

INDEX METHODOLOGY

Solactive eCommerce Logistics Index

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Important Information

This document (“**Index Methodology Document**”) contains the underlying principles and regulations regarding the structure and the operating of the Solactive eCommerce Logistics Index. Solactive AG shall make every effort to implement regulations. Solactive AG does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the Index nor the Index value at any certain point in time nor in any other respect. The Index is merely calculated and published by Solactive AG and it strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for Solactive AG – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the Index. The publication of the Index by Solactive AG is no recommendation for capital investment and does not contain any assurance or opinion of Solactive AG regarding a possible investment in a financial instrument based on this Index.

This Index Methodology Document is to be used as the guidelines with regard to the composition, calculation and management of the Index. Any changes made to the Index Methodology Document are initiated by the Index Committee as defined in *Section 1.6 Index Committee*.

The Index is calculated and published by Solactive AG. The name “Solactive” is trademarked.

1. Index Specifications

The Solactive eCommerce Logistics Index (the “**Index**”) is an equity index owned by Solactive AG (the “**Index Owner**”) and is calculated and distributed by Solactive AG (the “**Calculation Agent**”) and is administered by Solactive AG assuming the role as administrator (the “**Index Administrator**”) under the Regulation (EU) 2016/1011 (the “**Benchmark Regulation**” or “**BMR**”).

The Index aims to track the performance of a basket of stocks of logistics service providers and technology companies who are engaged in e-commerce. The index selects stocks of companies offering specific types of eCommerce related services that meet certain size and liquidity requirements, across various equity markets.

The Index is a net total return index, i.e. dividends are reinvested net of tax. The applicable withholding tax rates used to calculate the Net Total Return version can be accessed (under the title “Withholding Tax Rates”) on the Calculation Agent’s website at: <http://www.solactive.com/news/documents/>.

The price of the Index (the “**Index Value**”) is calculated and published in US Dollars.

1.1 Short Name and ISIN

Name	ISIN	Currency	Type	RIC	BBG Ticker
Solactive eCommerce Logistics Index	DE000SLA33G2	USD	NTR	.SOLECOM	SOLECOM Index
Solactive eCommerce Logistics Index PR	DE000SL0KCQ5	USD	PR	.SOLECOMP	

1.2 Initial Value

The Index Value at the close of trading on the start date 20 April 2012 was set to be equal to a value of 100. The Index was officially launched on the Index Inception Date.

1.3 Distribution

The Index is published on the website of the Index Administrator (www.solactive.com) and is, in addition, available via the price marketing services of Boerse Stuttgart AG and is distributed to all affiliated vendors. Each vendor decides on an individual basis as to whether they will distribute/display the Index via their information systems.

1.4 Prices and Calculation Frequency

The Index Value is calculated on each Business Day based on the prices of the relevant Index Components on the respective Exchanges on which they are listed. For the purposes of calculating the Index Value on a Business Day, the most recent prices of all relevant Index Components are used. Further, prices of Index Components not listed in the Index Currency are converted into the Index Currency using the current Intercontinental Exchange

(the „ICE“) spot foreign exchange rate. Should there be no current price available for an Index Component, the most recent price or the Trading Price for the preceding Trading Day is used in the calculation.

The Index Value is calculated on each Business Day from 9:00am to 10:30pm, CET. In the event that data cannot be provided to Reuters or to the pricing services of Boerse Stuttgart AG the Index cannot be distributed.

1.5 Weighting

On each Adjustment Day the Index Components are weighted in accordance with the methodology described in *Section 2.2 Ordinary Adjustment*.

1.6 Index Committee

A committee composed of staff from the Index Owner and shall be responsible for decisions regarding the composition of the Index as well as any amendments to the rules (in this document referred to as the “**Index Committee**”). The future composition of the Index shall be determined by the Index Committee on the Selection Days according to the methodology set out in *Section 2.1 Selection of Index Components* of this document. Upon the occurrence of any Extraordinary Event, the Index Committee, in its sole and absolute discretion, shall make decisions that may affect the composition of the Index and implement any necessary adjustments.

Members of the Index Committee may recommend changes to this Index Methodology Document and submit them to the Index Committee for approval.

1.7 Publication

All specifications and information relevant for calculating the Index Value are made available on the webpage:

<http://www.solactive.de> and the relevant sub-page:

<https://www.solactive.com/de/?s=solactive%20ecommerce&index=DE000SLA33G2>.

1.8 Historical Data

Historical data will be maintained from the launch of the Index on the Index Inception Date.

1.9 Licensing

Licences to use the Index as a benchmark for derivative instruments are issued to stock exchanges, banks, financial services providers and investment houses by the Index Owner.

1.10 Index Universe

On each Selection Day that occurs in the month of April, the Index Universe shall be determined based on the data provided by Transport Intelligence as described below. On each Selection Day that occurs in the month of October, the Index Universe shall remain unchanged from the Index Universe determined on the immediately preceding Selection Day.

“**Transport Intelligence**” is a leading provider of independent market research solutions to the global logistics industry with more than ten years of knowledge delivery to global manufacturers, retailers, banks, consultancies, shipping lines and logistics providers. They are advisors to World Economic Forum, World Bank, UN and European Commission with a global research centre based in UK; and agents in USA and Indonesia. They have a team of industry experienced researchers, analysts and associates whose profiles can be found at the link: <http://www.ti-insight.com/about-us/>.

