



Invesco Emerging Markets Index Methodology

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Description

Overview

The Invesco Emerging Markets Index (“the Index”) is a broad-based benchmark measuring the aggregate performance of emerging market equities.

Security Selection

The Index includes all constituents of the Invesco Indexing Investable universe designated as emerging market securities. For full details on the Invesco Indexing Investable universe, see Invesco Indexing Investable Universe Methodology at www.invescoindexing.com.

Security Weighting

Each security in the index is weighted proportionally to its float-adjusted market-capitalization. For securities with multiple liquid share classes (as defined in the Invesco Indexing Investable Universe Methodology), the security weight is scaled up to account for all liquid shares.

History

The Index was launched on October 20, 2017. History is available for the index since its base date of December 31, 2002. The base value of the index is 1000.

Related Indexes

Several other related Invesco broad equity benchmarks are available. Similar to the Invesco Emerging Markets Index, these indexes are capitalization weighted; however, they differ in their regional and capitalization coverage. These indexes include:

Invesco US Large Mid Cap Index

Invesco US Small Cap Index

Invesco US Large Cap Index

Invesco Developed Markets ex-US Index

Updates

The Index is updated in coordination with the Invesco Indexing Investable universe. There is an annual Index reconstitution in June and a quarterly rebalance in March, September and December. While reconstitutions are intended to reset the overall global equity universe, the rebalances ensure the universe and related indexes include new listings that have met the criteria for inclusion while eliminating illiquid securities. March, June, September, and December are all collectively referred to as "Rebalance Months."

For full details on liquidity requirements and universe construction, see Invesco Indexing Investable Universe Methodology at www.invescoindexing.com.

Index Reconstitution

During the reconstitution, the Invesco Indexing Investable universe is fully refreshed. Liquidity thresholds are determined based on the characteristics of the global equity market, and securities are added to or removed from the universe based on their ability to satisfy these liquidity requirements. Qualifying universe members are assigned to various segmentations based on characteristics including size and geography. Finally securities are selected from the Invesco Indexing Investable universe to the Index, and the Index is reweighted. See Description on page 3 for more information about security selection and weighting.

Index Rebalance

During the quarterly Index rebalance, shares outstanding and float are updated. Initial Public Offerings (IPOs) and spinoffs may be added to the Index if they are sufficiently liquid, current index constituents may be removed if they fail to meet liquidity requirements, and the Index is reweighted.

Index Key Dates

The key dates surrounding each reconstitution and rebalance are as follows. The Index Review Team (see Governance on page 6) may change these dates for reasons including market holidays. Any such changes will be publicly announced with as much advance notice as possible under the circumstances. All events take place after the close.

Event	Day	Description
Reference Date	Third Friday of month prior to Rebalance Month	Data is captured for index construction
Announcement Date	Second Wednesday of Rebalance Month	Summary of index rebalance changes are announced to public
Pro forma Date	Second Friday of Rebalance Month	Preliminary index weights begin to be distributed to index subscribers
Effective Date	Third Friday of Rebalance Month	Rebalanced index weights are finalized

Calculation Agent

The calculation agent for the Index (“the Calculator”) is S&P Dow Jones Indices. The Calculator updates the Index at Rebalance Months based on weights provided by Invesco Indexing LLC (Invesco Indexing). In addition, the Calculator updates daily index weights between Rebalance Months based on price changes and corporate actions (see Corporate Actions section below), and it distributes index data to Invesco Indexing and major index data distribution partners (see Index Information and Data Dissemination on page 6).

Corporate Actions

The Calculator identifies and adjusts for corporate actions based on the following policy.

