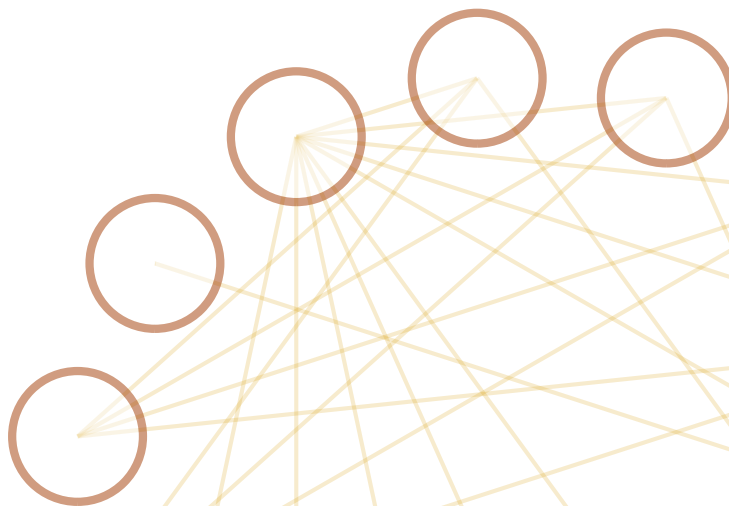




Foxberry Next Generation Foods Index Rules

Foxberry Ltd
7th April, 2022



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1 Introduction

1.1 Objective

The objective of each Index in the Next Generation Foods family (the “**Family**”) is to provide exposure to stocks of companies that are classified as having exposure to the next generation of foods as well as food chain related developments and technology, such as smart farming and packaging (the “**Theme**”), as determined by the Research Provider.

1.2 This document

This document comprises the rules (the “**Index Rules**”) of the Foxberry Next Generation Foods indices listed in section 1.3 (each an “**Index**”), a notional rule-based proprietary index owned by Foxberry in its capacity as index owner (the “**Index Owner**”) and index administrator (the “**Index Administrator**”) of the Index.

This document only details certain specifics of each relevant Index. This document should be read in conjunction with the following documents:

- the “Foxberry Equity Cash Index Methodology” document (the “**Cash Methodology**”)

1.3 Index coverage

As of the date of this document, the following Indices form part of the Family and are covered by this document:

- Foxberry Next Generation Foods USD Net Total Return Index

Specific attributes of these Indices are detailed in chapter 4.

2 Background

2.1 Next Generation Foods

HolonIQ's Next Generation Foods thematic identifies the sub sectors, companies and economic activities that have a direct and positive impact on the next generation of food production, food chain improvements and food supply. This includes innovation in raw ingredients such as proteins and enzymes, plant based and cellular foods, smart farming, natural foods, sustainable packaging and food specific supply chain technologies.

2.2 HolonIQ

2.2.1 Source

The source for all information in this section 2.2 is HolonIQ and was validated by HolonIQ as correct as of March 2022. For current information, readers are directed to HolonIQ and their website.

2.2.2 Introduction

HolonIQ Pty Ltd (trading as "**HolonIQ**") is the "**Research Provider**".

HolonIQ provides data and insights on companies, countries and industries and how their innovation activities form patterns and trends in the market. HolonIQ is headquartered in Sydney, Australia with offices around the world.

2.2.3 Further Information

Further information about HolonIQ can be found on their official website at www.holoniq.com.

2.2.4 Stock Universe

2.2.4.1 Overview

In 2022, HolonIQ launched the “HolonIQ Next Generation Foods Stock Universe” (the “**Stock Universe**”). The Stock Universe consist of a list of stocks of companies involved in the Theme.

The inclusion of companies is detailed further in section 2.2.4.2, and details of thematic purity scoring in section 2.2.4.3.

2.2.4.2 Company inclusions

HolonIQ’s Global Universe covers over 25,000 stocks, including all large and mid cap companies globally (3,000+). The Global Universe also includes over 20,000 small cap companies with extensive coverage across sustainable impact thematic such as the United Nations SDGs, HolonIQ’s open-source taxonomies in climate, education and health and special impact thematic such as the Next Generation Foods.

Starting with HolonIQ’s Global Universe, HolonIQ determines each company’s exposure to a specific thematic by leveraging their pre-defined open-source taxonomy classifications of the Global Universe together with a thematic specific machine learning process to identify a broad stage 1 cohort for industry analyst review. Following this initial build, an industry analyst led stage 2 review is conducted of publicly available data provided by companies through 10-Ks, 10-Qs, 20-Fs, 8-Ks and other SEC or similar filings, quarterly earnings reports, company presentations or official earnings conference call transcripts, and if need be, through direct engagement with the company should clarification be required with respect to publicly-disclosed information.

