Nasdaq Sprott Rare Earths Ex-China™ Index

Nasdaq

The Nasdaq Sprott Rare Earths Ex-China Index (the "Index") is designed to track the performance of a selection of rare earth industry securities with exposure outside China which are widely applied in various high-tech devices, energy technologies, and industrial applications.

Why NSREXC?

Geopolitical Diversification

Non-China exposure to the rare earth supply chain amid increasing concentration risk.

Energy Transition Relevance

Rare earths are essential to modern devices, energy technologies, and advanced manufacturing.

Systematic, Transparent Exposure

A rules-based index focused on companies with meaningful rare earth revenue exposure.

Quick Facts

Ticker	NSREXC™
Inception Date	March 23, 2026
Index Weighting	Modified free-float market cap
Reconstitution	Semi-annually
Rebalancing	Quarterly
Constituent Count	Variable
Base Date	March 23, 2026
Base Value	1000
Currency	USD

Market Context & Index Design

Understanding Rare Earth Elements

"Rare earths" refer to 17 chemical elements known for their unique magnetic, luminescent, and electrochemical properties essential for modern technology, including:

+ **High-tech devices:** Electronics, smartphones, advanced computing
+ **Energy technologies:** Wind turbines, electric vehicles, power generation equipment
+ **Industrial applications:** Permanent magnets, batteries, lighting systems

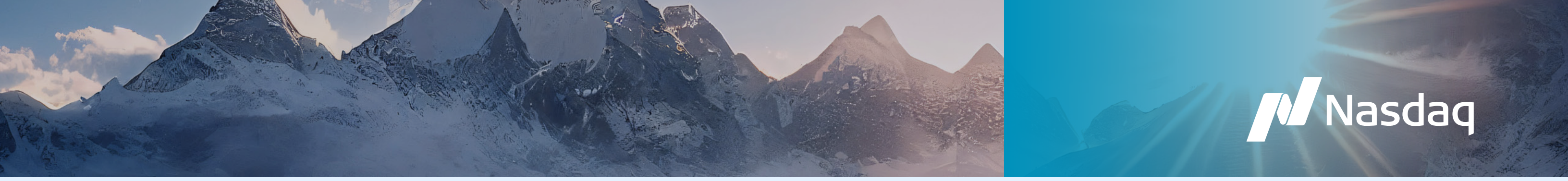
Despite their name, rare earths are relatively abundant but are challenging to extract and process, making them strategically vital for technological advancement and the energy transition.

The China Factor

China currently dominates the global rare earth supply chain, creating concentration risk for industries dependent on these critical materials.

In response, governments and manufacturers are investing in alternative supply sources across the U.S., Australia, Canada, and Europe.[1]

The "Ex-China" design of this index addresses these dynamics by focusing on companies developing rare earth capabilities outside China.



Methodology & Construction

A rules-based approach designed to emphasize companies with meaningful rare earth exposure, while managing concentration risk.

Selection Criteria	Weighting Structure	Weight Constraints
Companies classified by Sprott as rare earth companies	**Group 1:** Companies with ≥50% rare earth revenue exposure (full market cap weighting)	Target maximum single security weight: 20% (applied at evaluation dates)
Min. 25% revenue exposure to rare earth activities (Rare Earth Intensity Score ≥25%)	**Group 2:** Companies with 25-49% exposure (theme-adjusted weighting using Rare Earth Intensity Score)	Group 2 aggregate cap: 15% of index
Min. $30M USD free-float market cap (new securities) / $25M (existing constituents)	Group 2 securities are subject to individual and aggregate caps, with excess weight redistributed in accordance with the index methodology.	Group 2 individual security cap: 4.75%
Three-month seasoning period for new additions		Securities >5% weight collectively capped at 49% of index
$20,000 USD min. average daily trading value		
Excludes securities listed in China and companies domiciled or incorporated in China, including China A-, B-, H-, N-shares, Red Chips, P Chips, and S Chips, as defined by the index methodology.		

Top 10 Constituents

Starting Target Weights

Company	Weight %	Country
Lynas Rare Earths, Ltd.	20.00%	Australia
MP Materials Corp.	20.00%	US
USA Rare Earth, Inc.	6.64%	US
Iluka Resources Ltd.	4.75%	Australia
Neo Performance Materials, Inc.	4.65%	Canada
NioCorp Developments Ltd.	4.57%	Canada
Brazilian Rare Earths Ltd.	4.52%	Australia
Arafura Rare Earths Ltd.	4.38%	Australia
Critical Metals Corp.	3.97%	UK
Energy Fuels Inc.	3.44%	Canada

Constituent weights shown reflect target weights set at the index's initial evaluation; weights may drift from target after each rebalance date.

Other Nasdaq Indexes in Collaboration with Sprott

- Nasdaq Sprott Copper Miners™ Index
- Nasdaq Sprott Junior Copper Miners™ Index
- Nasdaq Sprott Junior Uranium Miners™ Index
- Nasdaq Sprott Silver Miners™ Index
- Nasdaq Sprott Silver Miners and Physical Silver™ Index
- Nasdaq Sprott Energy Transition Materials Select™ Index
- Nasdaq Sprott Lithium Miners™ Index
- Nasdaq Sprott Nickel Miners™ Index
- Nasdaq Sprott Critical Materials™ Index

[1] Source: International Energy Agency.

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