

Gaia Top-Tier Mining Index

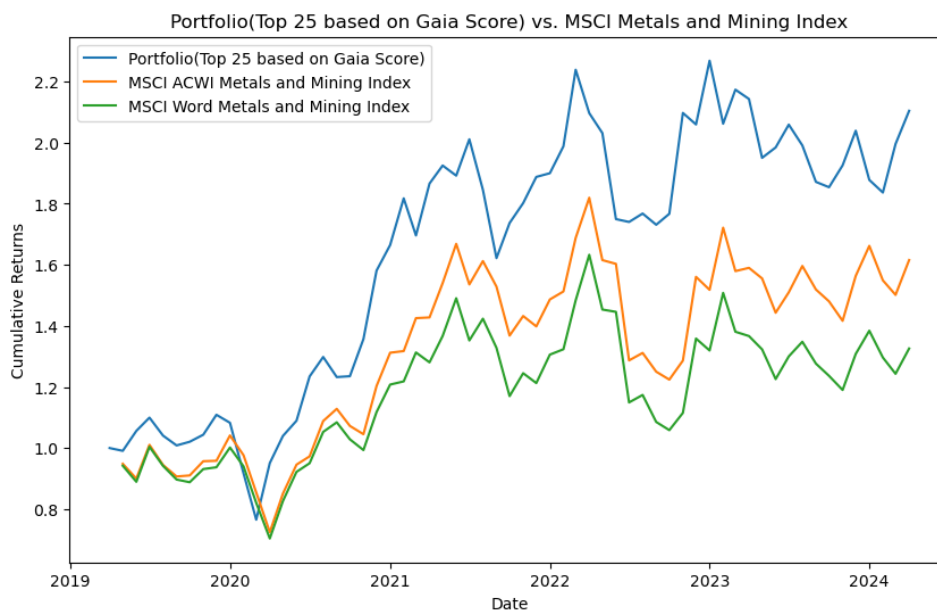
The Gaia Top-Tier Mining Index is a strategically designed model portfolio tailored for investors seeking sustainable opportunities within the mining sector. The index invests in a select group of mining companies that not only lead in green revenue but also excel in operational sustainability and social responsibility, as quantified by the Gaia Score. This rigorous selection process is underpinned by a dual-factor weighting strategy that balances market capitalization with volatility, aiming to optimize the risk-return profile. Ideal for those looking to engage with the future of mining, the Gaia Top-Tier Mining Index offers a principled approach to navigating the complexities and volatilities of the mining industry, while focusing on long-term value creation for shareholders.

Back Testing Results: superior risk-adjusted return against industry-leading index

The back testing of Gaia Top-Tier Mining Index has shown significant outperformance while maintaining a comparable risk level compared to the benchmark index – MSCI Metals and Mining Index.

Our model portfolio achieved an overall return of 110.40%, substantially exceeding the benchmark's return of 61.55%, resulting in a total outperformance of 48.86% over the tested five-year period. On an annualized basis, our model portfolio returned 16.04%, again outstripping the benchmark's 10.07% and providing an annualized outperformance of 5.97%¹.

In terms of risk, our model portfolio maintains a comparable but lower level against the benchmark, bringing us the Sharpe Ratio doubling the benchmark's, which indicates a more favorable risk-adjusted return.



Key reasons to invest: unlock potential in energy metals, key to global energy transition

- Energy metals companies are becoming increasingly important as **the crucial materials for Greentech like EV batteries** considering the global energy transition and carbon neutrality initiatives.
- But, it's crucial to exercise **strong selectivity** when choosing mining stocks, as mining sector is exposed to various risks, including sustainability, development, and management risks.
- Gaia top-tier mining index offers exposure to **high-quality mining companies** with substantial involvement in sustainable practices through our initially filtering of the companies based on their green revenue (revenue generated from energy metals exploration), ensures that only those with substantial involvement in energy transition and sustainable practices are considered.
- By using our **comprehensive internal scoring system – Gaia Score**, our index evaluates companies on multiple dimensions e.g., sustainability, diversity, and local impact, ensuring a holistic assessment of potential investments, controlling the risk by selecting only the top performers.
- Our index has shown **significant return outperformance** in back-testing against the MSCI Metals and Mining Indices while maintained a **lower risk level**, indicating an effective investment strategy, which is compelling to investors looking for strategies that **outperform traditional market-cap-weighted indices** in mining sector.