Transport Intelligence has combined leading industry knowledge with the latest technology to create a web-based Global Supply Chain intelligence (GSCi) portal that can be accessed through the web url: <http://www.gscintell.com/Dashboard>. The GSCi portal provides complete access to the world's logistics and express industry intelligence, examining all aspects of this dynamic sector from profiles to market size and forecasts. It is comprised of six key sections:

- Logistics market profiles
 - This section covers various logistics markets such as cold chain logistics, contract logistics, e-commerce, express and parcels, freight forwarding, road transport and warehousing & property development.
- Regional/country profiles
 - This section covers every country of the globe with the top 100 economies profiled in detail. The regions are categorized into Africa, Asia Pacific, Central & Eastern Europe, Commonwealth of Independent States, Global, Middle East, North America, South America and Western Europe.
- Vertical sector profiles
 - Vertical sector profiles span across aerospace, agriculture food & perishables, automotive, chemical, consumer/retail, fashion/textiles, healthcare, high tech, industry & manufacturing, mining and oil & gas.
- Technology
 - This section provides analysis of software vendors and their solutions for the logistics industry through profiles of major players.
- Logistics service providers
 - This section provides the profiles of top three hundred and sixty (360) logistics service providers operating in the global market.
- Data hub
 - The Data Hub provides easy access to extensive collection of charts and tables including full access to the Mergers & Acquisitions and Major Contracts databases

As of the Index Inception Date, Transport Intelligence monitored the top three hundred and sixty (360) logistics service providers operating in the global market. These companies are selected, from an initial list of few thousand companies, based on their significance in the market using a complex range of criteria to ensure coverage of the most significant players from the logistics markets, regions/countries and vertical sectors mentioned above. The selection methodology is largely based on the market share of a company and its consequent importance, either on a global level or within particular market segments. The market share of each company is derived from two key data points: (a) company revenues and (b) Transport Intelligence's market sizing data.

Company revenues are determined from audited company accounts such as annual reports and 10-Ks. If revenues are not available for any company, Transport Intelligence estimates them based on interviews with the companies or by extrapolating from other known information about the company such as network size, employee numbers, fleet size etc.

Transport Intelligence's market sizing data is constructed by aggregating company revenues of the largest players within the market in tandem with macro models to provide a measure of the overall size of the market and its annual growth. The market sizing company data is primarily derived from company reports whereas the inputs for the macro models are drawn from both non-governmental and governmental sources such as the IMF, World Bank, Eurostat, ONS, BLS etc.

Further, the technology companies monitored by Transport Intelligence are all those companies known to provide software solutions for one or more of the three hundred and sixty logistics service providers monitored by Transport Intelligence and which are consequently deemed to play a role in the market. These companies are selected based on Transport Intelligence's detailed analysis of major vendors of software to the logistics industry, examining their operating models, the type of services they provide, how they provide them, and how that feeds into their financial performance – all of which is available at the GSCi portal. Transport Intelligence gathers these information using

a variety of means which include company reports, financial statements, company websites, interviews with companies and other public sources.

The Index Universe shall consist of Securities of all publically listed logistics service providers and technology companies who are engaged in e-commerce, as provided by Transport Intelligence.

- (i) In respect of logistics service providers, the 360 companies monitored by Transport Intelligence range from the largest players with over €50bn of annual revenue to the ones with around €50m of annual revenues. Detailed profiles of these companies are published in the 'Logistics service providers' section of the GSCI portal. Of these 360 companies, the Securities of publically listed companies that are exposed to the 'e-commerce' market across all regions/countries and vertical sectors shall be considered for inclusion in the Index Universe.
- (ii) In respect of technology companies, Securities of all publically listed technology companies that are monitored in the Technology section of the GSCI portal and are exposed to the 'e-commerce' market across all regions/countries and vertical sectors shall be considered for inclusion in the Index Universe.

The list of logistics service providers and technology companies with interests in the e-commerce logistics industry shall be updated and reviewed on an annual basis by Transport Intelligence and submitted to the Calculation Agent. The data set provided will include details of each company's classification in terms of service type offering and geographic coverage.

The service type ("**Service Type**") offered by the companies shall be categorized into:

- **Fulfilment provider:** A company offering fulfilment completes orders on behalf of the client selling the products. It is a crucial part of many businesses, particularly those centred around e-commerce as it is the final part of any customer transaction.
- **Last Mile provider:** A company that delivers the goods from a fulfilment centre to the target customer.
- **Fulfilment and last mile provider:** A company that offers both fulfilment and last mile services.
- **Warehouse provider:** A company that provides warehousing facilities for companies engaged in eCommerce.
- **Technology provider:** A company that provides softwares and related solutions for the eCommerce logistics industry.

The geographic coverage of companies shall be broadly classified into:

- North America
- Europe, Middle-East and Africa
- Asia
- Global

In addition to the above, Transport Intelligence will provide information related to the annual market sizes, growth rates and forecasts for the e-commerce logistics market, broken down by region and country.

On each Selection Day, any company included in the ESG Exclusions Enhanced Index as determined by Solactive is then excluded from the Index Universe. Further, any company that is not a part of the Index Universe of the ESG Exclusions Enhanced Index as of the Selection Day of the ESG Exclusions Enhanced Index, shall be excluded from the Index Universe as well.

The ESG Exclusions Enhanced Index is reconstituted by Solactive on a semi-annual basis and the methodology by reference to which the ESG Exclusions Enhanced Index is constructed, together with the most recent applicable categories and inclusion criteria, is available on the following website [link](#).

