



# EVO Quality Income Indices Methodology

- EVO Quality Income Index
- EQI

# Table of Contents

Introduction .....	3
Index Objective .....	3
Index Family & Highlights .....	3
Dates .....	3
Supporting Documents .....	3
Eligibility Criteria and Index Construction .....	4
Universe .....	4
Eligibility Criteria .....	4
Index Construction.....	4
Applicable Factors.....	4
Selection.....	4
Weightings .....	4
Index Maintenance .....	4
Rebalancing.....	4
Corporate Actions .....	5
Base Date and History Availability .....	5
Index Calculation.....	5
Index Governance .....	5
Index Policies .....	5
Contact Information.....	5
Disclaimer.....	5
Appendix .....	6

## Introduction

### Index Objective

The EVO Quality Income index measures the performance of the top 100 US Large Cap high-income companies that exhibit high-quality . The index is subject to sector and individual security weight constraints. The constituents are float market capitalization weighted.

### Index Family & Highlights

The strategy uses a sequential selection approach. First it selects high-income stocks and then selects high-quality stocks within the selected group of high-income stocks.

### Dates

Cut off Dates: Last business day of May and November.

Reconstitution Dates: Indexes reconstituted semi-annually on the third Friday of June and December.

Weight Date: Six business days prior to rebalance effective date.

Rebalance Dates: Indexes are rebalanced semi-annually on the third Friday of June 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
Glossary
Index Change and Consultation Policy
VettaFi Factor Scores
VettaFi Sequential Factor Algorithm Weighting Methodology Rulebook

## Eligibility Criteria and Index Construction

### Universe

Index	Index Universe <sup>1</sup>
EVO Quality Income Index	VettaFi US Equity Large-Cap 500 Index

### Eligibility Criteria

At each semi-annual rebalancing, a company must satisfy the following requirements, as of the rebalancing reference date, to be eligible for index inclusion:

- Have ICE sector other than Quasi Government.

## Index Construction

### Applicable Factors

Index	Factors
EVO Quality Income Index	Quality, Income

### Selection

The top 200 high-income securities are chosen. Then the top 100 high-quality by rank securities from them are selected as constituents.

### Weightings

Constituents are float market weighted subject to sector and security weight constraints.

For more details on factors and scores, please refer to “VettaFi Factor Scores” document.

For more details on selection and weighting, please refer to the “VettaFi Sequential Factor Algorithm Weighting Methodology Rulebook”. Index parameter values are listed in the appendix.

## Index Maintenance

### Rebalancing

The Indexes are rebalanced on the “Rebalance Date” and additionally reconstituted on the “Reconstitution Date”. Pricing used in share weights used for reconstitutions are as of the “Weight Date”. Share weights for the rebalanced Indexes are computed as of the “Weight Date”. Changes to the

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<sup>1</sup> As of Rebalance/Reconstitution date.

Indexes related to the rebalances are as of the “Rebalance Date”. Additions are only made on reconstitution dates.

### Corporate Actions

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

### Base Date and History Availability

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
EVO Quality Income Index	EQI	12/17/99	1000	EQLVT	12/17/99	1000

### 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](mailto: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.

## Appendix

### Parameter Values:

Index	Max Stock Weight %	Max Sector Variance %
VettaFi Quality Income Index	7	5