



VettaFi Private Credit Index (VPCIX)

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Introduction

Index Objective

The VettaFi Private Credit Index targets exposure to private credit through Business Development Companies (BDCs) and Closed-End Funds (CEFs) that primarily invest in the private credit sector.

Highlights

This index aims to generate higher yields and capital appreciation through Closed End Funds and Business Development Companies that employ private credit strategies.

Dates

Reference Dates: Second Friday of the Rebalance month.

Reconstitution Dates: Indexes reconstituted semi-annually on the last trading day in June and December.

Weight Dates: Monday following the third Friday of the Rebalance Month.

Rebalance Dates: Indexes rebalanced quarterly the last trading day in March, June, September, and December.

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
Key Terms Glossary
Index Change and Consultation Policy
Index Termination Policy
Index Share Policy
VettaFi Country Classification System

Eligibility Criteria and Index Construction

Universe

Companies and Funds must be primarily engaged in Private Credit to be included in the Universe. Loan Participation Closed End Funds and Collateralized Loan Obligation Closed End Funds are included and Debt Focused BDCs are included. The Universe consists of two sub-universes with the following additional requirements:

BDC Universe -

BDC companies must meet the following requirements:

- Minimum market cap - New constituents: 350 million USD; Current constituents: 300 million USD
- Minimum ADTV - New constituents: 300 thousand USD; Current constituents: 250 thousand USD

CEF Universe –

- Members of the S-Network Composite Closed End Fund Index (SNCEFC)
- Minimum market cap: New constituents – 100 million USD; Current constituents – 75 million USD
- Minimum ADTV: New constituents – 300 thousand USD; Current constituents – 250 thousand USD
- Term trusts must have a termination date of 3 or more years from the reconstitution date.
- The average 10-day premium to NAV must be less than 20% above the average premium for all closed-end funds in the universe.
- A fund must have been trading at least 90 days prior to a rebalancing date to be included in the index.

Index Construction

Constituent Selection

Constituents in the universe are assigned z-score derived percentile scores for volatility and dividend yield. Volatility is calculated based on the last 180 trading days and dividend yield is based on the trailing twelve-month dividend yield.

The top ranked 80% of the BDC universe and the top ranked 80% of the CEF universe are selected.

Constituent Weightings & Constraints

Constituents are percentile score-adjusted float market cap weighted (float market cap * percentile rank) and are capped at 5% with excess weight redistributed proportionally

Index Maintenance

Rebalancing and Reconstitution

The Indexes are rebalanced on the “Rebalance Date” and additionally reconstituted on the “Reconstitution Date”. Changes to the Indexes related to the rebalances are as of the “Rebalance Date”.

Except for certain corporate actions, constituents are only added or dropped during a reconstitution.

During a reconstitution constituents are ranked with percentile scores from 0 to 1.0 and during a

rebalance current constituents are ranked with percentile scores from 0.2 to 1.0.

Corporate Actions

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

Index Information

Index history availability, base dates and base values are shown in the table below.

Index	Price Index	Base Date	Base Value	Total Return Index	Base Date	Base Value
VettaFi Private Credit Index	VPCIX	12/29/17	1000	VPCIXT	12/29/17	1000

Methodology Updates and Changes

Date	Version	Previous	New

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.

Contact Information

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