **Hard Asset Indices** » MVIS Global Junior Gold Miners Index

## MVIS Global Junior Gold Miners Index

The modified market cap-weighted index tracks the performance of the most liquid junior companies in the global gold and silver mining industry. The pure-play index contains only companies that invest primarily in gold or silver, or generate at least 50% of their revenues from gold or silver mining or own properties that have the potential to generate at least 50% of their revenues from gold or silver mining when developed. The MVIS Global Junior Gold Miners Index (MVGDX) has been licensed to underlie financial products with currently USD 6716.83 million in assets under management.

OVERVIEW | WEIGHTINGS | FUNDAMENTALS | STATISTICS | COMPONENTS | SPECIFICATIONS

### Key Features

<b>Size and Liquidity Requirements</b>	Full MCap of at least 150 mln USD. Three month average-daily-trading volume of at least 1 mln USD at a review and also at the previous two reviews. At least 250,000 shares traded per month over the last six months at a review and also at the previous two reviews.
<b>Pure-Play</b>	Companies have to generate at least 50% revenues from gold or silver mining.
<b>Diversification</b>	Company weightings are capped at 8%.
<b>Review</b>	Quarterly.

INDEX	LAST CLOSE	OPEN	LAST	CHANGE	CHANGE (1Y)	RANGE (1Y)
<input checked="" type="checkbox"/> MVGDJ	1,259.56	1,259.56	1,252.94	-0.52%	50.07%	601.15 - 1,259.56
<input checked="" type="checkbox"/> MVGDJTR	1,333.55	1,333.55	1,326.35	-0.53%	51.22%	635.46 - 1,333.55



## Real-time Transparency

- Real-time index data and more at [www.mvis-indices.com](http://www.mvis-indices.com)
  - Index compositions and weightings
  - Performance and charting tools
  - Index history and statistics
  - Factsheets
  - Video research
  - MVIS OneHundred expert commentaries
  - News email service to receive index information, review results, and the latest research
  - Corporate action service/RSS Feed
  - Licensing information

# Index Statistics

## MVIS Global Junior Gold Miners Index (MVGDXJ)

- Most liquid junior companies in the global gold and silver mining industry.
- Contains 75 components.
- Full Market Cap: USD 163.45 billion.
- Index history back to 31.12.2003.
- Licensed to underlie ETFs. AUM: USD 6.2 billion.



Data as of 30 June 2020.

## Country and Size Breakdown

Top 5 Countries	Count	Weight	Top 5 Size	Count	Weight
Canada	43	53.18%	Large-Cap	6	29.47%
Australia	15	21.09%	Mid-Cap	28	49.04%
South Africa	3	11.33%	Small-Cap	39	21.18%
United Kingdom	4	2.46%	Micro-Cap	2	0.30%
Jersey	2	2.46%	Total	75	100.00%

## Liquidity

Average Daily Trading Volume	Period	Volume (USD)
Average	01.04.2020-30.06.2020	14,055,643
Average	01.01.2020-31.03.2020	12,270,982
Average	01.10.2019-31.12.2019	8,517,967
Weighted Average	01.04.2020-30.06.2020	29,633,469
Weighted Average	01.01.2020-31.03.2020	25,178,637
Weighted Average	01.10.2019-31.12.2019	15,841,841

