



Index Methodology Guide

Alerian MLP Closed End Fund Index (AMCI)

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// Company Background

Introduction

The Alerian MLP Closed End Fund Index is a composite of Master Limited Partnership (MLP) closed-end funds electing to be treated as a corporation for federal income tax purposes. The equal-weighted index is disseminated real-time on a price-return basis (AMCI) and on a total-return basis (AMCIX).

About Alerian

Alerian equips investors to make informed decisions about Master Limited Partnerships (MLPs) and energy infrastructure. Its benchmarks, including the flagship Alerian MLP Index (AMZ), are widely used by industry executives, investment professionals, research analysts, and national media to analyze relative performance. Over \$13 billion is directly tied to the Alerian Index Series through exchange-traded funds and notes, separately managed accounts, and structured products. For more information, including index values and constituents, research content, and announcements regarding rebalancings, please visit alerman.com.

// Security Data

Documents

The following documents are used to calculate shares outstanding.

- Press releases
- Forms pursuant to Rule 497(c) of the Securities Act of 1933 (497)
- Quarterly schedules of portfolio holdings pursuant to Section 30(b) of the Investment Company Act of 1940 (N-Q)
- Certified shareholder reports pursuant to Section 30(e) of the Investment Company Act of 1940 (N-CSR)
- Registration statements pursuant to the Securities Act of 1933 and the Investment Company Act of 1940 (N-2)

Schedules pursuant to the Securities Exchange Act of 1934 (13D, 13G) and forms pursuant to Section 16(a) of the Securities Exchange Act of 1934 (4) are not used in the aforementioned calculations.

Shares Outstanding

Shares included in the calculation of shares outstanding are limited to common shares. This number generally reflects that which is represented by the latest quarterly schedule of portfolio holdings or certified shareholder report, unless otherwise indicated by a press release or Securities and Exchange Commission (“SEC”) document filed pursuant to a transaction. The following is a non-exhaustive list of qualifying transactions and the point at which they are reflected in a security’s shares outstanding.¹

Qualifying Transaction	Reflected in Shares Outstanding
Follow-on public equity offerings	Time of pricing
Over-allotment option exercises	Earlier of time of press release or periodic schedule or report
Share repurchases	Earlier of time of press release or periodic schedule or report

// Constituent Criteria

Constituent Criteria

- Be a closed-end fund management investment company
- Invest a majority of its managed assets in MLP investments
- Be treated as a corporation for federal income tax purposes

A non-constituent will only be added to the index during the (a) quarterly rebalancing process if it meets all criteria and began trading on or before the first trading day of the month prior to the quarterly rebalancing date. Constituents will only be removed from the index for failing to meet criteria during the quarterly rebalancing process.

These criteria are reviewed regularly to ensure consistency with industry trends.

// Index Calculations

Index Equations

The index is calculated by S&P Dow Jones Indices as follows:

- [Initial Divisor] = [Base Date Index Market Capitalization] / 100
- [Index Value] = [Index Market Capitalization] / Divisor
- [Post-Rebalance Divisor] = [Post-Rebalance Index Market Capitalization] / [Pre-Rebalance Index Value]

Index Rebalancings

Index rebalancings fall into two groups: quarterly rebalancings and special rebalancings. Quarterly rebalancings occur on the third Friday of each March, June, September, and December, and are effective at the open of the next trading day. In the event that the major US exchanges are closed on the third Friday of March, June, September, or December, the rebalancing will take place after market close on the immediately preceding trading day. Data relating to constituent eligibility, additions, and deletions are analyzed as of 16:00 ET on the last trading day of February, May, August, and November. The index shares of each constituent are then calculated to an equal weighting, and assigned after market close on the quarterly rebalancing date. Since index shares are assigned based on prices on the last trading day of February, May, August, and November, the weight of each constituent on the quarterly rebalancing date may differ from its target weight due to market movements.

Special rebalancings are triggered by corporate actions and will be implemented as practically as possible on a case-by-case basis. Generally, in a merger between two or more index constituents, the special rebalancing will take place one trading day after the constituent's issuance of a press release indicating all needed merger votes have passed. If the stock is delisted before market open on the first trading day after all needed merger votes have passed, the delisted security will trade at the conversion price, including any cash consideration. Data are analyzed as of 16:00 ET two trading days prior to the last required merger vote. Index shares are then calculated to the weighting scheme above and assigned after market close on the rebalancing date.

Treatment of Distributions

The price-return index does not account for cash distributions. The total-return index accounts for cash distributions by reinvesting them across the index after market close on the ex-dividend date.

Base Date

The base date for the index is 31 December 2015, with a base value of 100. Data prior to the live launch was back-tested by rigorously applying then-current index methodology to each historical rebalancing date to select and weight constituents. A back-filled or back-casted methodology can result in the exclusion of acquired, merged, or delisted companies and distort historical performance.

// Supporting Information

Index Governance

An independent advisory board of MLP and energy infrastructure executives, legal partners, and senior financial professionals reviews all methodology modifications and constituent changes to ensure that they are made objectively and without bias. The board is composed of a minimum of five members, all of whom must be independent.

The Chief Executive Officer of Alerian presents to the board on a quarterly basis, on the Thursday prior to the second Friday of each March, June, September, and December. A board book is distributed in advance of each meeting so that board members have the ability to review proposed index changes, if any, and the supporting data and index methodology prior to the meeting.

Information regarding methodology modifications and constituent changes is considered to be material and can have an impact on the market. Consequently, all board discussions are confidential. Alerian believes that this process leads to unmatched independence and attention to detail in MLP and energy infrastructure indexing.

Holiday Schedule

The index is calculated when US equity markets are open.

Announcements

Constituent changes related to quarterly rebalancings will be announced at 08:30 ET on the second Friday of March, June, September, and December. Constituent changes related to special rebalancings resulting from mergers will be announced at 08:30 EST on the last trading day prior to the last required merger vote. Constituent changes related to special rebalancings resulting from other types of delistings will be handled on a case-by-case basis. Index methodology changes, if any, will be announced after market close on the last trading day of the month. Announcements can be found at alerman.com.

Data Integrity

Alerian uses various quality assurance tools to monitor and maintain the accuracy of its data. While every reasonable effort is made to ensure data integrity, there is no guarantee against error. Adjustments to incorrect data will be handled on a case-by-case basis depending on the significance of the error and the feasibility of a correction. Incorrect intraday ticks of the index resulting from data errors will not be corrected.

Contact Information

972.957.7700

index@alerman.com

// End Notes

1. The word “reflected” here means for index share calculation and constituent selection purposes only. Changes to shares outstanding, as it relates to calculating the index, only occur after market close on rebalancing dates, stock dividends and splits excepted.

// Disclaimers

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