

GUIDELINE

Concinnity Conscious Founders Index

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Contents

Introduction

1. Index Specifications

- 1.1 Short Name and ISIN
- 1.2 Initial Value
- 1.3 Distribution
- 1.4 Prices and Calculation Frequency
- 1.5 Weighting
- 1.6 Decision-making Bodies
- 1.7 Publication
- 1.8 Historical Data
- 1.9 Licensing

2. Composition of the Index

- 2.1 Selection of the Index Components
- 2.2 Rebalance

3. Calculation of the Index

- 3.1 Index Formula
- 3.2 Accuracy
- 3.3 Adjustments
- 3.4 Corporate Actions
- 3.5 Recalculation
- 3.6 Market Disruption

4. Definitions

5. Appendix

- 5.1 Contact Data
- 5.2 Calculation of the Index – Change in Calculation Method

Introduction

This document contains the underlying principles and regulations regarding the structure and the operating of the Concinnity Conscious Founders Index (the “Index”). Solactive AG shall make every effort to implement these 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 not a 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 document is to be used as a guideline with regard to the composition, calculation and management of the Index. Any changes made to the guideline are initiated by Concinnity Advisors, LP as specified in section 1.6. The Index is calculated and published by Solactive AG. The names “Concinnity Advisors, LP” and “Solactive” are copyrighted.

1. Index Specifications

The Concinnity Conscious Founders Index (the “Index”) is designed to provide exposure to U.S.-listed companies that Concinnity Advisors, LP (the "Index Provider") believes appear to achieve financial performance in a sustainable and responsible manner, as well as having the company founder in the CEO position or other executive role. Concinnity believes the presence of company founders increases the likelihood a multi-stakeholder mindset will be preserved and corporate culture will be safeguarded.

Companies are determined to be sustainable and responsible if they are members of the Concinnity Multi-Stakeholder Operating Companies Index (CONCPR/CONCTR). This is an index of approximately 300-350 stocks updated annually (see Concinnity Multi-Stakeholder Operating Companies Index description for details). Its strategy asserts that “well-managed” companies are those that adopt a multi-stakeholder operating system (“MsOS”) as the nucleus for their long-term value creation process. Concinnity Advisors, LP believes that these companies understand that successful performance in today’s marketplace largely depends on the quality of their relationships with the following stakeholders:

- Customers
- Employees
- Suppliers
- Stock and Debt Holders
- Communities in which the Company Operates

Companies are then screened to determine if the company founder is still in an executive/leadership position.

The universe of companies eligible for inclusion in the Index is comprised of US-listed firms with a market capitalization greater than \$2 billion. The Index is concentrated, with only 20 to 40 stocks typically in the index. Companies from all sectors of the economy are eligible for inclusion. The names in the Index are equal weighted. The Index is reconstituted annually and rebalanced back to equal-weight quarterly.

The Index is calculated every fifteen seconds of the Trading Day and distributed by Solactive AG.

The Index is calculated on both a Gross Total Return [GTR] and a Price Return [PR] basis for the equal weighted versions (FNRTR and FNDRPR).

The Index is published in US-Dollar [USD].

1.1 Short Name and ISIN

The different versions of the Concinnity Conscious Founders Index are identified in the table below:

<u>Name</u>	<u>ISIN</u>	<u>RIC Code</u>	<u>BBG Ticker</u>	<u>Currency</u>	<u>Return Type</u>	<u>Weighting</u>
Concinnity Conscious Founders Index GTR Index	DE000SLA5GB7	.FNRTR	FNRTR Index	USD	TR	EW
Concinnity Conscious Founders Index PR Index	DE000SLA5F94	.FNDRPR	FNDRPR Index	USD	PR	EW

1.2 Initial Value

The initial value of all versions of the Index is based on 100 at the close of trading on the start date, 31st July 2008.

1.3 Distribution

The Index is published 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 price of the Index is calculated on each Business Day based on the prices on the respective Exchanges on which the Index Components are listed. The most recent prices of all Index Components are used. Should there be no current price available on Reuters, the most recent price or the Trading Price on Reuters for the preceding Trading Day is used in the calculation.

The Index is calculated every fifteen seconds of every Business Day from 9:30am to 4:30pm, EST. In the event that data cannot be provided to Reuters or to the pricing services of Boerse Stuttgart AG, the Index cannot be distributed.

Any incorrect calculation is adjusted on a retrospective basis.

1.5 Weighting

The Index is equal weighted on the Selection Day. On the Selection Day, the Number of Shares for each component of the Index is determined. This Number of Shares for each component of the Index is effective at the Trading Price on the Adjustment Day.

1.6 Decision-making Bodies

Concinnity Advisors, LP is responsible for decisions regarding the composition of the Concinnity Conscious Founders Index as well as any amendments to the methodology for the creation of the Concinnity Conscious Founders Index. The composition of the Concinnity Conscious Founders Index is set on the Selection Days. Concinnity Advisors, LP may at any time make changes to the composition of the Index or to the guidelines while maintaining the Index's stated objectives.

1.7 Publication

All specifications and information relevant for calculating the Index are made available on the <http://www.solactive.com> web page and sub-pages.

