

INDEX ANNOUNCEMENT

Q4 2026 Quarterly Reconstitution

Published October 1, 2026 | Effective at the close of Thursday, October 1, 2026

Verde Advisors LLC, as Index Administrator, announces the reconstitution of the Verde ESG Leaders Index (VESGLIDX). The reconstituted index holds **95 constituents**, with **15 additions** and **17 deletions**, and one-way turnover of approximately 20%. Constituents were selected from the S&P 500 using Verde ESG Scores recomputed from public data as of September 30, 2026. The full constituent list and weights are published in the updated Factsheet (Version 3.1).

Additions

Ticker	Company	GICS sector	Verde Score	Target weight
TMO	Thermo Fisher Scientific	Health Care	87.0	2.38%
DHR	Danaher Corporation	Health Care	94.0	1.60%
BMJ	Bristol Myers Squibb	Health Care	86.4	1.20%
EMR	Emerson Electric	Industrials	85.2	0.81%
MRNA	Moderna	Health Care	88.0	0.73%
CDNS	Cadence Design Systems	Information Technology	90.3	0.59%
EBAY	eBay Inc.	Consumer Discretionary	87.3	0.45%
CARR	Carrier Global	Industrials	86.4	0.43%
ILMN	Illumina, Inc.	Health Care	91.6	0.42%
CBRE	CBRE Group	Real Estate	89.7	0.36%
KHC	Kraft Heinz	Consumer Staples	85.0	0.25%
HPQ	HP Inc.	Information Technology	90.2	0.18%
BR	Broadridge Financial Solutions	Industrials	81.5	0.16%
TECH	Bio-Techne	Health Care	87.6	0.11%
CSGP	CoStar Group	Real Estate	87.6	0.10%

Deletions

Ticker	Company	GICS sector	Prior target weight
MSFT	Microsoft	Information Technology	6.16%
UNH	UnitedHealth Group	Health Care	3.37%
AMGN	Amgen	Health Care	1.77%
GILD	Gilead Sciences	Health Care	1.51%

Ticker	Company	GICS sector	Prior target weight
DE	Deere & Company	Industrials	1.38%
ELV	Elevance Health	Health Care	0.85%
EW	Edwards Lifesciences	Health Care	0.45%
KDP	Keurig Dr Pepper	Consumer Staples	0.37%
KVUE	Kenvue	Consumer Staples	0.30%
PCG	PG&E	Utilities	0.29%
RL	Ralph Lauren	Consumer Discretionary	0.21%
ES	Eversource Energy	Utilities	0.19%
LII	Lennox International	Industrials	0.16%
NTAP	NetApp	Information Technology	0.16%
REG	Regency Centers	Real Estate	0.14%
DOC	Healthpeak Properties	Real Estate	0.13%
SWK	Stanley Black & Decker	Industrials	0.11%

Additions and deletions reflect each company's rank within its GICS sector (top 20% required) and the absolute floor of 65. PG&E and Eversource Energy fall below the floor; the other deletions fall outside the top 20% of their sectors. Microsoft holds a validated near-term science-based target but no validated net-zero target.

Implementation corrections

In preparing this review, the Administrator identified that the Climate Alignment pillar had been applied incompletely since inception. The published methodology (Version 3.0, Section 2.1) measures validated science-based targets, near-term and net-zero ambition, and temperature alignment. The index had not credited validated net-zero targets, and had scored companies that withdrew their SBTi commitments as committed. Both are corrected from this reconstitution under Section 7.2. The scoring rules themselves are unchanged.

Climate Alignment point schedule. To make the pillar fully reproducible, the Administrator publishes its point schedule: no SBTi target, or a withdrawn commitment, 0; commitment to set targets, 30; validated near-term target, 60, plus 25 (1.5°C), 15 (well-below 2°C) or 5 (2°C); plus 15 for a validated net-zero target; maximum 100.

Tie-breaking. Where companies tie on Verde ESG Score at the sector threshold, rank is decided by float market capitalization, then ticker.

Disclosures

September review. The September 1, 2026 rebalance reset constituent weights to their July 1 targets but did not include the full quarterly re-scoring and reselection described in Section 6.2. The index held its inception constituents through September 30. This is the index's first reconstitution, which accounts for the number of changes.

Notice period. Section 6.1 provides for publication of constituents at least 10 calendar days before the effective date. Because this reconstitution remedies the missed September review, the Administrator is implementing it at the October 1 close under Section 7.2, with same-day publication.

Review calendar. The Administrator has given notice of a move of quarterly reviews to January, April, July and October, aligned with the July 1 inception (see the Methodology Change Notice dated October 1, 2026). The next reconstitution is effective at the close of January 4, 2027.

Questions may be directed to dslattery@verdeadvisors.co.