Corporate Actions	Index Adjustments	Divisor Change?
Rights Offer	The spot price of the underlying security will be adjusted and the shares will be increased with respect to rights offering ratio for in the money offers	Y
Spin-off	Spin-off stock is added to the index after market close of ex-date at zero weight. Parent and spin-off will split the original weight proportional to market cap on first day of trading	N
Share Acquisition	The acquired company is deleted from the index. The shares and weight of the acquirer will be adjusted with respect to the stock terms of the acquisition.	Y
Share changes	Index shares of affected stock increase/decrease	Y
Addition	Except for spin-offs, there are no intra-rebalancing additions	N
Deletion	Delisting, acquisition or any other corporate event resulting in the deletion of the stock from the index causes the weight of the rest of the stocks in the index to change. Relative weights stay the same	Y

As mentioned above in the Calculation Agent section, the Calculator manages corporate actions for this index using its standard corporate action framework and its divisor index methodology. For additional details, please refer to Invesco Indexing Corporate Event Methodology, at www.invescoindexing.com.

Policy

The Index follows the general index policies of the Calculator as described below.

Announcements

All index constituents are evaluated daily for data needed to calculate index levels and returns. All events affecting the daily index calculation are typically announced in advance via the Index Corporate Events report (.SDE) delivered daily via FTP to all clients. Any unusual treatment of corporate action or short notice of an event may be communicated via email to Index clients. Best efforts are made to announce any changes to index methodology well ahead of time via the Invesco Indexing website and via email to all Index clients.

Pro-forma files

In addition to the corporate events file (.SDE), Invesco Indexing provides constituent pro-forma files (PRO.SDC) each time the Index rebalances. The pro-forma file is typically provided daily in advance of the rebalancing date and contains all constituents and their corresponding weights effective for the upcoming rebalancing. The actual weight of each stock at the Index rebalance typically differs from the pro-forma weights due to market movements.

Holiday Schedule

The Index is calculated daily, throughout the calendar year. The only days the Index is not calculated are on days when all exchanges where the Index's constituents are listed are officially closed.

Governance

The Index is managed by the Index Review Team (IRT). The IRT consists solely of members of Invesco Indexing. The IRT meets at least annually to review and revise index methodology described in this document as appropriate. The IRT meets at least quarterly to review additions and deletions to the Index. All changes to the Index on Rebalance Months are subject to the approval of the IRT, and the IRT may make adjustments to the Index at its discretion when such changes are reasonable.

Return Types and Tickers

The Calculator computes three return types for the Index on a daily basis: price return, total return, and net total return. The total return and net total return indexes assume dividends are reinvested in the index after the close on the ex-date. The net total return index reflects the return where dividends are reinvested after the deduction of withholding tax. The tax rate applied is the rate to non-resident institutions that do not benefit from double taxation treaties.

Return Type	Bloomberg Ticker	Reuters Ticker
Price Return	IIEMP	.IIEMP
Total Return	IIEMT	.IIEMT
Net Total Return	IIEMN	.IIEMN

Index Information and Data Dissemination

Data Vendors

Daily index levels for all return types are available from major quote vendors and at www.invescoindexing.com. Intraday index levels are available for the price return index only.

FTP

Daily constituent data and index level data are available via the Invesco Indexing secure FTP site for index subscribers. Please contact Invesco Indexing customer service at indexsupport@invesco.com for more information.

File Types

The Invesco Indexing secure FTP site for index subscribers will distribute the standard overnight index files from the Calculator. These include:

File Description	File extension
Index Levels	.SDL
Constituent Details Close	CLS.SDC
Constituent Details Adjusted Close	ADJ.SDC
Constituent Details Pro-forma	PRO.SDC
Corporate Events	.SDE

The data on these files is provided directly by the Calculator, and no descriptive information contained in these files is used by Invesco Indexing at any stage of the index creation process.

In addition, the Invesco Indexing secure FTP site contains the characteristics file, II.CHR. The characteristics file is created by Invesco Indexing quarterly at the time of index rebalance and is updated throughout the quarter as necessary. It contains characteristics data used by Invesco Indexing in the creation of the Index or that otherwise helps to describe the index constituents. These data include sector, country, region, size classification and developed/emerging classification. Please contact Invesco Indexing customer service at indexsupport@invesco.com for more information.

Website

Index information is available on the Invesco Indexing website at www.invescoindexing.com.

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