

INDEX METHODOLOGY: EMLES FEDERAL CONTRACTORS INDEX

Constituent Criteria

The universe of the securities included in the Emles Federal Contractors Index (the “Index”) is based upon the following criteria:

- In the last twelve months as of September 30 each year, receive U.S. government contract revenues or awards equivalent to at least 40% of revenues for the period. Emles Indexing LLC will rely on most recent contract revenue figures from individual company filings and on most recent government contract award amounts published on <http://usaspending.gov/> (URL USASpending.gov is the official source for spending data for the U.S. Government).
- Have a minimum average daily trading volume of 100,000 shares and a minimum \$5.00 daily share price over the preceding six months prior to the inclusion date
- Have a minimum average daily trading value over the preceding six months of \$10 million. On certain occasions, Emles Indexing LLC may elect to include a stock with liquidity under \$10 million when reviewed by the Index Committee and deemed appropriate for inclusion in the Index
- Have a market capitalization of at least \$100 million

Publicly traded preferred units and institutional shares are not eligible for Index inclusion. A non-constituent will only be added to the Index during the (a) quarterly rebalancing process if it meets all criteria, or (b) special rebalancing process if it (i) is acquiring the constituent that is being removed, and (ii) meets all criteria. Emles Indexing LLC may delete one or more components, or replace one or more issues contained in the Index with one or more substitute stocks of its choice, if in the Emles Indexing LLC’s discretion such addition, deletion, or substitution is necessary or appropriate to maintain the quality and/or character of the Index. All such reviews and final Index determination are at the discretion of the Index Committee.

Index Rebalance

There is both a quarterly rebalance and a special rebalance for the Index. The quarterly Index rebalance occurs on the third Friday of each March, June, September, and December, and are effective at the open of the next trading day. In the event that the major US exchanges are closed on the third Friday of March, June, September, or December, the rebalancing will take place after market close on the immediately preceding trading day. Data relating to constituent eligibility, additions, and deletions are analyzed as of 18:00 ET three days prior to the third Friday of March, June, September, and December. The Index shares of each constituent are then calculated according to the capping system described below, and assigned after market close on the quarterly rebalancing date. Since Index shares are assigned based on prices three days prior to the third Friday of March, June, September, and December, the weight of each constituent on the quarterly rebalancing date may differ from its target weight due to market movements.

The post-rebalancing constituents are weighted and ranked by float-adjusted market capitalization (AMC). If the weight of the largest constituent exceeds 9.0%, it is assigned a weight of 9.0% and its excess weight is proportionately distributed to the remaining constituents. After this

distribution, if the weight of the next largest constituent exceeds 9.0%, it is assigned a weight of 9.0% and its excess weight is proportionately distributed to the remaining constituents. This process is repeated until none of the remaining constituents has a weight that exceeds 9.0%.

If at this stage the weight of all holdings with an individual weight of 5.0% or above exceeds 50.0%, the weight of the smallest of these constituents will be reduced to 4.75%, and excess weight will be redistributed to other holdings (up to a maximum weight of 4.75% for each holding). Additionally, if at this stage the weight of holdings in a single industry apart from Aerospace & Defense exceeds 25.0%, the weight of this industry will be reduced to 24.5%, with excess weight redistributed to holdings in other industries (up to a maximum weight of 4.75% for each holding). This process is repeated until 1) the aggregate weight of all holdings with an individual weight of 5.0% or above is less than 50.0%, and 2) Aerospace & Defense is the only industry where the sum of individual holding weights exceeds 25.0%.

A special Index rebalance is triggered by corporate actions and will be implemented as practically as possible on a case-by-case basis. Generally, in a merger between two or more Index constituents, the special Index rebalance will take place one trading day after the constituent's issuance of a press release indicating all needed merger votes have passed. If the stock is delisted before market open on the first trading day after all needed merger votes have passed, the delisted security will trade at the conversion price, including any cash consideration. Only the units outstanding and IWFs of the surviving constituents in a merger will be updated to reflect the latest information available. Data are analyzed as of 18:00 ET two trading days prior to the last required merger vote. Index shares are then calculated to the weighting scheme above and assigned after market close on the rebalance date.

At each rebalancing, if the component count is less than 20 after applying the rules set forth in the eligibility criteria, the U.S. government revenue exposure requirement may be lowered so that the next largest non-component in the eligible universe is added until the component count reaches 20. At index rebalance dates, Emls Indexing may elect to relax certain screening requirements to increase index investability. These criteria are reviewed regularly to ensure consistency with industry trends.

Supporting Information

Base Date

The base date for the Index is December 31, 2014, with a base value of 1000. Data prior to the live launch was back-tested by rigorously applying then-current Index methodology to each historical rebalancing date to select and weight constituents. A backfilled or back-casted methodology can result in the exclusion of acquired, merged, or delisted companies and distort historical performance.

Index Equations

The Index is calculated by S&P Dow Jones Indices as follows:

- [Initial Divisor] = [Base Date Index Market Capitalization] / 1000
- [Index Value] = [Index Market Capitalization] / Divisor
- [Post-Rebalance Divisor] = [Post-Rebalance Index Market Capitalization] / [Pre-Rebalance Index Value]

Treatment of Distributions

The price-return Index does not account for cash distributions. The total-return Index accounts for cash distributions by reinvesting them across the Index after market close on the ex-dividend date.

Holiday Schedule

The Index is calculated when US equity markets are open.

Announcements

Constituent changes related to the quarterly Index rebalance will be announced by 08:30 ET on the third Friday of March, June, September, and December. Constituent changes related to a special Index rebalance resulting from mergers will be announced by 08:30 ET on the last trading day prior to the last required merger vote. Constituent changes related to a special Index rebalance resulting from other types of delistings will be handled on a case-by-case basis. Index methodology changes, if any, will be announced after market close on the last trading day of the month. Announcements can be found at www.emles.com.

Index Committee

The Index is managed by an Index Committee that reviews all methodology modifications to ensure that they are made objectively and without bias. The committee is composed of full-time professional members of Emles Advisers LLC staff and board, convenes on a quarterly basis, and is responsible for overseeing the development and applications of the methodology. If the Index methodology does not provide a clear process for the management of any situation, the committee will determine the process to be followed. Information regarding methodology modifications and constituent changes is considered to be material and can have an impact on the market. Consequently, all committee discussions are confidential.

Data Integrity

Emles Indexing LLC uses various quality assurance tools to monitor and maintain the accuracy of its data. While every reasonable effort is made to ensure data integrity, there is no guarantee against error. Adjustments to incorrect data will be handled on a case-by-case basis depending on the significance of the error and the feasibility of a correction. Incorrect intraday ticks of the Index resulting from data errors will not be corrected.

Notes

- Reference to 10-K filing data being included as publicly available.

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