The NYSE Arca Global Airline Index (AXGAL)

Index Description
The NYSE Arca Global Airline Index ("AXGAL" or "Index") is a modified equal-dollar weighted index designed to measure the performance of highly capitalized and liquid international airline companies. The Index tracks the price performance of selected local market stocks or ADRs of major U.S. and overseas airlines. The Index was established with a benchmark value of 1000.00 on November 27, 2006. The index values are published by the NYSE Euronext Inc ("Index Provider"), the value of the Index is published every 15 seconds through the Consolidated Tape Association's Network B under the ticker symbol "AXGAL".

Index Calculation
The Index is calculated using a modified equal-dollar weighting methodology to ensure that each component exposure is constrained for liquidity, size and domicile. The Index is rebalanced quarterly effective for open on the last business day based on closing prices on the third to last business day of each February, May, August & November.

Index Level
The official closing level of the index is calculated each day using the official closing price from the primary listing exchange of each index constituent. If no official closing price is available due to the following reasons, the respective course of action will be taken:

1. Trading of index component is suspended before market close and remains suspended through market close – The index will use the last traded price of the current day from the primary listing exchange in calculating the current day’s official closing level.
2. Trading of index component is not opened for current day – The index will use the previous day’s official closing price or last traded price; until a particular stock opens, its adjusted closing price from the previous day is used in the index computation.
3. Exchange or market-wide event resulting in normal closing auction not going off or official closing prices not being available – The index will take guidance from the respective exchange(s) and address on an event-by-event basis. Exchange or market-wide events include, but are not limited to:
   - Volatility Halts
   - LULD
   - Circuit breaker
   - Technological problems/failures
   - Natural disaster or other BCP related event

Weighting Methodology
The weighting is modified to encapsulate the natural liquidity and size of the components within Index. The index is divided into four weighting groups based on domicile and liquidity. Weighting is first split between domestic airlines and international airlines; 70% and 30% respectively. The top three components within each domicile group ranked by 100 day average daily trade dollar value and market capitalization are set to 15% for U.S. airlines and 4.5% for international. The remaining weight (25% and 16.5%) within each domicile group is equally weighted among the remaining components within their group.
Index Eligibility & Maintenance

The Index is calculated and maintained by the Index Provider. The Index Provider may change the composition of the Index at any time to reflect the conditions of the international airline industry and to ensure that the component securities continue to represent the airline industry. The Index is maintained in accordance with the following requirements in order to be eligible for inclusion in the Index:

- All component stocks will either be listed on the U.S. national listed exchange or an international exchange that provides last sale reporting.
- A minimum market value of at least $100 million.
- A 100 day Average Daily Trading Value is not less than $500,000.
- Foreign country securities or American Depositary Receipts (“ADRs”) thereon that are not subject to comprehensive surveillance agreements do not in the aggregate represent more than 20% of the weight of the index;

The number of shares of each component stock in the Index portfolio remains fixed between quarterly reviews, except in the event of certain types of corporate actions such as the payment of a dividend, other than an ordinary cash dividend, stock distribution, stock split, reverse stock split, rights offering, or a distribution, reorganization, recapitalization, or some such similar event with respect to a component stock. When the Index is adjusted between quarterly reviews for such events, the number of shares of the relevant security will be adjusted to the nearest whole share, to maintain the component’s relative weight in the Index at the level immediately prior to the corporate action. The Index may also be adjusted in the event of a merger, consolidation, dissolution, or liquidation of an issuer of a component stock. In the event that a stock replacement is needed, the new component will be added at the weight of the component being removed from the index to the nearest whole share. In connection with any adjustments to the Index, the Index divisor is adjusted to ensure that there are no changes to the Index level as a result of non-market forces.

Further info

To find out more, please email: usindex@nyx.com

Disclaimer

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