

Methodology change of the Indxx 5G & NextG Thematic Index.

Effective November 26, 2020, the following are the changes in the methodology of the Indxx 5G & NextG Thematic Index:

- Security Selection Process (Section 1.3)

Below is the amended methodology which will be effective from November 26, 2020.

November 2020

INDXX 5G & NEXTG THEMATIC INDEX METHODOLOGY

CONTENTS

1. INDXX 5G & NEXTG THEMATIC INDEX.....	3
1.1 INDEX DESCRIPTION.....	3
1.2 CREATION OF MASTER LIST.....	3
1.2.1 Initial Universe.....	3
1.2.2 Free Float.....	3
1.2.3 Maximum Price.....	3
1.2.4 Security Type.....	3
1.2.5 Share Classes.....	4
1.3 SECURITY SELECTION PROCESS.....	4
1.4 FINAL COMPOSITION.....	5
1.5 WEIGHTING.....	5
1.6 BUFFER RULES.....	5
1.6.1 Market Capitalization.....	5
1.6.2 Liquidity.....	6
1.6.3 Continued Representation in the Portfolio.....	6
1.7 RECONSTITUTION AND REBALANCING RULES.....	6
1.8 PERIODIC REVIEW.....	6
1.9 CORPORATE ACTIONS.....	6
2. APPENDIX.....	7
2.1 METHODOLOGY CHANGES.....	7
3. DISCLAIMER.....	8

1. INDXX 5G & NEXTG THEMATIC INDEX

1.1 INDEX DESCRIPTION

The Indxx 5G & NextG Thematic Index is designed to track the performance of companies that are at the core of the research and development of the new 5G cellular technology and next generation technologies as they emerge. The index seeks to include only companies that have devoted material resources or made material commitments to the use of 5G technology.

The index has a base date of December 15, 2017 with an initial value of 1,000.

The index is currently available in the following versions:

- Net Total Return
- Total Return
- Price Return

1.2 CREATION OF MASTER LIST

1.2.1 Initial Universe

To be eligible for inclusion in the Initial Universe, securities must have:

- Their country of listing either in a Developed or in an Emerging Market. Developed and Emerging Markets are defined by Indxx in its 'Country Classification and Investability Requirements' document.
- A minimum total market capitalization of \$500 million.
- A 6-month average daily turnover greater than or equal to \$2 million and \$1 million for developed and emerging markets respectively.
- The security must have traded on 90% of the eligible trading days in the last 6 months. In case a security does not have a trading history of 6 months (only IPOs), such a security must have started trading at least 3 months before the start of the Reconstitution/Rebalancing Process and should have traded on 90% of the eligible trading days for the past 3 months.

1.2.2 Free Float

All securities must have a minimum free float equivalent to 10% of shares outstanding.

1.2.3 Maximum Price

Securities trading at a price of \$10,000 or above are ineligible for inclusion in the Index. This rule is not applicable for existing constituents. Existing constituents shall remain in the Initial universe irrespective of their stock price.

1.2.4 Security Type

The following security types are eligible for inclusion:

- Common Stock
- ADR
- GDR

1.2.5 Share Classes

- The existing share class/listing in the portfolio is retained if it satisfies all the eligibility criteria of the index
- The most liquid share class/listing is considered for inclusion.

1.3 SECURITY SELECTION PROCESS

Based on extensive research, Indxx has defined 5G as being comprised of the following sub-themes:

Sub-Theme	Description
5G Infrastructure & Hardware	<p>(i) Data Center REITs: Companies that are involved in owning and managing facilities that customers use to safely store data and offer a range of products and services to help keep servers and data safe, including providing uninterruptable power supplies, air-cooled chillers and physical security. The importance of having data flow quickly from the end user to the data center (and vice versa) is paramount when supporting 5G services.</p> <p>(ii) Cell Tower REITs: Cell Tower REITs are real estate investment trusts that own, operate, and develop wireless communications and broadcast “cell towers.” A cell tower houses the electronic communications equipment along with an antenna to support cellular communication in a network. Delivery of 5G service will require wireless carriers to invest in more cell towers, as well as in small cell and fiber networks to broadcast 5G signals into specific areas.</p> <p>(iii) Equipment Manufacturers: These are companies involved in providing important equipment for facilitating the development, set up and operation of the 5G network architecture. This includes fiber optics, semiconductors, chipsets, 5G modems for enhanced bandwidth, hotspot devices, wireless spectrum equipment and other such equipment required to support the 5G domain.</p> <p>(iv) Network testing and validation equipment and software companies: These are companies that provide testing and measurement solutions along with quality assurance for equipment manufacturers, mobile phone manufacturers and telecommunications service providers.</p> <p>(v) Mobile Phone Manufacturers: These are manufacturers of smartphones and mobile devices that will support and enable 5G network access.</p>
Telecommunications Service Providers	<p>These are companies operating mobile cellular and wireless communication networks and will be the ones offering public access to 5G networks.</p>

These sub-themes are comprised of companies in the following FactSet Industries:

Computer Communications	Computer Processing Hardware
Electronic Equipment/Instruments	Electronics/Appliances
Information Technology Services	Major Telecommunications
Real Estate Investment Trusts	Semiconductors
Specialty Telecommunications	Telecommunications Equipment
Wireless Telecommunications	Electrical Products
Data Processing Services	

The industries and sub-themes identified through this research-based approach are subject to change at the time of the December reconstitution.

