



# IQ Global Agribusiness Small Cap Index

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METHODOLOGY

IndexIQ LLC

## Contents

Introduction.....	2
Index Objective.....	2
Eligibility Requirements.....	2
Index Universe.....	2
Selection Criteria.....	3
Index Construction.....	3
Weighting.....	3
Concentration Limitations.....	3
Index Shares.....	3
Index Maintenance.....	3
Reconstitution.....	3
Rebalance.....	3
Corporate Events and Index Policy.....	3
Index Calculation.....	4
Index Level.....	4
Return Series.....	4
Currency.....	4
Base Dates and History Availability.....	4
Ticker.....	4
Contact Information.....	5
APPENDIX 1: Amendment History.....	6
Amendment History.....	6
APPENDIX 2: Disclaimers.....	7
Disclaimers.....	7

## Introduction

This document sets forth the methodology for the IQ Global Agribusiness Small Cap Index (the “Index”). Capitalized terms are defined herein.

### Index Objective

The IQ Global Agribusiness Small Cap Index is a float adjusted, market cap weighted index and includes global small cap companies engaged in the agribusiness sector, including crop production and farming, livestock operations, agricultural supplies & logistics, agricultural machinery, agricultural chemicals and biofuels.

## Eligibility Requirements

### Index Universe

The Index is comprised of common stock and may include Depositary Receipts (DRs) on eligible exchanges.

The components of the Index are listed for trading on the following eligible exchanges:

Exchange			
ASX National	Euronext Exchanges	Toronto	Hong Kong
Dublin	JASDAQ	Tokyo	London
NYSE	NYSE Arca	NASDAQ	New Zealand
OMX Nordic Stockholm	Osaka	Oslo	Singapore
SIX Swiss	Indonesia	Thailand	

Index components must have a minimum of 10 trading days history to be eligible for inclusion.

The full market capitalization is determined for the Agribusiness Sector, with companies in the bottom 10 percent of the market capitalization defining the eligible small cap universe for the Index.

Once the eligible small cap universe is set, index components must meet the following minimum thresholds at the time of the quarterly rebalance date to be included in the Index:

- Minimum market capitalization of \$150 million
- Minimum average market capitalization of \$150 million for 90 days prior
- Minimum average daily trading volume of \$1 million for 90 days prior
- Minimum average daily volume of 250,000 shares over the six months prior

## **Selection Criteria**

Companies meeting all eligibility requirements outlined above are selected for Index inclusion.

Existing index components must meet the following requirements at the time of the quarterly rebalance date to remain in the Index:

- Average market capitalization for the 90 days prior must fall below the cut-off level set at 65% higher than the market cap ceiling of the small cap universe outlined above
- Minimum average market capitalization of \$100 million for 90 days prior

## **Index Construction**

### **Weighting**

Index component weights are determined using float adjusted market capitalization.

### **Concentration Limitations**

At the time of the quarterly reconstitution, 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 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 float adjusted shares outstanding subject to the concentration limits as described above.

## **Index Maintenance**

### **Reconstitution**

The quarterly reconstitution of the Index is conducted on the second Friday of March, June, September and December and becomes effective at the open of the Monday following the third Friday of March, June, September and December.

### **Rebalance**

Index rebalance coincides with the quarterly reconstitution as described above.

### **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  $i$

$\text{Shares}_i$  = 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 Agribusiness Small Cap Index	December 21, 2007	100

### 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 Agribusiness Small Cap Index	Price Return Total Return	IQSMCROP IQSMCROT

### Contact Information

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

## APPENDIX 1: Amendment History

### Amendment History

Effective Date	Change
December 31, 2019	Effective date for new rule book template
February 27, 2020	The quarterly reconstitution effective dates changed from the 4th week of the third month of each quarter to the 3rd week of the third month of each quarter.

## APPENDIX 2: Disclaimers

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