

# BATTERY METALS AND MINING INDEX FACT SHEET

as of 9/30/18



A benchmark to track global companies engaged in the production, mining and/or integration or recycling of metals and materials used in advanced battery technology.

## The Case for Battery Metals

Growing global demand for lithium-ion batteries to power consumer devices, electric vehicles, and grid storage, coupled with constrained supply and capacity has created favorable conditions for battery metal and mining stocks. This growth trend creates potential for investment in the underlying elements contained in lithium-ion batteries and other advanced battery technology such as: Lithium, Cobalt, Nickel, Graphite, Manganese, and for battery recycling.

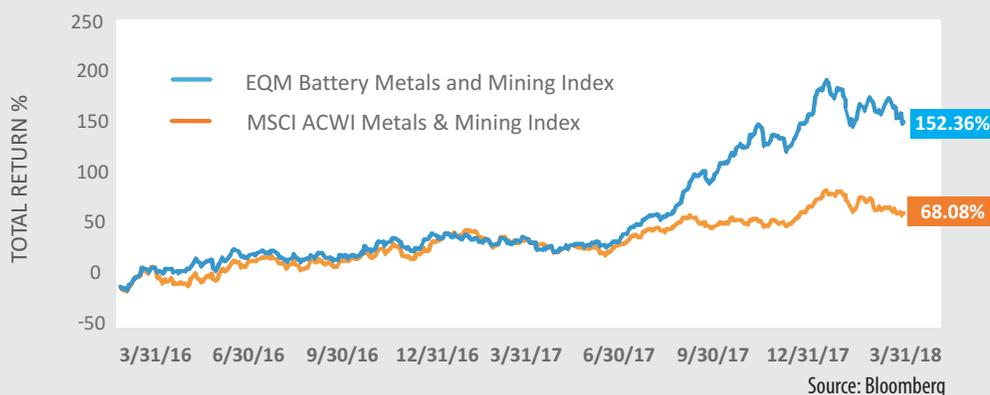
- 1. Growing Global Opportunity** - According to Orbis Research, the global Lithium-ion battery market, which accounted for \$29.86 billion in 2017, is expected to reach \$139.36 billion by 2026, growing at an impressive CAGR of 18.7%.
- 2. Multiple Drivers of Demand** - A number of factors continue to fuel growth in lithium-ion batteries, including continued demand for mobile devices, the accelerating pace of global electric vehicle adoption and a rising need for grid energy storage solutions.
- 3. Constrained Supply Conditions** - Several factors are constraining supply in the face of accelerating demand such as a tightly held supply chain, limited natural resources, time delays in ramping-up production, and geopolitical concerns.

1. Orbis Research. (2018, April 11). Lithium-ion Battery Market to Exhibit Impressive Growth of CAGR of 18.7% during the period 2026. <https://www.reuters.com/brandfeatures/venture-capital/article?id=32694>

## Index Backtest Results

### EQM Battery Metals and Mining Index Simulated Performance History

3/31/2016 - 3/31/2018



Performance herein is provided for illustrative purposes only. Values between March 31, 2016 and March 31, 2018 have been calculated pursuant to a backtested methodology. Backtested calculations are prepared with the benefit of hindsight and no hypothetical record can completely account for the impact of financial risk in actual trading. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index, or investment funds that are intended to track the performance of the Index, the imposition of which would cause actual and back-tested performance to be lower than the performance shown. Index performance returns include the reinvestment of dividends. Actual returns may differ and be lower or higher than what is shown above. Past performance of the Index is not an indication of future results. (See additional disclosure.)



## Overview

The EQM Battery Metals and Mining Index (BATTIDX) tracks the price movements in shares of global companies engaged in the production, mining and/or integration or recycling of metals and materials used in batteries. The Index seeks to provide exposure to companies in the battery production supply chain that utilize elements such as Lithium, Cobalt, Nickel, Manganese, Graphite and other materials. The Index seeks to offer "pure play," diversified exposure to this growing market opportunity.

<b>Ticker</b>	BATTIDX
<b>Inception Date</b>	5/1/18
<b>Index Calculation/Publication</b>	Thomson Reuters
<b>Total # Holdings</b>	44
<b># US Holdings</b>	3
<b># Non-US Holdings</b>	41
<b>Rebalance (Aug/Nov/Feb/May)</b>	Quarterly
<b>Weighting Scheme</b>	Modified, equal weighting

## Licensing Information

EQM Indexes® LLC licenses its indexes to firms involved in the issuance of Exchange Traded Products (ETPs). If you are interested in licensing an index from EQM Indexes LLC or have an idea for a new index product, contact us at [info@eqmindexes.com](mailto:info@eqmindexes.com).

Provided by EQM Indexes  
**Not investment advice or a recommendation to buy or sell securities. Investors may not invest directly in an index.**

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## Representative Constituents

For a complete list of holdings, go to [eqmindexes.com](http://eqmindexes.com).



