

Humankind US Equity Index Methodology

1. Introduction

Humankind U.S. Equity Index (the “Index”) is designed to provide exposure to approximately 1,000 U.S. listed public companies that, Humankind Investments LLC (“Index Sponsor”) has determined to have the most positive impact on humanity, defined as investors, customers, employees, and members of society. The Index’s methodology is owned and compiled by the Index Sponsor and utilizes an independent index calculation agent, Solactive AG, to calculate, publish, and maintain the index market value on a daily basis.

The index methodology also seeks to, although is under no obligation to, follow the principles of the United Nations Principles for Responsible Investment (“UNPRI”). For the Index, this particularly includes incorporating environmental, social, and corporate governance issues into the Index Sponsor’s investment analysis and decision-making processes. Additional information related to the UNPRI is available at: <https://www.unpri.org/>.

2. Constructing Humankind U.S. Equity Index

2.1. Initial Universe

U.S. listed and domiciled common stocks and real estate investment trusts with more than \$500 million market capitalization and \$1 million minimum average trading volume over 90 days (or maximum available trading days if the trading history is less than 90 days) at the time of the screening are eligible for inclusion in Humankind U.S. Equity Index. Business development companies are not eligible to be included in the index. All securities eligible for inclusion in the Index must trade on an eligible U.S. exchange. Bulletin board, pink sheet or over-the-counter (OTC) traded securities are not eligible for inclusion.

Eligible U.S. Exchanges: CBOE, NYSE, NYSE American, NASDAQ, ARCA

2.2. Selection of Constituent Stocks

The Index will endeavor to select the top 1000 eligible U.S. listed companies with positive humankind value. Each company in the Index’s initial universe is assigned a humankind value based upon an analysis of how much value the company creates for humankind. The analysis consists of a quantitative approach that aims to calculate the comprehensive economic value of a company based not only upon its financial performance metrics but also on the costs and benefits to society from conducting its business. Humankind determines the component values in this calculation by means of research that synthesizes a broad range of independent data sources such as nationally recognized data providers, scientific and academic papers, data gathered by government agencies, NGOs, other research entities, as well as financial statements and other public disclosures released by companies (10-K, 10-Q, presentations, conference calls), etc. If there are fewer than 1000 eligible U.S. securities with positive humankind value at the time of selection, the index will only include those securities which qualify.

Humankind Value Calculation

Humankind calculates a single dollar value intended to capture the aggregate worth of a company based upon its economic impact on humanity, defined as investors, customers, employees, and society at large.

Investor Value

Each company receives a credit for the value it is estimated to provide to its investors on the basis of multi-year profitability.

Consumer Value

Each company receives a credit for the value it is estimated to provide to its customers based on its offering of products and services.

Employee Value

Each company receives a credit for the value it is estimated to provide to its employees based on their salaries, bonuses, and benefits.

Societal Value

Each company receives a number of debits and credits reflecting the value of the estimated external unaccounted costs or benefits to society from operating its business.

Specific Factors Considered

A list of examples of specific factors considered in conjunction with the above four categories of value include, but are not limited to: food production and distribution; water and sanitation access; healthcare benefits; greenhouse gas emissions; free digital services; air pollution; tobacco; alcohol production; breastmilk substitute production; firearms manufacturing; consumer data harvesting; discrimination; food addiction; for-profit healthcare; gambling; internet addiction; noise pollution; nuclear power generation; opioid production; predatory lending; private prisons; plastic pollution; shelter; slave labor; travel-injuries; war; water pollution; workplace injuries; and adult entertainment.

2.3. Supply Chain Adjustments and Government Value Adjustments

Wherever possible, we work to collect data on the resource dependent relationships between different organizations (like companies, governments, etc.) to better understand how money, goods, and services flow between them. We aim to use this information to impute responsibility to companies that are funded by, or that provide funding to, organizations that cause human harm or provide human benefit. We endeavor to use this “follow the money” principle when estimating the amount of shared responsibility that a company has for its supply chain partner’s, government’s, and others’ impactful actions.

For example, the Humankind value for each company is adjusted on the basis of the company’s supply chain relationships. These supply chain links are inferred from the nature of the company’s business. Independent research drawing on a variety of sources is used to breakdown and appropriately classify a company’s business across industries and to establish the supply chain links between those industries. The North American Industry Classification System framework is used to subdivide the business segments in which a company participates and

determine the supply chain links between industries.

Supply chain adjustments for US domiciled companies are based on an analysis of global supply chains. A proprietary algorithm transfers portions of investor, consumer, employee and societal value between companies all across the supply chain, resulting in an effort to assess Humankind value based not only on the particular profile of the company but also incorporating the value of its business partners.

