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INDXX GLOBAL YIELDCO INDEX METHODOLOGY

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1. INDXX GLOBAL YIELDCO INDEX

1.1 INDEX DESCRIPTION

The Indxx Global YieldCo Index is designed to track the performance of globally listed securities which are categorized as YieldCos

The index has a base date of December 20, 2013 with an initial value of 1,000.

The index is currently available in the following versions:

- Total Return (Bloomberg Ticker: IYLCOT)

1.2 CREATION OF MASTER LIST

1.2.1 Initial Universe

To be eligible for inclusion in the Initial Universe, securities must have:

- Their primary listing or incorporation in a Developed and Emerging Markets. Developed and Emerging Markets are defined by Indxx in its 'Country Classification and Investability Requirements' document.
- A minimum market capitalization of \$500 million.
- A 3-month average daily turnover greater than or equal to \$1 million.
- If there are fewer than 20 securities which satisfy this criterion, the market capitalization criteria is reduced to US\$ 100 million, and the 3 month ADT criteria is reduced to US\$ 100,000, until there are 20 securities in the portfolio.
- If there are fewer than 20 securities even after reducing the market capitalization and liquidity criteria to include YieldCos, the following, in order of priority, would be considered for inclusion in the index, until there are 20 companies within the index.
- Parent companies of the proposed Yieldcos based on the anticipated listing date of the yieldcos if available, otherwise, this would be based on the date on which these parent companies file the prospectus for spinning off their yieldcos.
- Preferred stock listings of the existing Yieldcos in the current portfolio. (based on MCap of the preferred stock listing).
- The parent companies and preferred stock listings of the existing YieldCos must meet the following criteria: Market Capitalization greater than US\$ 500 million, and past 3 month ADT less than US\$ 1 million
- Parent companies of proposed YieldCos will be removed once the proposed YieldCos gets listed.

1.2.2 Maximum Price

Securities trading at a price of \$10,000 or above are ineligible for inclusion in the universe. This rule is not applicable for existing constituents. Existing constituents shall remain in the universe irrespective of their stock price.

1.2.3 Security Type

The following security types are eligible for inclusion:

- Common Stock
- Preferred Stock
- YieldCos – YieldCos are publicly traded companies that are formed to own operating assets that produce defined cash flows. A YieldCos is a dividend growth-oriented public company, created by a parent company, which bundles renewable and/or conventional long-term contracted operating assets in order to generate systematic cash flow.

Limitation

- If an index constituent whose holding causes the company holding said constituent to fail to qualify as a Regulated Investment Company, the Index Sponsor reserves the provision to remove such a constituent from the eligible universe

1.2.4 Share Classes

In the event of existence of multiple share classes, the most liquid share class will be considered for inclusion in the index. Security weights would be assigned on the basis of company level market capitalization.

1.3 SECURITY SELECTION PROCESS

After applying the initial universe and the security type check:

- If there are still fewer than 20 index constituents, the parent companies of proposed YieldCos will be included in the index (based on the anticipated listing date of the YieldCos if available, otherwise, this would be based on the date on which these parent companies file the prospectus for spinning off their YieldCos).
- If a parent company is a part of the index, and its corresponding YieldCos gets listed, the listed YieldCos will replace the parent entity in the subsequent rebalance period.

1.4 FINAL COMPOSITION

The companies that satisfy the 'Security Selection Process' will form the final Index.

1.5 WEIGHTING

The index is weighted as follows:

- The top 5 listed YieldCos based on Market Capitalization receive step wise decreasing weights from 11% till 7% (for a total of 45%)
- The weights of all the remaining companies are capped at 4.75%. Non YieldCos will be strictly capped at 4.75%
- The aggregate weight of Partnerships is capped at 25%. Any excess weight is distributed proportionately among the remaining constituents.

1.6 RECONSTITUTION AND REBALANCING RULES

- The index follows a quarterly reconstitution and rebalancing schedule. Portfolios will be reconstituted and rebalanced on the third Friday of March, June, September, and December. This day is called the 'Effective Day'.
- The security selection and portfolio creation process start on the close of nearest Friday falling at least one month before the effective day, called the 'Selection Day.' The selection list is created based on the data as of the Selection Day.
- Weights are calculated at the close of the seventh trading day prior to the Effective Day. Index shares are frozen as of this day.
- If there are fewer than 20 Yieldcos with a market capitalization greater than \$500 million, and an ADTV greater than \$1 million, the index rebalances quarterly. Once there are at least 20 YieldCos with US\$ 500 million Market Capitalization and an ADT greater than US\$ 1 million included in the index, subsequent rebalances will take place semiannually, on the third Friday of each of March and September.

1.7 INTRA-DAY REBALANCE

- In case the number of components in the index portfolio falls below 20 in between two quarterly reconstitution dates, the index follows an intra-day rebalance.
- During this review, the next best security from the selection list of the previous quarterly reconstitution, that is not a part of the portfolio is included to make the number of components 20.
- The portfolio will be re-weighted by following the weighing rule as described in the weighting section above. Weights are calculated at the close of the day prior to the effective date of mid period review. Index Shares are frozen using weights as of this day.

1.8 CORPORATE ACTIONS

Indxx standard Corporate Actions for market cap weighted indices apply. The corporate action guidebook is present in the Announcements section of our website, under 'Index Documents'.

2. DISCLAIMER

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