

Restaurant Leaders INDXX Index

Corporate Action

October 31, 2016

Effective October 31st, Yum! Brands (YUM) will spin off its Chinese franchise holdings into a [YUM Chinese \(YUMC\)](#). The Restaurant Leaders INDXX Index will not hold the YUMC spin-off at the end of the day, but will maintain its pre-spin off allocation to YUM! Brands by eliminating YUMC from the basket and increasing the allocation in YUM back to its pre-spin off size.

The action taken by YUM! Brands (YUM) is consistent with the trend to rebrand in the Quick Serve Restaurant (QSR) market. With the spin-off, YUM! Brands has targeted to be 98% franchised. The Restaurant Leaders INDXX Index overweight the QSR category at about 70%. The decision to eliminate YUMC from the index rather than hold it in the index is not meant as a recommendation to other shareholders. The Restaurant Leaders INDXX Index methodology requires 200 days of trading volume in the quantitative proprietary screens. Upon 200 days of trading volume YUMC, like other spin-offs, will be evaluated as a potential holding in the index.

The Restaurant Leaders INDXX Index seeks to provide access to the U.S. publicly traded restaurant industry. Based upon industry research the index tilts about 70% towards Quick Service Restaurants (QSR). The index rebalances its holdings quarterly and uses proprietary quantitative screens to remove 6 relatively underperforming stocks; thereby establishing leadership.

For more information, visit <http://menuetfindex.com/>

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