The applicable categories and inclusion criteria of the ESG Exclusions Enhanced Index as of February 2022 are set out in Annex C of this document.

2. Composition of the Index

2.1 Selection of the Index Components

This section sets out the methodology used to determine the initial composition of the Index and to make periodic adjustments to the composition of the Index.

In respect of each Selection Day, the Calculation Agent shall determine the Index Components in accordance with the methodology described below:

1. If such Selection Day occurs in the month of April, the Calculation Agent shall determine the securities that constitute the Index Universe in accordance with the methodology described in *Section 1.10 Index Universe*. And, if such Selection Day occurs in the month of October, the Index Universe shall be the same as the Index Universe determined on the immediately preceding Selection Day.
2. The Calculation Agent shall select the securities that are eligible for inclusion in the Index (the “**Eligible Securities**”) from the Index Universe in the following manner:

A Security shall be deemed to be an Eligible Security if:

- a. it has its primary listing on an Eligible Exchange;
 - b. it has, as of the Selection Day, a Free Float Market Capitalization of at least USD 200 million, unless such Security is an existing Index Component, in which case, the Free Float Market Capitalization must be at least USD 150 million; and
 - c. its Three Month Average Daily Value Traded, as of the Selection Day, is at least USD 1,000,000.
3. Each Eligible Security shall be deemed to be an Index Component unless its Service Type is classified as ‘Last Mile provider’.

2.2 Ordinary Adjustment

The composition of the Index shall be adjusted on each Adjustment Day that is deemed to be a Rebalancing Day by the Calculation Agent.

Each Adjustment Day that occurs in the month of April and October shall be deemed to be a Rebalancing Day. In addition, if the Calculation Agent determines that the Index Component Weight of any Index Components is greater than 15% on any other Review Day, then the Adjustment Day that occurs immediately after such Review Day shall be deemed to be a Rebalancing Day.

On each SELECTION DAY each INDEX COMPONENT is weighted in accordance with the following steps

- i) Each Index Component is initially weighted equally w_i^* ;
- ii) Then, for each Index Component the maximum weight $w_{i,max}$ is calculated as:

$$w_{i,max} = \text{Min}\{w_{i,max}^{liquidity}, w_{i,max}^{ownership}\}$$

Where:

$$w_{i,max}^{liquidity} = \frac{(1 - \text{Haircut}) \times \text{Liquidity Measure} \times \text{Participation (\%)}}{\text{AuM} \times \text{Turnover}}$$

$$w_{i,max}^{ownership} = \frac{\text{Market Cap} \times \text{Max Ownership}}{\text{AuM}}$$

And:

AuM refers to the maximum of total assets under management in US Dollars of ETFs tracking the index as listed in Annex D and US Dollars 50 million;

Haircut assumed to be 10%;

Liquidity Measure refers to the 3-month AVERAGE DAILY VALUE TRADED in US Dollars;

Market Cap refers to the FREE FLOAT MARKET CAPITALIZATION of a company in US Dollars;

Max Ownership assumed to be 7.5%;

Participation (%) assumed to be 100%;

Turnover refers to the hypothetical fund turnover in respect of each rebalancing date and is assumed to be 40%.

- iii) In respect of Index Components whose initial weight w_i^* is greater than $w_{i,max}$, the Target Index Weight w_i shall be set to be equal to $w_{i,max}$, and the excess weight is then calculated as follows:

$$w_{i,excess} = w_i^* - w_{i,max}$$

The cumulative excess weight is calculated as the sum of $w_{i,excess}$ in respect of all Index Components whose initial weight w_i^* is greater than $w_{i,max}$.

The cumulative excess weight is then proportionally distributed across all Index Components whose initial weight w_i^* is less than $w_{i,max}$ such that the above maximum weight cap condition is fulfilled. This can be an iterative process until 100% weight is fully allocated and all conditions above are fulfilled.

The composition of the Index shall be reconstituted semi-annually on each Selection Day in accordance with the methodology described in *Section 2.1 Selection of Index Components*. The Calculation Agent shall publish any changes made to the Index composition on the Selection Day and consequently with sufficient notice before the Adjustment Day.

2.3 Extraordinary Adjustment

An extraordinary adjustment, if applicable, shall be triggered and applied in compliance with the rules set forth in the Solactive Guideline for Extraordinary Corporate Actions that is available for download at the web url: <https://www.solactive.com/wp-content/uploads/2017/02/ECA-Solactive-Guideline.pdf>

3. Calculation of the Index

3.1 Index Formula

The Index Value on a Business Day at the relevant time is calculated in accordance with the following formula:

$$\text{Index}_t = \sum_{i=1}^n \frac{(x_{i,t} \times p_{i,t} \times f_{i,t})}{D_t}$$

where:

$x_{i,t}$	= Number of Total Shares of the Index Component i on Trading Day t
$p_{i,t}$	= Price of Index Component i on Trading Day t
$f_{i,t}$	= Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency
D_t	= Divisor on Trading Day t

In respect of the Start Date, the Divisor shall be calculated according to the following formula:

$$D_t = \frac{\sum_{i=1}^n (p_{i,t} \times f_{i,t} \times x_{i,t})}{100}$$

After the close of trading on each Adjustment Day t , the Divisor in respect of the immediately following Trading Day shall be calculated according to the following formula:

$$D_{t+1} = \frac{\sum_{i=1}^n (p_{i,t} \times f_{i,t} \times x_{i,t+1})}{\text{Index}_t}$$

where:

$x_{i,t+1}$	= Number of Total Shares of the Index Component i in respect of the immediately preceding Selection Day
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In respect of a Trading Day t that is (i) not an Adjustment Day and (ii) a day on which there are no Corporate Actions, then the Divisor shall be calculated according to the following formula:

$$D_t = D_{t-1}$$

where:

$t - 1$ means the immediately preceding Business Day.

