



JAMES BIBLICALLY RESPONSIBLE INVESTMENT INDEX (JBRI)

Index Rules and Methodology

December 2017

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1. General Description of the James Biblically Responsible Investment Index (Ticker: JBRI)

The James Biblically Responsible Investment Index (Ticker: JBRI) is a portfolio of Large and Mid-Capitalization stocks listed on U.S. stock exchanges that meet James Investment Research criteria for Index inclusion.

JBRI's constituent universe is that of the eVALUEator Biblically Responsible Index (Ticker: BIBLX), which comprises the largest capitalization stocks listed in the United States. The index is designed to exclude companies that are involved in practices and products objectionable from a biblical perspective, including abortion, entertainment*, pornography, lifestyle[†], alcohol, rights[‡], tobacco, and gambling.

[†]Per eVALUEator, "lifestyle" includes one or more methods to promote gay, lesbian, bisexual, transgender/transsexual, or questioning lifestyles (GLBTQ). This may include advertisements or marketing campaigns targeted to those who choose alternative lifestyles.

[‡]Per eVALUEator, "rights" includes one or more methods to support terrorist organizations, undermine human rights, undermine workers' rights, or persecution against Christians.

*Per eVALUEator, "entertainment" includes promoting sexually graphic, violent, profane material, glorifying the use of drugs and alcohol, propaganda, or content intended to undermine positive family values parents are trying to instill in their young ones.

JBRI is an equal weighted index. It is reconstituted and rebalanced quarterly.

2. The Index Committee

The James Investment Committee ("The Committee") will be composed of no less than three members, who are appointed by James Investment Research, Inc.'s Chief Executive Officer. The Committee Chairman will have extensive experience with and expertise in U.S. equity markets. The other members will have experience in financial markets, indexes and/or financial products and responsible investing.

The Committee will be responsible for overseeing the activities of the calculation agent, S-Network Global Indexes Inc. ("The Calculation Agent"), and approving all changes to the index related to its quarterly reconstitution and quarterly rebalancings. The Committee will be responsible for approving any changes in the official index rules, as defined herein.

The Committee will meet quarterly, either in person or via teleconference, to discuss index issues and organize the quarterly rebalancings or reconstitution.

The composition of the Committee may from time to time be changed to reflect changes in market conditions and James Investment Research, Inc. personnel changes.

All members of the index committee and their advisors shall comply with the S-Network Global Indexes code of conduct and ethics with respect to the disclosure and use of material non-public information.

3. Selection Methodology for JBRI

JBRI's constituent universe is derived from the constituents of the eVALUEator Biblically Responsible Index (Ticker: BIBLX) as of JBRI's quarterly reconstitution dates, which are the third Fridays of the last month of each calendar quarter. BIBLX constituents are derived from the S-Network U.S. Large/Mid Cap 1000 Index (Ticker: SN1000), which comprises the 1000 largest capitalization stocks listed in the

United States. BIBLX is designed to exclude companies that are involved in practices and products often deemed objectionable from a biblical perspective, such as abortion, entertainment, pornography, lifestyle, alcohol, rights, tobacco, and gambling. Certain types of securities, such as REITS, Business Development Corporations and MLPs, are excluded from the BIBLX. The BIBLX reconstitutes semi-annually on the third Fridays of June and December.

JBRI Index constituents are companies included in BIBLX that meet James' criteria for Index inclusion. At the quarterly reconstitution, the JBRI universe constituents are assigned a James stock selection score. The James stock selection score is derived from multiple data inputs used to measure valuation, profitability, and relative strength factors. JBRI universe constituents whose scoring meets inclusion requirements are approved for inclusion in the Index. Index constituents are reviewed on an ongoing basis to monitor changes to business practices that may disqualify a security from the Index. Disqualified securities are divested on the last trading day of the month.

4. Weighting Methodology for JBRI

Stocks selected for inclusion in JBRI are equally weighted when the Index is rebalanced and reconstituted. During the quarter, the weights will change as the stock prices fluctuate.

5. Index Value at Inception

JBRI had a value at inception of 1000, on its inception date of December 30, 2011. JBRI is calculated on both a Price Only and on a Total Return basis.