This collection process identifies a starting thematic cohort from the Global Universe, subject to thematic ratings. Only companies with a rating greater than zero are included in the Stock Universe.

HolonIQ does not accept payments from companies or third parties to include their stocks within the Stock Universe.

2.2.4.3 Thematic Purity Score

Within the Stock Universe, each company is given a thematic rating (the “**Thematic Score**”) by reference to its exposure to the Theme. The ratings are primarily based on five revenue quintiles reflecting the extent to which the companies direct economic activity is related to the thematic.

- 0:** The company has no material direct exposure to the theme i.e. less than 10% of the companies reported revenue is directly related to the theme. Alternatively, no revenue data is reported by the company that can verify material economic activity that the company is conducting is related to the theme.

- 1: The company generates between 10% and 29% of its reported revenue from the theme.
- 2: The company generates between 30% and 49% of its reported revenue from the theme.
- 3: The company generates between 50% and 69% of its reported revenue from the theme.
- 4: The company generates between 70% and 89% of its reported revenue from the theme.
- 5: The company generates more than 90% of its reported revenue from the theme.

2.2.4.4 Discretion

HolonIQ has the ultimate discretion in deciding on inclusion and scores of the Stock Universe.

If a company, score, or identifier is identified as incorrect, this should not be considered an error in the relevant Index. Subject to the procedure described in section 3.3, the Index will ordinarily update its constituents at the next rebalance following a correction by Research Provider.

2.2.4.5 Delivery

HolonIQ extracts and delivers to the Index Administrator the Stock Universe (which includes the Thematic Score) quarterly with respect to each Selection Day.

2.2.5 Classification

Within the Stock Universe, companies are classified according to HolonIQ's Next Generation Foods Classification (the "**Classification**").

Companies are classified into one of six sub sectors, based on their primary or dominant exposure to a sub-sector.

2.2.5.1 Plant Based and Cell Cultured Foods

Companies in this sub sector develop and manufacture plant based and/or cellular alternatives to meat, poultry, seafood, dairy, eggs and other foods.

Today's plant-based meat and seafood products are produced by sophisticated processes that use a combination of vegetable byproducts, seeds, and grains to mimic the flavour, colour, and mouthfeel of meat. Plant-based dairy and egg products incorporate a broad range of ingredients, including peas, mung beans, soybeans, chickpeas, almonds, coconut, sunflowers, and sesame, among others. These alternatives are vying to replace traditional

cheese, yogurt, ice cream, butter, spreads, and creamers, with more recent attempts to produce a substitute for chicken eggs.

Cell-cultured meat refers to meat grown in labs, using cells from live animals. Having emerged from cell-culture applications such as antibody protein therapeutics, cell-based therapies, and regenerative medicine, cell-cultured meat technology promises sustainable and humane alternatives to slaughtered meat.

This sub sector is being driven by an increasing focus on health, animal welfare, and climate change. The recent emergence of zoonotic diseases, such as the Covid-19 pandemic and the African swine fever, have also drawn attention to the growing animal-free food production industry, with plant-based foods taking center stage.

2.2.5.2 Smart Farming

Companies in this sub sector are driving innovation in farming across a broad spectrum of indoor farming (vertical, aeroponic, hydroponic and aquaponic), crop yield and quality, risk management and precision/digital technologies supporting the sustainable development of crops and livestock.

Vertical farming refers to the process of growing crops in vertically stacked beds or shelves inside controlled-environment buildings or containers. The process uses artificial lights and soilless growing techniques to simulate a crop's optimal growing environment and control the desired outcome in terms of yield, texture, size, and other characteristics.

Hydroponic farm operators follow a soilless growing method that places crops' roots directly in containers filled with nutrient-enriched water without the need for fish farming tanks (as in aquaponics) or air sprinklers (as in aeroponics). Due to ease of use, lower costs, and higher ROI, hydroponic farms are the most popular growing system in the vertical farming industry.

A broad range of agricultural science and technology applications leverage IoT, remote sensors, GPS, remote tractors, drones, satellites to make better informed decisions on strategy, operations and risk management from planting, weeding, irrigation, harvesting, fertilizer application, weather, field management for both monitoring and prediction.

