

SOLUTION OVERVIEW

FTSE BIVA Index



Indexes for a global market

Created in a joint venture with BIVA, the FTSE BIVA Index is designed to represent the behavior of Mexico's stock market. Using the FTSE Global Equity Index Series (GEIS) as a base, the FTSE BIVA Index uses a higher liquidity threshold to reflect the performance of liquid Mexican companies. Through the FTSE BIVA Index, FTSE Russell provides the insights and tools necessary for investors to gain an accurate view into the most liquid tier of the Mexican market.

Features

- Higher liquidity threshold, offering a more liquid segment of the FTSE Mexico All Cap Index
- Rules-based, transparent approach to index construction
- Incorporates liquidity screens, free float minimums, and additional tests to ensure ease of replication
- Governance structure that includes a board of internal experts supported by external advisory committees

Results

- Transparent: Provides an unbiased representation of the Mexican equity universe
- Investable: Excludes small, illiquid stocks that are not typically considered by institutional investors due to size, liquidity, or other constraints
- Relevant: Ensures the integrity and adaptability of the index

About FTSE Russell

FTSE Russell is a leading global provider of benchmarking, analytics, and data solutions. A comprehensive range of indexes provides investors worldwide with the tools required to measure and analyze markets across asset classes, styles or strategies.

About BIVA

Bolsa Institucional de Valores (BIVA) is a stock exchange based in Mexico, backed by Nasdaq. BIVA provides local and global investors with cutting-edge technology for trading and market solutions, and companies with listing and maintenance services.



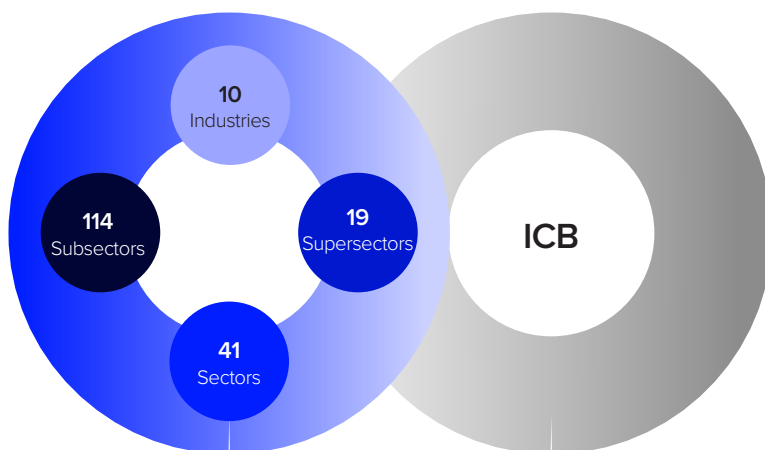
**FTSE
RUSSELL**
An LSEG Business

Reflecting best practices

When constructing the FTSE GEIS, the aim is to achieve accurate and investable universe coverage, while maintaining consistency and integrity. The index construction methodology has evolved over time to reflect best practices as capital markets have expanded and developed. Methodology enhancements have been implemented consistently across all indexes, including the FTSE Mexico All Cap Index, providing investors with an easily understandable framework for analyzing equity portfolios and managing funds based on active or passive mandates. Based on the FTSE GEIS and underlying FTSE Mexico All Cap Index, the FTSE BIVA Index reflects this index construction process and all fundamental rules and benefits.

ICB: a comprehensive sector classification scheme

Used as a base for FTSE GEIS, the Industry Classification Benchmark (ICB) allocates companies to the subsector that most closely represents the nature of its business, determined by its primary source of revenue and other publicly available information. Our modular index design supports a broad spectrum of sub-indexes based on country, region, sector, size, and other customized needs. The benefits of ICB are reflected in the FTSE BIVA Index.