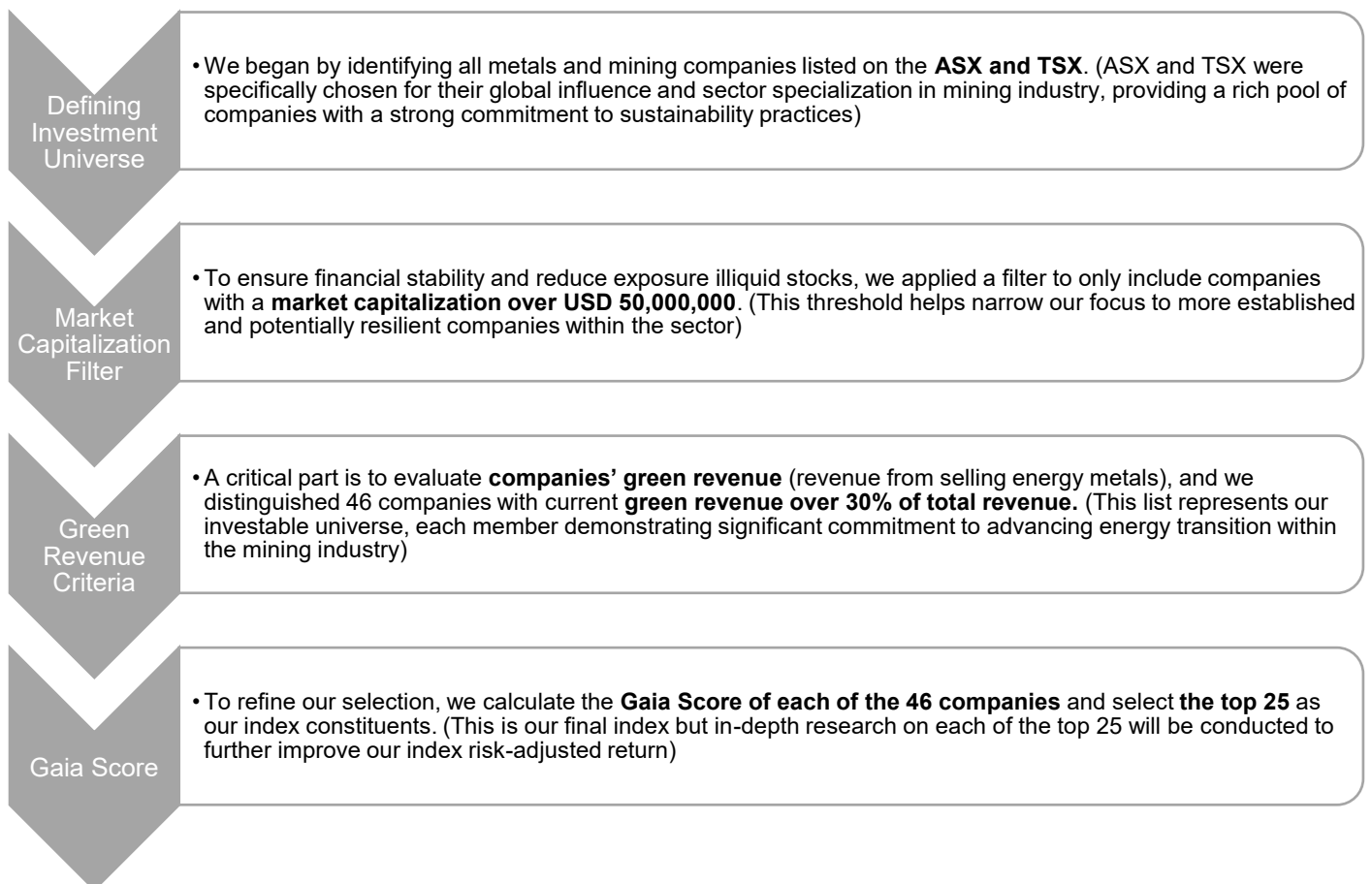
Why Gaia Score?

Our Gaia Score is calculated as the total score of **green revenue and human capital factors**.

- Intangible asset like **human capital management is becoming increasingly important**, it shows how companies attract, develop, and retain talents as well as support innovation. It is potentially one of the most impactful and underappreciated drivers of business value, and its **importance is increasing in the last 50 years with the intangible asset growing from 17% to 90%**.
- Firms with higher green revenues are more likely to **benefit from global energy metals price increase** and perceived more favorably by investors following the global energy transition trend.
- Using a combination of green revenue and human capital score can help us distinguish the high-quality and high-potential firms from the two key dimensions.

Rigorous investment process

That produces a concentrated high-quality portfolio after an initial Gaia screening on energy metals investment scope.



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¹ Past performance does not indicate future performance