3.2 Accuracy

In respect of each Business Day, the Index Value, rounded to two decimal places, shall be published on Reuters and Bloomberg.

Trading Prices and spot foreign exchange rates used to calculate the Index Value shall be rounded to six decimal places.

Divisors shall be rounded to six decimal places.

3.3 Adjustments

Indices need to be adjusted for systematic changes in prices once these become effective. This requires the new Number of Total Shares of the affected Index Component and the Divisor to be calculated on an ex-ante basis.

Following the Index Committee's decision, the Index is adjusted for distributions, capital increases and stock splits.

This procedure ensures that the first ex quote can be properly reflected in the calculation of the Index. This ex-ante procedure assumes the general acceptance of the Index calculation formula as well as open access to the parameter values used. The calculation parameters are provided by the Calculation Agent.

3.4 Dividends and other Distributions

Dividend payments and other distributions are included in the Index. They cause an adjustment of the Divisor. The new Divisor is calculated as follows:

$$D_{t+1} = D_t \times \frac{\sum_{i=1}^n (p_{i,t} \times f_{i,t} \times x_{i,t}) - (x_{i,t} \times y_{i,t} \times g_{i,t})}{\sum_{i=1}^n (p_{i,t} \times f_{i,t} \times x_{i,t})}$$

where:

$p_{i,t}$	= Price of Index Component i on Trading Day t
$f_{i,t}$	= Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency
$x_{i,t}$	= Number of Total Shares of the Index Component i on Trading Day t
$y_{i,t}$	= Distribution of Index Component i with ex date $t + 1$ multiplied by the Dividend Correction Factor
$g_{i,t}$	= Foreign exchange rate to convert the amount of the distribution of Index Component i on Trading Day t into the Index Currency
D_t	= Divisor on Trading Day t
D_{t+1}	= Divisor on Trading Day $t + 1$

3.5 Corporate Actions

3.5.1 Principles

Following the announcement by an issuer of Index Components of the terms and conditions of a corporate action (“**Corporate Action**”), the Calculation Agent shall determine whether such corporate action has a dilutive, concentrative or similar impact on the price of the relevant Index Component.

If this should be the case, the Calculation Agent shall make the necessary adjustments that are deemed appropriate in order to take into account the dilutive, concentrative or similar impact on the price of the relevant Index Components and shall determine the date on which such adjustments shall come into effect.

Amongst other things, the Calculation Agent can take into account the adjustment made by an Affiliated Exchange as a result of the corporate action with regard to option and futures contracts on the respective share traded on this Affiliated Exchange.

Adjustments to the index to account for corporate actions will be made in compliance with the Equity Index Methodology with the exception of section 2.1.4 (Rights Issue) and section 2.1.5 (Capital Decrease), which is available on the Solactive website: <https://www.solactive.com/documents/equity-index-methodology/>. This document contains for each corporate action a brief definition and specifies the relevant adjustment to the index variables. For rights issues and capital decreases the treatment described in sections 3.5.2 and 3.5.2.1 applies.

3.5.2 Rights Issues (Capital Increases)

A **“Rights Issue”** raises the Market Capitalization of a company, shareholders receive the right to pre-purchase newly issued shares for a pre-defined subscription price (“SP”) on a pro rata basis, i.e., in accordance with their existing number of the company’s shares.

The price adjustment factor (“PAF”) for a Rights Issue is calculated as follows:

$$PAF_{i,t+1} = \frac{p_{i,t}}{\left(\frac{1 * p_{i,t} + T * SP}{1 + T} \right)}$$

with:

PAF	price adjustment factor
$P_{i,t}$	Price of Index Component i on Trading Day t
T	issue terms
SP	subscription price

The theoretical close price after a Rights Issue is calculated as follows:

$$ap_{i,t+1} = \frac{p_{i,t}}{PAF_{i,t+1}}$$

with:

ap	adjusted price
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The number of shares prior to the ex-date is increased with the PAF. Following that, a Rights Issue does not affect the Index market capitalization and no divisor change is implemented.

$$ax_{i,t+1} = x_{i,t} * PAF_{i,t+1}$$

With:

ax	adjusted fraction of shares
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3.5.2.1 Capital Decreases

The opposite procedure to a Rights Issue which increases capital is a **“Capital Decrease”**. A company may offer its shareholders the option to sell their shares at an agreed price.

