

# HIGH INCOME PASS-THROUGH SECURITIES INDEX

as of 9/30/23



An index designed to generate income from exposure to high income pass-through securities including: Closed End Funds (CEFs), Business Development Companies (BDCs), Real Estate Investment Trusts (REITs), and Energy Master Limited Partnerships (MLPs).

## The Case for High Income Pass-Through Securities

The index provides simple, diversified exposure to four alternative income categories that must “pass-through” and return 90% of their taxable income to shareholders.

- 1. Access Diversified Sources of Alternative Income** – Provides exposure to high-yielding asset classes utilizing a diversified, equal-weighted approach.
- 2. Complement to Fixed Income** – Uncorrelated with fixed income securities, boosting yield while reducing risk.
- 3. High Income Potential** – The index selects the highest yielding securities in each alternative income category with the lowest level of volatility.

## A Diversified Source of Alternative Income

**Passive Income Opportunities** – Providing convenient, diversified exposure to four alternative, high yielding income categories.

<p><b>Energy Master Limited Partnerships (MLPs)</b></p> <p>Master Limited Partnerships trading energy infrastructure assets that operate primarily in the oil and gas midstream industry. MLPs typically consist of a general partner (GP) and limited partners (LPs).</p>	<p><b>Business Development Companies (BDCs)</b></p> <p>A type of closed-end fund that makes investments in developing and financially distressed firms.</p>	<p><b>Closed End Funds (CEFs)</b></p> <p>A closed-end fund is a fund that issues a fixed number of shares through a single initial public offering to raise capital for its initial investments. CEFs are closed to new investment, but trade on public exchanges.</p>	<p><b>Real Estate Investment Trusts (REITs)</b></p> <p>An investment vehicle that owns, operates, or finances income-generating real estate assets.</p>
<p><b>25%</b></p>	<p><b>25%</b></p>	<p><b>25%</b></p>	<p><b>25%</b></p>



## Overview

The EQM High Income Pass-Through Securities Index (HIPSTR) seeks to generate diversified, high income utilizing U.S. exchange-listed high income pass-through securities in the following alternative income asset categories which must return 90% of their taxable income to shareholders: Closed-End Funds (CEFs), Business Development Companies (BDCs), Real Estate Investment Trusts (REITs), and Energy Master Limited Partnerships (MLPs).

The index is reconstituted annually and rebalanced quarterly back to an equal weighted index of 40 high income pass-through securities.

<b>Ticker</b>	HIPSTR
<b>Inception Date</b>	3/6/23
<b>Index Calculation/Publication</b>	BITA GmbH
<b>Total # Holdings</b>	40
<b>Rebalance (Mar/Jun/Sep/Dec)</b>	Quarterly
<b>Weighting Scheme</b>	Equal-weighting

### Licensing Information

EQM Indexes LLC licenses its indexes to firms involved in the issuance of Exchange Traded Products (ETPs). If you are interested in licensing this index from EQM Indexes LLC or have an idea for a new index product, contact us at [info@eqmindexes.com](mailto:info@eqmindexes.com).

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## Top Constituents

For a complete list of holdings, go to [eqmindexes.com](http://eqmindexes.com).

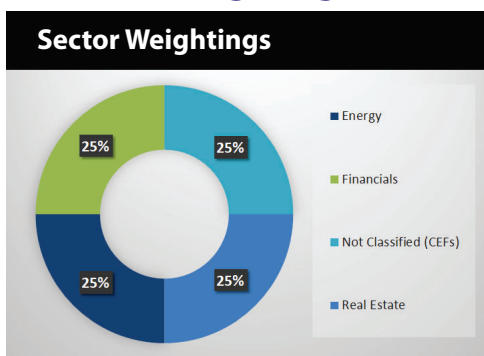
		Index Wt %
1	ENERGY TRANSFER LP	2.50
2	MPLX LP	2.50
3	OMEGA HEALTHCARE INVESTORS	2.50
4	USA COMPRESSION PARTNERS LP	2.50
5	GLOBAL NET LEASE INC	2.50
6	MEDICAL PROPERTIES TRUST INC	2.50
7	CAPITAL SOUTHWEST CORP	2.50
8	SLR INVESTMENT CORP	2.50
9	EASTERLY GOVERNMENT PROPERTIES	2.50
10	NUVEEN CREDIT STRAT INCM	2.50

Source: Bloomberg

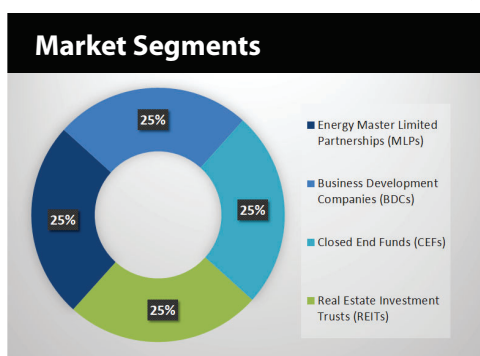
Inclusion of a security within the Index is not a recommendation by EQM Indexes to buy, sell, or hold such security, nor is it considered to be investment advice. EQM Indexes is not an investment advisor, and makes no representation regarding the advisability of investing in any such security.

## Portfolio Weightings

For Illustrative Purposes Only



Source: Bloomberg



Source: Bloomberg, EQM Indexes

## About EQM Indexes

EQM Indexes LLC is a VettaFi company dedicated to creating and supporting innovative indexes that track growth industries and emerging investment themes. VettaFi is a provider of indexing, data & analytics, industry leading conferences, and digital distribution services to ETF issuers and fund managers with offices in the US and Canada. VettaFi's index solutions power nearly \$19 billion in ETFs and other vehicles.

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## Constituent Requirements

The final eligible universe is reconstituted annually from a universe of U.S.-listed high income pass-through securities applying the following screens and filters for each asset category:

### Closed End Funds (CEFs)

- Assets of at least \$150 million USD
- Average daily traded value (ADTV) of at least \$500k over the last 6 months
- Top 10 CEFs with the highest indicated dividend yield and lowest 180-day volatility

### Business Development Companies (BDCs)

- USD market capitalization of at least \$500 million
- Average daily traded value (ADTV) of at least \$500k over the last 6 months
- Top 10 BDCs with the highest indicated dividend yield and lowest 180-day volatility

### Real Estate Investment Trusts (REITs)

- USD market capitalization of at least \$1 billion
- Average daily traded value (ADTV) of at least \$500k over the last 6 months
- Top 10 REITs with the highest indicated dividend yield and lowest 180-day volatility

### Energy Master Limited Partnerships (MLPs)

- USD market capitalization of at least \$1 billion
- Average daily traded value (ADTV) of at least \$500k over the last 6 months
- Top 10 MLPs with the highest indicated dividend yield and lowest 180-day volatility

### Disclosure

*Unless otherwise noted, index returns reflect the reinvestment of income dividends and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. Investors may not make direct investments into any index.*