

# EQM BAD Index

as of 12/31/21

The EQM BAD Index (BADIDX) is designed to track the price movements of a portfolio of U.S. listed companies with exposure to the following B.A.D. market segments: Betting, Alcohol/Cannabis, and Drugs (Pharmaceuticals and Biotechnology).

## The Case for B.A.D. Investing

B.A.D. companies reside in defensive, “shunned”, and underinvested segments of the market providing diversification benefits, economic resilience, and competitive risk-adjusted returns.

1. **Betting** – Casinos, gaming, and online gaming operations.
2. **Alcohol/Cannabis** – Alcoholic beverage manufacturing and distribution and/or cannabis cultivation and sales.
3. **Drugs** – Pharmaceutical and biotechnology product development and manufacturing.

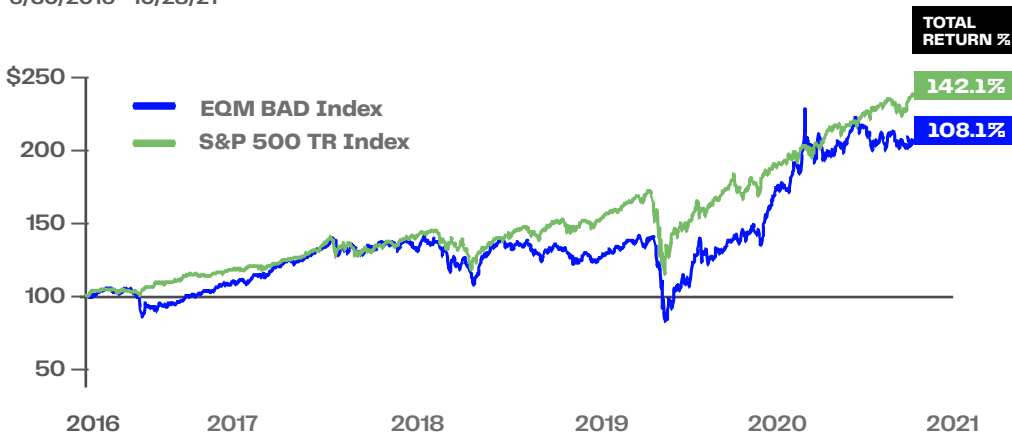
## Overview

The EQM BAD Index (BADIDX) tracks the price movements of a portfolio of U.S. listed equities, including U.S. listed ADRS, with equally-weighted exposure to the following B.A.D. market segments: Betting (Casinos, gaming, and online gaming operations); Alcohol/Cannabis (Alcoholic beverage manufacturing and distribution and/or cannabis cultivation and sales); and Drugs (Pharmaceutical and biotechnology product development and manufacturing). Non-U.S. domiciled companies, including Emerging Markets, are eligible for inclusion only as ADR-versions.

## Performance Results

### EQM BAD Index Simulated Performance History

6/30/2016 - 10/28/21



## Index Details

<b>Ticker</b>	BADIDX
<b>Inception Date</b>	10/29/21
<b>Index Calculation / Publication</b>	Solactive AG
<b>Total # Holdings</b>	56
<b>Rebalance</b> (Mar/Jun/Sept/Dec)	Quarterly
<b>Weighting</b>	Modified, Equal weighted

## Licensing Information

For information regarding the licensing of this index, contact Thematic Investments LLC at [tommy@investbad.com](mailto:tommy@investbad.com).

Values between June 30, 2016 and October 28, 2021 have been calculated pursuant to a backtested methodology. Backtested performance is hypothetical and is provided only for informational purposes to indicate historical performance had the index been available over the relevant time period. It is not possible to invest directly in an index.

