

ECPI CHINA CONSUMPTION TRADABLE INDEX

RULE BOOK

December 2024 Version 3.0.3

ECPI Srl is a member of Confluence

MARKET REALTY

The ECPI China Consumption Tradable Equity Index is an equally weighted index which offers investors exposure to companies in the developed markets that are expected to benefit from the boom in consumer spending in China.

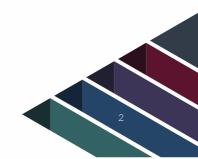
INDEX FAMILY IDENTIFIERS

| BLOOMBERG TICKER | REFINITIV RIC | INDEX NAME |
|------------------|----------------------|--|
| ECPACCTP Index | | ECPI China Consumption Tradable Price Index |
| ECPACCTR Index | | ECPI China Consumption Tradable Total Return Index |
| ECPACCTN Index | | ECPI China Consumption Tradable Net Return Index |

INDEX REBALANCING

Semi-Annually, on the Selection Date immediately preceding the relevant Effective Rebalance Date, index constituents are selected in accordance with the index eligibility criteria as new constituents of the index in order to ensure market representation. If the review day falls on a holiday, the subsequent working day will be considered.

| REBALANCING TIMETABLE | | |
|-----------------------|---|--|
| TIME REFERENCE | ACTION | WHEN |
| To | Selection Date of the new constituents | 1st Friday of Jan, Jul |
| T ₁ | Equal Weight Reference Date | 3rd Monday of Jan, Jul |
| T ₂ | Proforma Period | 4 days of Proforma, starting 3rd Monday of Jan, Jul |
| T ₃ | Effective Rebalance Date: the new index is effective | 3rd Friday (closing) of Jan, Jul |



EQUITY UNIVERSE

Every six months ECPI reviews the index constituents in order to ensure market representation.

To be eligible for the ECPI China Consumption Tradable, a stock must satisfy the following criteria (in which case, it will be an "eligible stock"):

Index Initial Universe:

1. it belongs to one of the following Sector using GICS Classification

| CODE | SECTOR |
|------|--|
| 25 | Consumer Discretionary (Education Services excluded) |
| 30 | Consumer Staples |
| 40 | Financials |
| 35 | Health Care (Health Care Facilities excluded) |
| 45 | Information Technology |
| 50 | Telecommunication Services |

2. It is listed on a Global Developed Market

| COUNTRY TABLE | | |
|---------------|-------------|----------------|
| Australia | Hong Kong | Portugal |
| Austria | Ireland | Singapore |
| Belgium | Israel | Spain |
| Canada | Italy | Sweden |
| Denmark | Japan | Switzerland |
| Finland | Luxembourg | United Kingdom |
| France | Netherlands | United States |
| Germany | New Zealand | |
| Greece | Norway | |

- 3. the issuer of the stock must have a minimum market capitalization of \in 1 billion.
- 4. the average daily traded value of the stock over the last 6 months shall be equivalent to a minimum of € 10 million.

ESG Investable Universe:

- 5. Company has a positive ECPI ESG Rating (from E- to EEE).
- 6. The following <u>Normative & Controversy Screening</u> is applied:
 - Companies with a poor ESG profile (ESG Rating = F) are excluded.
 - Companies involved in structural, repetitive, and severe controversies or violations of the:



- UN Global Compact
- UN Guiding Principles on Business and Human Rights (UNGPs)
- OECD Guidelines for Multinational Enterprises (as far as relevant)

ILO Conventions

are excluded.

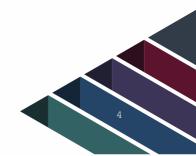
- 7. Companies involved in "baseline" controversial activities as defined below are excluded from the Investable Equity Universe:
 - a. **Controversial Weapons** (Cluster Bombs, Antipersonnel Landmines, Nuclear Weapons, Biological Weapons): a company producing controversial weapons is considered "Not Eligible" regardless of the amount of revenues generated by the sale of these products.
 - b. **Tobacco**: a company producing tobacco products or products that are instrumental for the sale of tobacco products, or distributing tobacco products, is considered "Not Eligible" if revenues originated from this business activity are greater than 2% of total sales (threshold considered for "Distributors" is 5%).
 - c. Coal Extraction: company involved in the mining of coal is considered "Not Eligible" if revenues originated from this business activity are greater than 5% of total sales.
 - d. **Coal Power Generation**: company involved in coal-based electricity generation is considered "Not Eligible" if revenues originated from this business activity are greater than 50% of total sales.
- 8. the latest Financial Year geographical segment revenue from Asia should be greater than 20%.

INDEX SELECTION

The index selects the first 40 highest capitalization stocks.