6. Index Changes

The JBRI Index is reconstituted and rebalanced quarterly on the third Friday of the last month of each calendar quarter. Index changes take place at each reconstitution date, except in the event of certain corporate actions, such as mergers, acquisitions, and delistings. In such cases, the change is applied on the effective date of the action, unless otherwise determined by the Index Committee. Whenever possible, changes will be announced at least two business days prior to their implementation.

Deletions are made at any time in the event a stock is liquidated, de-listed, files for bankruptcy or is acquired. Upon deletion, the weight of the removed stock is reallocated proportionately to the remaining constituents. Additions are made only upon the effective date of the quarterly rebalance and reconstitution.

If a constituent stock fails to meet the Indexes' eligibility criteria because it has failed to meet James Investment Research, Inc.'s responsible investing criteria, it will be deleted from the Indexes effective at the open of trading on the first trade date of the following month.

If a universe stock meets the Indexes' eligibility criteria because it now meets the eVALUEator's biblically responsible investing criteria, it will be added to the Indexes on the next rebalancing date.

7. Quarterly Rebalancings

The Indexes are rebalanced quarterly on the third Friday of the last month of each calendar quarter, at which time weighting methodologies described Sections #4 herein are applied.

8. Roles of the Parties in the Quarterly Reconstitutions

Two parties participate in the quarterly reconstitutions: The Calculation Agent, which is responsible for applying the relevant index rules to the Indexes; and The James Investment Committee, which is responsible for reviewing and approving the changes to the Indexes that are recommended by the Calculation Agent.

Data used for the quarterly reconstitution is as of the close of U.S. trading on the last business days of the second month of each calendar quarter (the “Snapshot Date”).

The Calculation Agent will submit to the James Investment Committee its recommended changes to the Indexes five business days following the Snapshot Date.

The James Investment Committee will approve or reject the changes and notify the calculation agent of its decisions not later than eight business days following the Snapshot Date.

Within 24 hours of notification by the James Investment Committee to the Calculation Agent of its approval of changes, the Calculation Agent will post a press release on the Indexes’ web site announcing the changes.

Changes to the Indexes related to the quarterly reconstitutions are implemented in conjunction with the quarterly rebalancings as of the close of trading on the third Fridays of June and December.

9. Roles of the Parties in the Quarterly Rebalancings

Two parties participate in the quarterly rebalancings: The Calculation Agent, which is responsible for applying the relevant index rules to the Indexes; and The James Investment Committee, which is responsible for reviewing and approving the changes to the Indexes that are recommended by the Calculation Agent.

Data used for the quarterly rebalancings is as of the close of U.S. trading on the second Friday of the last month of each calendar quarter (the “Record Date”). Share weights for the rebalanced Indexes are computed as of the Record Date.

The Calculation Agent will submit its recommended weights to the James Investment Committee or its designee within two business days following the Record Date.

The James Investment Committee will approve or reject the changes and notify the calculation agent of its decisions not later than three business days following the Record Date.

Upon notification by the James Investment Committee to the Calculation Agent of its approval of the weights, the Calculation Agent will issue pro forma index weights to all relevant licensees.

Changes to the Indexes related to the quarterly rebalancings are made as of the close of trading on the third Friday of the last month of each calendar quarter.

10. Ongoing Maintenance and Handling of Corporate Actions

In addition to the scheduled quarterly reviews, the Indexes are reviewed on an ongoing basis. Changes in index composition and related weight adjustments are necessary whenever there are extraordinary events such as liquidations, conversions, delistings, bankruptcies, mergers or takeovers involving index components. In these cases, each event will be taken into account on its effective date. Whenever possible, the changes in the index’s components will be announced at least two business days prior to their implementation date.

Eligible Securities. In the event that a component no longer meets the eligibility requirements described herein, it will be removed from the Index on the effective date of the next rebalancing.