**Index Administered 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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## Top 10 Constituents

	Index Wt %
1 DUCKHORN PORTFOLIO INC/THE	2.67
2 CONSTELLATION BRANDS INC-A	2.54
3 DIAGEO PLC-SPONSORED ADR	2.50
4 ANHEUSER-BUSCH INBEV-SPN ADR	2.49
5 AMBEV SA-ADR	2.46
6 BROWN-FORMAN CORP-CLASS B	2.44
7 MOLSON COORS BEVERAGE CO - B	2.40
8 BOSTON BEER COMPANY INC-A	2.35
9 CIA CERVECERIAS UNI-SPON ADR	2.34
10 MGP INGREDIENTS INC	2.34

Source: Bloomberg

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:

- Equities listed on a U.S stock exchange, excluding Over-the-Counter listed companies and including U.S. exchange listed ADR versions.
- Non-US domiciled companies, including Emerging Markets, eligible for inclusion only as U.S.-traded ADRs.
- Companies must derive the majority of their operating revenue from one of the following business categories:

**Betting** – Casinos, gaming, and online gaming operations;

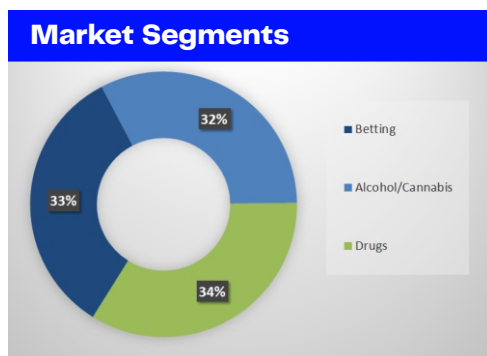
**Alcohol/Cannabis** – Alcoholic beverage manufacturing and distribution and/or cannabis cultivation and sales.

**Drugs** – Pharmaceutical and biotechnology product development and manufacturing.

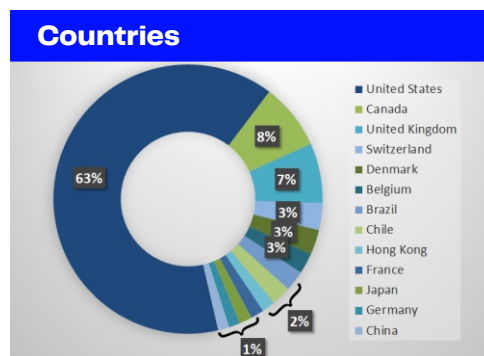
- The Index Provider utilizes issuer financial statements and other public filings and reports, as well as third-party industry research, reports, and analyses, to identify companies in business categories that meet the Index's criteria for inclusion.
- Minimum market capitalization of least \$10 billion USD for new component companies in the Drug category, with a minimum market capitalization of \$5 billion USD for existing component companies.
- Minimum market capitalization of least \$1 billion USD for new component companies in the Betting and
- Average daily traded value of at least \$1 million USD over the last 6 months
- Maximum weight of Cannabis components not to exceed 10% in aggregate at time of adjustment.
- Number of biotechnology components limited to the top by market capitalization.

## Asset Allocation

For Illustrative Purposes Only



Source: Bloomberg, EQM Indexes



Source: Bloomberg

## About EQM Indexes

### EQM INDEXES, LLC

EQM Indexes LLC is a woman-owned firm dedicated to creating and supporting innovative indexes that track growth industries and emerging investment themes. Co-founded by Jane Edmondson, a former Institutional Portfolio Manager with more than 25 years in the investment industry, our index design expertise spans a wide range of asset classes and financial instruments.

We partner with issuers and work jointly with other index firms to provide benchmarks for Exchange Traded Products (ETPs) such as Exchange Traded Funds (ETFs), Exchange Traded Notes (ETNs), and other similar products. EQM Indexes LLC also assists firms on a fee basis to design and implement their index ideas.

### EQM Indexes, LLC

10620 Trenea Street  
Suite 230  
San Diego, CA 92131

### Visit Us

For More Information: [eqmindexes.com](http://eqmindexes.com)

Contact: 858.935.6041

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### The BAD Index Company

6201 College Blvd, 7th Floor  
Overland Park, KS 66211