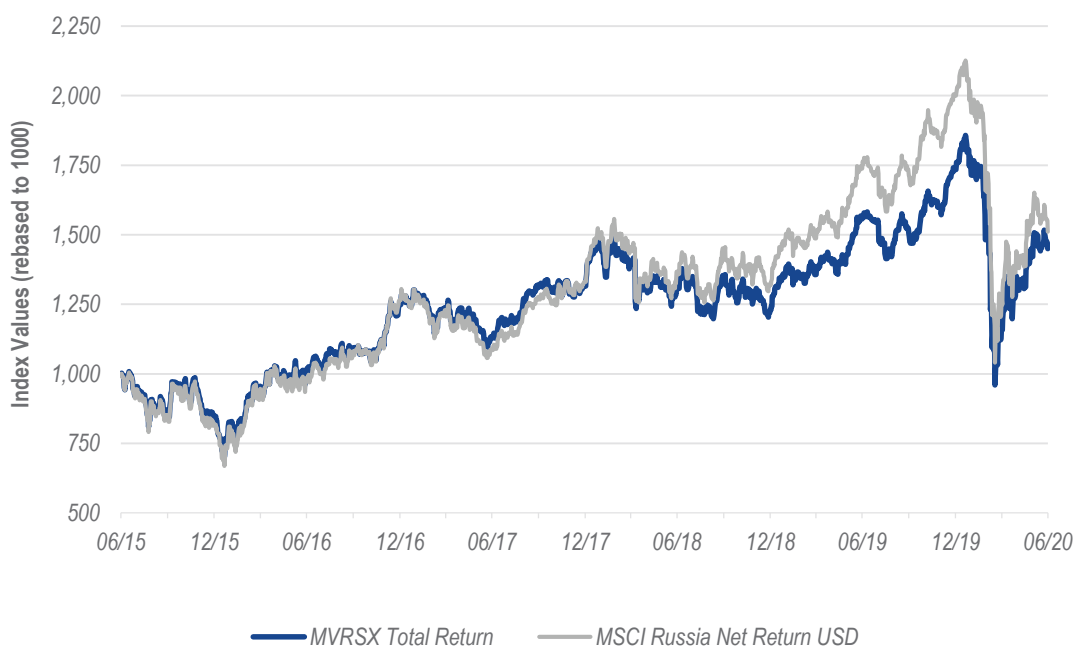
## Fundamental Data

Ratios (June 2020)	Value
Price/Earnings (incl. Negative) Trailing	194.63
Price/Earnings (incl. Negative) Projected	19.01
Price/Book	1.87
Dividend Yield	0.64
Price/Sales	2.73

# Index Statistics

## MVIS Russia Index (MVRSX)

- Largest and most liquid companies in Russia.
- Contains 26 components.
- Full Market Cap: USD 507.43 billion.
- History back to 28.09.2007.
- Licensed to underlie ETFs. AUM: USD 1.03 billion.



Data as of 30 June 2020.

## Country and Size Breakdown

Top 5 Countries	Count	Weight	Size	Count	Weight
Russia	20	79.99%	Large-Cap	19	86.29%
Netherlands	2	9.50%	Mid-Cap	7	13.71%
Jersey	1	4.86%	Small-Cap	-	-
British Virgin Islands	1	2.36%	Micro-Cap	-	-
United Kingdom	1	1.88%	Total	26	100.00%

## Liquidity

Average Daily Trading Volume	Period	Volume (USD)
Average	01.04.2020-30.06.2020	16,495,254
Average	01.01.2020-31.03.2020	21,608,153
Average	01.10.2019-31.12.2019	15,133,205
Weighted Average	01.04.2020-30.06.2020	22,596,524
Weighted Average	01.01.2020-31.03.2020	30,494,079
Weighted Average	01.10.2019-31.12.2019	21,419,251