Mergers. If two index constituents merge, their component positions will be replaced by the surviving stock immediately. If an index constituent merges with a non-component stock, its component position will be replaced by the new stock, provided the new stock meets the eligibility criteria for JBRI. If the combined stock fails to meet the eligibility criteria for JBRI, it will be deleted from the Index unless otherwise determined by the Index Committee. If deleted, the weight of the merged index constituent shall be redistributed proportionately to the remaining constituents in the index.

Takeovers. If an index component is taken over by another component stock, the former will be removed from the index immediately upon completion of the takeover. If an index component is taken over by a non-component stock, it will be replaced by the acquiring stock immediately, if the acquiring stock meets the eligibility criteria for JBRI. If the acquiring stock does not meet the eligibility criteria for JBRI, the acquiring stock will be deleted from the Indexes and the weight of the removed stock will be reallocated proportionately to the remaining constituents in the Index.

Conversions. If an index component is converted to a non-eligible financial security, it will be deleted from the Indexes on the date of the next rebalancing, unless otherwise determined by the Index Committee.

Share Offerings and Share Buy-Backs. All Share Offerings and Buybacks that result in an increase or decrease of a constituent stock's shares outstanding will be implemented at the quarterly reconstitution.

Tender Offers. Tender offers will be accepted three business days prior to the expiration of the tender offer, provided management of the company for which the tender offer is being made is in favor of the tender offer.

Rights Offerings. Rights will be liquidated three business days prior to the expiration of the rights offering and the proceeds will be reallocated proportionately to the remaining constituents in the Indexes.

Spin-Offs: In the event of a spin-off, the parent company shall remain in the Index and the spun-off company shall be dropped from the Index; the weight of the spun-off company shall be reallocated on a proportionate basis across the remaining index constituents.

Removal of a Stock from the SN1000. If a current component of JBRI is removed from the SN1000 pursuant to the SN1000 semi-annual reconstitution, it will be deleted from the Indexes on the Indexes' next quarterly reconstitution date.

Removal of Stocks Due to Delisting, Bankruptcy or Extreme Financial Distress. If an index constituent is de-listed by its primary market, or is in bankruptcy proceedings, it will be removed from the Index.

* If an index component is de-listed by its primary market due to failure to meet financial or regulatory requirements, it will be removed from the Indexes and its weight will be reallocated to the remaining constituents in the relevant index.

* If an index component enters bankruptcy proceedings, it will be removed from the Indexes and will remain ineligible for re-inclusion until it has emerged from bankruptcy. However, the Committee may, following a review of the bankrupt company and the issues involved in the filing, decide to keep the stock in the Indexes.

* The Committee may, at its discretion, remove a stock it has determined to be in extreme financial distress from the Indexes, if the Committee deems the removal necessary to protect the integrity of the Indexes and the interests of investors in products linked to the Indexes.

Pricing of Stocks in Extreme Financial Distress for Index Maintenance.

* When a stock is suspended from trading due to financial distress and subsequently de-listed by its primary market prior to resumption of trading, the Calculation Agent will use the best-available alternate pricing source to determine the value at which the stock should be removed from the Index.

* If the stock's primary market price is no longer available due to its suspension or de-listing, a current price from another exchange, such as a regional or electronic marketplace, may be used. In the absence of those prices in the case of U.S. securities, OTC Bulletin Board, OTC Equity (non-OTCBB stocks), and Pink Sheet traded prices could be applied in that order.

* If neither a traded price nor a bid/asked range is available, the Committee will evaluate the status of the suspended stock. The Committee may consult with managers of portfolios linked to indexes in which the stock is a constituent in determining the value of the stock. If the Committee concludes that the security has become worthless or is likely to remain too illiquid to be traded, it will be removed from the Indexes at .01 local currency of the stock.

11. Calculation and Dissemination of Index Values

The Calculation Agent will calculate closing values for both the price and total return Indexes based on closing prices as reported by the relevant exchanges.

The Calculation Agent post the following files to its FTP server prior to 7:00PM EST each trading day:

Closing Index File (ICW) – Index constituents, closing prices, weights, share weights and related data as of the day's close.

Adjusted Closing Index File (ICW_Adjusted) – Index constituents, closing prices, weights, share weights and related data as of the next trading day's open.