The price adjustment factor (“PAF”) for a Capital Decrease is calculated as follows:

$$PAF_{i,t+1} = \frac{p_{i,t}}{\left(\frac{1 * p_{i,t} - T * SP}{1 - T} \right)}$$

with:

PAF	price adjustment factor
$P_{i,t}$	price of Index Component i on Trading Day t
T	issue terms
SP	subscription price

The theoretical close price after a Capital Decrease is calculated as follows:

$$ap_{i,t+1} = \frac{p_{i,t}}{PAF_{i,t+1}}$$

with:

ap adjusted price

The number of shares prior to the ex-date is decreased with the PAF. Following that, a Capital Decrease does not affect the Index market capitalization and no divisor change is implemented.

$$ax_{i,t+1} = x_{i,t} * PAF_{i,t+1}$$

ax adjusted fraction of shares

3.5.3 Share Splits

In the case of share splits with ex-date on Trading Day $t + 1$, it is assumed that the prices change in ratio of the terms of the split. The new Number of Total Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} \times B$$

where:

$x_{i,t+1}$ = Number of Total Shares of the affected Index Component on Trading Day $t + 1$

$x_{i,t}$ = Number of Total Shares of the affected Index Component on Trading Day t

B = Shares after the share split for every share held before the split

3.5.4 Stock Distributions

In the case of stock distributions with ex-date on Trading Day $t + 1$, it is assumed that the prices change according to the terms of the distribution. The new Number of Total Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} \times (1 + B)$$

where:

$x_{i,t+1}$ = Number of Total Shares of the affected Index Component on Trading Day $t + 1$

$x_{i,t}$ = Number of Total Shares of the affected Index Component on Trading Day t

B = Shares received for every share held

3.6 Correction Policy

The Calculation Agent shall make the greatest possible effort to accurately calculate and maintain its indices. However, the occurrence of errors in the index determination process cannot be ruled out. In such cases, the Calculation Agent adheres to its publicly available Correction Policy which can be downloaded from the following url: <https://www.solactive.com/news/documents/>

3.7 Market Disruption

In periods of market stress, the Calculation Agent shall calculate the Index following predefined and exhaustive arrangements set out in its publicly available Disruption Policy which can be downloaded from the following url: <https://www.solactive.com/news/documents/>

3.8 Consequences of an Extraordinary Event

In respect of a Business Day on which an Extraordinary Event comes into effect, the Trading Price for an Index Component on such day shall be the last available market price for such Index Component quoted on the Exchange on the day the event came into effect (or, if a market price is not available for the day the event came into effect, the last available market price quoted on the Exchange on a day specified as appropriate by the Calculation Agent), as determined by the Calculation Agent, and this price is used as the Trading Price of the particular Index Component until the end of the day on which the composition of the Index is next set.

In the event of an Insolvency of an issuer of an Index Component the Index Component shall remain in the Index until the next Adjustment Day. As long as a market price for the affected Index Component is available on a Business Day, this shall be applied as the Trading Price for this Index Component on the relevant Business Day, as determined in each case by the Calculation Agent. If a market price is not available on a Business Day the Trading Price for this Index Component is set to zero. The Index Committee may also decide to eliminate the respective Index Component at an earlier point in time prior to the next Adjustment Day. The procedure in this case is identical to an elimination due to and Extraordinary Event.

4. Definitions

“Adjustment Day” means each day that occurs on the 3rd Friday of each calendar month, and if such day is not a Trading Day, the immediately following Trading Day.

“Affiliated Exchange” means, in respect of an Index Component, an exchange, a trading or quotation system on which options and futures contracts on the Index Component in question are traded, as specified by the Calculation Agent.

“Business Day” means each calendar day other than Saturdays and Sundays.

“Calculation Agent” means Solactive AG or any other appropriately appointed successor in this function.

“Capital Decrease” shall have the meaning as defined in Section 3 of the Equity Index Methodology, which is available on the Solactive website: <https://www.solactive.com/documents/equity-index-methodology/>

“Corporate Action” shall have the meaning as defined in *Section 3.5.1. Principles*.

“Daily Traded Value” means, in respect of a Security and of an Trading Day, the product of (i) the closing price of such Share (denominated in the Index Currency) as provided by the Exchange and (ii) the volume traded (measured as a number of Shares) of such Share on the Exchange during such Exchange Trading Day.

“DATA PROVIDER II” is Sustainalytics. For more information, please visit: www.sustainalytics.com.

“Delisting” means, in respect of an Index Component, an event where the Exchange announces pursuant to the Exchange regulations that the listing of, the trading in or the issuing of public quotes on the Index Component at the Exchange has ceased immediately or will cease at a later date, for whatever reason (provided delisting is not because of a Merger or a Takeover bid), and the Index Component is not immediately listed, traded or quoted again on an exchange, trading or listing system, acceptable to the Calculation Agent.

“Dividend Correction Factor” is calculated as 1 minus the applicable withholding tax rate and/or other applicable tax rate currently prevalent in the respective country. The withholding tax rates are published at the webpage <https://www.solactive.com/news/documents/> under ‘Withholding Tax Rates’ and are determined using publicly available information.

“Eligible Exchange” means an exchange listed under column ‘Exchanges’ in *Table 1: Eligible Exchanges* in Annex A.

“Exchange” (collectively “Exchanges”) means, in respect of Index and an Eligible Security, the primary exchange where such Eligible Security has its primary listing. The Index Committee may decide to designate a different stock exchange as the “Exchange” in respect of an Eligible Security for tradability reasons, even if the relevant company is only listed there via a Stock Substitute.

“Extraordinary Event” means any of the following events:

- a Merger
- a Takeover bid
- a Delisting
- the Nationalisation of a company
- Insolvency.

“FactSet” is an independent third-party financial data provider.

“FactSet Formula” means the formula used to access specific financial data on the relevant software provided by FactSet.

“Free Float Market Capitalization” means, in respect of a Security and a Selection Day, the free float adjusted market capitalization of the relevant company. As at the date of this document Free Float Market Capitalization is calculated as the multiplication of the Free Float Percentage (as sourced from Thomson Reuters and calculated as Free Float Shares divided by Total Shares Outstanding) multiplied with the Market Capitalization in Index Currency of the share class as of the respective Selection Day.

