Porter Lindy Effect Index

PCLIND

May 2026

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Introduction

Index Objective

The Porter Lindy Effect Index measures the performance of global companies listed in the US and are over 50 years old. The index is subject to a series of screening criteria. Constituents are weighted by a composite score of company age and 3-year monthly beta.

Highlights

The strategy includes US companies and ADR listings of international companies. It applies screening criteria on profitability and growth factors as well as ICE industry group, ICE industry, listings and liquidity.

Dates

Reference Dates: Close of last business day of May

Reconstitution Dates: Indexes reconstituted annually on the third Friday of June.

Weight Date: 6 business days prior to Rebalance Date.

Rebalance Dates: Indexes rebalanced annually on the third Friday of June.

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

Eligibility Criteria and Index Construction

Universe

The starting universe is as follows:

Index	Index Universe
Porter Lindy Effect Index	VettaFi Full World ADR Index

Multiple Share Classes and Dual Listed Companies

Each company is represented once by the listing with the highest liquidity subject to meeting the eligibility criteria. Ranking is by company market cap and weighting is by eligible company float market cap.

Index Construction

Constituent Selection

Companies classified with the following Industry Groups are excluded:

- Banking and Credit (ICE Industry Group: 401)
- Biopharma (ICE Industry Group: 501)
- REITs (ICE Industry Group: 902)

OTC listings are also excluded.

All remaining starting universe securities that meet the following criteria are selected:

- Minimum company history (from founding) - 50 years
- Minimum 3-month average daily traded value – USD 250,000
- Minimum market cap - USD 1 Billion
- Minimum Listing period – 5 years
- Companies that pass the following factor screens:

Factor Name	**Screening**
5 year average ROA or ROE	>= 15%
5 year average sales growth	>=5%
5 year average FCF margin	>=15%

Constituent Weightings & Constraints

The steps are as follows:

a. Set initial constituent weight as follows:

b. $\mathrm{w}_{i,t} = \frac{\text{composite score}_{i,t}}{\sum \text{composite score}_{i,t}}$

where:

- $w_{i,t}$ = weight of stock i at the close of day t
- composite score $_{I,t}$ = 0.5 * (Z score of the age of the company represented by stock i at the close of day t) + 0.5 * (Z score of the 3-year monthly beta of stock i against the VettaFi US Equity Large-Cap 500 Index at the close of day t).

c. Minimum weight is set to 0.25% and excess weight is redistributed pro-rata from all other constituents over minimum constituent weight of 0.25%.
d. Cap constituent weight at 7.5%. Excess weight is then distributed pro-rata to all other securities that are under the maximum constituent weight of 7.5%.
e. The last step is repeated iteratively until the constraints are satisfied.

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	Price Index	Base Date	Base Value	Total Return Index	Base Date	Base Value
Porter Lindy Effect Index	PCLIND	06/19/2015	1000	PCLINDG	06/19/2015	1000

Methodology Updates and Changes

Date	Version	Previous	New
May 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: index.production@vettafi.com

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