



INDEX METHODOLOGY

# NASDAQ CEF HIGH INCOME™ INDEX YLDA™

## INDEX DESCRIPTION

The Nasdaq CEF High Income Index is designed to measure the returns and income of up to 60 top U.S.-listed Closed-End Funds.

## SECURITY ELIGIBILITY CRITERIA

To qualify for index inclusion, securities must meet the following Security Eligibility Criteria, which are applied as of the Reconstitution reference date.

### Security types

A security must be a closed-end fund and not an operating company, exchange-traded fund (ETF), holding company, commodity pool, or Real Estate Investment Trust (REIT).

### Listing exchanges

A security must be listed on The Nasdaq Stock Market® (Nasdaq®), the New York Stock Exchange, NYSE American, NYSE Arca, or the CBOE Exchange.

### Other eligibility criteria

If, at reconstitution, Nasdaq becomes aware that an issuer or security will soon undergo a fundamental change that makes it ineligible, Nasdaq will remove the security from consideration. This includes entering into a definitive merger or acquisition agreement or other pending arrangement that would make it ineligible for Index inclusion, or a filing of bankruptcy or similar protection from creditors, or other events as described in Section 3 of **Corporate Actions and Events Manual – Equities**.

## CONSTITUENT SELECTION

### Constituent selection process

An Index Reconstitution is conducted semiannually based on the Reconstitution reference date.

Securities that meet the applicable *Security Eligibility Criteria* are considered for inclusion based on their respective Tier classification and selection process as defined herein.

To be considered a “Tier 1 Fund”, a security (“fund”) must meet the following criteria:

- Have Net Assets of at least \$500 million (USD).
- Have a six-month average daily value traded (“Fund Average Daily Value Traded”) of at least \$1 million (USD).
- Have a Fund Yield that is greater than or equal to 1.2 times the median Fund Yield of dividend-paying funds within the closed-end fund universe (“CEF Universe”).
- Have a fund share price premium / discount to net asset value (“Fund Premium / Discount”) that is not in the top 25<sup>th</sup> percentile of the CEF Universe.
- Have an Expense Ratio that is less than or equal to 6%.

To be considered a “Tier 2 Fund”, a fund must meet the following criteria:

- Have Net Assets of at least \$250 million (USD).
- Have a Fund Average Daily Value Traded of at least \$800 thousand (USD).
- Have a Fund Yield that is greater than or equal to the median Fund Yield of dividend-paying funds within the CEF Universe.
- Have a Fund Premium / Discount that is not in the top 10<sup>th</sup> percentile of the CEF Universe.
- Have an Expense Ratio that is less than or equal to 6%.

Index Securities are selected according to the following steps:

1. Select Tier 1 Funds.
2. Rank each fund by the following criteria:
  - a. Fund Yield (descending)
  - b. Fund Premium / Discount (ascending)
  - c. Fund Average Daily Value Traded (descending)
3. Calculate a Combined Rank Score (“CRS”) for each fund using the following calculation:

$$CRS_i = \frac{2R_i^{Yld} + R_i^{PD} + R_i^{Liq}}{4}$$

where:

$CRS_i$  = Combined Rank Score of each fund

$R_i^{Yld}$  = Rank of Fund Yield

$R_i^{PD}$  = Rank of Fund Premium / Discount

$R_i^{Liq}$  = Rank of Fund Average Daily Value Traded

4. Assign each fund an Overall Rank based on its CRS in ascending order, whereby the fund with the lowest CRS receives an Overall Rank of 1.

In case of a tie, the fund with the lower Rank of Fund Yield will have a lower Overall Rank.

5. Select the funds with Overall Ranks 1 through 60. If Step 4 produces less than 60 Index Securities, proceed to Step 6. Otherwise, the selection process is completed.
6. Select the Tier 2 Funds with the lowest Overall Rank, not already selected as Tier 1 Funds, following steps 2 through 4 until the Index either reaches a total of 60 Index Securities, or the list of eligible Tier 2 Funds is exhausted, whichever comes first.

Note that while the Index seeks to have 60 Index Securities, that number should be considered a maximum limit and not a fixed target.

## CONSTITUENT WEIGHTING

### Constituent weighting scheme

The Index is a modified Fund Yield-weighted index.

### Constituent weighting process

An Index Rebalance is conducted semiannually based on the Rebalance reference date.

Initial Index Security Weights ("Initial Weights") are determined as follows:

- The top 30 Index Securities, as determined by ranking Fund Yield in descending order, are each assigned a weight of 3%.
- All remaining Index Securities are given equal weights such that the combined Initial Weights add up to 100%.