“Index Committee” shall have the meaning as defined in *Section 1.6 Index Committee*.

“Index Component” means, in respect of a Selection Day, each Security that shall be included in the Index.

“Index Component Weight” means, in respect of a Selection Day and an Index Component, the weight determined in accordance with the methodology described in *Section 2.2 Ordinary Adjustment*.

“Index Currency” means the US Dollar (USD).

“Index Inception Date” means the date on which the Index was launched and is equal to December 07, 2017.

“Index Owner” means Solactive AG or any other appropriately appointed successor in this function.

“Index Universe” means, in respect of a Selection Day, the Securities or Stock Substitute in respect of companies that are eligible for inclusion in the Index and identified in accordance with the methodology described in *Section 1.10 Index Universe*. As of the Index Inception Date, the Index Universe consisted of stocks whose ISINs are listed under column ‘ISIN’ in *Table 2 Index Universe in Annex B*.

“Index Value” shall have a meaning as defined in *Section 1. Index Specifications*.

“Insolvency” occurs with regard to an Index Component if (A) all shares of the respective issuer must be transferred to a trustee, liquidator, insolvency administrator or a similar public officer as result of a voluntary or compulsory liquidation, insolvency or winding-up proceedings or comparable proceedings affecting the issuer of the Index Components or (B) the holders of the shares of this issuer are legally enjoined from transferring the shares.

“Merger” means, in respect of an Index Component, any of the following events:

- (i) a change in the security class or a conversion of this share class that results in a transfer or an ultimate definite obligation to transfer all the shares in circulation to another legal person,
- (ii) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer to exchange shares with another legal person (except in a merger or share exchange under which the issuer of this Index Component is the acquiring or remaining company and which does not involve a change in security class or a conversion of all the shares in circulation),
- (iii) a takeover offer, exchange offer, other offer or another act of a legal person for the purposes of acquiring or otherwise obtaining from the issuer 100% of the shares issued that entails a transfer or the irrevocable obligation to transfer all shares (with the exception of shares which are held and controlled by the legal person), or
- (iv) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer of the share or its subsidiaries to exchange shares with another legal person, whereby the issuer of the share is the acquiring or remaining company and it does not involve a change in the class or a conversion of the all shares issued, but the shares in circulation directly prior to such an event (except for shares held and controlled by the legal person) represent in total less than 50% of the shares in circulation directly subsequent to such an event.

“Merger Date” means the date on which a Merger is concluded or the date specified by the Calculation Agent if such a date cannot be determined under the law applicable to the Merger.

“Nationalisation” means a process whereby all shares or the majority of the assets of the issuer of the shares are nationalised or are expropriated or otherwise must be transferred to public bodies, authorities or institutions.

“Rebalancing Day” means a day on which the composition of the Index shall be adjusted.

“Review Day” means each day that occurs on the 1st Friday of each calendar month and if such day is not a Business Day, the immediately following Business Day.

“Rights Issue” shall have the meaning as defined in Section 3 of the Equity Index Methodology, which is available on the Solactive website: <https://www.solactive.com/documents/equity-index-methodology/>

“Security” means, in respect of a company, any common share that is actively traded on a stock exchange.

“Selection Day” means each day that occurs on the 1st Friday of April and 1st Friday of October, and if such day is not a Business Day, the immediately following Business Day.

“Service Type” means, in respect of a Security, the service type offered by the relevant company as classified by Transport Intelligence and defined in *Section 1.10 Index Universe*.

“Stock Substitute” includes in particular American Depositary Receipts (ADR) and Global Depositary Receipts (GDR).

“Takeover bid” means a bid to acquire, an exchange offer or any other offer or act of a legal person that results in the related legal person acquiring as part of an exchange or otherwise more than 10% and less than 100% of the voting shares in circulation from the issuer of the Index Component or the right to acquire these shares, as determined by the Calculation Agent based on notices submitted to public or self-regulatory authorities or other information considered by the Calculation Agent to be relevant.

“Three Month Average Daily Traded Value” means, in respect of a Security and a Selection Day, the sum of daily traded value over a three month period immediately preceding such Business Day divided by the number of Trading Days that occur during such three month period. It is sourced using the FactSet Formula $AVG(XP_TURNOVER)$.

“Total Shares” is in respect of an Index Component and any given Business Day the number or fraction of shares included in the Index. It is calculated for any Index Component as the ratio of (A) the Index Component Weight of an Index Component multiplied by the Index value and the Divisor and (B) its Trading Price (converted into the Index Currency according to the principles laid out in *Section 1.4 Prices and Calculation Frequency* of this document).

“Trading Day” means, in respect of an Index, a day on which London Stock Exchange, New York Stock Exchange, Tokyo Stock Exchange and Deutsche Borse Xetra are all open for trading (subject to market disruption events), excluding days on which trading may be ceased prior to the normal Exchange closing time. The Calculation Agent is ultimately responsible as to whether a certain day is a Trading Day with regard to the Index or an Index Component or in any other connection relating to this document.

“Trading Price” means, in respect of a Trading Day and an Index component (subject to the provisions given above under “Extraordinary Events”), the closing price on such day determined in accordance with the Exchange regulations. If the Exchange has no closing price for an Index Component, the Calculation Agent shall determine the Trading Price and the time of the quote for the share in question in a reasonable manner.