Finally the sub sector includes seed science and bio-based crop protection and bio-stimulants including gene editing and breeding technologies, but excluding gene modification, fertilizers and crop protection products such as nitrogen, phosphate and/or potassium fertilizers and chemical-based crop protection products.

2.2.5.3 Natural and Alternative Ingredients

Companies in this sub-sector develop natural, organic and alternative ingredients including proteins and enzymes, flavours, fragrances, colours and plant based ingredients.

Synthetic reproduction of flavours, scents and emulsifiers (like palm oil) mitigate the environmental impacts of those base inputs. Further, as more food becomes plant based, there will be more demand for the colours, flavours and scents that consumers have grown accustomed to and these products will become a larger part of the science of food. Consumers are also increasingly seeking colours, flavours, fragrances and other ingredients that are organic, contain less sodium, are gluten-free and are non-GMO (genetically modified organisms).

2.2.5.4 Natural and Organic Foods

Demand for organic foods is expected to continue to grow as consumers continue to better understand the impact of intense agricultural practices which overly rely on chemical-based crop protection products and nitrogen, phosphate and/or potassium fertilizers to maximise yields at the expense of the health of the soil and the end consumer.

Food Safety and Testing Companies in this sub-sector are engaged in providing food safety solutions such as cleaning and sanitation systems and anti-microbial products utilized in the processing of food and beverages.

This sub-sector also includes companies engaged in the provision of instruments, software and/or services related to the testing of food, soil and/or water (or a combination of the above). In food applications, diagnostic solutions are typically provided to food producers and processors who utilise them to test for potential contaminants, whether chemical (e.g. pesticides), viral, bacterial or microbiological, pathogens, toxins, allergens and drug residues as well as genetic modification and species verification. In environmental applications, such solutions are used in a number of applications including the analysis of chemical pollutants in air, water and soil.

2.2.5.5 Sustainable Packaging

Companies in this sub-sector develop and produce sustainable packaging primarily for food and beverages. This includes packaging innovation and technology such as biodegradable packaging peanuts, corrugated bubble wrap, air pillows made of recycled materials, cornstarch, mushroom and seaweed packaging and other recycled organic matter that is compostable, fiber-based packaging derived from sustainable forestry, recycled cardboard and paper and eco-friendly, environmentally sustainable and recycled plastic, aluminium and glass.

General paper, aluminium, glass and packaging companies are excluded from this classification unless more than 50% of their economic activity directly relates to innovation and sustainability in food packaging.

2.2.5.6 Food Supply Chain

Companies in this sub-sector develop products and operate services including picking, cleaning, peeling, sorting, packing, logistics, transportation and warehousing for food and beverages.

General supply chain companies are excluded from this classification unless more than 50% of their economic activity directly relates to innovation and sustainability in the food supply chain.

3 Methodology

3.1 Overview

This chapter describes the methodology of the Index and covers among other things the methodology for determining the composition of the Index, which is detailed in section 3.2. The exact specification of each Index is available in chapter 4.

3.2 Composition

3.2.1 Overview

The Index conducts its ordinary rebalance, when a new Composition of the Index is determined, quarterly as described in section 3.2.2.

The weighting methodology of the Index is described in section 3.2.3.

3.2.2 Selection

The selection of stocks for each Index is conducted with respect to each Selection Day in accordance with the below process in which each step more and more stocks are potentially excluded:

1. all stocks in the Underlying Universe are considered further for inclusion;
2. all stocks with a Thematic Score greater than or equal to 2 are considered further for inclusion;
3. stocks which are listed on a Eligible Exchange are considered further for inclusion;
4. stocks with a minimum trading volume history of 10 days are considered further for inclusion;
5. stocks with a minimum market capitalisation of at least USD 100mm are considered further for inclusion;

6. stock with a 3-month median daily trading value of at least USD 1mm are considered further for inclusion;

After this process is complete, the remaining stocks together form the “**Composition**” of the Index (each such stock being a “**Constituent**”). With regards to each Selection Day prior to the Live Calculation Date, a fixed Stock Universe provided by the Research Provider with regards to the December 2021 selection has been used.

