

September 2018

INDXX GLOBAL HEALTH & WELLNESS THEMATIC INDEX METHODOLOGY

CONTENTS

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

1. INDXX GLOBAL HEALTH & WELLNESS THEMATIC INDEX

1.1 INDEX DESCRIPTION

The Indxx Global Health & Wellness Thematic Index is designed to track the performance of companies that provide products and services aimed at promoting physical wellness through active and healthy lifestyles, including but not limited to fitness equipment and technology, athletic apparel, nutritional supplements, and organic / natural food offerings.

The index has a base date of April 16, 2010 with an initial value of 1,000.

The index is currently available in the following versions:

- Net Total Return (Bloomberg Ticker: IBFITNT)
- Total Return (Bloomberg Ticker: IBFIT)

1.2 CREATION OF MASTER LIST

1.2.1 Initial Universe

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

- Their primary listing in a Developed Market. Developed Market is defined by Indxx in its 'Country Classification and Investability Requirements' document.
- A minimum market capitalization of \$500 million.
- A 6-month average daily turnover greater than or equal to \$2 million.
- Traded for at least 90% of the total trading days over the last 6 months on their respective stock exchanges, and at least 90% of the total trading days over the last 3 months for an Initial Public Offering ("IPO") security.

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 universe. This rule is not applicable for existing constituents. Existing constituents shall remain in the universe irrespective of their stock price.

1.2.4 Security Type

The following security types are eligible for inclusion:

- Common Stock
- ADR
- GDR
- REIT

1.2.5 Share Classes

If multiple share classes exist for a company, the following preference order is followed:

- If an ADR of the company exists, it is given preference over all other share classes.
- In all other cases, the most liquid share class is considered for inclusion in the portfolio.

1.3 SECURITY SELECTION PROCESS

Based on extensive research, Indxx has defined health and wellness as being comprised of the following sub-themes:

Healthy Food, Nutrition and Weight loss	Production, manufacturing or distribution of natural/organic foods, provision of weight loss and dietary services and operation of healthy food and nutrition stores
Fitness and Apparel	Fitness Club and manufacturing or sale of sports/ fitness equipment, fitness wearable technology, fitness/ athletic apparel.
Nutritional Supplements and Preventive Health care	Development of nutritional supplements or traditional medicines and suppliers or manufacturers of fitness trackers and preventive health monitoring devices
Other Categories	Production and/or sale of anti-aging products, workplace wellness companies, spa and wellness centers, and wellness hotels.

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

Agricultural Commodities/Milling	Electronic Production Equipment	Internet Software/Services
Apparel/Footwear	Electronics/Appliances	Wholesale Distributors
Aerospace & Defense	Financial Conglomerates	Telecommunications Equipment
Apparel/Footwear Retail	Food Distributors	Investment Managers
Beverages: Non-Alcoholic	Food Retail	Life/Health Insurance
Biotechnology	Food: Major Diversified	Medical Specialties
Catalog/Specialty Distribution	Food: Meat/Fish/Dairy	Medical/Nursing Services
Chemicals: Specialty	Food: Specialty/Candy	Miscellaneous Manufacturing
Computer Communications	Hospital/Nursing Management	Movies/Entertainment
Computer Peripherals	Hotels/Resorts/Cruise lines	Multi-Line Insurance
Computer Processing Hardware	Household/Personal Care	Other Consumer Services
Consumer Sundries	Industrial Conglomerates	Other Consumer Specialties
Discount Stores	Information Technology Services	Pharmaceuticals: Generic
Drugstore Chains	Insurance Brokers/Services	Pharmaceuticals: Major
Electronic Equipment/Instruments	Internet Retail	Pharmaceuticals: Other
Services to the Health Industry	Recreational Products	Real Estate Development
Specialty Stores		

The industries and sub-themes identified through this research-based approach are subject to change at every annual reconstitution.

Companies from the Master List that derive revenue greater than or equal to 50% from the above sub-themes are considered as 'pure-play' health and wellness companies. These companies are included in the 'Selection List' for the index.

1.4 FINAL COMPOSITION

From the Selection List:

- The top 100 'pure-play' companies by market capitalization will form the final index.
- If fewer than 100 pure-play companies are eligible for inclusion, then all the pure-play companies will be included in the index.

1.5 WEIGHTING

The index is weighted as follows:

- Components are weighted based on their security-level market capitalization.
- Initially, weights are assigned to each component based on their market capitalization.
- A single security cap of 3% and a single security floor of 0.3% is applied.
- The balance weight is proportionately distributed among the remaining securities while retaining the 3% and 0.3% weight limits.
- An industry cap of 60% is applied.

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.

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.

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 the top 120 companies by market capitalization, even if it is not a part of the top 100 constituents.

1.7 RECONSTITUTION AND REBALANCING RULES

- The index follows an annual reconstitution and rebalancing schedule. The new portfolio becomes effective at the close of third Friday of April each year. This day is called the 'Effective Day.'
- The security selection and portfolio creation process starts 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 to the Effective Day. Index Shares are frozen using weights as of this day.

1.8 CORPORATE ACTIONS

Indxx standard Corporate Actions for market cap weighted indices apply. The corporate action guidebook is present in the Announcements section of our website, under 'Index Documents'.

2. 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.