



Rize Global Medical Cannabis Exclusion Policy

04 March 2022

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- a. compliant with either state or federal laws in the countries in which such company operates; and/or
- b. uninvolved in the production and/or distribution of cannabis flower and/or cannabis-derived products containing more than Hemp-defined levels of tetrahydrocannabinol (THC) for the recreational consumer market and/or the provision of plant-touching services (such as extraction and purification services) to the foregoing companies and/or
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Rize retains the right to change the Methodology in accordance with its provisions and the Methodology may change at any time.

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Rize ETF Limited is incorporated in England and Wales (registration number 11770079), with its registered office address at C/O Foot Anstey LLP, 2 Glass Wharf, Bristol, United Kingdom, BS2 0FR and its principal place of business at Dashwood House, 69 Old Broad Street, London, United Kingdom, EC2M 1QS.

Rize Global Medical Cannabis Exclusion Policy

1. Introduction

The Rize Global Medical Cannabis Exclusion Policy (the “**RGMC Exclusion Policy**”) has been created and is maintained by Rize ETF Limited (“**Rize**”). The RGMC Exclusion Policy formally documents the process and governance associated with the construction and maintenance of the Rize Future First Exclusion List (the “**Rize Future First Exclusion List**”) relating to the Foxberry Medical Cannabis and Life Sciences Index (the “**Index**”) and the Rize Medical Cannabis and Life Sciences UCITS ETF (the “**ETF**”).

The purpose of the RGMC Exclusion Policy is to act as a non-exhaustive screen for companies operating within the global medical cannabis and life sciences sector that are determined by Rize to be:

- non-compliant with either state or federal laws in the countries in which they operate (together “**Non-Compliant Companies**”); and/or
- directly involved in the production and/or distribution of cannabis flower and/or cannabis-derived products containing more than hemp-defined levels of tetrahydrocannabinol (THC) for the recreational consumer market (including the provision of plant-touching services, such as extraction and purification services, to the foregoing companies) (together, “**Recreational Exposed Companies**”).

2. Methodology

2.1. Company Screening Process and Frequency

The RGMC Exclusion Policy and the Rize Future First Exclusion List have been created, and are maintained, by Rize.

The Rize Future First Exclusion List is updated on a semi-annual basis in March and September.

Data used in the construction of the Rize Future First Exclusion List is procured from one or more third party data vendors.

Companies operating in the medical cannabis and life sciences sector are subject to a screening review by Rize by reference to the criteria described at paragraphs 2.2. and 2.3 below.

Rize aims to make its determinations by reference to a company’s most recent audited report and financial statements (or equivalent), most recent interim report and financial statements (or equivalent) and any relevant public company announcements (“**Relevant Public Information**”). Please note that reference to a company’s Relevant Public

Information is made strictly for the purposes of the screening review by Rize by reference to the criteria described at paragraphs 2.2. and 2.3 below and is not made for any other purpose. **Rize makes no comment on the past or future performance of any company and, for the avoidance of doubt, the inclusion of a company on the Rize Future First Exclusion List or the omission of a company from the Rize Future First Exclusion List does not constitute investment advice.**

Rize may, in its absolute discretion, apply additional review criteria to the review of particular companies and determine to place a company on the Rize Future First Exclusion List for reasons outside of the criteria cited at paragraphs 2.2. and 2.3 below.

Any companies that are determined by Rize to be Non-Compliant Companies or Recreational Exposed Companies are placed on the Rize Future First Exclusion List.

2.2. Non-Compliant Companies

Companies that are considered to be non-compliant with either state or federal law in the country or countries in which they operate will be placed on the Rize Future First Exclusion List.

Examples of such companies would be companies operating in the United States that may be compliant with the laws of the particular state (or states) in which they operate but not compliant with US federal law at which level cannabis-related business activities remain illegal (cannabis is a Schedule I controlled substance under the Controlled Substances Act (21 U.S.C. § 811)).

Pursuant to the listing admission rules and policies of the New York Stock Exchange and the Nasdaq and certain other global stock exchanges, a company must be compliant with both state and federal law to be eligible for listing (or continued listing).

However, given that stock exchanges are “self-regulatory organisations”, which entitles them to self-regulate the listing and continued listing of companies, it is possible that certain companies may maintain a listing on one of these exchanges yet be (or appear to be) non-compliant with state and/or federal law in the countries in which they operate. If it is determined that, notwithstanding a company’s listing on a major stock exchange, such company is (or appears to be) non-compliant with state and/or federal law in the countries in which it operates, the relevant company will be placed on the Rize Future First Exclusion List until it can be demonstrated to the satisfaction of Rize that the company is compliant.

2.3. Recreational Exposed Companies

Companies that are determined to be directly involved in (and therefore derive revenue from) the production and/or distribution of cannabis flower and/or cannabis-derived products containing more than hemp-defined levels of tetrahydrocannabinol (THC) for the recreational consumer market and/or the provision of plant-touching services (such as extraction and purification services) to the foregoing companies will appear on the Rize

Future First Exclusion List notwithstanding that such companies may be compliant with both state and federal law in the countries in which they operate.

Examples of such companies would be:

- companies operating in Canada who, prior to October 2018, were licensed to cultivate cannabis and/or produce and/or distribute cannabis flower and/or cannabis-derived products for medical use and who have, subsequent to the legalization of cannabis for recreational use in Canada in October 2018, begun to supply cannabis to the recreational consumer market (“**Licensed Producers**”); and
- companies providing cannabinoid extraction and purification services to Licensed Producers or companies who sell or lease extraction technology/systems to Licensed Producers and earn royalty payments from Licensed Producers with respect to the use of such technology/systems.

Where it is considered that a company may have direct exposure to the recreational consumer market, a review of the company’s Relevant Public Information is made. A company that appears to have direct exposure to the recreational consumer market will be placed on the Rize Future First Exclusion List.

3. Governance

The Methodology will be formally reviewed on an annual basis by the board of directors of Rize.

Outside of the formal annual reviews described above, Rize may also update and re-issue the Methodology on an ad hoc basis to reflect developments in the global medical cannabis and life sciences sector landscape and applicable laws and regulations.

4. History

Version	Date	Comment
1	22 January 2020	<ul style="list-style-type: none"> • First version of Methodology issued.
2	31 March 2021	<ul style="list-style-type: none"> • RGMC Exclusion List updated to include four additional companies. • No changes made to the Methodology.
3	03 September 2021	<ul style="list-style-type: none"> • RGMC Exclusion List updated to include two additional companies.
4	04 March 2022	<ul style="list-style-type: none"> • The “RGMC Exclusion Policy” and “RGMC Exclusion List” separated into two separate documents with the exclusion list being renamed the “Rize Future First Exclusion List”.

		<ul style="list-style-type: none">• The RGMC Exclusion Policy continues to contain the methodology pursuant to which the exclusions are determined.• No changes were made to the methodology.
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