Initial Weights are then adjusted iteratively to comply with their maximum weight constraints ("Max Weights"), defined as the lesser of the following constraints:

- No Index Security in the top 30 may exceed 3.5%.
- No Index Security outside the top 30 may exceed 2%.
- No Index Security may exceed the ratio of 10 days of an Index Security's Fund Average Daily Traded Value divided by 110% of Amplify High Income ETF's (Ticker: YYY) net assets.

- No Index Security may exceed the ratio of 2.7% of an Index Security's Net Assets divided by 110% of YYY's net assets.

During Index weight adjustment, any excess weight from an Index Security exceeding its Max Weight is redistributed proportionally to other Index Securities based on their capacity, which is the available weight that can still be allocated to them.

For additional information about index weighting, see **Nasdaq Index Weight Calculations**.

## INDEX CALENDAR

### Reconstitution & Rebalancing schedule

<b>Reconstitution Frequency</b>	Semiannually
<b>Rebalance Frequency</b>	Semiannually
<b>Reconstitution Reference Dates</b>	Third Friday of December and June
<b>Reconstitution Announcement Dates</b>	After the close on the sixth trading day prior to the Reconstitution effective dates
<b>Reconstitution Effective Dates</b>	At market open on the first trading day following the third Friday of January and July, respectively
<b>Rebalance Reference Dates</b>	Same as Reconstitution reference dates
<b>Rebalance Announcement Dates</b>	Same as Reconstitution announcement dates
<b>Rebalance Effective Dates</b>	Same as Reconstitution effective dates

### Holiday schedule

The Index is calculated Monday through Friday, except on days when the U.S. markets are closed.

### Index calculation and dissemination schedule

Index Values are made available on each trading day via the Nasdaq Global Index Watch (GIW) website at <https://indexes.nasdaqomx.com/>. Where applicable, Index values are available throughout the trading day.

## INDEX MAINTENANCE

### Deletion policy

If, at any time other than an Index Reconstitution, Nasdaq determines that an Index Security has or will undergo a fundamental alteration that would make it ineligible for Index inclusion, the Index Security is removed as soon as practicable. Such alterations may include a merger, acquisition or other major corporate event that would otherwise adversely affect the integrity of the Index.

### Replacement policy

Index Securities deleted at any time during the year other than the Index Reconstitution(s) are not replaced.

### Corporate actions

In the interim periods between scheduled Index reconstitution events, individual Index securities may be the subject to a variety of corporate actions and events that require maintenance and adjustments to the Index. Specific treatment of each type of corporate action or event is described in the Nasdaq **Corporate Actions and Events Manual – Equities**, which is incorporated herein by reference.

In certain cases, corporate actions and events are handled according to the weighting scheme or other index construction techniques employed. Wherever alternate methods are described, the Index will follow the “Non-Market Cap Corporate Action Method.”

### Index share adjustments

Other than as a direct result of corporate actions, the Index does not normally experience share adjustments between scheduled Index rebalance and reconstitution events.

## ADDITIONAL INFORMATION

### Announcements

Nasdaq announces Index-related information via the Nasdaq Global Index Watch (GIW) website at <http://indexes.nasdaq.com>.

For more information on the general Index Announcement procedures, refer to the **Nasdaq Index Methodology Guide**.

### Unexpected market closures

For information on Unexpected Market Closures, refer to the **Nasdaq Index Methodology Guide**.

## Calculation types

For information on the Index calculation types as well as the mathematical approach used to calculate the Index(es), refer to the **Calculation Manual – Equities and Commodities**.

## Recalculation and restatement policy

For information on the Recalculation and Restatement Policy, refer to the **Nasdaq Index Recalculation Policy**.

## Data sources

For information on data sources, refer to the **Nasdaq Index Methodology Guide**.

## Contact information

For any questions regarding an Index, contact the Nasdaq Index Client Services team at [indexservices@nasdaq.com](mailto:indexservices@nasdaq.com).

## Index dissemination

Index values and weightings information are available through Nasdaq Global Index Watch (GIW) website at <https://indexes.nasdaq.com/> as well as the Nasdaq Global Index FlexFile Delivery Service (GIFFD) and Global Index Dissemination Services (GIDS). Similar to the GIDS offerings, Genium Consolidated Feed (GCF) provides real-time Index values and weightings for the Nordic Indexes.

For more detailed information regarding Index Dissemination, refer to the **Nasdaq Index Methodology Guide**.

## Website

For further information, refer to Nasdaq GIW website at <https://indexes.nasdaq.com/>.

## FTP and dissemination service

Index values and weightings are available via FTP on the Nasdaq Global Indexes FlexFile Delivery Service (GIFFD). Index values are available via Nasdaq's Global Index Dissemination Services (GIDS).

## GOVERNANCE

All Nasdaq Indexes are managed by the governance committee structure and have transparent governance, oversight, and accountability procedures for the Index determination process. For further

details on the Index Methodology and Governance overlay, refer to the **Nasdaq Index Methodology Guide**.