3.2.3 Weighting

The weighting of each Constituent is calculated in accordance with the below methodology:

1. The **Raw Weight** for each Constituent is equal to its Thematic Score, multiplied by its company market capitalisation in USD.
2. The **Normalised Raw Weight** for each Constituent is equal to Raw Weight divided by the sum of all Raw Weights of all of the Constituents.
3. If the number of Constituents following the Normalised Raw Weight calculation is greater than 50, only the 50 names with the greatest Normalised Raw Weight are kept for the subsequent portfolio operations.
4. The **Initial Weight** for each Constituent is equal to Normalised Raw Weight divided by the sum of all Normalised Raw Weights of all of the Constituents.
5. In order to limit the aggregate weight assigned to Constituents with a Thematic Score of 2 (each a “**Category 2 Constituent**”) to 30% a group cap is applied (the **Category 2 Max**):
 - a) The **Category 2 Weight** is defined as the sum of the Initial Weights for all Category 2 Constituents.
 - b) The **Category 2 Percentage** is defined for each Category 2 Constituent as its Initial Weight divided by the Category 2 Weight.
 - c) For each Category 2 Constituent, calculate the **Category Cap** as the product of the Category 2 Percentage of such Constituent and the Category 2 Max.
6. The **Weight Cap** is defined for each Constituent as the minimum of 6%, and in the case of a Category 2 Constituent also the Category Cap.

7. The **Final Weight** will be calculated for each Constituent by re-distributing any Initial Weight which is larger than the corresponding Weight Cap to the other Constituents proportionally in an iterative manner.

The Index rebalances periodically and ordinarily takes place on the Rebalancing Day.

3.3 Extraordinary rebalance

If the Research Provider becomes aware of a significant change in the universe between outside of the ordinary rebalancing, for instance due to:

- a significant corporate action event (e.g. M&A) taking place in the sector; *or*
- an error in the previously provided Stock Universe has been detected;

In such an event, the Index Administrator, may conduct an extraordinary rebalance, adjusting the universe to adjust for this event by:

- removing a specific name from the Composition, and adjust the weights of the rest of the Constituents accordingly; *or*
- conduct a new selection process, with an Extraordinary Selection Day and an Extraordinary Rebalancing Day.

3.4 Calculation

Calculation of the Index based on its Composition is defined in the Cash Methodology.

3.5 Definitions

In addition to the specific definitions defined in the relevant section in chapter 4, the following key terms and definitions are defined:

3.5.1 General definitions

Index Level means with respect to a certain date, the level of the Index as determined in accordance with the methodology described in this document and any related documents.

3.5.2 Index specific definitions

The following definitions are specific to each Index. The purpose of the below is to serve as a summary of these definitions and they shall be read in conjunction with the specific definitions for each Index which are detailed in the the relevant section of chapter 4.

3.5.2.1 Identifiers

Index Name means the name of the Index.

Foxberry Ticker means the Foxberry ticker identifier of the Index.

Bloomberg Ticker means the Bloomberg ticker identifier of the Index.

Reuters RIC means the Reuters RIC identifier of the Index.

WKN means the WKN identifier of the Index.

ISIN means the ISIN identifier of the Index.

3.5.2.2 Calculation related

Index Calculator means any affiliate, subsidiary or third party designated by the Index Administrator that will act as calculation agent in connection with the Index. The identity of the Index Calculator, if applicable, is detailed for each Index in the relevant section in chapter 4.

Dividend Treatment means the type of dividend treatment of the Index, which can be (i) price return; (ii) gross total return; *or* (iii) net total return.

Corporate Actions Methodology means the methodology used to adjust for certain corporate actions as defined in the Cash Methodology, which can be (i) standard; *or* (ii) divisor.

3.5.2.3 Calendar related

Index Business Day means each day for which the level of the Index is calculated

Live Calculation Date means the the date on which the Index Calculator started to publicly disseminate the Index Levels of the Index.

Live Methodology Date means the date on which the Index Administrator had finalised the algorithm of the Index.

Selection Month means each of the months on which the relevant Index ordinarily conduct its selection process.

Selection Day means each date from which data is used to determine the Composition of the Index for each rebalance.

Rebalancing Day means each date on which the Index rebalances and adjusts its Composition.

Rebalancing Month means each of the months on which the relevant Index ordinarily rebalances its Composition.

Extraordinary Selection Day means the date from which data is used to determine the Composition of the Index for an extraordinary rebalance.

Extraordinary Rebalancing Day means the date of the extraordinary rebalance of the Index to adjust its Composition.

3.5.2.4 Selection related

Underlying Universe: means an underlying universe of potential stocks which will be used as a starting point to determine the Composition of the Index.