Corporate Action File (ICA) – Data related to upcoming corporate actions for the Indexes' constituent stocks.

Index Values File (IDX) – Closing values for the price and total return indexes, including divisors.

Closing values for the Indexes will be transmitted to the NYSE prior to 7:00PM EST for redistribution to various vendors and providers of financial data via the NYSE Global Index Feed.

The Indexes will be calculated and disseminated in USD.

Index values will be distributed using the following tickers:

The James Biblically Responsible Investment Index

Price Index: JBRI

Total Return Index: JBRITR

12. Calculation and Adjustments

1. Input Data Sources

* Stock prices are provided by Thomson Reuters. The most recent closing prices of constituent stocks are used for index calculation.

* The number of shares is determined separately for each class of stock. This information is obtained from regulatory filings and a variety of data vendors. The data also may be sourced from the constituent stocks themselves.

* Corporate actions are sourced from public news services, regulatory filings and data vendors. The constituent stocks themselves may be used as an additional source.

2. Index Formula. The Index is calculated using a Laspeyres formula. This formula is used for the calculation of the return index and the price index. The only difference is that the divisor D_t is different for the two indexes (return index and price index).

The Index is computed as follows:

$$\text{Index}_t = \frac{\sum_{i=1}^n (p_{it} \times q_{it} \times r_{it} \times f_{it})}{C_t \times \sum_{i=1}^n (p_{i0} \times q_{i0} \times r_{i0} \times f_{i0})} \times \text{Base Index Value} = \frac{M_t}{B_t} \times \text{Base Index Value}$$

The above-mentioned formula can be simplified as: $\text{Index}_t = \frac{M_t}{D_t}$

Where:

$$D_t = \frac{B_t}{\text{base index value}} = \text{divisor at time (t)}$$

n = the number of stocks in the index

p_{i0} = the closing price of stock i at the base date

q_{i0} = the number of shares of stock i at the base date

r_{i0} = the exchange rate from local currency to USD at the base date

f_{i0} = the float factor of company i at the base date

p_{it} = the price of stock i at time (t)

q_{it} = the number of shares of stock i at time (t)

r_{it} = the exchange rate from local currency to USD at time (t)

f_{it} = the float factor of company i at time (t)

C_t = the adjustment factor for the base date market capitalization

t = the time the index is computed

M_t = market capitalization of the index at time (t)

B_t = adjusted base date market capitalization of the index at time (t)

Dividend payments are not taken into account in the price indexes, whereas dividend payments are reinvested in the Index constituents of the total return index on a proportional basis. The adjustment protects the Indexes from the effects of changes in index composition and the impact of corporate actions.

3. Divisor Adjustments. Corporate actions affect the share capital of component stocks and therefore trigger increases or decreases in the Index. To avoid distortion, the divisor of the Index is adjusted accordingly.
4. Changes in the Index's market capitalization due to changes in the composition (additions, deletions or replacements), weighting (following quarterly reviews, corporate actions (mergers, or special cash or stock distributions of other stocks) result in a divisor change to maintain the Index's continuity. By adjusting the divisor, the Index value retains its continuity before and after the event. For rights offerings, the Calculation Agent will price the rights during the subscription period, not before or after. Alternatively, the Calculation Agent may start pricing the rights after the ex-date and before the subscription period, under the condition that the rights are priced daily.

* Formulae for Divisor Adjustment. The following formulae will be used for divisor adjustments. (Note: No divisor adjustments are necessary for stock splits, since market capitalization does not change and the share number and share price are adjusted prior to the opening of trading on the split's ex-date.)

$$D_{t+1} = D_t \times \frac{\sum (P_{it} \times q_{it} \times r_{it} \times f_{it}) \pm \Delta MC_{t+1}}{\sum (P_{it} \times q_{it} \times r_{it} \times f_{it})}$$

Where:

D_t = divisor at time (t)

D_{t+1} = divisor at time (t+1)

P_{it} = stock price of stock i at time (t)

q_{it} = number of shares of stock i at time (t)

r_{it} = the exchange rate from local currency to USD at time (t)

f_{it} = the float factor of company i at time (t)

ΔMC_{t+1} = add new components' market capitalization and adjusted market capitalization (calculated with adjusted closing prices and shares effective at time t+1 and/or minus market capitalization of stocks to be deleted (calculated with closing prices and shares at time t)

Note: If the current trading price of an issue is unavailable, the previous trading session's closing price is used. However, if the issue is affected by any corporate action that requires an adjustment, then the adjusted price is used.

