



VettaFi European Future of Defence Screened Index ARMYS

Table of Contents

Introduction	3
Index Objective	3
Highlights	3
Dates	3
Supporting Documents	3
Eligibility Criteria and Index Construction	3
Universe	3
Index Construction	4
Constituent Selection	4
Constituent Weightings & Constraints	4
Index Maintenance	5
Rebalancing and Reconstitution	5
Corporate Actions	5
Index Information	5
Index Calculation	5
Index Governance	5
Index Policies	6
Contact Information	6
Disclaimer	6

Introduction

Index Objective

VettaFi European Future of Defence Screened Index tracks the market performance of companies, listed globally on recognized exchanges, that provide exposure to European NATO defence and cyber-defence spending. Additionally, a negative screen is utilized to exclude companies with exposure to controversial weapons, thermal coal, and greater than 5% exposure to tobacco.

Highlights

The Index uses a modified free float market capitalization weighting algorithm.

Dates

Reference Dates: Same as Weight Date.

Reconstitution Dates: Indexes reconstitute quarterly on the COB of the fourth Tuesday in January, April, July, and October.

Weight Date: Five trading days prior to the Rebalance/Reconstitution Date.

Rebalance Dates: Indexes rebalance quarterly on the COB of the fourth Tuesday in January, April, July, and October.

Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein.

The list of the main supplemental documents for this methodology can be found in the Methodologies and Governance tabs on the [Index Resources](#) page as follows:

Supporting Documents
Index Maintenance Policy
Index Governance
Index Policies
Methodology Policies
Glossary
Index Change and Consultation Policy

Eligibility Criteria and Index Construction

Universe

Global equities headquartered in European NATO countries and incorporated and/or domiciled within them trading on major global exchanges.

Index Construction

Constituent Selection

All companies that meet the following requirements are selected:

- Minimum Thematic Exposure: Constituent business operations must derive more than 50% of their revenues from the manufacture and development of defence equipment (such as military armored vehicles & tanks, weapon systems and missiles, munitions and accessories, electronics & mission systems, and naval ships), defence technology applications, or cyber security. Cyber security companies must have some contracts with a NATO member nation verified by publicly available contract information. Companies manufacturing military aircraft must derive at least 20% of revenue from defence.
- ESG/Human Rights Filter: Constituent business operations must comply with United Nation Global Compact (UNGC) principles and Organization for Economic Cooperation (OECD) Guidelines for Multinational Enterprises¹. Companies involved in the production development or maintenance of anti-personnel mines, biological or chemical weapons, cluster munitions or depleted uranium are excluded from consideration for the index. Additionally, companies must derive less than 5% of their revenue from tobacco manufacturing, distribution, and the sale of tobacco products as well as not derive any revenue from the exploration, mining, or refining of thermal coal.
- 3-Month Average Daily Trading Value: 1 million USD
- Float Percent: 20%
- Full Market Cap: 500 million USD

Constituent Weightings & Constraints²

Constituents are free-float market cap-weighted with the following constraints:

- Constituent weighting needs to accommodate the ability to trade 50% of its 3-month ADTV given a 25 million USD flow.
- Issuer weights are capped at 10%, except for non-core defence and cybersecurity firms which are capped at 5%.
- Issuer weights are at least 0.2%.

Excess weights are redistributed proportionally among the rest of the uncapped securities. This redistribution is repeated iteratively until all the capping conditions are met.

¹ UNGC and OECD screens are defined by the Index provider using data from a third-party rating company.

² Historical backtest- Prior to the April 2023 Reconstitution, the following parameters were used: Issuer weights are capped at 12%, except for non-core defence and cybersecurity firms which are capped at 5%; Issuer weights are at least 0.2%.

Index Maintenance

Rebalancing and Reconstitution

The Indexes are rebalanced on the “Rebalance Date” and additionally reconstituted on the “Reconstitution Date”. Pricing used in share weights used for reconstitutions are as of the “Weight Date”. Share weights for the rebalanced Indexes are computed as of the “Weight Date”. Changes to the Indexes related to the rebalances are as of the “Rebalance Date”. Additions are only made on reconstitution dates.

Corporate Actions

Please refer to the Index Maintenance Policy document for information on Corporate Action processing.

Index Information

Index history availability, base dates and base values are shown in the table below.

Index	Price Index	Base Date	Base Value	Net Total Return Index	Base Date	Base Value
VettaFi European Future of Defence Screened Index	ARMYS	01/25/2022	1000	ARMYST	01/25/2022	1000

Methodology Updates and Changes

Date	Version	Previous	New
Aug 2025	1.0.0		Initial Version

Index Calculation

Please refer to the Index Maintenance Policy document for information on index calculations.

Index Governance

The index is governed and administered by a VettaFi Index Committee for the purpose of meeting the goals of the index. For more information, please refer to the Index Governance document.

Index Policies

Please refer to the Index Policies document for information regarding Announcements, Holiday Schedules, Unexpected Exchange Closures, and Recalculation Policy.

Contact Information

For any questions regarding an index, please contact: index.production@vettafi.com

Disclaimer

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