Alerian Dividend-Weighted Index Methodology (AEDW)

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Index Objective
The Alerian Midstream Energy Dividend Index (AEDW) is a fundamentally weighted index based on the liquid, dividend-paying portion of the North American energy infrastructure market. The Index measures the performance of companies domiciled in the U.S. or Canada, listed on major U.S. or Canadian stock exchanges, that pay regular cash dividends and meet specific liquidity requirements as detailed under the Eligibility Criteria section. The capped, dividend-weighted index is reconstituted annually and rebalanced quarterly and reflects the proportionate share of the aggregate annualized cash dividends of each component company based on the most recent ex-dividend.

Dates
Snapshot Dates:

  Annual reconstitution- the last business day in September

  Quarterly rebalance – Close of 4th business day before the Weight Date.

Rebalance Dates: - the close of the third Friday of January, April, July, and October.

Reconstitution Dates: Reconstituted annually on the October Rebalance Date.

Weight Dates: The close of the second Friday of January, April, July, and October.

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:

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Index Construction

Universe
To qualify for membership, a stock must satisfy the following criteria:

(i) Belong to the ICE Sub-Industries of Oil & Gas Pipelines & Storage (0302010101) or Oil & Gas Freight (0604010103).

(ii) Be listed on the NYSE, NASDAQ, NYSE American, or TSX.
(iii) Listing must be domiciled in the United States or Canada.

Stocks satisfying these criteria on the Snapshot Date form the Qualifying Universe.

Selection
All stocks that meet the following criteria on the Snapshot date are included in the index:

Dividends - Stocks must have declared a cash dividend (excluding special dividends) or distribution for each of the trailing two quarters.

Primary Listing - Stocks must be the primary listing if the company has multiple share classes.

Trading Volume - Stocks must have a median daily trading volume of at least $5 million for the six-month period preceding the Snapshot Date.

To reduce turnover, a buffer rule is applied for current constituents in relation to Trading Volume. Each current constituent will be kept in the Index if its median daily trading volume is above $4 million for the six-month period preceding the Snapshot Date.

Weighting
At each quarterly rebalancing and at the annual reconstitution, the weight for each Index constituent is set in the following manner:

1. With data reflected on the Snapshot Date, each company is assigned a weighting as a proportion of aggregate annualized dividends paid. Each stock’s proportion is calculated as the shares outstanding * annualized dividend, which is the latest dividend multiplied by 4 for quarterly dividend payers or the latest dividend multiplied by 12 for monthly dividend payers. The latest dividend is defined as the last dividend to have gone ex before the Snapshot Date.

2. Stocks are assigned Index shares and rebalance weights using the closing prices as of the Weight Date.

3. Any company with a weight greater than 10% on the Weight Date is capped at 10%.

4. All excess weight is proportionally redistributed to all uncapped stocks within the respective index.

5. After this redistribution, if the weight of any other stock(s) breaches the 10% weight limit, the process is repeated iteratively until no stock(s) breaches the respective weight cap.

6. If there are fewer than 10 constituents, the index will be equally-weighted.

Rebalancing and Reconstitution
At the January, April, and July quarterly rebalances, a dividend screen is performed. If a company discontinues or cancels their dividend as of the Snapshot Date, it will be removed from the indices on the Rebalancing Date, as defined below.
The index is rebalanced on the “Rebalance Date” and additionally reconstituted on the “Reconstitution Date”.

Data used for rebalances and reconstitutions are as of the “Snapshot Date”.

Share weights for the rebalanced and reconstituted indexes are computed as of the “Weight Dates”.

**Index Maintenance**
Please refer to the Index Maintenance Policy document for information on Corporate Actions, Data Sourcing, Pricing, Financial distress, Index Dissemination, and Data Correction Policy.

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

**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.

**Index Information**

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<th>Index</th>
<th>Price Index</th>
<th>Base Date</th>
<th>Base Value</th>
<th>Total Return Index</th>
<th>Base Date</th>
<th>Base Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alerian Dividend-Weighted Index</td>
<td>AEDW</td>
<td>10/17/14</td>
<td>100</td>
<td>AEDWT</td>
<td>10/17/14</td>
<td>100</td>
</tr>
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**Rule Book Modifications**

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<th>Effective Date (After Close)</th>
<th>Previous</th>
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| Snapshot Date Definition             | 30-June-2020                 | The Snapshot Date is after the close of the last business day in September and only applies to the annual reconstitution in October | The Snapshot Date is as of the close of the last business day in September for purposes of the October quarterly rebalancing and annual reconstitution. For purposes of the January, April, and July quarterly rebalancings, it is as of the close of the fourth Index Business Day prior to the Rebalancing Weight Date. |}

1 Only Price and Total Return USD versions are listed. Additional return and currency version may be published.
### Dividend Screening

**Date:** 30-June-2020  
**Description:** A dividend screen is performed as part of the annual reconstitution in October. As of the Snapshot Date, stocks must have declared a cash dividend (excluding special dividends) or distribution for each of the trailing two quarters.

### Constituent Weighting

**Date:** 30-June-2020  
**Description:** At the annual reconstitution, the weight for each index constituent is set in the following manner:

1. With data reflected on the Snapshot Date, each company is assigned a weighting as a proportion of aggregate annualized dividends paid. Each stock’s proportion is calculated as the shares outstanding * annualized dividend, which is the latest dividend * 4 for quarterly dividend payers or * 12 for monthly dividend payers. The latest dividend is defined as the last dividend to have gone ex before the Snapshot Date.
2. Stocks are assigned index shares and rebalancing weights using the closing prices as of the Weight Date (the second Friday of October).
3. Any company with a weight greater than 10% is capped at 10%.
4. All excess weight is proportionally redistributed to all uncapped stocks within the respective index.
5. After this redistribution, if the weight of any other stock(s) breaches the 10% weight limit, the process is repeated iteratively until no stock(s) breaches the respective weight cap.

### Change of Administrator and Calculation Agent

**Date:** 24-Jul-2023  
**Details:** S&P  
**Note:** VettaFi

### Change of company sector Classification source and codes

**Date:** 25-Jul-2023  
**Details:** Belong to the GICS Oil & Gas Storage & Transportation Sector (Code: 10102040).  
**Note:** Belong to the ICE Sub-Industries of Oil & Gas Pipelines & Storage
Contact Information
For any questions regarding an index, please contact: index.production@vettafi.com

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