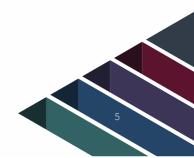
BUFFER RULE

For all current constituents, a tolerance of 20% is applied to the market capitalization and 6-months daily average value traded limits. Therefore, a constituent will be allowed to remain in the index if it has a minimum market cap of \in 800 million and a minimum liquidity of \in 8 million.



Versions

| VERSION | EFFECTIVE DATE | CHANGES |
|---------|----------------|----------------------------------|
| 3.0.1 | 30 June 2023 | Ungrouping Index Family |
| 3.0.2 | 1 May 2024 | Verification and quality of data |
| 3.0.3 | 1 January 2025 | Exclusion criterion: Coal |
| | | |



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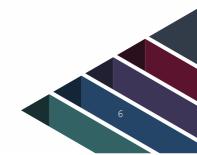
EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY

| StatPro |
|--|
| Equity |
| ECPI China Consumption Tradable Equity |
| ⊠ ¥ES □NO |
| |

Item 5. Where the response to Item 4 is positive, please list below, for each family of benchmarks, those ESG factors that are taken into account in the benchmark methodology, taking into account the ESG factors listed in Annex II to Delegated Regulation (EU) 2020/1816. Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets.

The ESG factors shall be disclosed at an aggregated weighted average value at the level of the family of benchmarks.

| | Selection: Overall ECPI ESG Rating must be E- or higher |
|---|---|
| (a) List of environmental factors considered: | Exclusion: Companies involved in systematic violations of the UN Global Compact are excluded (ESG Rating = F) Mining of thermal coal and coking coal; generation of electricity from coal |
| | Selection: Overall ECPI ESG Rating must be E- or higher |
| (b) List of social factors considered: | Exclusion: Companies involved in systematic violations of the UN Global Compact are excluded (ESG Rating = F) Production of controversial weapons (Nuclear, Biological, Chemical, Cluster Munitions, Mines) and/or their essential components Production of tobacco, products that contain tobacco |
| (c) List of governance factors considered: | Selection: Overall ECPI ESG Rating must be E- or higher Exclusion: Companies involved in systematic violations of the UN Global Compact are excluded (ESG Rating = F) |
| Hyperlink to the information on ESG factors for each benchmark: | https://ecpigroup.com/wp- content/uploads/rules/ECPACCTP_Benchmark_Statement.pdf |



| Item 7. Data and standards used | |
|--|--|
| (a) Data input. (i) Describe whether the data are reported, modelled or sourced internally or externally. (ii) Where the data are reported, modelled or sourced externally, please name the third party data provider. | Company analyses draw on a range of reliable and publicly available sources to create a transferable, equitable and auditable approach. Where possible, ECPI aims to use objective information that is easily measured and quantified and less subject to bias and opinion. In cases where an indicator is important to capture, but not easily quantifiable, ECPI process works to reduce bias, by identifying clear and unambiguous rules for assigning scores. Sources include: Company annual reports Company sustainability reports, environmental reports, CSR reports or similar Company websites Regulatory data (from the regulators in the country/countries where the company is incorporated and/or listed) Information providers and search engines Media and news services (including newsletters from local and international institutions and NGOS). Screening of company's participation in international institutions Screening of company's awards Thematic websites promoted by international non-profit organizations Company livestor Relations departments, when necessary. In such cases, we try to obtain written answers in order to be able to store them in the company's records |
| (b) Verification and quality of data. <i>Describe how data are verified and</i> <i>how the quality of those data is</i> <i>ensured.</i> | The ESG data is sourced externally, from ECPI, the ESG research provider. ECPI delivers ESG scores and ratings information as well as involvement in controversial sectors of activity and an assessment regarding the UNGC principles. For details on ECPI ESG research, please refer to ECPI ESG Methodology Document. The provider has been selected by the Administrator based on an assessment of its existing processes to ensure the reliability and representativeness of the ESG-related data. The data provider has established processes in accordance with accepted and established market standards that ensure the permanent quality and reliability of the ESG-data provided. The verification and quality of data are checked both externally and internally by automated and manual quality assurance processes. Systematic peer review for all issuers that are newly assessed Systematic peer review for all significant changes during the annual update Periodic spot checks for certain high-risk industries/issue areas by research leads Periodic data comparison with third-party sources, including government and industry databases |
| (c) Reference standards Describe the international standards used in the benchmark methodology. | The rating criteria have been developed in accordance with ICCR's "Principles for Global Corporate Responsibility: Benchmarks for Measuring Business Performance" and is inspired by the principles developed by International Bodies dedicated to Responsible Investment such as UN Global Compact (<u>www.unglobalcompact.org</u>), the Global Reporting Initiative (<u>www.globalreporting.org</u>) and UN PRI (<u>www.unpri.org</u>). |
| Date on which information has been last updated and reason for the update: | 1 January 2025 |



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