“Transport Intelligence” shall have a meaning as defined in *Section 1.10 Index Universe*.

5. Appendix

5.1 Contact Details

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5.2 Calculation of the Index – Change in Calculation Method

The application by the Calculation Agent of the method described in this document is final and binding. The Calculation Agent shall apply the methodology described above for the composition and calculation of the Index. However it cannot be excluded that the market environment, supervisory, legal, financial or tax reasons may require changes to be made to this methodology.

The Calculation Agent may from time to time make changes to this document and the methodology used to calculate the Index, which it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. Despite any modifications and changes the Calculation Agent may make from time to time, it shall take all appropriate steps to ensure that the relevant calculation method is applied in a manner that is consistent with the methodology described above.

5.3 Back-testing Assumptions

For the purposes of back-testing the historical Index Values prior to the Index Inception Date, the Index Universe in respect of each Selection Day that occurred prior to April 2017 was assumed to be the same as the Index Universe in respect of the Selection Day occurring in the month of April 2017 that was determined as of the Index Inception Date.

Annex A

Table 1: Eligible Exchanges

No.	Exchange Code	Exchange
1	NA	Equity Euronext Amsterdam Netherlands
2	FP	Equity Euronext Paris France
3	FH	Equity Helsinki Stock Exchange Finland
4	HK	Equity Hong Kong Stock Exchange China
5	KQ	Equity Korea Exchange Korea
6	LN	Equity London Stock Exchange United Kingdom
7	UQ	Equity Nasdaq Global Market United States
8	UW	Equity Nasdaq Global Select Market United States
9	UN	Equity New York Stock Exchange United States
10	NO	Equity Oslo Norway
11	VX	Equity SIX Swiss (formerly Virt-X Switzerland)
12	SW	Equity SIX Swiss Exchange Switzerland
13	SS	Equity Stockholm Stock Exchange Sweden
14	TT	Equity Taiwan Stock Exchange Taiwan
15	JT	Equity Tokyo Stock Exchange Japan
16	TO	Equity Toronto Stock Exchange Canada
17	GY	Equity Xetra Germany
18	LI	Equity London International Exchange
19	AH	Equity Australian Securities Exchange Australia
20	AV	Equity Vienna Stock Exchange Austria
21	NZ	Equity New Zealand Exchange
22	ID	Equity Irish Stock Exchange Ireland
23	DC	Equity NASDAQ OMX Copenhagen Denmark
24	SB	Equity Barcelona Stock Exchange Spain
25	SN	Equity Madrid Stock Exchange Spain
26	SQ	Equity Sociedad de Bolsas Spain
27	IM	Equity Borsa Italiana Italy
28	PL	Equity Euronext Lisbon Portugal
29	SP	Equity Singapore Exchange Singapore
30	BB	Equity Euronext Brussels Belgium

Annex B

Table 2: Index Universe

Table below shows the Index Universe as of the Index Inception Date.

Provider	ISIN	Type	Region	Service Type
Amazon	US0231351067	Full	Global	Fulfilment
Bolloré Group	FR0000039299	Full	EMEA	Fulfilment
Clipper Logistics plc	GB00BMMV6B79	Full	EMEA	Fulfilment
Dimerco Express Group	TW0005609002	Full	APAC	Fulfilment
DSV A/S	DK0060079531	Full	EMEA	Fulfilment
Expeditors International	US3021301094	Full	Global	Fulfilment
Hitachi Transport System Ltd.	JP3791200003	Full	APAC	Fulfilment
ID Logistics	FR0010929125	Full	EMEA	Fulfilment
Kintetsu World Express	JP3262900008	Full	APAC	Fulfilment
Kuehne + Nagel	CH0025238863	Full	Global	Fulfilment
Li & Fung	BMG5485F1692	Full	APAC	Fulfilment
Logista	ES0105027009	Full	EMEA	Fulfilment
Logwin AG	LU1618151879	Full	EMEA	Fulfilment
Mainfreight Limited	NZMFTE0001S9	Full	APAC	Fulfilment
Nippon Express	JP3729400006	Full	APAC	Fulfilment
Panalpina Group	CH0002168083	Full	Global	Fulfilment
PFSweb	US7170982067	Full	NA	Fulfilment
Ryder	US7835491082	Full	NA	Fulfilment
SENKO Co. Ltd.	JP3423800006	Full	APAC	Fulfilment
Sinotrans Limited	CNE1000004F1	Full	APAC	Fulfilment
Wincanton Plc	GB0030329360	Full	EMEA	Fulfilment
Yusen Logistics	JP3946600008	Full	Global	Fulfilment
BLG Logistics Group	DE0005261606	Secondary	EMEA	Fulfilment
Gemadept	VN000000GMD0	Secondary	APAC	Fulfilment
STEF	FR0000064271	Secondary	EMEA	Fulfilment
Aramex - Arab International Logistics Company	AEA002301017	Full	EMEA	Fulfilment and last mile
Deutsche Post DHL Group	DE0005552004	Full	Global	Fulfilment and last mile
FedEx	US31428X1063	Full	NA	Fulfilment and last mile
Japan Post Group	JP3752900005	Full	APAC	Fulfilment and last mile
Ocado	GB00B3MBS747	Full	EMEA	Fulfilment and last mile
Schneider	US80689H1023	Full	NA	Fulfilment and last mile
UPS	US9113121068	Full	NA	Fulfilment and last mile
XPO Logistics	US9837931008	Full	Global	Fulfilment and last mile
J.B. Hunt Transport Services Inc.	US4456581077	Secondary	NA	Fulfilment and last mile
CJ Logistics	KR7000120006	Full	APAC	Fulfilment and last mile
2GO Group	PHY9017S1034	Full	APAC	Last Mile
Austrian Post	AT0000APOST4	Full	EMEA	Last Mile
bpost	BE0974268972	Full	EMEA	Last Mile
CTT - Correios de Portugal	PTCTT0AM0001	Full	EMEA	Last Mile
Echo Global Logistics	US27875T1016	Full	NA	Last Mile
Freightways Limited	NZFREE0001S0	Full	APAC	Last Mile
PostNL	NL0009739416	Full	EMEA	Last Mile
Royal Mail plc	GB00BDVZY77	Full	EMEA	Last Mile
Yamato Holdings	JP3940000007	Full	APAC	Last Mile
ArcBest	US03937C1053	Secondary	NA	Last Mile
TransForce Inc	CA87241L1094	Full	NA	Last Mile
C.H. Robinson Worldwide, Inc.	US12541W2098	Secondary	NA	Last Mile

