INDEX SERVICES

A DIVISION OF ZACKS INVESTMENT MANAGEMENT

ZACKS YIELD HOG INDEX

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1. INDEX SUMMARY

Full Name	Zacks Yield Hog Index
Index Types	Price Appreciation Index (Ticker: ZAXYH) Total Return Index (Ticker: ZAXYHTR)
Eligible Stocks	Common Stocks, MLPs, REITs, ADRs, and CEFs that are listed on major U.S. exchanges.
Number of Constituents	125-150
Weighting Scheme	Modified Weighting Method
Rebalancing & Reconstitution Frequency	Effective Quarterly in February, May, August, November 3 business days after the last trading day
Calculation Frequency	Price Return: 15 seconds between 00:30 & 18:00 ET Gross Total Return: 15 seconds between 00:30 & 18:00 ET Net Total Return: 15 seconds between 00:30 & 18:00 ET
Base date	2001/8/31
Base level	1000
Historical Returns available since	2001/9/30
Bloomberg Code	ZAXYH
Derivatives and Linked Products	Guggenheim Multi-Asset Income ETF (ticker: CVY)

2. DISCLAIMER

Cases uncovered by the rules provided in this document

Should Zacks Index Services (ZIS) encounter cases that are not covered by the rules provided in this document, ZIS reserves the right to apply adjustment to the rules that are believed to be along the lines of the purpose of the Index.

Index Rule Changes

ZIS reserves the right to amend or withdraw the index rules in whole or in part at any time. ZIS and its affiliates (Zacks Investment Management and Zacks Investment Research) are not liable for any losses resulting from the index rule changes.

Liability

Although ZIS will do its best to ensure the accuracy of all the data and the calculations involved in the periodic index updates, it is not liable for any unforeseen outcomes caused by any inaccuracy in data or human errors.

Ownership

ZIS is the owner of all intellectual and other property rights to the index, including the name, the composition and the calculation of the index.

3. INDEX METHODOLOGY

3.1. Overview

Zacks Yield Hog Index selection methodology is designed to identify companies with potentially high income and superior risk-return profiles as determined by Zacks. The objective of the Index is to select a diversified group of stocks with the potential to deliver high yield and risk adjusted return.

The Index constituent selection methodology utilizes multi-factor proprietary selection rules to identify those stocks that offer the greatest potential from a yield and risk/return perspective while maintaining global/industry diversification.

3.2. Investable Universe

The universe of companies includes common stocks paying dividends, REITs, MLPs, ADRs, Closed-end Funds, and Preferred Stocks. The companies in the universe are selected using a proprietary strategy developed by Zacks Index Services. Please refer Selection & Weighting section for universe screens of each sleeve.

3.3. Selection & Weighting

1) Creation of Common Stock Portion of Index

a) Exclude all ADRs, REITs, Indices, MLPs and Closed-End Funds from the universe
b) Rank the universe after the exclusions based on descending liquidity; limit universe to most liquid 2,000 stocks. Liquidity is defined as 3 month average daily trading value
c) Eliminate those stocks with less than 1.5 times the dividend yield of the S&P 500
d) Rank the remaining stocks into 5 uniform quintiles for each of the following factors: ascending payout ratio, descending quarterly dividend growth, descending yearly dividend growth
e) Eliminate those stocks not ranked in the 1st quintile of at least one factor
f) If there are less than 51 stocks in the common stock portion of the portfolio, add the stocks that are ranked in the 2nd quintile of the payout ratio factor
g) If there are more than 75 stocks in the common stock portion of the portfolio, rank all stocks by payout ratio and select the lowest 75
h) Common Stocks (50% of total portfolio) – rank all stocks into three tranches based on liquidity. The most liquid tranche should be 1.5 times the weight of the middle tranche; the least liquid tranche should be half (0.5 time) the middle tranche

2) Creation of ADR Portion of Index

a) Limit the universe to ADRs only
b) Eliminate ADRs with dividend yield less than or equal to 0
c) Eliminate those tickers with liquidity less than 3 million in liquidity
d) Rank the remaining tickers by Zacks indicator in ascending order, rank the remaining tickers by 9 month momentum in descending order, rank the remaining tickers by payout ratio in ascending order
e) Eliminate 10% ADRs with highest payout ratio, 20% ADRs with lowest momentum and 20% ADRs with highest Zacks Indicator
f) Rank the remaining tickers based on descending dividend yield and select the best 15 tickers
g) ADRs(10% the total portfolio)-weight based on dividend yield with an individual ADR maximum weight of 1% of the total portfolio; maximum weight of one sector is 40%