1.4 FINAL COMPOSITION

From the Selection List:

- The top 100 companies by market capitalization will form the final index.
- If fewer than 100 companies qualify for inclusion in the Index, then all the constituents will be included in the Index.

1.5 WEIGHTING

The index is weighted as follows:

- An aggregate weight of 80% is assigned to companies belonging to the '5G Infrastructure & Hardware' sub-theme and an aggregate weight of 20% is assigned to companies belonging to the 'Telecommunications Service Providers' sub-theme.
- The components within each of these sub-themes are equally weighted.
- Within each of these sub-themes, each component with a market capitalization less than \$2 billion as of the Selection Day is capped at half its calculated weight, with the remaining weight equally distributed among the other components within the sub-themes with a market capitalization greater than \$2 billion.

1.6 BUFFER RULES

Buffer Rules are employed to reduce Portfolio Turnover. The following buffer rules apply:

1.6.1 Market Capitalization

A constituent shall continue to be included in the Initial Universe if its market capitalization is greater than or equal to 80% of the previously defined market capitalization limit. To illustrate, if an existing index member qualifies all other selection criteria but doesn't qualify the market capitalization criteria to the extent of 20% deviation then it will be retained in the investible universe.

1.6.2 Liquidity

A constituent shall continue to be included in the Initial Universe if its 6-month ADTV is greater than or equal to 70% of the previously defined liquidity limit. To illustrate, if an existing index member qualifies all other selection criteria but doesn't qualify liquidity criteria to the extent of 30% deviation then it will be retained in the investible universe

1.6.3 Continued Representation in the Portfolio

Additionally, an existing index constituent shall continue to remain in the index if it is part of top 120 companies by market cap, even if it isn't a part of the top 100 constituents

1.7 RECONSTITUTION AND REBALANCING RULES

- The index follows a semi-annual reconstitution and rebalancing schedule. The new portfolio becomes effective at the close of the third Friday of June and December each year. This day is called the 'Effective Day.'
- The security selection and portfolio creation process start on the close of the nearest Friday falling at least one month before the Effective Day, called the 'Selection Day.' The selection list is created based on the data as of the Selection Day.
- Weights are calculated at the close of the seventh trading day prior (six trading day prior) to the Effective Day. Index Shares are frozen using weights as of this day.

1.8 PERIODIC REVIEW

To aptly capture companies that are actively investing resources into products or services that utilize 5G technology and next generation technologies as they emerge, the Security Selection Process will be reviewed annually and can be modified at the time of the December reconstitution.

1.9 CORPORATE ACTIONS

The corporate action guidebook is present in the Announcements section of our website, under 'Index Documents.'

2. APPENDIX

2.1 METHODOLOGY CHANGES

Methodology changes since June 2020 are as follows:

Section	Previous Value	New Value	Effective Date (close)
1.3		An industry 'Electrical Products' has been added to the list of FactSet industries.	June 4, 2020
1.3		An industry 'Data Processing Services' has been added to the list of FactSet industries.	November 26, 2020

3. DISCLAIMER

This methodology document and all information contained herein including, without limitation, all text, data, graphs, charts, visuals and theory (collectively, the “information”), were created by and is the sole property of Indxx, LLC. Redistribution, reproduction and/or photocopying of this document in whole or part is prohibited without written permission from Indxx. All information in this document provided by Indxx is impersonal and not tailored to the needs of any person, entity or group. None of the information constitutes an attempt at an offer to sell (or an attempt of an offer to buy), or a promotion or recommendation of, any security, product, investment vehicle or any trading strategy, and Indxx does not endorse, approve or otherwise express any opinion regarding any issuer, security, financial product, instrument, or trading strategy. None of the information, Indxx indices, models, other products or services contained herein is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and should not be relied on as such. A decision to invest in any investment fund or other vehicle should not be made based solely on information or statements contained in this document. Prospective investors are advised to make an investment in any such fund or other vehicle only after carefully considering the risks, fees and expenses associated with investing, as detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the investment fund or other vehicle. Historical data, analysis and performance of Indxx indices should not be taken as an indication or guarantee of any future performance. Indxx does not guarantee the accuracy and/or completeness of any Indxx index, any data included herein, or any data from which it is based, and Indxx shall have no liability for any errors, omissions, or interruptions therein. All information in these materials is provided “as is” and the content may change without notice.

For more information on the index, please email info@indxx.com.
Learn more at www.indxx.com.