



Country Classification Rules for MarketVector Global Investable Indices

1. Introduction

This document describes the rules with regards to MarketVector™'s country classification framework for the [MarketVector™ Investable Global Index family](#).

MarketVector has established a transparent, rules-based framework for classifying countries as either Developed Markets or Emerging Markets. Country classifications are determined by the Country Index Committee, which comprises senior MarketVector staff.

2. MarketVector Country Classification Committee

The Country Index Committee meets annually in March to review the classification of all eligible countries and determine whether any changes are warranted. The Committee may also convene on an ad hoc basis in response to exceptional circumstances, including the imposition of international sanctions, periods of extreme inflation, and other significant market events.

3. Classification Criteria for Developed and Emerging Markets:

The Committee assesses these criteria holistically, recognizing that the absence or partial implementation of individual features does not necessarily preclude Emerging Market status.

Indicator	Type	Criteria	Key requirements
Economic Indicators	Quantitative	GNI per Capita	World Bank annual income classification is the foundational criterion. High Income for 3 consecutive years → eligible for Developed. Necessary but not sufficient. Falling out of High Income → watch list; if it persists 2 consecutive years → reclassified.
		Sovereign Credit Rating	Minimum Investment Grade required, maintained for 3 consecutive years . Downgrade below IG → watch list; if it persists 2 consecutive years → demotion from Developed.
		Strong & Independent Market Regulator	Robust, transparent, effective authority ensuring fair and orderly markets, investor protection, conflict-of-interest mitigation, and redressal mechanisms.

Indicator	Type	Criteria	Key requirements
Market Accessibility & Investor Protections	Qualitative	Openness to Foreign Investors	Markets accessible without unnecessary barriers; fair, competitive transaction costs.
		Foreign Investment Limits & Foreign Room	Ideally no restrictions; where they exist, minimal. Adequate foreign room (available quota) must exist.
		Equal Treatment of Minority Shareholders	Fair access to voting rights, dividends, and corporate actions.
		Ease of Fund Repatriation	No undue delays or costs on inflows/outflows; well-established, transparent mechanisms.
		Registration of Foreign Institutional Investors	If required, the process must be simple, transparent, and non-discriminatory.
		Foreign Exchange Market	Local currency freely convertible, with deep liquidity and minimal distortions.
Market Operational Efficiency	Qualitative	Clearing & Settlement	Settlement cycle of T+3 or shorter ; reliable clearing and settlement infrastructure.
		Custodial Network	Multiple credible global custodians present.
		Transaction Costs	Competitive, transparent fees for trading and settlement.
		Short-Selling & Stock Lending	Permitted and regulated frameworks in place.
		Taxation	Clear, fair, non-discriminatory tax policies.
		Off-Exchange Transactions	Permissibility and regulation of block trades, dark pools, etc.
		Derivatives Market	Regulated, liquid derivatives available for risk management.
		Investor Communication	Key financial documents and corporate filings available in English.

Notes:

- **Quantitative Criteria:** are necessary but not sufficient for Developed classification. Emerging Markets may sit below the High Income category and below Investment Grade.
- **Market Accessibility / Operational Efficiency:** Assessed holistically — no single criterion is determinative. Emerging Markets aren't held to the same extent but must offer enough accessibility and functionality for meaningful international participation.

4. MarketVector Country Classification

MarketVector maintains country indexes covering 157 markets, of which 50 markets are currently included in the MarketVector Investable Global Index Family. This index family employs a forward-looking, rules-based country classification methodology based on transparent and consistently applied criteria. As a result, certain classifications differ from those used by other index providers.

1. Classification Watch List

- Countries may be placed on a Watch List when the Committee believes a change in classification is reasonably likely.
- Placement on the Watch List does not imply that reclassification is certain.
- Countries will normally remain on the Watch List for at least one annual review cycle unless extraordinary circumstances justify a shorter period.
- The Committee may remove a country from the Watch List without changing its classification.

2. Reclassification Process and Implementation

- Reclassifications are announced after the annual March review.
- Unless exceptional circumstances require immediate action, changes become effective after an appropriate notice period typically 6-12 months.
- The implementation timeline may vary depending on operational readiness and the impact on investors and index products.
- The Committee may adopt a phased implementation where appropriate.

3. Extraordinary Events

Sometimes extraordinary events call for ad hoc changes decided by the committee.

Examples include:

- international sanctions;
- exchange closures;
- prolonged capital controls;
- market suspensions;
- hyperinflation;
- sovereign default;
- armed conflict;
- severe currency inconvertibility;
- prolonged settlement failures.

The Committee may suspend normal procedures and convene at any time if such events materially affect investability. If the situation warrants, country classification changes may have to be implemented with a few weeks notice.

4. Country Eligibility

Countries may be eligible for inclusion, exclusion or reclassification based on:

- Countries must have an operational equity market.
- Securities must be investable by international investors.
- Reliable pricing and trading information must be available.
- Markets that remain closed indefinitely may become ineligible for inclusion.

This separates **eligibility** from **classification**, ensuring that the committee recognizes the validity of the situation but may or may not choose to act on it immediately.

5. Committee Discretion

The Country Index Committee retains discretion to consider all relevant quantitative and qualitative information. No individual criterion is solely determinative, and the Committee may consider structural, economic, regulatory, geopolitical, and market-specific developments that are not explicitly captured by the published criteria.

6. Classification Stability

- MarketVector seeks to avoid unnecessary classification changes.
- Temporary market disruptions will not normally result in immediate reclassification.
- Structural rather than cyclical developments generally drive classification decisions.