Covenant Transportation Group Inc	US22284P1057	Secondary	NA	Last Mile
CSX Corporation	US1264081035	Secondary	NA	Last Mile
Hub Group, Inc	US4433201062	Secondary	NA	Last Mile
Knight Transportation	US4990641031	Secondary	NA	Last Mile
Radiant Logistics	US75025X1000	Secondary	NA	Last Mile
Saia Inc.	US78709Y1055	Secondary	NA	Last Mile
Stobart Group Ltd	GB00B03HDJ73	Secondary	EMEA	Last Mile
Swift Transportation Co.	US87074U1016	Secondary	NA	Last Mile
U.S. Xpress Enterprises	US90338N1037	Secondary	NA	Last Mile
Werner Enterprises, Inc.	US9507551086	Secondary	NA	Last Mile
YRC Worldwide Inc	US9842496070	Secondary	NA	Last Mile
Descartes	CA2499061083	Secondary	NA	Technology
Ingram Micro Inc.	US4571531049	Secondary	Global	Technology
Manhattan Associates	US5627501092	Secondary	NA	Technology
Oracle	US68389X1054	Secondary	Global	Technology
SAP	DE0007164600	Secondary	Global	Technology
SYNNEX Corporation	US87162W1009	Secondary	NA	Technology
Global Logistic Properties (GLP)	SG2C26962630	Secondary	APAC	Warehousing
Goodman Group	AU000000GMG2	Secondary	APAC	Warehousing
Prologis Inc.	US74340W1036	Secondary	NA	Warehousing

ANNEX C

As of February 2022 the following inclusion criteria for the categories below were applicable.

Please refer to the most recent document available under the URL as specified in section '2.1. Index Universe Requirements' above for the most recent applicable categories and inclusion criteria.

Categories	Inclusion criterion
Established norms around Environment, Human Rights, Corruption and Labour Rights	Non-Compliance with the UNGC
Controversy	Controversies with the Level 5
Tobacco	(5% Production <OR> 5% Retail <OR> 5% Related Products/Services)*
Defense – Weapons	(5% Military Contracting Weapons <OR> 5% Military Contracting Weapons – Related Products)*
Defense – Controversial Weapons	Any direct Involvement or any indirect Involvement through corporate ownership
Small Arms	(5% Civilian customers (Assault and non-assault weapons) <OR> 5% Key Components <OR> 5% Military/law enforcement customers <OR> 5% Retail/Distribution)*
Coal	(5% Thermal Coal Extraction <OR> 5% Power Generation <OR> 5% Supporting Products/Services <OR> Power Generation Capacity Increase)*
Conventional Oil & Gas	(5% Generation <OR> 5% Production <OR> 5% Supporting Products/Services <OR> Capacity Increase) *
Unconventional Oil & Gas	(5% Oil Sands Extraction <OR> 5% Artic Oil & Gas Exploration/Extraction <OR> 5% Shale Energy Extraction <OR> Capacity Increase)*
Nuclear Power	(5% Production <OR> 5% Distribution <OR> 5% Supporting Products <OR> Capacity Increase)*
Alcohol	(5% Production <OR> 5% Retail <OR> 5% Related Products/Services)*
Gambling	(5% Operations <OR> 5% Specialized Equipment <OR> 5% Supporting Products/Services)*
Adult Entertainment	(5% Production <OR> 5% Distribution)*

Note:

- % figures refer to revenue threshold (for degree of involvement). The criterion is fulfilled if involvement is equal to or above such threshold.
- Capacity increase refers to any increase in capacity from the immediately preceding Selection Day of the ESG Exclusions Enhanced Index
- The terminology used in the table above is specific to the DATA PROVIDER II and may change from time to time.

*this includes significant corporate ownership (were a company holds a stake greater than 50% in an involved company, the revenues of the involved company are attributed to the company).

Any company which fulfills any of the criteria set out above shall be a component of the ESG Exclusions Enhanced Index. The primary listing for each company is selected as Index Component of the ESG Exclusions Enhanced Index. For the avoidance of doubt, any company for which an evaluation of the criteria is not possible due to the non-availability of relevant data from the DATA PROVIDER II, shall be a component of the ESG Exclusions Enhanced Index.

ANNEX D

Name of the ETF used to determine the AuM:

L&G Ecommerce Logistics UCITS ETF, ISIN: IE00BF0M6N54