

FMQQ

5.15.24

NOTICE OF CHANGES TO FMQQ INDEX METHODOLOGY

The following changes will be made to the FMQQ Index Methodology effective May 30, 2024, and applied in the semi-annual rebalance on June 21, 2024:

1. Change name to “FMQQ The Next Frontier Internet Index” (removes “& Ecommerce”).
2. Increase the minimum market cap for initial inclusion from \$300 million to \$1 billion.
3. Addition of country weight cap on South Korea (10%).
4. Increase the minimum market cap for continued inclusion from \$200 mm to \$800 mm.
5. Addition of Uruguay to list of eligible countries.

Details:

1. Index Change: Modification to Eligibility Criteria, Index Market Capitalization Minimum

Current:

- A. **Market Capitalization.** The Index will include equity securities of companies of all capitalizations. Constituents must have a free-float adjusted market capitalization of USD \$300 Million or greater for initial inclusion in the index. A free-float adjusted USD \$200 Million minimum is required for ongoing index inclusion.

New:

- A. **Market Capitalization.** The Index will include equity securities of companies of all capitalizations. Constituents must have a free-float adjusted market capitalization of USD \$1 billion or greater for initial inclusion in the index. A free-float adjusted USD \$800 Million minimum is required for ongoing index inclusion.

2. Index Change: Modification to FMQQ Index Construction, Target Weights

Current:

“Target Weights

The Index uses a modified float-adjusted market capitalization weighting methodology to weight individual positions.

- A. Security Weight – Maximum.** The target weight of any one position is limited to 8.0% of the Index. Semi-annually, all individual securities with an index weighting greater than 8.0% will be rebalanced back to 8.0%. Excess exceeding 8.0% will be applied proportionally to all remaining index constituents. Then, all positions whose float adjusted market capitalization weights are over 5% are added together. If the total is less than 50%, no further modifications are made. If the total is equal to or greater than 50% then the highest weighted position is capped at 8%. The excess weight is then applied on a pro-rata basis to all the remaining index constituents and the process is then repeated, if necessary, with the next largest stock being capped at a weight 0.5% less than the previous constituent (examples: 7.5%, 7.0%, 6.5%, 6.0%, 5.5%, 5.0%, 4.5%) until 50% is reached. The 4.5% maximum target weight is then applied to all the remaining stocks.”

New:

“Target Weights

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- A. Security Weight – Maximum.** The target weight of any one position is limited to 8.0% of the Index. Semi-annually, all individual securities with an index weighting greater than 8.0% will be rebalanced back to 8.0%. Excess exceeding 8.0% will be applied proportionally to all remaining index constituents. Then, all positions whose float adjusted market capitalization weights are over 5% are added together. If the total is less than 50%, no further modifications are made. If the total is equal to or greater than 50% then the highest weighted position is capped at 8%. The excess weight is then applied on a pro-rata basis to all the remaining index constituents and the process is then repeated, if necessary, with the next largest stock being capped at a weight 0.5% less than the previous constituent (examples: 7.5%, 7.0%, 6.5%, 6.0%, 5.5%, 5.0%, 4.5%) until 50% is reached. The 4.5% maximum target weight is then applied to all the remaining stocks.
- B. Country Weight – Maximum.** The Index Committee may place a maximum aggregate market capitalization percentage weight on eligible countries. South Korea’s weight in the Index is capped at 10%. In such cases, the maximum aggregated weight of Index components from that country will be capped at a percentage dictated by the Index Committee. The weight of constituents from capped countries shall be proportionally

reduced to align with the country cap weight dictated by the Index Committee. Any weight which exceeds this threshold will be redistributed pro-rata to the remaining constituents subject to section 2A above. Any country cap changes will be publicly disclosed at www.fmqqetf.com prior to implementation. At minimum ten (10) days notice will be given prior to the implementation of any such change by the Index Administrator.

3. Index Change: Index Reconstitution and Semi-Annual Rebalance, Deletions

Current:

1. **Deletions from the Index.** Constituents will be deleted from the index if they no longer meet the eligibility requirements as defined above under Eligibility Criteria with one exception. Constituents that fall below the initial capitalization minimum of USD \$300 Million will be retained unless their capitalization falls below the minimum of USD \$200 Million. Constituents falling below the minimum of USD \$200 Million will be deleted. Any proceeds resulting from the deletions will be applied on a pro-rata basis over the remainder of the Index, net of additions.

New:

2. **Deletions from the Index.** Constituents will be deleted from the index if they no longer meet the eligibility requirements as defined above under Eligibility Criteria with one exception. Constituents that fall below the initial capitalization minimum of USD \$1 Billion will be retained unless their capitalization falls below the minimum of USD \$800 Million. Constituents falling below the minimum of USD \$800 Million will be deleted. Any proceeds resulting from the deletions will be applied on a pro-rata basis over the remainder of the Index, net of additions.

4. Index Change: EMQQ Index Committee

Current:

The Index Committee will meet semi-annually to review the methodology. The Index Committee, at its sole discretion, may choose to add or delete Index constituents when it believes such actions are in the best interest of shareholders of products that track the Index. Any changes to the methodology will be publicly disclosed at www.fmqqindex.com prior to implementation and noted in Appendix A of this document. At minimum ten (10) days notice will be given prior to the implementation of any such change by the Index Administrator.

New:

The Index Committee will meet semi-annually to review the methodology. The Index Committee, at its sole discretion, may delete Index constituents when it believes such actions are in the best interest of the Index. Any changes to the methodology will be publicly disclosed at www.fmqqetf.com prior to implementation and noted in Appendix A of this document. At minimum ten (10) days notice will be given prior to the implementation of any such change by the Index Administrator.

5. Index Change - Adding Additional Eligible Country (Uruguay) in Appendix A:

Current:

1	Argentina	24	Mexico
2	Bahrain	25	Morocco
3	Bangladesh	26	Nigeria
4	Brazil	27	Oman
5	Chile	28	Pakistan
6	China	29	Peru
7	Colombia	30	Philippines
8	Croatia	31	Poland
9	Czech Republic	32	Qatar
10	Egypt	33	Romania
11	Estonia	34	Russia
12	Greece	35	Saudi Arabia
13	Hungary	36	Serbia
14	India	37	Slovenia
15	Indonesia	38	South Africa
16	Jordan	39	South Korea
17	Kazakhstan	40	Sri Lanka
18	Kenya	41	Thailand
19	Kuwait	42	Tunisia
20	Lebanon	43	Turkey
21	Lithuania	44	Taiwan
22	Malaysia	45	United Arab Emirates
23	Mauritius	46	Vietnam

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7	Colombia	30	Philippines
8	Croatia	31	Poland
9	Czech Republic	32	Qatar
10	Egypt	33	Romania
11	Estonia	34	Russia
12	Greece	35	Saudi Arabia
13	Hungary	36	Serbia
14	India	37	Slovenia
15	Indonesia	38	South Africa
16	Jordan	39	South Korea
17	Kazakhstan	40	Sri Lanka
18	Kenya	41	Thailand
19	Kuwait	42	Tunisia
20	Lebanon	43	Turkey
21	Lithuania	44	Taiwan
22	Malaysia	45	United Arab Emirates
23	Mauritius	46	Uruguay
		47	Vietnam