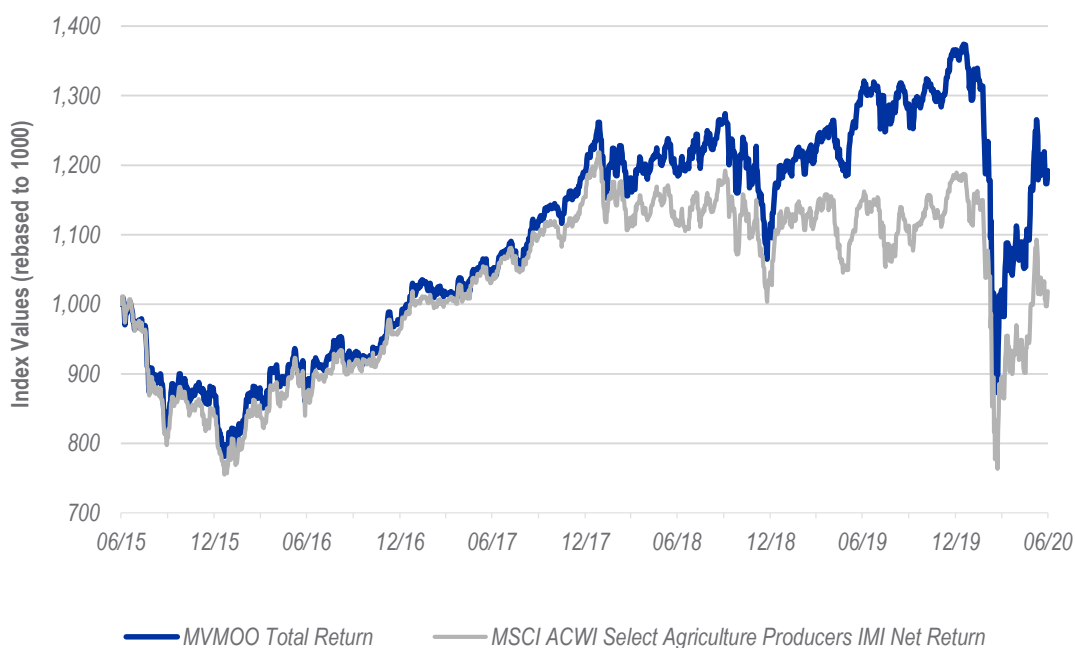
## Fundamental Data

Ratios (March 2020)	Value
Price/Earnings (incl. Negative) Trailing	7.01
Price/Earnings (incl. Negative) Projected	10.00
Price/Book	0.96
Dividend Yield	6.01
Price/Sales	0.76

# Index Statistics

## MVIS Global Agribusiness Index (MVMOO)

- Largest and most liquid companies in the global agribusiness segment.
- Contains 52 components.
- Full Market Cap: USD 558.63 billion.
- History back to 29.12.2006.
- Licensed to underlie ETFs. AUM: USD 0.54 billion.



Data as of 30 June 2020.

### Country and Size Breakdown

Top 5 Countries	Count	Weight	Size	Count	Weight
United States	18	52.45%	Large-Cap	24	81.35%
Germany	2	8.46%	Mid-Cap	24	17.50%
Canada	4	5.79%	Small-Cap	4	1.14%
Japan	4	5.42%	Micro-Cap	-	-
Norway	1	5.33%	Total	52	100.00%

### Liquidity

Average Daily Trading Volume	Period	Volume (USD)
Average	01.04.2020-30.06.2020	24,406,153
Average	01.01.2020-31.03.2020	30,257,588
Average	01.10.2019-31.12.2019	23,129,014
Weighted Average	01.04.2020-30.06.2020	56,116,107
Weighted Average	01.01.2020-31.03.2020	66,998,013
Weighted Average	01.10.2019-31.12.2019	50,014,752