FTSE BIVA Index Construction

- Universe: All constituents of the FTSE Mexico All Cap Index are eligible for inclusion
- Higher liquidity threshold: Designed to reflect the performance of liquid Mexican companies
- Investable: Index constituents are weighted by market capitalization
- Relevant: Reviewed semi-annually in March and September

Liquidity calculation:

- Each security is tested for liquidity semi-annually in March and September by calculation of its monthly median trading volume.
- Each month, the median daily trading volume for each security is calculated as a percentage of the shares in issue for that day adjusted by the free float review cut off date.
- For newly eligible securities where the liquidity test period is less than 12 months, the liquidity test will be applied on a pro-rata basis.
- Liquidity thresholds are determined by size and differ for constituents and non-constituents.

Table 1: Existing Constituent and Non-Constituent Liquidity Thresholds

Size Segment	Constituent	Non-Constituent
Large	0.04	0.05
Mid	0.07	0.08
Small	0.11	0.12

The FTSE BIVA Index was designed in cooperation with BIVA to ensure a global perspective based upon knowledge gained through local partnership. FTSE Russell's goal of providing greater access to Mexico's market couples well with BIVA's objective of expanding Mexico's investable opportunity set. The two partners will continue to work together to provide investors with a viable, liquid market.

Disclaimer

© 2023 London Stock Exchange Group plc and its applicable group undertakings (the "LSE Group"). The LSE Group includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada"), (4) FTSE Fixed Income Europe Limited ("FTSE FI Europe"), (5) FTSE Fixed Income LLC ("FTSE FI"), (6) The Yield Book Inc ("YB") and (7) Beyond Ratings S.A.S. ("BR"). All rights reserved.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, YB and BR. "FTSE", "Russell", "FTSE Russell", "FTSE4Good", "ICB", "The Yield Book", "Beyond Ratings" and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of the LSE Group or their respective licensors and are owned, or used under licence, by FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, YB or BR. FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

All information is provided for information purposes only. All information and data contained in this publication is obtained by the LSE Group, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical error as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or of results to be obtained from the use of FTSE Russell products, including but not limited to indexes, data and analytics, or the fitness or suitability of the FTSE Russell products for any particular purpose to which they might be put. Any representation of historical data accessible through FTSE Russell products is provided for information purposes only and is not a reliable indicator of future performance.

No responsibility or liability can be accepted by any member of the LSE Group nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any error (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analysing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of the LSE Group is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information.

No member of the LSE Group nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any representation regarding the advisability of investing in any asset or whether such investment creates any legal or compliance risks for the investor. A decision to invest in any such asset should not be made in reliance on any information herein. Indexes cannot be invested in directly. Inclusion of an asset in an index is not a recommendation to buy, sell or hold that asset nor confirmation that any particular investor may lawfully buy, sell or hold the asset or an index containing the asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

The information contained in this report should not be considered "research" as defined in recital 28 of the Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council ("MiFID II") and is provided for no fee.

Past performance is no guarantee of future results. Charts and graphs are provided for illustrative purposes only. Index returns shown may not represent the results of the actual trading of investable assets. Certain returns shown may reflect back-tested performance. All performance presented prior to the index inception date is back-tested performance. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. However, back-tested data may reflect the application of the index methodology with the benefit of hindsight, and the historic calculations of an index may change from month to month based on revisions to the underlying economic data used in the calculation of the index.

This document may contain forward-looking assessments. These are based upon a number of assumptions concerning future conditions that ultimately may prove to be inaccurate. Such forward-looking assessments are subject to risks and uncertainties and may be affected by various factors that may cause actual results to differ materially. No member of the LSE Group nor their licensors assume any duty to and do not undertake to update forward-looking assessments.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of the LSE Group. Use and distribution of the LSE Group data requires a licence from FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, YB, BR and/or their respective licensors.

About FTSE Russell

FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner we help investors make better-informed investment decisions, manage risk, and seize opportunities.

Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

To learn more, visit lse.com/ftse-russell; email info@ftserussell.com; or call your regional Client Service team office:

EMEA +44 (0) 20 7866 1810

North America +1 877 503 6437

Asia-Pacific

Hong Kong +852 2164 3333

Tokyo +81 (3) 6441 1430

Sydney +61 (0)2 7228 5659



**FTSE
RUSSELL**
An LSEG Business