

# Global X AgTech & Food Innovation UCITS ETF (KROP)

## FUND OBJECTIVE

The Global X AgTech & Food Innovation UCITS ETF (KROP) seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the Solactive AgTech & Food Innovation v2 Index.

For informational purposes only. This document should be used to highlight some of the criteria to be used by index provider when publishing index constituents and is not comprehensive.\*

As of 07 Nov 2022

Index Provider: SOLACTIVE AG



## KEY FEATURES



High Growth Potential



Global Tailwinds



Conscious Approach

## SOLACTIVE AGTECH AND FOOD INNOVATION V2 INDEX

### SELECTION

- The index is designed to track the performance of companies that have or are expected to have business operations in technologies for agriculture and innovative food production and distribution.
- Companies may be involved in the following:
  - Precision Agriculture
  - Robotics/Automation
  - Controlled Environment Agriculture
  - Agricultural Biotechnology
  - Protein & Dairy Alternatives
  - Food Waste Reduction
- Each company is classified as follows according to the extent to which it generates revenues from AgTech or Food Innovation Activities:
  - Pure-Play: Derives at least 50% of revenue from AgTech or Food Innovation Activities.
  - Pre-Revenue: Has primary business operations in AgTech or Food Innovation Activities but does not currently generate revenue.
  - Diversified: Derives less than 50% revenue from AgTech or Food Innovation Activities.
- The maximum number of constituents is 40 (at most 20 AgTech constituents and at most 20 Food Innovation constituents).
- All constituents must comply with UN Global Compact Principles and a controversial products ESG-based criteria screen. This includes, but is not limited to, Controversial Weapon Involvement, Thermal Coal, Adult Entertainment, Recreational Cannabis and Tobacco, Alcohol and Gambling.

### SELECTION POOL

- Eligible companies must have:
  - Share Class Market Capitalization of \$50 million if they are not current constituents and \$30 million if they are current constituents.
  - Average Daily Turnover of at least \$500,000 over the last three months and \$250,000 for existing constituents.
  - Primary listing in a Developed Market or Emerging Market (excluding India).
  - Traded on 90% of the eligible trading days for the previous 6 months.
  - Free Float percentage of total shares outstanding of at least 10% or a minimum Free Float Market Capitalization of \$1 billion.

### WEIGHTING SCHEME

- Index components are weighted according to their Free Float Market Capitalization:
  - Each component is subject to maximum weight of 12% and a minimum weight of 0.3%.
  - The aggregate weight of companies weighted above 4.5% cannot exceed 48% of the index weight. The remaining companies are capped at 4.5%.
  - The aggregate weight of Pre-Revenue and Diversified companies cannot exceed 15% of the index weight, and the maximum weight of the aforementioned companies is 4%.
  - The aggregate weight of the index constituents listed on a Russian stock exchange cannot exceed 15% of the index weight.



## REBALANCING

- The index follows a semi-annual rebalancing schedule, made on the last Friday of May and November each year, at the close of business. The rebalances also check for compliance with the UN Global compact Principles and the controversial products ESG-based criteria screen.
- The index follows a semi-annual review on the last Friday in February and August and the index is reweighted if any of these conditions are true:
  - The aggregate index weight of Diversified and Pre-Revenue index components exceeds 20%, then the aggregate index weight of the Diversified and Pre-Revenue index components is capped at 18%
  - The aggregate index weight of constituents listed on a Russian stock exchange is greater than 15%, then the index is reweighted to cap it at 18% and 15%, respectively
  - Any index component exceeds a weight of 16% on any review day, then that component's weight will be capped at 15%

For more information on the Index, please visit [Solactive's website](#).

## Disclosures

The Global X UCITS ETFs are regulated by the Central Bank of Ireland. This is a marketing communication.

Please refer to the relevant prospectus, supplement, and the Key Information Document ("KID") of the relevant UCITS ETFs before making any final investment decisions. Investors should also refer to the section entitled "Risk Factors" in the relevant prospectus of the UCITS ETFs in advance of any investment decision for information on the risks associated with an investment in the UCITS ETFs, and for details on portfolio transparency. The relevant prospectus and KID for the UCITS ETFs are available in English at [www.globalxetfs.eu/funds](#).

Investment in the UCITS ETFs concern the purchase of shares in the UCITS ETFs and not in a given underlying asset such as a building or shares of a company, as these are only the underlying assets that may be owned by the UCITS ETFs.

A UCITS ETF's shares purchased on the secondary market cannot usually be sold directly back to a UCITS ETF. Investors must buy and sell shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying shares and may receive less than the current net asset value when selling them. Changes in exchange rates may have an adverse effect on the value price or income of the UCITS ETF. Past performance of a UCITS ETF does not predict future returns. Future performance is subject to taxation which depends on the personal situation of each investor, and which may change in the future. Neither past experience nor the current situation are necessarily accurate guides to the future growth in value or rate of return of a UCITS ETF. Investment may be subject to sudden and large falls in value, and, if it is the case, the investor could lose the total value of the initial investment. Income may fluctuate in accordance with market conditions and taxation arrangements. The difference at any one time between the sale and repurchase price of a share in the UCITS ETF means that the investment should be viewed as medium term to long term.

Any investment in a UCITS ETF may lead to a financial loss. The value of an investment can reduce as well as increase and, therefore, the return on the investment will be variable. Global X ETFs ICAV is an open-ended Irish collective asset management vehicle issuing under the terms of its prospectus and relevant supplements as approved by the Central Bank of Ireland and is the issuer of certain of the ETFs where stated.

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## Information for Investors in Switzerland

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