## GLOSSARY OF TERMS AS USED IN THIS DOCUMENT

For the glossary of key terms, refer to the **Nasdaq Index Methodology Guide**.

## APPENDIX A: METHODOLOGY CHANGE LOG

Effective Date	Methodology Section	Previous	Updated
9/2/2025	Index Name	ISE High Income Index	Nasdaq CEF High Income Index
7/22/2024	Index Description	The ISE High Income Index is designed to measure the returns and income of the top 45 U.S.-listed Closed-End Funds.	The ISE High Income Index is designed to measure the returns and income of up to 60 top U.S.-listed Closed-End Funds.
7/22/2024	Security Eligibility Criteria:  Market capitalization	A security must have a market capitalization of at least \$500 million (USD).	--
7/22/2024	Security Eligibility Criteria:  Liquidity	A security must have a six-month average daily traded value of at least \$1 million (USD).	--
7/22/2024	Constituent Selection:  Constituent selection process	Securities that meet the applicable Security Eligibility Criteria are selected for inclusion in the Index using the following process:  1. Rank each fund by the following criteria: a. Fund yield (descending) b. Fund share price Premium / Discount to Net Asset Value (ascending) c. Fund Average Daily Traded Value (descending)	Securities that meet the applicable Security Eligibility Criteria are considered for inclusion based on their respective Tier classification and selection process as defined herein.  To be considered a “Tier 1 Fund”, a security (“fund”) must meet the following criteria: <ul style="list-style-type: none"><li>• Have Net Assets of at least \$500 million (USD).</li><li>• Have a six-month average daily traded value (“Fund Average Daily Traded Value”) of at least \$1 million (USD).</li></ul>

Effective Date	Methodology Section	Previous	Updated
		<p>2. Calculate a Combined Rank Score (CRS) for each fund using the following calculation:</p> $CRS_i = \frac{2R_i^{Yld} + R_i^{PD} + R_i^{Liq}}{4}$ <p>where:</p> <p><math>CRS_i</math> = Combined Rank Score of each fund</p> <p><math>R_i^{Yld}</math> = Rank of Fund Yield</p> <p><math>R_i^{PD}</math> = Rank of Fund Premium / Discount</p> <p><math>R_i^{Liq}</math> = Rank of Fund Average Daily Traded Value</p> <p>3. Assign each fund an Overall Rank based on its CRS, whereby the fund with the lowest CRS receives an Overall Rank of 1.</p> <p>In case of a tie, the fund with the lower Rank of Fund Yield will have a lower Overall Rank.</p> <p>4. Select the funds with Overall Ranks 1 through 45.</p> <p>a. Note that while the Index seeks to have 45 components, that number should be considered a maximum limit and not a fixed target.</p>	<ul style="list-style-type: none"> <li>• Have a Fund Yield that is greater than or equal to 1.2 times the median Fund Yield of dividend-paying funds within the closed-end fund universe ("CEF Universe").</li> <li>• Have a fund share price premium / discount to net asset value ("Fund Premium / Discount") that is not in the top 25<sup>th</sup> percentile of the CEF Universe.</li> <li>• Have an Expense Ratio that is less than or equal to 6%.</li> </ul> <p>To be considered a "Tier 2 Fund", a fund must meet the following criteria:</p> <ul style="list-style-type: none"> <li>• Have Net Assets of at least \$250 million (USD).</li> <li>• Have a Fund Average Daily Traded Value of at least \$800 thousand (USD).</li> <li>• Have a Fund Yield that is greater than or equal to the median Fund Yield of dividend-paying funds within the CEF Universe.</li> <li>• Have a Fund Premium / Discount that is not in the top 10<sup>th</sup> percentile of the CEF Universe.</li> <li>• Have an Expense Ratio that is less than or equal to 6%.</li> </ul> <p>Index Securities are selected according to the following steps:</p> <ol style="list-style-type: none"> <li>1. Select Tier 1 Funds.</li> <li>2. Rank each fund by the following criteria: <ul style="list-style-type: none"> <li>a. Fund Yield (descending)</li> <li>b. Fund Premium / Discount (ascending)</li> </ul> </li> </ol>



