



EQM Global Cannabis Index

CANABIZ

Table of Contents

Introduction	3
Index Objective	3
Highlights	3
Dates	3
Supporting Documents	3
Eligibility Criteria and Index Construction	4
Universe	4
Index Construction.....	4
Constituent Selection.....	4
Constituent Weightings & Constraints	5
Index Maintenance	6
Rebalancing and Reconstitution	6
Corporate Actions	6
Index Information	6
Index Calculation.....	6
Index Governance	6
Index Policies	6
Contact Information.....	7
Appendix	7
Cannabis Sector/Industry Classification.....	7

Introduction

Index Objective

The EQM Global Cannabis Index tracks the performance of US and Canadian traded global companies involved in the cannabis industry. This includes companies that interact directly with the cannabis plant, companies that support cannabis cultivation and retail, and ancillary companies that provide products and services to the broader cannabis industry.

Highlights

The Index has three broad cannabis sectors:

The Cannabis Plant

Support

Ancillary

Constituents are classified as CORE and NON-CORE.

Constituents are equal weighted with NON-CORE constituents weighted at half weight relative to CORE constituents.

Dates

Reference Dates: Same as Weight Date.

Reconstitution Dates: Indexes reconstituted quarterly on the second Tuesday in January, April, July, and October.

Weight Date: Three trading days prior to the close of trading on the second Tuesday in January, April, July, and October.

Rebalance Dates: Indexes rebalanced quarterly on the second 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

US or Canadian¹ exchange traded equities or depository receipts. When multiple instruments are available, the most liquid instrument is chosen. (see Index Maintenance Policy)

Index Construction

Constituent Selection

Companies must have a verifiable beneficial interest in the cannabis industry by 1) directly interacting with the cannabis plant, and/or 2) supporting cannabis cultivation and retail, and/or 3) providing ancillary products or services to the cannabis industry.

Verifiable beneficial interest in the cannabis industry is verified by one of the following measures:

- 1) Ownership/partnership or investment interest in a cannabis or cannabis-related company.
- 2) Revenue or profit derived from the cultivation and/or sale of cannabis or cannabis-related products or business.
- 3) Market share in a specific segment of the cannabis industry.

Companies with 50% or more of their verifiable business interest in the cannabis industry are categorized as CORE cannabis companies, while companies with less than 50% of their verifiable business interest in the cannabis industry are defined as NON-CORE cannabis companies.

Additionally, companies must meet the following criteria:

Listing on a regulated, major stock exchange in the form of shares tradable for foreign investors without restrictions.

Adequate constituent liquidity and accessibility for an exchange-listed product as determined by the Index Provider.

Market Cap - Average market cap of 75 million USD over the last 2 years and a minimum current market cap of 30 million USD.

Liquidity - Average traded value of at least 500,000 USD traded over the last twelve months, or if existing component at least 200,000 USD traded value over the last twelve months.

¹ Exchange pricing must be available to VettaFi.

Constituent Weightings & Constraints

1. All component weights are set to equal dollar weight.
2. The weight of each component classified as NON-CORE is adjusted to be 50% of its base equal weight.
3. The aggregate residual NON-CORE weight is then distributed equally across all components classified as CORE.
4. If an individual sector's weight exceeds 75% of the index portfolio, the constituent weights within that sector (see appendix for sector/industry classification) will be trimmed equally and redistributed among the other constituents.

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	Total Return Index	Base Date	Base Value
EQM GLOBAL CANNABIS INDEX	CANABIZP	12/31/2017	100	CANABIZ	12/31/2017	100

Methodology Updates and Changes²

Date	Version	Previous	New
May 2024	1.0.0	Version 1.5 dated 05 January 2024	Methodology converted to new VettaFi format

Index Calculation

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

Index Governance

The index is governed and managed 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.

² As of May 2024

Contact Information

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

Appendix

Cannabis Sector/Industry Classification

THE CANNABIS PLANT

1. Pharmaceuticals/Biotechnology
2. Cultivation & Retail/Multiple-State Operators (MSOs)
3. Hemp Products
4. Cannabis-Infused Products

SUPPORT

5. Agricultural Technology
6. Real Estate
7. Commercial Services

ANCILLARY

8. Consumption Devices/Mechanisms
9. Investing & Finance
10. Technology and Media
11. Other Ancillary