Source: Bloomberg

	Index Wt %
1 NANJING HANRUI COLBALT CO L-A (300318 CH)	3.06
2 ZHEJIANG HUAYOU COBALT CO-A (603799 CH)	3.04
3 GLENCORE PLC (GLEN LN)	2.99
4 ECOBALT SOLUTIONS INC (ECS CN)	2.92
5 ASSORE LTD (ASR SJ)	2.91
6 LITHIUM AMERICAS CORP (LAC CN)	2.89
7 SOUTH32 LTD (S32 AU)	2.85
8 COBALT 27 CAPITAL CORP (KBLT CN)	2.83
9 JUPITER MINES LTD (JMS AU)	2.82
10 AFRICAN RAINBOW MINERALS LTD (ARI SJ)	2.76

Inclusion of a security within the Index is not a recommendation by EQM Indexes to buy, sell, or hold such security, nor is it considered to be investment advice. EQM Indexes is not an investment advisor, and makes no representation regarding the advisability of investing in any such security.



## Constituent Requirements

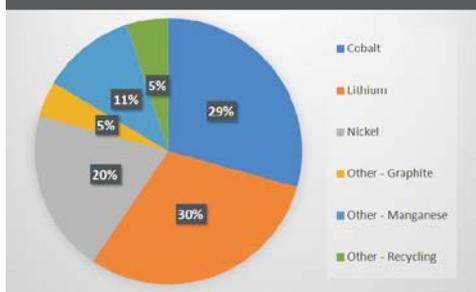
In order to be eligible for inclusion in the index, companies must meet the following conditions:

- Publicly traded companies engaged in the exploration, production, development, processing, and/or recycling of the materials and metals used in advanced battery chemistries such as Lithium, Cobalt, Nickel, Manganese, and/or Graphite.
- The Index seeks to provide exposure to companies in the battery materials supply chain that demonstrate a verifiable beneficial interest in advanced battery metals and/or mining as verified by one of the following factors:
  - ownership/partnership interest** in mineral deposits, resources, and/or reserves used in advanced battery chemistries,
  - revenue or profit** derived from the mining activity or metal processing, operations, contracts, and/or projects utilized in advanced battery chemistries, and/or
  - investment and/or economic share** in companies engaged in mining activity or metal processing, operations, contracts, and/or projects utilized in advanced battery chemistries.

## Portfolio Weightings

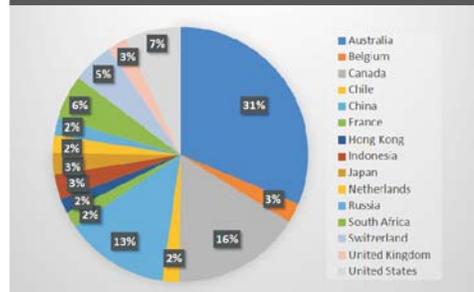
For Illustrative Purposes Only

### Metal Weightings



Source: Bloomberg, EQM Indexes

### Country Weightings



Source: Bloomberg

## About EQM Indexes

EQM Indexes, LLC ("EQM Indexes") is a woman-owned firm dedicated to creating and supporting indexes that track growth industries and emerging investment themes. Co-founded by Jane Edmondson, a former Institutional Portfolio Manager with more than 25 years of investment industry experience, EQM Indexes' index designs spans a wide range of asset classes and financial instruments. EQM Indexes does not provide investment advice, nor offer the sale of securities, but does partner and receive compensation in connection with licensing its indices to third parties to serve as benchmarks for Exchange Traded Products ("ETPs"). All information provided by EQM Indexes is impersonal and not tailored to the needs of any person, entity or group of persons. It is not possible to invest directly in an index. EQM Indexes makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. Inclusion of a security within an index is not a recommendation by EQM Indexes to buy, sell, or hold such security, nor is it considered to be investment advice. While EQM Indexes has obtained information from sources believed to be reliable, EQM Indexes does not perform an audit or undertake any duty of due diligence or independent verification of any information it receives.

- Listing on a regulated stock exchange in the form of shares tradable for foreign investors without restrictions.
- Market capitalization of at least 100 million USD.
- Average daily trading volume of at least 1,000,000 USD over the last six months.
- Adequate constituent liquidity and accessibility for an exchange listed product as determined by the Index Provider.
- Non-US companies will be U.S. exchange traded ADR versions if available, provided their liquidity is comparable to locally traded shares.

### Disclosure

The MSCI ACWI Metals & Mining Index ("MSCI ACWI Metals & Mining Index Net USD") is composed of large and mid cap stocks across 23 Developed Markets (DM) countries and 24 Emerging Markets (EM) countries. All securities in the index are classified in the Metals & Mining industry (within the Materials sector) according to the Global Industry Classification Standard (GICS). Unless otherwise noted, index returns reflect the reinvestment of income dividends and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. Investors may not make direct investments into any index.

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