



Syntax Battery & Energy

Storage Index

(SYBENS) Rulebook

13 November 2023

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# 1 Index Objective

The Syntax® Battery and Energy Storage Index (the “Index”) equally weights up to 50 publicly traded US companies that produce batteries or battery materials or are involved in the clean energy vehicle supply chain. The Index applies screens for thematic purity of exposure, liquidity, and size, and defines business segments including clean energy vehicles, diversified electronic materials, fuel cells and charging stations.

The Index uses company classification data structured in Syntax’s proprietary Functional Information System (FIS)®, which draws primarily from audited annual reports (e.g., 10-K filings) and secondarily from unaudited documents (e.g., news articles, company websites) to allow granular groupings and comparisons of companies by the characteristics of their various product lines.

Information regarding the day-to-day calculation and maintenance of this and other Syntax Indices — as well as regarding the definitions of key terms used throughout this and other Syntax Index Rulebooks — is available in an accompanying document, the *Syntax Index Calculations & Adjustments Rulebook*.

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# 2 Index Parameters

**Launch Date:** 16 December 2022

**First Value Date:** 18 September 2020

**Index Calendar:** US (NYSE)

**Index Trading Hours:** US (NYSE)

**Corporate Action Handling:** Equal-weight Methods

**Regular Dividend Reinvestment:** Pro rata Method

**Reconstitution:** Quarterly — each March, June, September and December (the “Reconstitution Months”)

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**Rebalancing:** Quarterly — each March, June, September and December (the “Rebalancing Months”)

**Snapshot Date:** The last US trade date before the Rebalancing Month, at the market close

**Weight Date:** The last US trade date on or before the Wednesday before the second Friday of the Rebalancing Month, at the market close

**Rebalance Date:** The last US trade date on or before the third Friday of the Rebalancing Month, at the market close

**Effective Date:** The first US trade date following the third Friday of the Rebalancing Month, at the market open

**Inter-Basket Changes:** Constituent entities are neither added nor removed in the Rebalancing except as compelled by reasons that could have triggered an Intra-Basket Change had they occurred between Rebalancings. The Constituent security or Constituent listing of a Constituent entity may be replaced in the Rebalancing by another that provides sufficiently equivalent exposure to the same Constituent entity, as per the Administrator’s Expert Judgment. Additions and removals of all kinds may be made in the Reconstitution.

**Intra-Basket Changes:** Index Constituents may be removed at any time due to corporate actions or events severely affecting liquidity, business integrity, or the relevance of business engagement. Except where specified in the *Syntax Index Calculations & Adjustments Rulebook* for handling of corporate actions such as mergers or spinoffs, Index Constituents are not added between Rebalancings.



## 3 Basket Construction

### 3.1 Universe

The Index's Universe is drawn from the Syntax US 3000 Index (SY3000). Candidates are identified using Syntax FIS data showing that each has at least 20% Theme Exposure (typically measured as a percentage of revenues, and in some cases reflecting profit or other indicators that are deemed more relevant) from one or more of the following business segments:

- **Batteries:** the manufacture or distribution of batteries for diversified industries including, but not limited to, utilities, automotive, industrial production, or technology.
- **Battery Materials:** the mining of metals and minerals, as well as the production of chemicals or other materials for incorporation into batteries.
- **Diversified Electronic Materials:** the production of diversified electronic materials such as semiconductor components or substrates for incorporation into batteries, as well as other electronic equipment.
- **Clean Energy Vehicles:** the manufacture of electric and other clean energy vehicles and the provision of equipment and services for the electric vehicle industry.
- **Fuel Cells:** the manufacture of fuel cells for diversified industries and the provision of equipment or services for the fuel cell industry.
- **Charging Stations:** the building, operation, or maintenance of electric vehicle charging stations.

### 3.2 Selection

To be considered an "Eligible Candidate" and enter the ranking process, a Candidate must meet all the following eligibility criteria:



- Average Daily Traded Value (ADTV): three-month minimum of 3 million USD based on at least one month of trading history
- Float Factor: minimum of 20%
- Market capitalization: minimum of 500 million USD
- Float-adjusted market capitalization: minimum of 250 million USD

The Index selects Constituents from among the Eligible Candidates by the following steps:

- 1) Rank all the Eligible Candidates by three metrics in descending order separately: market capitalization, three-month ADTV, and Theme Exposure.
- 2) For each Eligible Candidate, average the three metrics' rank numbers.
- 3) Sort the Eligible Candidates into two buckets: one comprising the Eligible Candidates whose Theme Exposures are at least 50% (the "Pure-play Bucket"), and the other comprising the Eligible Candidates whose Theme Exposures are below 50% (the "Diversified Bucket").
- 4) Further sort each of the Pure-play and Diversified Buckets into two groups: one comprising the Eligible Candidates primarily classified in the Clean Energy Vehicles business segment (the "Clean Energy Vehicles Group"), and the other comprising all the remaining Eligible Candidates in the Bucket (the "Remainder Group").
- 5) By ascending order of the averaged rank numbers from (2), using three-month ADTV as a rank tiebreaker — such that all else held equal, Eligible Candidates with higher values for the three metrics are selected first — select Constituents from among the Eligible Candidates within as many groups as are needed, proceeding through the groups in the following order until either 50 Constituents are selected, or all Eligible Candidates are selected:
  - a. Remainder Group within the Pure-play Bucket
  - b. Clean Energy Vehicles Group within the Pure-play Bucket
  - c. Remainder Group within the Diversified Bucket
  - d. Clean Energy Vehicles Group within the Diversified Bucket



### 3.3 Weighting

All Constituents are equally weighted as of the Weight Date.

## 4 Index Variants

The Index is calculated in US Dollar (USD) on an end-of-day (EOD) basis by Syntax Indices in the following variants:

<b>Ticker</b>	<b>Name</b>	<b>Return Type</b>	<b>Base Date</b>	<b>Launch Date</b>	<b>Base Level</b>
SYBENS	Syntax Battery & Energy Storage Index	Price Return	18 Sep 2020	16 Dec 2022	1000
SYBENSG	Syntax Battery & Energy Storage Total Return Index	Gross Total Return	18 Sep 2020	16 Dec 2022	1000