VettaFi NEOS Brazil Index

NBSX

Jun 2026

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Introduction

Index Objective

The VettaFi NEOS Brazil Index tracks the performance of the Large/Mid Cap segment of the Brazil market applying higher exposure to companies that exhibit high quality/lower volatility characteristics and/or exhibit sustainable dividend/cash flow characteristics. A composite score based on these qualities and characteristics is used as a multiplier to adjust a company's float market cap exposure.

Highlights

A company's composite score is a product of its high quality/lower volatility score and its sustainable dividend/cash flow score, each of which ranges from 0.5 to 2.0, and thus ranges from a minimum value of 0.25 and a maximum value of 4.0.

Dates

Reference Dates: Close of the last trade date of the month preceding the reconstitution month.

Weight Date: The close of trading on the day before the second Friday of the rebalancing month.

Reconstitution Dates: Indexes are reconstituted during the Mar and Sep rebalances.

Rebalance Dates: Indexes are rebalanced quarterly on the open of trading following the third Friday of the month in Mar, Jun, Sep, and Dec.

Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein.

The list of the main supplemental documents for this methodology can be found in the Methodologies and Governance tabs on the Index Resources page as follows:

Supporting Documents
Index Maintenance Policy
Index Governance
Index Policies
Methodology Policies
Glossary
Index Change and Consultation Policy

Eligibility Criteria and Index Construction

Universe

All non-OTC, actively traded securities of the Brazil Equity market.

Index Construction

Constituent Selection

The index selects all Brazil equities that are constituents of the VettaFi Brazil Large/Mid Cap Index (VFBR).

Constituent Weightings & Constraints

Weights are based on adjusted float-market caps. Each constituent's float market cap is multiplied by its composite score.

The composite score is based on a quality/volatility component and a dividend/cash flow sustainability component:

Quality/Volatility Component:

The Quality component is reflective of 75% weight to the security's Quality Score (Profitability and Solvency) and 25% weight to the security's 1-year volatility. Scores are scaled to range from 0.5 to 2.0.

Dividend'/Cash Flow Sustainability Component:

The Dividend Sustainability Component consists of five factors, Dividend Payout Ratio, Dividend Consistency, Dividend Growth Variation, Cash Flow Stability, and FCF Yield.

Securities with a Dividend Payout Ratio below 0.75 receive a payout ratio multiplier of 1.25 while those with figures that are negative or exceeding 0.75 receive a 0.75. Non-Dividend paying companies receive a score of 1.

Securities that have been paying dividends between the last 5-9 years receive a consistency multiplier of 1.25 while those paying for more than 10 years receive a 1.50. Non-dividend paying companies receive a score of 1.

The variation in dividend growth for all eligible securities is calculated over the trailing five years and a score is computed with a scale from 0.75 - 1.25. Non-dividend paying companies and those that have been paying for less than 5 years receive a score of 1.

Free Cash Flow Yield is calculated for all eligible securities and a score is computed ranging from 0.75 to 1.25.

A cash flow stability metric is calculated for all eligible securities and a score is computed ranging from 0.75 to 1.25.

These five factors get multiplied together to create the Dividend/Cash Flow Sustainability component, which is scaled to a range from 0.5 to 2.0.

Composite Score:

The composite score is equal to the Quality/Volatility score multiplied by the Dividend Sustainability score.

Weight Cap and Weight Constraints:

The maximum weight for any company is set equal to the largest security weight in the underlying Brazil Large/Mid Cap Index.

The sum of constituent weights over 5% may not exceed 45%. Excess weights will be distributed proportionally.

Index Maintenance

Rebalancing and Reconstitution

The Indexes are rebalanced on the “Rebalance Date” and additionally reconstituted on the “Reconstitution Date”. Pricing used in share weights used for reconstitutions are as of the “Weight Date”. Share weights for the rebalanced Indexes are computed as of the “Weight Date”. Changes to the Indexes related to the rebalances are as of the “Rebalance Date”. Additions are only made on reconstitution dates.

Corporate Actions

Please refer to the Index Maintenance Policy document for information on Corporate Action processing.

Index Information

Index history availability, base dates and base values are shown in the table below.

Index	Base Currency	Price Index	Base Date	Base Value	Total Return Index	Base Date	Base Value
VettaFi NEOS Brazil Index	BRL	NBSX	03/16/2012	1000	NBSXT	03/16/2012	1000

Methodology Updates and Changes

Date	Version	Previous	New
May 2025	1.0.0		Initial Version
Jun 2026	1.1.0		Added 5/45 weight constraint

Index Calculation

Please refer to the Index Maintenance Policy document for information on index calculations.

Index Governance

The index is governed and managed by a VettaFi Index Committee for the purpose of meeting the goals of the index. For more information, please refer to the Index Governance document.

Index Policies

Please refer to the Index Policies document for information regarding Announcements, Holiday Schedules, Unexpected Exchange Closures, and Recalculation Policy.

Contact Information

For any questions regarding an index, please contact: index.production@vettafi.com