1.8 Historical Data

Historical data will be maintained from the start date, 31st July 2008.

Solactive AG has published the FNRTR and FNRPR versions of the Index since 12th July 2017.

1.9 Licensing

Licences to use the Index as the underlying value for derivative instruments are issued to stock exchanges, banks, financial services providers and investment houses by Concinnity Advisors, LP, the owner of the Index.

2. Composition of the Index

2.1 Selection of the Index Components

The initial composition of the Index as well as any ongoing adjustment is based on the following rules:

Companies are eligible for inclusion in the index if they meet the following criteria:

- Trading on a major US stock exchange
- Have a market cap of at least \$2 billion USD on the annual Selection Day
- Have had a minimum average daily trading value (ADTV) of \$4 million USD
- The company is currently a member of the Concinnity Multi-stakeholder Operating Companies Index (CONCTR/CONCPR)
- The company has one of its founders in an executive/leadership position

The Index in recent years had consisted of between 30 and 60 stocks.

2.2 Rebalance

The Index will be reconstituted annually using the process described in Section 2.1 above. The Index will be reconstituted on the Selection Day of October. The Index will be effective on the Adjustment Day of October. The announcement of the reconstituted Index constituents will be made on the Selection Day of October.

The Index will be rebalanced quarterly, on the Selection Day of each of the following months; January, April, and July. The Index rebalance will be effective on the Adjustment Day of each of the following months; January, April, and July. The rebalance process starts with any necessary deletion of constituents, and then the equal weighting with any adjustments for extreme underweight exposures of the remaining constituents. Constituents can be deleted from the Index at the quarterly rebalance for:

- 1) Falling below a \$1.5 billion Market Capitalization
- 2) Having a minimum average daily trading value for the last 30 days of less than \$3 million
- 3) Extraordinary events relating to a company's treatment of one (or more) of the five stakeholders defined in the Introduction section, as determined by Concinnity Advisors, LP

3. Calculation of the Index

3.1 Index Formula

The Index is calculated as a price return and gross total return index.

The calculation is performed according to the Equity Index Methodology, which is available on the Solactive website:

<https://www.solactive.com/documents/equity-index-methodology/>

The divisor formula stipulates that the level of the Index changes based on the change of the prices of its Index Components taking into account their weight in the Index and any currency conversion in case the price of an Index Component is quoted in a currency other than the Index Currency.

Any dividends or other distributions are reinvested across the entire basket of Index Components by means of a divisor at the opening of the effective date (the so-called ex-date) of the payment of such dividend or other distribution.

A more detailed description of the mechanics of the index calculation formula can be found in the Equity Index Methodology under Section 1.2.

3.2 Accuracy

The value of the Index will be rounded to two decimal places.

The Number of Shares of the Index Components will be rounded to six decimal places.

Trading Prices will be rounded to six decimal places.

3.3 Adjustments

Under certain circumstances, including extraordinary events relating to a company's treatment of one (or more) of the five stakeholders, an adjustment of the Index may be necessary between two regular Rebalance Days. Such adjustment has to be made if a corporate action (as specified in section 3.4 below) in relation to an Index Component occurs. Such adjustment may have to be done in relation to an Index Component and/or may also affect the number of Index Components and/or the weighting of certain Index Components and will be made in compliance with the Solactive Equity Index Methodology, which is incorporated by reference and available on the Solactive website:

<https://www.solactive.com/documents/equity-index-methodology/>

Solactive will announce the Index adjustment giving a notice of at least two Trading Days (with respect to the affected Index Component) on the Solactive website under the section "Announcements", which is available at <https://www.solactive.com/news/announcements/>. The Index adjustments will be implemented on the effective day specified in the respective notice.

3.4 Corporate Actions

As part of the Index maintenance, Solactive will consider various events – also referred to as corporate actions – which result in an adjustment to the Index between two regular Rebalance Days. Such events have a material impact on the price, weighting, or overall integrity of Index Components. Therefore, they need to be accounted for in the calculation of the Index. Corporate actions will be implemented from the cum-day to the ex-day of the corporate action, so that the adjustment to the Index coincides with the occurrence of the price effect of the respective corporate action.

Adjustments to the Index to account for corporate actions will be made in compliance with the Equity Index Methodology, 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.

While Solactive aims at creating and maintaining its methodology for the treatment of corporate actions as generic and transparent as possible and in line with regulatory requirements, it retains the right in accordance with the Equity Index Methodology to deviate from these standard procedures in case of any unusual or complex corporate action or if such a deviation is made to preserve the comparability and representativeness of the Index over time.

