



IQ Global Resources Index

METHODOLOGY

IndexIQ LLC

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Introduction

This document sets forth the methodology for the IQ[®] Global Resources Index (the “Index”). Capitalized terms are defined herein.

Index Objective

The IQ Global Resource Index selects the largest companies by market capitalization that operate in commodity-specific market segments and whose equity securities trade in developed markets, including the U.S.

These segments include the major commodity sectors (Precious Metals, Industrial Metals, Livestock, Energy, and Grains, Food & Fiber), plus Timber and Water.

Eligibility Requirements

Index Universe

The Index is comprised of common stock only and excludes American Depositary Receipts (ADRs), preferred stock, limited partnerships, master limited partnerships (MLPs), real estate investment trusts (REITs), investment companies, and trusts.

The components of the Index are listed for trading on the following eligible exchanges and/or are headquartered in one of the following countries:

Exchange	Country
ASX National	Australia
Vienna	Austria
Euronext Belgium	Belgium
Toronto	Canada
Copenhagen	Denmark
Helsinki	Finland
Euronext France	France
Athens	Greece
XETRA	Germany
Hong Kong	Hong Kong
Irish Main Market	Ireland
Tel Aviv Stock Exchange	Israel
Italy Continuous	Italy
JASDAQ	Japan
Osaka	Japan
Tokyo	Japan
Luxembourg Stock Exchange	Luxembourg
Euronext Netherlands	Netherlands
NZSE National Market	New Zealand

Oslo	Norway
Euronext Portugal	Portugal
Singapore	Singapore
Madrid	Spain
Spanish Stock Market	Spain
OM Stockholm	Sweden
Swiss Virt-X	Switzerland
SWX	Switzerland
London	United Kingdom
NASDAQ	United States
NYSE	United States
NYSE Arca	United States

Selection Criteria

The Index is comprised primarily of companies grouped together within 7 sectors (each a “Sector”), each with specific eligibility requirements as of the Annual Reconstitution reference date as follows:

Livestock:

- Companies identified that meet sub-sector SIC code classification related to Livestock
- Net Sales greater than or equal to \$30 million
- Market capitalization greater than or equal to \$300 million
- Average daily dollar trading volume greater than or equal to \$500,000
- Top 15 companies are selected based on market capitalization

Timber:

- Companies identified that meet sub-sector SIC code classification related to Timber
- Net Sales greater than or equal to \$50 million
- Market capitalization greater than or equal to \$500 million
- Average daily dollar trading volume greater than or equal to \$1 million
- Top 15 companies are selected based on market capitalization

Water:

- Companies identified that meet sub-sector SIC code classification related to Water
- Net Sales greater than or equal to \$50 million
- Market capitalization greater than or equal to \$500 million
- Average daily dollar trading volume greater than or equal to \$1 million
- Top 15 companies are selected based on market capitalization

Industrial Metals:

- Companies identified that meet sub-sector SIC code classification related to Industrial Metals
- Net Sales greater than or equal to \$50 million
- Market capitalization greater than or equal to \$500 million
- Average daily dollar trading volume greater than or equal to \$1 million
- Top 40 companies are selected based on market capitalization

Energy:

- Companies identified that meet sub-sector SIC code classification related to Energy
- Net Sales greater than or equal to \$100 million
- Market capitalization greater than or equal to \$1.5 billion
- Average daily dollar trading volume greater than or equal to \$1 million
- Top 40 companies are selected based on market capitalization

Grains, Food, Fiber:

- Companies identified that meet sub-sector SIC code classification related to Grains, Food, Fiber
- Net Sales greater than or equal to \$50 million
- Market capitalization greater than or equal to \$500 million
- Average daily dollar trading volume greater than or equal to \$1 million
- Top 40 companies are selected based on market capitalization

Precious Metals

- Companies identified that meet sub-sector SIC code classification related to Precious Metals
- Net Sales greater than or equal to \$50 million
- Market capitalization greater than or equal to \$500 million
- Average daily dollar trading volume greater than or equal to \$1 million
- Top 40 companies are selected based on market capitalization

Index Construction

Weighting

Index component weights are determined using float adjusted market capitalization subject to following sector weight constraints: Energy will be set at 30%, Metals (including Industrial Metals and Precious Metals) will be set at 30%, Agricultural (including Livestock and Grains, Food and Fiber) will be set at 30%, Timber and Water each will be set at 5%.

Within the 30% Metals sector weight, the allocations to Industrial Metals and Precious Metals will be based on a pro-rata split based upon the total market capitalization of each

of the 2 sub-sectors. Similarly for the 30% sector weight Agricultural sector, the allocations to Grains, Food and Fiber and Livestock will be based on a pro-rata split based upon the total market capitalization of each of the 2 sub-sectors.

Concentration Limitations

At the time of the Annual Reconstitution and Quarterly Rebalance, no single component of the Index may have a weighting greater than 10% of the Index and no single country may have a total weight of greater than 60%. To the extent one or more components would exceed this limitation, the cap is applied, and the excess weight is allocated proportionately among the other Index components.

Index Shares

Shares held within the index are derived from a notional value, the weight as determined above, and component prices as of the Reconstitution or Rebalance.

Index Maintenance

Reconstitution

The Index is reconstituted once a year (the “Annual Reconstitution”) and adjusted intra-year only in connection with the quarterly rebalance of its Index Components (the “Quarterly Rebalance”) or with certain corporate actions (as described below).

The Annual Reconstitution occurs on the last business day of February for effect on the Effective Date of the April quarterly rebalance.

Rebalance

At each Quarterly Rebalance, the Index Components are re-weighted according to the weighting methodology outlined above.

The Quarterly Rebalance occurs on the first business day of January, April, July, and October and becomes effective at the open of the fourth business day of the month..

Corporate Events and Index Policy

Refer to the IndexIQ Events Guide.

Index Calculation

Index Level

The following general formula is used to calculate the Index Level:

$$\frac{\sum_{i=1}^n (P_i \times \text{Shares}_i)}{D}$$

P_i = Price of security i
 Shares_i = Shares of security i
 D = Divisor

Return Series

The Index return series is based on the treatment of cash dividends, stock dividends, and spin-offs (collectively determined as a “Distribution”).

- The Price Return (PR) index is calculated without adjustments for distributions.
- The Total Return (TR) index reinvests distributions as of the ex-date.

In the event there are no distributions the daily performance of both indexes will be identical.

Currency

The Index is calculated in U.S. Dollars.

Base Dates and History Availability

Index	Base Date	Base Value
IQ Global Resources Index	October 31, 2007	1000

Ticker

Index levels are available through major quote vendors, numerous investment-oriented websites, and various print and electronic media. IndexIQ LLC’s website also provides an archive of recent index announcements.

Index	Return Type	Bloomberg
IQ Global Resources Index	Price Return	IQGRES
	Total Return	IQGREST

Contact Information

For questions regarding the Index, please contact: (888) 474-7725 or index@indexiq.com.

APPENDIX 1: Amendment History

Amendment History

Effective Date	Change
December 31, 2019	Effective date for new rule book template
May 13, 2019	Israel and Luxembourg added to Index Eligibility Requirements
September 1, 2021	The index methodology will make following changes effective on the first rebalance after August 31, 2021: remove equity hedge overlay; remove coal sector; switch to static weighting scheme across energy, metals, agricultural, timber, and water; change rebalance frequency from monthly to quarterly.

APPENDIX 2: Disclaimers

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