Effective Date	Methodology Section	Previous	Updated
			<p>c. Fund Average Daily Traded Value (descending)</p> <p>3. Calculate a Combined Rank Score ("CRS") for each fund using the following calculation:</p> $CRS_i = \frac{2R_i^{Yld} + R_i^{PD} + R_i^{Liq}}{4}$ <p>where:</p> <p><math>CRS_i</math> = Combined Rank Score of each fund</p> <p><math>R_i^{Yld}</math> = Rank of Fund Yield</p> <p><math>R_i^{PD}</math> = Rank of Fund Premium / Discount</p> <p><math>R_i^{Liq}</math> = Rank of Fund Average Daily Traded Value</p> <p>4. Assign each fund an Overall Rank based on its CRS in ascending order, whereby the fund with the lowest CRS receives an Overall Rank of 1.</p> <p>In case of a tie, the fund with the lower Rank of Fund Yield will have a lower Overall Rank.</p> <p>5. Select the funds with Overall Ranks 1 through 60. If Step 4 produces less than 60 Index Securities, proceed to Step 6. Otherwise, the selection process is completed.</p> <p>6. Select the Tier 2 Funds with the lowest Overall Rank, not already selected as Tier 1 Funds, following steps 2 through 4 until the Index either reaches a total of 60 Index Securities, or the list of eligible Tier 2 Funds is exhausted, whichever comes first.</p> <p>Note that while the Index seeks to have 60 Index Securities, that number should be considered a maximum limit and not a fixed target.</p>

Effective Date	Methodology Section	Previous	Updated
7/22/2024	Constituent Weighting:  Constituent weighting scheme	The Index is a modified linear-weighted index.	The Index is a modified Fund Yield-weighted index.
7/22/2024	Constituent Weighting:  Constituent weighting process	<p>Initial Index Weights are determined via the following equation:</p> $W_i = \frac{n + 1 - OR_i}{\sum_{i=1}^n OR_i}$ <p>where:</p> <p><math>W_i</math> = Initial Index Weight of each fund</p> <p><math>OR_i</math> = Overall Rank of each fund</p> <p><math>n</math> = number of funds in the Index</p> <p>Initial index weights are then adjusted to meet the following constraints:</p> <ul style="list-style-type: none"> <li>• No Index Security weight may exceed 3%.</li> <li>• No Index Security weight may exceed 100% of the ratio between the Index Security's six-month average daily traded value and \$10 million.</li> </ul> <p>Index weight adjustment is conducted such that all Index Securities with uncapped final weights share a common difference between their respective final weights and initial weights.</p> <p>For additional information about index weighting, see <b>Nasdaq Index Weight Calculations Guide</b>.</p>	<p>Initial Index Security Weights ("Initial Weights") are determined as follows:</p> <ul style="list-style-type: none"> <li>• The top 30 Index Securities as determined by ranking Fund Yield in descending order, are each assigned a weight of 3%.</li> <li>• All remaining Index Securities are given equal weights such that the combined initial Index Security Weights add up to 100%.</li> </ul> <p>Initial Weights are then adjusted iteratively to comply with their maximum weight constraints ("Max Weights"), defined as the lesser of the following constraints:</p> <ul style="list-style-type: none"> <li>• No Index Security in the top 30 may exceed 3.5%.</li> <li>• No Index Security outside the top 30 may exceed 2%.</li> <li>• No Index Security may exceed the ratio of 10 days of an Index Security's Fund Average Daily Traded Value divided by 110% of Amplify High Income ETF's (Ticker: YYY) net assets.</li> <li>• No Index Security may exceed the ratio of 2.7% of an Index Security's Net Assets divided by 110% of YYY's net assets.</li> </ul> <p>During Index weight adjustment, any excess weight from an Index Security exceeding its Max Weight is redistributed proportionally to other Index Securities based on their capacity,</p>

Effective Date	Methodology Section	Previous	Updated
			<p>which is the available weight that can still be allocated to them.</p> <p>For additional information about index weighting, see <b>Nasdaq Index Weight Calculations Guide</b>.</p>
1/22/2024	Constituent Selection:  Constituent selection process	Assign each fund an Overall Rank based on its Combined Rank Score, whereby the fund with the lowest Combined Rank Score receives an Overall Rank of 1.	<p>Assign each fund an Overall Rank based on its CRS, whereby the fund with the lowest CRS receives an Overall Rank of 1.</p> <p>In case of a tie, the fund with the lower Rank of Fund Yield will have a lower Overall Rank.</p>

## DISCLAIMER

Nasdaq may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity, including but not limited to, quantitative inclusion criteria. Nasdaq may also, due to special circumstances, if deemed essential, apply discretionary adjustments to ensure and maintain the high quality of the index construction and calculation. Nasdaq does not guarantee that any Index accurately reflects future market performance.

Neither Nasdaq, Inc., its third-party providers, nor any of their respective affiliates (collectively "Corporations") make any recommendation to buy or sell any security or any representation about the financial condition of any company. Investors should undertake their own due diligence and carefully evaluate companies before investing. The information contained herein is provided for informational and educational purposes only, and nothing contained herein should be construed as investment advice, either on behalf of a particular security or an overall investment strategy. **ADVICE FROM A SECURITIES PROFESSIONAL IS STRONGLY ADVISED.**