7. Appeals and Consultations

- The Committee may consult exchanges, custodians, asset managers, and other market participants.
- Consultation is informative and does not bind the Committee.

Notes

- Classification reflects the overall investability of a market rather than any single economic indicator.
- Qualitative judgment complements objective eligibility criteria.
- Structural developments are given greater weight than temporary economic conditions.
- Market accessibility is considered alongside economic development.
- The methodology aims to produce stable, transparent, and forward-looking classifications that best serve global investors.

5. Country Classification Mapping

This section contains all changes through July 1, 2026.

MVIGE country classification: Current pillars and the history of classification changes

Index inception: Q4 2014

Developed
 Emerging

Current classification by pillar

Investable US

USA

Developed ex US

Australia	Austria	Belgium	Canada
Denmark	Finland	France	Germany
Great Britain	Greece	Iceland	Ireland
Israel	Italy	Japan	Luxembourg
Netherlands	New Zealand	Norway	Portugal
Singapore	South Korea	Spain	Sweden
Switzerland			

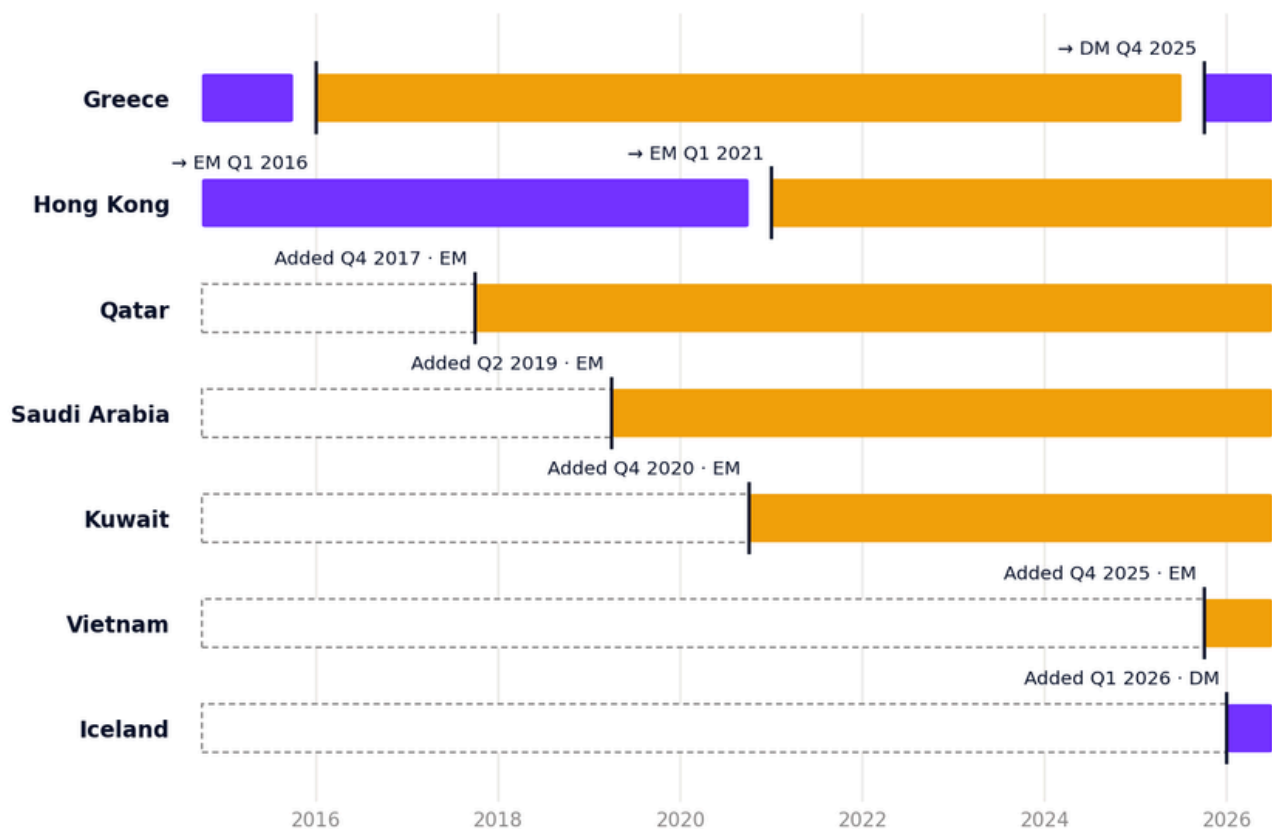
Greater China

China	Hong Kong
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Emerging ex Greater China

Brazil	Chile	Colombia	Czech Republic
Egypt	Hungary	India	Indonesia
Kuwait	Malaysia	Mexico	Peru
Philippines	Poland	Qatar	Saudi Arabia
South Africa	Taiwan	Thailand	Turkey
UAE	Vietnam		

Classification changes over time: Only constituents that changed since inception — classification switches and later additions.



Country	Change	Effective
Greece	Developed → Emerging → Developed	DM to Q4 2015; EM Q1 2016–Q3 2025; DM Q4 2025
Hong Kong	Developed → Emerging	DM to Q4 2020; EM since Q1 2021
Qatar	Added · Emerging	Included since Q4 2017
Saudi Arabia	Added · Emerging	Included since Q2 2019
Kuwait	Added · Emerging	Included since Q4 2020
Vietnam	Added · Emerging	Included since Q4 2025
Iceland	Added · Developed	Included since Q1 2026