VettaFi Rare Earth and Critical Metals Index

VRARE

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Introduction

Index Objective

The VettaFi Rare Earth and Critical Metals Index is designed to measure the performance of globally listed companies actively engaged in the rare earth elements ecosystem. The index captures the full lifecycle of rare earth elements by tracking constituents across four key segments: Mining & Upstream, Processing & Midstream, Advanced Materials, and Recycling & Byproducts.

Highlights

The Index employs a tiered, float-adjusted market capitalization weighting methodology. The weighting framework partitions constituents into Pureplay and Diversified tranches, subjecting Diversified constituents to strict individual and aggregate weight caps.

Dates

- Reference Dates: Close of the last trade date of the month preceding the reconstitution month.
- Weight Date: Close of trading on the trade date preceding the second Friday of the rebalance month.
- Reconstitution Dates: Indexes are reconstituted on calendar quarters on the open of trading following the third Friday of the month.
- Rebalance Dates: Indexes are rebalanced on calendar quarters on the open of trading following the third Friday of the month.

Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein.

The list of the main supplemental documents for this methodology can be found in the Methodologies and Governance tabs on the Index Resources page as follows:

Supporting Documents
Index Maintenance Policy
Index Governance
Index Policies
Methodology Policies
Glossary
Index Change and Consultation Policy
VettaFi Country Classification System

Eligibility Criteria and Index Construction

Universe

Companies listed on global market exchanges.

Index Construction

Constituent Selection

Universe constituents that meet the following criteria are selected.

1. Quantitative Eligibility Filters To be considered for inclusion, a security must meet the following baseline market criteria:

- Minimum Market Capitalization: $100M USD
- Minimum Average Daily Traded Value (3-Month ADTV): $1.5M USD
- Trading History: Minimum 22 trading days over the trailing 3-month period

2. Financial Qualification & Exposure Tiering Companies must satisfy at least one of the following criteria tied directly to Rare Earth Elements (REEs):

- Positive current revenue from REEs.
- Positive projected revenue from REEs within two years.
- Positive organic capital Investment allocated to REE-related assets or projects.

Pureplay Classification Constituents meeting any of the financial thresholds (Current Revenue, Projected Revenue within two years, or Organic Capital Investment) at a level greater than 50% are designated as Pureplay constituents. Eligible companies which do not meet these criteria are classified as diversified companies.

3. Thematic Involvement & Supply Chain Taxonomy A constituent must have direct, verifiable operational involvement or active project development tied to at least one of the 17 Target Rare Earth Elements: Lanthanum (La), Cerium (Ce), Praseodymium (Pr), Neodymium (Nd), Promethium (Pm), Samarium (Sm), Europium (Eu), Gadolinium (Gd), Terbium (Tb), Dysprosium (Dy), Holmium (Ho), Erbium (Er), Thulium (Tm), Ytterbium (Yb), Lutetium (Lu), Scandium (Sc), and Yttrium (Y).

Qualifying operations must fall within at least one of the four core supply chain segments:

A. Mining & Upstream

- Primary Extraction: Operates or holds active mining leases for primary rare earth deposits.
- Monazite & Mineral Sands Mining: Extracts raw rare-earth-bearing monazite or mineral sands alongside primary mining operations.
- Pre-Commercial Mine Development: Holds compliant mineral resource estimates or actively develops primary extraction sites for Target REEs.

B. Processing & Midstream

- Concentrate Cracking & Leaching: Chemically processes rare earth mineral concentrates (e.g., monazite cracking) to produce intermediate compounds like Mixed Rare Earth Oxides (MREOs) or carbonates.
- Chemical Separation & Refining: Operates or constructs separation plants utilizing solvent extraction, ion exchange, or advanced separation technologies to isolate MREOs into individual high-purity oxides.
- Metal Reduction & Primary Smelting: Converts separated high-purity oxides into pure rare earth metals or primary un-engineered metal alloys.

C. Advanced Materials

- Permanent Magnet Fabrication: Manufactures finished or semi-finished rare earth permanent magnets.
- Functional Chemicals & Specialty Coatings: Formulates REE-based polishing compounds, display phosphors, catalysts, or protective semiconductor plasma coatings.
- Specialty Alloys & Precision Components: Engineers refined REE metals into specialized alloys, precision metallurgical powders, or structural components.

D. Recycling & Byproducts

- Secondary Recycling & Preprocessing: Recovers Target REEs or processes/smelts end-of-life products and magnet scrap to produce REE-rich intermediate concentrates.
- Byproduct Slag & Tailings Recovery: Processes mining waste, industrial slag, or tailings streams to extract Target REEs or produce dedicated REE concentrates.

Constituent Weightings & Constraints[1]

Constituents are weighted by their float-adjusted market capitalization with the following weighting constraints:

- Constituent max weight pureplay tranche: 25%
- Constituent max weight diversified tranche: 4.5%
- Companies with an initial weight between 4% and 4.5% are capped at 4%
- Sum of weights in the diversified tranche cannot exceed 20%
- Sum of weights larger than 4.5% cannot exceed 44% of index weight
- Weights are held static between the weight date and the reconstitution date

Index Maintenance

Rebalancing and Reconstitution

The Indexes are rebalanced on the "Rebalance Date" and additionally reconstituted on the "Reconstitution Date". Pricing used in share weights used for reconstitutions are as of the "Weight Date". Share weights for the rebalanced Indexes are computed as of the "Weight Date". Changes to the Indexes related to the rebalances are as of the "Rebalance Date". Additions are only made on reconstitution dates.

Corporate Actions

Please refer to the Index Maintenance Policy document for information on Corporate Action processing.

Index Information

Index history availability, base dates and base values are shown in the table below.

Index	Base Date	Base Value	Price Index	Total Return Index	Net Total Return Index
VettaFi Rare Earth and Critical Metals Index	12/20/2019	1000	VRARE	VRAREG	VRAREN

[1] Historical backtest- Prior to the June 2022 Reconstitution, the aggregate weight constraint of all constituents exceeding 4.5% is removed.

Methodology Updates and Changes

Date	Version	Previous	New
Oct 2026	1.0.0		Initial Version

Index Calculation

Please refer to the Index Maintenance Policy document for information on index calculations.

Index Governance

The index is governed and managed by a VettaFi Index Committee for the purpose of meeting the goals of the index. For more information, please refer to the Index Governance document.

Index Policies

Please refer to the Index Policies document for information regarding Announcements, Holiday Schedules, Unexpected Exchange Closures, and Recalculation Policy.

Contact Information

For any questions regarding an index, please contact: production@vettafi.com

Disclaimer

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