



## **EVO FACTOR Indices Methodology**

- EVO Quality Core Index EQC
- EVO Quality SMID Index EQCSM
- EVO Quality Growth Index EQGRO
- EVO Low Volatility Core Index EQLV

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## Introduction

### Index Objective

The EVO Quality Core index and EVO Quality SMID index measure the performance of US companies from their respective starting universes that exhibit highest composite scores based on quality with a low volatility tilt, value and momentum factor scores. The indices are subject to sector, security weight and turnover constraints. The constituents are weighted by float market cap.

The EVO Quality Growth index measures the performance of US companies from their starting universe that exhibit highest composite scores based on quality with a low volatility tilt, value, momentum, and growth factor scores. The index is subject to sector, security weight and turnover constraints. The constituents are weighted by float market cap.

The EVO Low Volatility Core index measures the performance of US companies from their starting universe that exhibit highest composite scores based on quality and low volatility factor scores. The index targets a lower volatility than its universe.

### Index Family & Highlights

The indexes are designed to select the highest ranked securities within a sector while maintaining sector weight ranges that are derived from their universes. To promote low turnover current securities are not considered for removal unless their percentile rankings drop below a minimum rank. Security counts are based on the amount required to meet sector and portfolio requirements.

### 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 Generic Factor Algorithm Weighting Methodology Rulebook

## Eligibility Criteria and Index Construction

### Universe

Index	Index Universe <sup>1</sup>
EVO Quality Core Index	VettaFi US Equity Large-Cap 500 Index
EVO Quality SMID Index	VettaFi US Equity Mid/Small-Cap 2500 Index
EVO Quality Growth Index	VettaFi US Equity Large-Cap 500 Index
EVO Low Volatility Core 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 Core Index	Quality with low volatility tilt, Value, Momentum
EVO Quality SMID Index	Quality with low volatility tilt, Value, Momentum
EVO Quality Growth Index	Quality with low volatility tilt, Value, Momentum, Growth
EVO Low Volatility Core Index	Quality, Volatility

### Selection and Weightings

Constituents are selected based on factor ranking to meet sector minimum and maximum weights and 100% portfolio weight. In initial construction minimum sector weights are achieved by selecting top ranked securities, targeting their maximum weights. Constituent maximum weights are a function of a global maximum and a multiple of their weight in the underlying universe. After initial construction ,

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

current constituents are automatically included if they maintain a minimum score ranking. Once current sectors have been adjusted to meet sector weight constraints, the highest ranked securities are adjusted or added to bring portfolio weight to 100%.

Sector weight ranges are based on the sector weights of the underlying universe. The Low Volatility Core sector weight range is based on an average of the underlying universe sector weights and sector weights based on inverse volatility.

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 Generic 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 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 Core Index	EQC	12/17/99	1000	EQCT	12/17/99	1000
EVO Quality SMID Index	EQCSMP	12/17/99	1000	EQCSMT	12/17/99	1000
EVO Quality Growth Index	EQGROP	12/17/99	1000	EQGROT	12/17/99	1000
EVO Low Volatility Core Index	EQLVP	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@vetafi.com](mailto:index.production@vetafi.com)

## Appendix

### Top Level Composite Score:

Top level composite score is used for constituent selection process.

EVO Quality Core Index:

EVO Quality SMID Index:

The composite score consists of quality with low volatility tilt, value, and momentum factors.

EVO Quality Growth Index:

The composite score consists of quality with low volatility tilt, value, momentum, and growth factors.

EVO Low Volatility Core Index:

The composite score consists of quality and volatility factors.

### Parameter Values:

Index	Drop bottom %	Max Multiple	Max Stock Weight %	Max Sector Variance
EVO Quality Core Index	40	5	7	5
EVO Quality SMID Index	40	10	7	5
EVO Quality Growth Index	40	5	7	10
EVO Low Volatility Core Index	40	5	7	5

## Modifications

### Disclaimer

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