* Adjustments for Corporate Actions. An index divisor may decrease (▼) or increase (▲) or keep constant (■) when corporate actions occur for a component stock. Assuming shareholders receive "B" new shares for every "A" share held for the following corporate actions:

▼ A) CASH DIVIDEND (applied for return index only)
adjusted price = closing price - dividend announced by the stock

▼ B) SPECIAL CASH DIVIDEND (applied for price and return index)
adjusted price = closing price - dividend announced by the stock

■ C) SPLIT AND REVERSE SPLIT
adjusted price = closing price * A / B
new number of shares = old number of shares * B / A

■ D) RIGHTS OFFERING

adjusted price = (closing price * A + subscription price * B) / (A + B) new number of shares = old number of shares * (A + B) / A

■ E) STOCK DIVIDEND

adjusted price = closing price * A / (A + B) new number of shares = old number of shares * (A + B) / A

▼ F) STOCK DIVIDEND OF A DIFFERENT STOCK SECURITY

adjusted price =(closing price * A - price of the different stock security * B)/A

▲ G) COMBINATION STOCK DISTRIBUTION (DIVIDEND OR SPLIT) AND RIGHTS OFFERING

Shareholders receive B new shares from the distribution and C new shares from the rights offering for every A shares held:

* If rights are applicable after stock distribution (one action applicable to other). adjusted price = [closing price * A + subscription price * C * (1 + B / A)] / [(A + B) * (1 + C / A)] new number of shares = old number of shares * [(A + B) * (1 + C / A)] / A

* If stock distribution is applicable after rights (one action applicable to other). adjusted price = [closing price * A + subscription price * C] / [(A + C) * (1 + B / A)] new number of shares = old number of shares * [(A + C) * (1 + B / A)]

▲ H) STOCK DISTRIBUTION AND RIGHTS (NEITHER ACTION IS APPLICABLE TO THE OTHER)

adjusted price = [closing price * A + subscription price * C] / [A + B + C] new number of shares = old number of shares * [A + B + C]

5. Computational Precision. Index values are rounded to two decimal places and divisors are rounded to integers. Any values derived by the Index calculation engine from a corporate action used for the divisor adjustments and index computations are rounded to seven decimal places.

13. Data Correction Policy

To maintain a high standard of data integrity, a series of procedures have been implemented to ensure accuracy, timeliness and consistency. Input prices are monitored using a variety of computerized range-check warning systems. Fault tolerant methods are employed in the collection of market and corporate action data. Various verification and audit tasks are performed to ensure the quality of the data feeds and related market data. While every effort is taken to ensure the accuracy of the information used for the Index calculation, an index error may occur due to incorrect or missing data, including trading prices, exchange rates, shares outstanding and corporate actions, due to operational errors or other reasons.

1. Intraday Corrections. Reasonable efforts are employed to prevent erroneous data from affecting the Indexes. Corrections will be made for bad prices and incorrect or missing corporate actions as soon as possible after detection.
2. Index-Related Data and Divisor Corrections. Incorrect pricing and corporate action data for individual issues in the database will be corrected upon detection. In addition, an incorrect divisor of an index, if discovered within five days of its occurrence, will always be fixed on the day it is discovered to pre-vent an error from being carried forward.

If a divisor error is discovered more than five days after occurrence, the adjustment will depend upon how significant the error is, how far back the error occurred and the feasibility of performing the adjustment

14: Review Schedule

Reconstitutions

Frequency: Quarterly

Effective date: The 3rd Friday of the last month of each calendar quarter

Advance notice: Approximately 10 business days

Rebalancings

Frequency: Quarterly

Effective date: The close of trading on the 3rd Friday of that month

Advance notice: At least 3 business days