



Alerian Dividend-Weighted Index Methodology (AEDW)

Index Rules and Methodology

Table of Contents

Index Objective 3

Dates 3

Supporting Documents 3

Index Construction 3

 Universe 3

 Selection..... 4

 Weighting..... 4

 Rebalancing and Reconstitution 4

Index Maintenance 5

 Corporate Actions: 5

 Index Calculation..... 5

Index Governance 5

Index Policies 5

 Index Information 5

 Contact Information..... 7

 Disclaimer..... 7

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:

Supporting Documents
Index Maintenance Policy
Index Governance
Index Policies
Methodology Policies
Glossary
Index Change and Consultation Policy

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 Information¹

Index	Price Index	Base Date	Base Value	Total Return Index	Base Date	Base Value
Alerian Dividend-Weighted Index	AEDW	10/17/14	100	AEDWT	10/17/14	100

Rule Book Modifications

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
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	30-June-2020	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.	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. An additional screen is performed as part of the quarterly rebalancing process. If a company discontinues or cancels its dividend, as of the Snapshot Date, it will be removed from the indices on the Rebalancing Date.
Constituent Weighting	30-June-2020	At the annual reconstitution, the weight for each index constituent is set in the following manner: <ol style="list-style-type: none"> 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. <p>At each quarterly rebalancing, the weight for each Index constituent is set in the following manner:</p> <ol style="list-style-type: none"> 1. Any company with a weight greater than 10% on the Weight Date is capped at 10%. 2. All excess weight is proportionally redistributed to all uncapped stocks within the respective index. 3. 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. <p>If there are fewer than 10 constituents, the index will be equally-weighted among the constituents.</p>	At each quarterly rebalancing, the weight for each index constituent is set in the following manner: <ol style="list-style-type: none"> 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. 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 is equally-weighted.
Change of Administrator and Calculation Agent	24-Jul-2023	S&P	VettaFi
Change of company sector Classification source and codes	25-Jul-2023	Belong to the GICS Oil & Gas Storage & Transportation Sector (Code: 10102040).	Belong to the ICE Sub-Industries of Oil & Gas Pipelines & Storage

			(0302010101) or Oil & Gas Freight (0604010103).
--	--	--	--

Contact Information

For any questions regarding an index, please contact: index.production@vettafi.com

Disclaimer

The Indices are proprietary to VettaFi. No use or publication may be made of an Index, or any of its provisions or values, without the prior written consent of VettaFi. VettaFi is not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. In no event shall VettaFi be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content.