Solactive considers the following, but not conclusive, list of corporate actions as relevant for the Index maintenance:

- Cash distributions (e.g. payment of a dividend)
- Stock distributions (e.g. payment of a dividend in the form of additional shares)
- Stock distributions of another company (e.g. payment of a dividend in the form of additional shares of another company (e.g. of a subsidiary))
- Share splits (company's present shares are divided and therefore multiplied by a given factor)
- Reverse splits (company's present shares are effectively merged)
- Capital increases (such as issuing additional shares)
- Share repurchases (a company offers its shareholders the option to sell their shares at a fixed price)
- Spin-offs (the company splits its business activities into two or more entities and distributes new equity shares in the created entities to the shareholders of the former entity)
- Mergers & Acquisitions (transaction in which the ownership of a company (or other business organizations) is transferred or consolidated with other entities (e.g. fusion of two or more separate companies into one entity))
- Delistings (company's shares are no longer publicly traded at a stock exchange)
- Nationalization of a company (effective control of a legal entity is taken over by a state)
- Insolvency

3.5 Recalculation

Solactive makes the greatest possible efforts to accurately calculate and maintain its indices. However, errors in the determination process may occur from time to time for a variety of reasons (internal or external) and therefore, cannot be completely ruled out. Solactive endeavors to correct all errors that have been identified within a reasonable period of time. The understanding of "a reasonable period of time" as well as the general measures to be taken are generally dependent on the underlying and is specified in the Solactive Correction Policy, which is incorporated by reference and available on the Solactive website:

<https://www.solactive.com/documents/correction-policy/>

3.6 Market Disruption

In periods of market stress Solactive calculates its indices following redefined and exhaustive arrangements as described in the Solactive Disruption Policy, which is incorporated by reference and available on the Solactive website:

<https://www.solactive.com/documents/disruption-policy/>

Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more Index Components. The determination of the Index may be limited or impaired at times of illiquid or fragmented markets and market stress.

4. Definitions

“**Adjustment Day**” is the last Business Day in October, January, April, and July.

“**Affiliated Exchange**” is with regard to 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 Index Calculator.

“**Business Day**” is a day on which the New York Stock Exchange is open for trading.

“**Dividend Correction Factor**” is calculated as 1.

“**Equal Percentage Weight**” of an index is calculated by dividing 100 by the number of components of that index.

“**Exchange**” is, in respect of the Index and every Index Component, the respective primary exchange where the Index Component has its primary listing. Concinnity Advisors, LP may decide to declare a different stock exchange the “Exchange” for trading reasons, even if the company is only listed there via a Stock Substitute.

“**Index Calculator**” is Solactive AG or any other appropriately appointed successor in this function.

“**Index Component**” is each company currently included in the Index.

“**Index Currency**” is US-Dollar [USD].

“**Index Universe**” with respect to the annual reconstitution Selection Day are companies that fulfill the following criteria:

- 1) Trading on a major US stock exchange
- 2) Have a market cap of at least \$2 billion USD on the annual Selection Day
- 3) Have had a minimum average daily trading value (ADTV) of \$4 million USD
- 4) Have been put on Concinnity Advisors, LP’s multi-stakeholder operating system list (“Concinnity Annual MsOS List”) for three consecutive years

The Index Universe with respect to the quarterly rebalancing Selection Day are companies that fulfill the following criteria:

- 1) Trading on a major US stock exchange
- 2) Have a market cap of at least \$1.5 billion USD on the annual Selection Day
- 3) Have had a minimum average daily trading value (ADTV) of \$3 million USD
- 4) Have been put on Concinnity Advisors, LP’s multi-stakeholder operating system list (“Concinnity Annual MsOS List”) for three consecutive years

“**Market Capitalization**” is defined as the value of a company calculated by multiplying the number of shares outstanding of the company by its share price.

“Market Cap Weighting” is defined as weighting each constituent of the index by its market cap size. The market cap of each constituent is calculated using the available float shares multiplied by the market price. The weight for each constituent is its market cap divided by the sum of all the market caps for the constituents in the index.

“Number of Shares” is, in respect of an Index Component and any given Business Day, the number or fraction of shares included in the Index. The number of shares for each component of the Index is calculated on the Selection Day as (A) the Equal Percentage Weight of an Index Component multiplied by the Index value divided by (B) its Trading Price.

“Percentage Weight” of an Index Component is the ratio of its Trading Price multiplied by its Number of Shares divided by the Index value.

“Price of Index Component” is the price of the component of the Index in accordance with the Exchange regulations at any given time throughout the Trading Day.

“Selection Day” is 5 Business Days prior to the Adjustment Day.

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

“Trading Day” is, in relation to the Index or an Index Component, a day where trading is conducted on the Exchange (or a day that would have been such a day if a market disruption had not occurred), excluding days on which trading may be ceased prior to the normal Exchange closing time. The Index Calculator 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” in respect of a Trading Day is the closing price on this Trading Day determined in accordance with the Exchange regulations. If the Exchange has no closing price for an Index Component, the Index Calculator shall determine the Trading Price and the time of the quote for the share in question in a manner that appears reasonable to them.

5. Appendix

5.1 Contact Data

Information regarding the Index concept

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5.2 Calculation of the Index – Change in Calculation Method

The application by the Index Calculator of the method described in this document is final and binding. The Index Calculator shall apply the method 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 method. The Index Calculator may also make changes to the terms and conditions of the Index and the method applied to calculate the Index, which he deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The Index Calculator is not obliged to provide information on any such modifications or changes. Despite the modifications and changes the Index Calculator will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.