A Humankind value is also calculated for governments on the basis of the government contribution to the societal factors mentioned above (such as water, sanitation, and healthcare) as well as government specific factors (such as democide risk, education, and redistribution). Companies and governments reciprocally exchange Humankind value on the basis of financial dependencies like taxation links and the estimated amount of revenue that a specific company generates within a given country. Governments can facilitate the activity of companies by providing rule of law, macroeconomic stability, and access to additional consumers in exchange for the taxes collected in each jurisdiction. For US domiciled companies, this adjustment differentiates between companies that have a wholly domestic business and those with multinational operations. Companies with concentrated operations in low Humankind value countries are effectively penalized relative to peers that operate in less problematic locations.

2.4. Capital Structure Distribution Adjustments

An adjustment in Humankind value can be made on the basis of the capital structure of the company. If we have a company with \$1 million in Humankind value that raises only equity, then that Humankind value belongs to the equity. However, if the company funded its business with half equity capital and half debt capital, then the Humankind value would be distributed between those components of the capital structure.

2.5. Cross-Holding Adjustments

A further adjustment in Humankind value can be made on the basis of information about equity holdings between parent companies and their subsidiaries. Companies that own minority or majority interest in other companies receive the appropriate portion of investor, consumer, employee and societal value in accord with the size of their ownership stake.

2.6. Weighting of Constituent Stocks

Constituents are weighted in the Index based on the ratio of their Humankind value to the total Humankind value of the approximately 1000 index constituents. Those having a higher positive rating receive a higher weighting in the Index, subject to maximum individual constituent weight of 4% and a maximum individual industry group (as defined by nationally recognized industry classification standards) weight of 20%.

2.7. Constituent Stocks with Multiple Eligible Share Classes

Share classes with more than \$500 million market capitalization that meet the criteria defined in Section 2.1 are eligible to be considered. If there are index constituents with multiple eligible share classes, the share class with voting rights will be preferred for inclusion. If there are multiple share classes with identical voting rights, the share class with higher liquidity (as defined

by average trading volume over 90 days at the time of the screening based on data from nationally recognized data providers) will be preferred upon the constituent's initial inclusion in the index.

3. Rebalancing Frequency

The Index will be reconstituted annually on the third Friday of May (or next available trading day) based on the process mentioned above. The Index reconstitution selection day is the second Friday of May (or next available trading day). Announcement of the reconstituted Index constituents will be made on the selection day.

In addition, the Index will be rebalanced quarterly on the third Friday of February, August, and November (or next available trading day). Index rebalance will include reweighting constituents to their weight on reconstitution date and eliminating securities whose market capitalizations on the Friday prior to the rebalance date are below \$250 million. Any deleted securities will not be considered for inclusion in the index until the next reconstitution date. If there is any necessary deletion of constituents, remaining constituents will be reweighted on pro-rata basis.

For the absence of doubt, we treat the third Friday of February, May, August and November (or next available trading date) as a quarter end date.

4. Treatment of Corporate Actions

Constituents can be added/ deleted from the Index following corporate events.

Spin-Offs

- Parent company has a non-zero weight in the Index and spun-off company is in the Index's initial universe as defined in Section 2.1: Spun-off company will be added to the Index, and the combined weight will be the same as parent company's weight before the spin-off.
- Parent company has a non-zero weight in the Index and spun-off company is not in the Index's initial universe as defined in Section 2.1: Spun-off company will have zero weight the Index at the quarter-end rebalance date and parent company will retain its weight before the spin-off.
- Parent company is not a constituent of the Index: No action.

Mergers

- Merger between 2 Index constituents: The delisted company will be dropped out of the Index and the weight of the constituent that remains will be the combined weight of the constituents before the merger.
- Merger between the Index constituent and non-Index constituent: If the remaining merged company is the Index constituent, the weight of the constituent will not change. If the remaining merged company is a non-Index constituent, the Index constituent will be removed from the Index and its weight based on its last closing price will be distributed pro rata across the remaining Index constituents.
- Merger between non-Index constituents: No action.

5. Treatment of extraordinary events

Constituents can be deleted at any time from the Index following extraordinary events relating to a company's impact on humanity as determined by Humankind. In this case, announcement will be made 10 trading days before the deletion.

Important Risk Information

No Offer. This material is being provided for information and discussion purposes only, is qualified in its entirety by the information included in your investment management agreement and is not intended to be, nor should it be construed or used as investment, tax or legal advice, any recommendation, or an offer to sell, or a solicitation of any offer to buy, an interest in any security. Any offer or solicitation of an investment may be made only by delivery of an investment management agreement to qualified investors. Prospective investors should rely solely on the respective investment management agreement in making any investment decision. Investments are not suitable for all investors and include substantial risk, including loss of principal. This presentation has not been prepared for any particular investor or client or necessarily for any particular type of investor or client.

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Opinions. The views expressed within reflect the current opinions of Humankind Investments.

Third Party Risk. Certain information has been provided by and/or is based on third party sources and although believed to be reliable has not been independently verified and its accuracy, timeliness or completeness cannot be guaranteed.

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