3) Creation of REIT Portion of Index

a) Limit the universe to REITs only
b) Eliminate REITs with dividend yield less than 2 times the dividend yield of the S&P 500
c) Eliminate those tickers with liquidity less than 7.8 million in liquidity
d) Eliminate those tickers with Zacks Indicator score of greater than 80
e) Rank the remaining tickers based on descending 6 month momentum and select the best 15 tickers
f) REITs(10% the total portfolio)-weight based on liquidity with an individual REIT maximum weight of 1% of the total portfolio

4) Creation of MLP Portion of Index

a) All US listed MLPs
b) Dividend yield must be greater than or equal to 2 times the dividend yield of the S&P 500
c) Eliminate all MLPs not involved in oil/energy or infrastructure (finance, consumer discretionary, consumer staples, etc)
d) Rank all the remaining tickers by Debt to Equity Ratio
e) Eliminate 20% of tickers with highest D/E ratio
f) Rank all the remaining tickers by 3-month momentum
g) Pick 12 tickers with highest 3-month momentum
h) Dividend yield weight them

5) Creation of CEF Portion of Index

a) All US listed CEFs
b) Eliminate those tickers not trading at a discount
c) Eliminate those tickers with a dividend yield less than or equal to zero
d) Eliminate those tickers with less than $300 million in Assets Under Management
e) Rank the remaining tickers by descending dividend yield and choose the best 20 tickers
f) Add liquidity constraint: Calculate 3 month, recent 30 days and recent 10 days trading values using actual volume times price backward. Liquidity constraint (3 month, 30 day and 10 day) should be greater than $1,000,000 for each calculated liquidity value. No new buy or sell if a CEF doesn't meet liquidity constraint.
g) Lower turnover ratio: If it meets the buy rule, the liquidity rule, and the yield has not dropped by more than 10%, there will be no sell despite the fact that it may be out of the top 20 highest yielding CEFs
h) CEFs (10% of the portfolio)-weight based on liquidity with an individual maximum weight of 1.10% of the total portfolio.

6) Creation of Preferred Stocks Portion of Index

a) Limit the universe to preferred stocks only
b) Eliminate preferred with dividend yield less than or equal to 0
c) Eliminate anything with low credit quality
d) Only allow three preferreds from the same issuer
e) Rank the remaining tickers based on descending liquidity and select the best 15 tickers
f) Rank the 15 tickers based on descending dividend yield and select the 12 best tickers
g) Preferred (10% the total portfolio)-weight based on liquidity with an individual maximum weight of 1.1% of the total portfolio

7) Quality Control – Before announcing quarterly rebalance

a) Perform QC on the 125-150 stock Index.
b) Check the dividend yield on all securities to make sure they are accurate
c) Check to make sure that preferred stocks are actual preferreds and not structured products (trust preferreds, callable preferreds, etc.). Check to make sure all preferred stocks is rated equal or above BB (Composite rating of S&P, Moody's, and Fitch…)
d) QC includes: underlying data values, risk report, and current news.
e) Review for Multiple Classes of Stock

f) Companies deleted include:
    - Foreign Companies listed on non-U.S. Exchange as primary exchange
    - Companies listed OTC (excluding NASDAQ), pink-sheets or bulletin boards.
    - Acquisition Pending – where company is the acquired.
    - Call Pending – where preferred stocks is being recalled by the company
    - Business development company (BDCs)

3.4. Rebalancing Frequency

The Index is to be reconstituted and rebalanced once a quarter.

INDEX CALCULATION & DISSEMINATION

NYSE ("the Agent", hereafter) has been selected as an index calculation agent acting on behalf of ZIS. The Agent calculates the index value for both the Price Appreciation and Total Return indexes, and applies all the index maintenance work such as handling of stock splits, M&A activities, etc. according to the specifications provided by ZIS. The Agent also updates and disseminates the index values, notably, through Bloomberg.