Eligible Exchange means each exchange on which a listing would be eligible for inclusion in the Underlying Universe.

3.6 Calculation

The Index is calculated and disseminated by the Index Calculator with regards to each Index Business Day. Calculation of the Index based on its Constituents is detailed in the document Cash Methodology.

4 Index Specifics

4.1 Overview

This chapter describes the specific attributes with respect to each Index listed in section 1.3.

4.2 Next Generation Foods USD Net Total Return Index

4.2.1 Introduction

For the purposes of this section 4.2 and all subsections thereof, the Index shall refer to the Foxberry Next Generations Foods USD Net Total Return Index.

4.2.2 Methodology summary

The Index offers exposure to stocks in the Food sector as determined by the Research Provider, which are listed on an Eligible Exchange and fulfil company market capitalisation and 3-month median daily trading value requirements. The index is a quarterly rebalanced net total return index denominated in USD. The index combines company market capitalisation and a score-weighted methodology to assign weights to companies, and applies a global weighting cap as well as a group weighting cap for names with a certain Thematic Score.

4.2.3 Definitions

4.2.3.1 Identifiers

Index Name means Foxberry Next Generations Foods USD Net Total Return Index.

Foxberry Ticker means `next_generation_foods_ntr`.

Bloomberg Ticker means [●] Index.

Reuters RIC means [●].

WKN means [●].

ISIN means [●].

4.2.3.2 Calculation related

Index Calculator means Solactive AG.

Dividend Treatment means net total return.

Corporate Actions Methodology means divisor.

4.2.3.3 Calendar related

Index Business Day means each weekday Monday-Friday.

Live Calculation Date means the [●].

Live Methodology Date means the [●].

Selection Month means each of the months of January, April, July, October.

Rebalancing Month means each of the months of February, May, August, November.

Selection Day means, subject to any extraordinary rebalances, the third Wednesday of each Selection Month.

Rebalancing Day means, subject to any extraordinary rebalances, the first Wednesday of each Rebalancing Month.

4.2.3.4 Selection related

Underlying Universe: means, with respect to each Selection Day, the most recently provided list of stocks in the Stock Universe, including the list expected to be received with respect to the relevant Selection Day.

Eligible Exchange means each of the exchanges:

Country	Exchange code	Equity exchange name	MIC
Australia	AT	ASE	XASX
Austria	AV	VIENNA	XWBO
Belgium	BB	EN BRUSSELS	XBRU
Brazil	BS	B3 DAY	BVMF
Canada	CF	CANADIAN SEC	XCNQ
Canada	CT	TORONTO	XTSE
Canada	CV	VENTURE	XTSX
Denmark	DC	COPENHAGEN	XCSE
Finland	FH	HELSINKI	XHEL
France	FP	PARIS	XPAR
Germany	GY	XETRA	XETR
Hong Kong	HK	HONG KONG	XHKG
Ireland	ID	EN DUBLIN	XDUB
Israel	IT	TEL AVIV	XTAE
Italy	IM	BRSAITALIANA	MTAA
Japan	JT	TOKYO	XTKS
Luxembourg	LX	LUXEMBOURG	XLUX
Malaysia	MK	BURSA MALAYSIA	XKLS
Mexico	MF	MEXICAN STOCK EXCHANGE	XMEX
Netherlands	NA	EN AMSTERDAM	XAMS
New Zealand	NZ	NZX	XNZE
Norway	NO	OSLO	XOSL
Poland	PW	WARSAW STOCK EXCHANGE	XWAR
Portugal	PL	EN LISBON	XLIS
Singapore	SP	SINGAPORE	XSES
South Africa	SJ	SOUTH AFRICA	XJSE
South Korea	KP	KOREA SE	XKRX
South Korea	KQ	KOSDAQ	XKOS
Spain	SQ	SOC.BOL SIBE	XMAD
Sweden	SS	STOCKHOLM	XSTO
Switzerland	SE	SIX SWISS EX	XSWX
Switzerland	VX	SIX	XVTX
Taiwan	TT	TAIPEI	ROCO
Taiwan	TT	TAIWAN	XTAI
UK	LI	LONDON INTL	XLON
UK	LN	LONDON	XLON
USA	UA	NYSEAMERICAN	XASE
USA	UN	NEW YORK	XNYS
USA	UP	NYSE ARCA	ARCX
USA	UQ	NASDAQ GM	XNMS
USA	UR	NASDAQ CM	XNCM
USA	UW	NASDAQ GS	XNGS

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