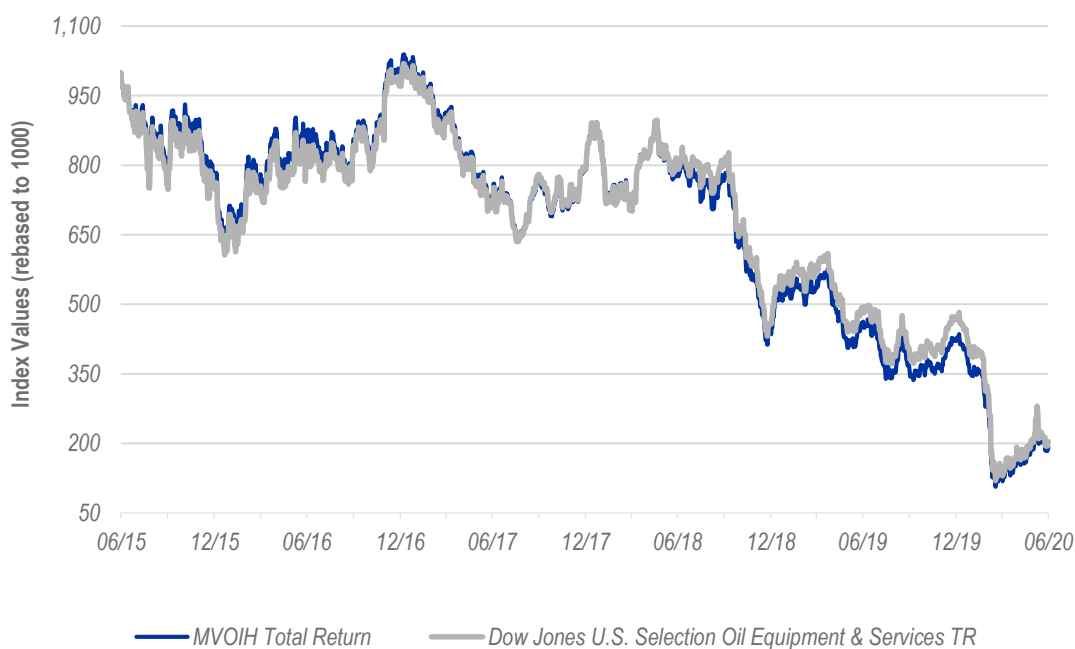
### Fundamental Data

Ratios (March 2020)	Value
Price/Earnings (incl. Negative) Trailing	28.33
Price/Earnings (incl. Negative) Projected	19.78
Price/Book	1.78
Dividend Yield	2.42
Price/Sales	0.94

# Index Statistics

## MVIS US Listed Oil Services 25 Index (MVOIH)

- Largest and most liquid US-listed companies in the oil services sector.
- Contains 25 components.
- Full Market Cap: USD 74.57 billion.
- History back to 29.09.2000.
- Licensed to underlie ETFs. AUM: USD 0.48 billion.



Data as of 30 June 2020.

## Country and Size Breakdown

Top 5 Countries	Count	Weight	Size	Count	Weight
United States	16	58.14%	Large-Cap	4	42.52%
Curacao	1	21.15%	Mid-Cap	4	18.60%
United Kingdom	3	5.49%	Small-Cap	14	38.18%
Luxembourg	1	5.22%	Micro-Cap	2	0.70%
Netherlands	1	4.17%	Total	24	100.00%

## Liquidity

Average Daily Trading Volume	Period	Volume (USD)
Average	01.04.2020-30.06.2020	11,867,199
Average	01.01.2020-31.03.2020	15,125,452
Average	01.10.2019-31.12.2019	14,666,825
Weighted Average	01.04.2020-30.06.2020	28,646,362
Weighted Average	01.01.2020-31.03.2020	38,477,538
Weighted Average	01.10.2019-31.12.2019	35,605,301

## Fundamental Data

Ratios (March 2020)	Value
Price/Earnings (incl. Negative) Trailing	-1.11
Price/Earnings (incl. Negative) Projected	-4.46
Price/Book	0.43
Dividend Yield	4.94
Price/Sales	0.41

# Index Statistics

## MVIS CryptoCompare Digital Assets 100 Index (MVDA)

- A market cap-weighted index.
- Tracks the performance of the 100 largest digital assets.
- Benchmark/universe for the MVIS CryptoCompare Digital Assets Indices.
- Contains three sub-indices (large, mid and small capitalization).
- Total market capitalization - USD 254.11 billion.
- Index history back to 31 December 2014.
- No liquidity screen.



Data as of 30 June 2020.

### Components

#### Top 5 Components

Bitcoin	66.39%
Ethereum	9.88%
Tether	3.46%
XRP	3.05%
Bitcoin Cash	1.62%
Other	15.60%

### Liquidity

Top 5 Components	Period	Volume (USD)
Average	1 Month June Review	104,384,899
Weighted Average	1 Month June Review	2,834,353,942

### Fundamental Data

Index Performance	Value	Index Records	Value
Year-to-Date Performance	29.15%	All Time High/Low	8,877 / 50
1-Year Performance	-25.54%	52-Weeks High/Low	3,403 / 1,339
Since Inception	77.70%	Quarter High/Low	2,892 / 1,339
		Month High/Low	2,528 / 2,349

