Concinnity MsOS Leaders Index Methodology

1. Introduction

The Concinnity Multi-stakeholder Operating System (MsOS) Leaders 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 measured by Concinnity's Multi-stakeholder Operating System (MsOS).

Companies that are the MsOS leaders in each sector (based on MsOS rank) are chosen for inclusion in the Index. The Index is constructed to maximize overall MsOS rank while minimizing risk when compared to the overall market of large cap US stocks (as defined by the Solactive US Large Cap Index).

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 ranked by their MsOS score, and the top ranked companies in each sector are included in the index. The number of companies and weight of each company are chosen to maximize overall MsOS score and minimize size, sector, style, and idiosyncratic stock risk when compared to the market of large cap US stocks.

The universe of companies eligible for inclusion in the Index is comprised of US-listed firms with a market capitalization greater than $2 billion at the time of the initial screen. The Index typically consists of between 70 and 90 stocks.

Companies from all sectors of the economy are eligible for inclusion. The Index is reconstituted annually and rebalanced quarterly.

2. Constructing the Concinnity MsOS Leaders Index

The construction of the Concinnity MsOS Leaders Index starts with a universe of stocks that Concinnity believes are sustainable and responsible. This requirement is met by using companies that 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 Methodology 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 in the Concinnity Multi-Stakeholder Operating Companies Index (CONCPR/CONCTR) are then ranked by their MsOS score. The top MsOS-ranked companies in each sector are included in the index.

The index is custom weighted. The number of companies and weight of each company are chosen to maximize overall MsOS score and minimize size, sector, style, and idiosyncratic stock risk when compared to the market of large cap US stocks. The Index typically consists of between 70 and 90 stocks.

The index is comprised of only US-listed firms with a market capitalization greater than $2 billion and an average daily trading value over the last 30 days of $4 million. all sectors of the economy are eligible for inclusion.

2.1 Rebalance Frequency

The Index will be reconstituted annually using the process described in section 2 above. The Index reconstitution selection day is five trading days prior to the last trading day of October. The Index reconstitution adjustment day is the last trading day of October, effective at the close. Announcement of the reconstituted Index constituents will be made five trading days before the Index reconstitution adjustment day.

The Index will be rebalanced quarterly. Rebalance is defined as any necessary deletion of constituents in the Concinnity Multi-Stakeholder Operating Companies Index (CONCPR/CONCTR), re-ranking the remaining constituents (by annual MsOS rank), and selecting and re-weighting stocks to again maximize MsOS rank and minimize size, sector, style, and idiosyncratic stock risk.

Constituents can be deleted from the Index at the quarterly rebalance for:

1) Falling below a $1.5 billion market cap
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.

The Index rebalance selection day will be five trading days prior to the last trading day of each of the following months, January, April, and July. The Index rebalance adjustment day is the last trading day of January, April, and July, effective at the close. Announcement of the rebalance index constituents will be made five trading days before the index rebalance adjustment day.

The index weights are determined on the Selection Day and allowed to float by performance until the close of the Adjustment Day.

3. Decision-Making Bodies

Concinnity Advisors, LP is responsible for decisions regarding the composition of the Concinnity MsOS Leaders Index as well as any amendments to the methodology for the creation of the Concinnity MsOS Leaders Index. The composition of the Concinnity MsOS Leaders Index is set on the selection dates. 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.