# Index Statistics

## Performance of Selected MVIS Indices versus Peer Indices

	MVIS Russia	Peer Index	MVIS Global Junior Gold Miners	Peer Index	MVIS Global Agribusiness	Peer Index	MVIS US Listed Oil Services 25	Peer Index
YTD	-32%	-36%	-32%	-20%	-25%	-24%	-70%	-70%
2019	41%	51%	42%	41%	22%	13%	-3%	2%
2018	-6%	0%	-11%	-8%	-6%	-9%	-45%	-42%
2017	5%	5%	6%	12%	22%	20%	-20%	-18%
2016	47%	55%	75%	55%	13%	15%	28%	29%
2015	1%	4%	-19%	-25%	-9%	-14%	-25%	-27%
2014	-44%	-46%	-21%	-12%	0%	-1%	-24%	-22%
Since 2014	41%	62%	29%	36%	7%	-8%	-88%	-86%

## Risk Statistics of Selected MVIS Indices versus Peer Indices

	MVIS Russia	Peer Index	MVIS Global Junior Gold Miners	Peer Index	MVIS Global Agribusiness	Peer Index	MVIS US Listed Oil Services 25	Peer Index
Volatility	33%	32%	45%	38%	25%	25%	62%	61%
Correlation	91%		98%		98%		100%	
Alpha	2%		-12%		4%		-3%	
Beta	0.76		1.14		0.96		1.01	

Alpha - here defined as the excess rate of return of MVIS Indices relative to peer indices.

Beta - here defined as the measure of the volatility, or systematic risk of MVIS Indices in comparison to peer indices.

Data as of 30 June 2020. Risk data based on 250 days.



# MVIS Indices Underlying Exchange Traded Products

Type	Underlying Index	Index Ticker	AUM*	Type	Underlying Index	Index Ticker	AUM*	
Hard Assets / Sector	MVIS Global Junior Gold Miners	MVGDXJTR	6,199.90	Country	MVIS Russia	MVRSXTR, MVR SX	1,030.38	
	MVIS US Listed Semiconductor 25	MVSMHTR	2,175.61		MVIS Vietnam	MVVNMTR	331.80	
	MVIS Global Agribusiness	MVMOOTR	539.13		MVIS Brazil Small-Cap	MVBRFTR	48.45	
	MVIS US Listed Biotech 25	MVBBHTR	488.93		MVIS GDP Africa	MVAFKTR	39.63	
	MVIS US Listed Oil Services 25	MVOIHTR	475.06		MVIS Russia Small-Cap	MVRSXJTR	29.12	
	MVIS eSports & Video Gaming	MVESPOTR	574.75		MVIS Egypt	MVEGPTTR	21.01	
	MVIS US Listed Pharmaceutical 25	MVPPHTR	232.66		MVIS Indonesia	MVIDXTR	28.35	
	MVIS US Business Development Comp.	MVBIZDTG	204.64		Bonds	MVIS US Investment Grade Floating Rate	MVFLTR	469.50
	MVIS Global Rare Earth/Strategic Metals	MVREM XTR	96.85			MVIS EM Aggregate Bond	MVEMAG	15.45
	MVIS Global Mortgage REITs	MVMORTTR, MVMORT	204.83		Australia (AUD)	MVIS Australia Equal Weight	MVMVWTRG	720.29
	MVIS US Listed Retail 25	MVRTHTR	115.46	MVIS Australia A-REITs		MVMVATRG	150.12	
	MVIS Global Gaming	MVBJKTR	45.12	MVIS Australia Small-Cap Dividend Payers		MVMVSTRG	41.85	
	MVIS North America Energy Infrastructure Index	MVEINCTG	22.33	MVIS Australia Energy & Mining		MVMVRTRG	47.07	
	MVIS Global Coal	MVKOLTR	26.57	MVIS Australia Banks		MVMVBTRG	85.78	
	MVIS Global Uranium & Nuclear Energy	MVNLRTR	17.70	DA	MVIS Bitcoin US OTC Spot Index	MVBTCO	0.58	
	MVIS Global Oil Refiners	MVCRAKTR	22.97		MVIS CryptoCompare Institutional Bitcoin Index	MVIBTC	67.46	
	MVIS Global Unconventional Oil & Gas	MVFRAKTR	9.54					

Data as of 30 June 2020. \* in mln USD

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