



INDEXING CONTROL AND ACCOUNTABILITY FRAMEWORK

February 2024

1. Overview

Invesco Indexing LLC (“Invesco Indexing”) provides the Benchmark administration services described in (2). Invesco Indexing is structured in different teams including the Research team with the technical expertise in developing and creating indexes, the Client Engagement team focusing on the service, support and acquisition of clients, and the Operations team providing support around business and governance functions.

This Control and Accountability Framework (“Framework”) sets forth the function and roles of stakeholders responsible for operating, maintaining and implementing the administration services in accordance with the EU regulation on indices used as financial benchmarks (“BMR”).

2. Administration Services

The Benchmarks are managed by Invesco Indexing. Decisions regarding the Benchmarks are made within a robust governance and oversight structure that seeks to ensure the integrity of the Benchmarks and mitigate conflicts of interest and operational risk.

These operations, governance and oversight processes are, in turn, subject to a comprehensive control, accountability and compliance framework.

2.1 Summary of Benchmarks under Administration

Alternative Weighted Equity
Equity Bulk Beta
Strategic Equity
Equity Factor
Nasdaq BulletShares Municipal Bond
Nasdaq BulletShares Corporate Bond
Nasdaq BulletShares Emerging Market Debt
Nasdaq BulletShares High Yield Corporate Bond
Fixed Income Factor
ESG
Multi-Asset
Fixed Income Bulk Beta

3. Roles and Responsibilities

3.1 The Board

While Invesco Indexing has no formal obligation to the Board in the US, they may be invited to present to the Board governing product development from time to time. In the UK, management information (“MI”) is provided to the IAML Board acting as their legal representative in the United Kingdom via the Index Oversight Committee. In the EU, management information (“MI”) is provided to the IIML Board acting as their legal representative in the European Union via the Index Oversight Committee.

3.2 CEO

The CEO of Invesco retains oversight over Invesco Indexing alongside other entities of Invesco.

3.3 IRT

The Index Review Team (IRT) is the team within Invesco Indexing solely responsible for index rebalances, day-to-day oversight of the indices, and review and approval of changes to the

methodologies. The segregation of duties between the IRT and other parts of Invesco is well-defined, and the team is subject to an Information Barrier policy with the Fund Management side of Invesco.

3.4 Oversight Committee

Refer to section 4.2 below.

3.5 Compliance

Invesco Indexing is supported by Compliance in the establishment, maintenance, monitoring, and adherence of some of the policies and procedures to which the team is subject. The Compliance team provides guidance and insight on some of the compliance matters as well as provides oversight from a second line of defence including complaints, chairing of the oversight committee as well as compliance with any regulatory obligation.

4. Governance and Oversight

4.1 Governance

The IRT provides a direct governance and is responsible for the first line of controls over the creation, design, production, and dissemination of Benchmarks administered by Invesco Indexing. The IRT consists solely of members of Invesco Indexing; its members are reflected on the Organizational Chart included as Appendix I. The IRT meets at least annually to review and revise index methodology described in this document as appropriate. The IRT meets at least quarterly to review additions and deletions to the Index. The IRT may make adjustments to the Index at its discretion when such changes are reasonable. When a change to the methodology is proposed by the IRT, it will assess whether the change is material or not. The Index Oversight Committee (“IOC”) provides oversight over the methodology change to ensure it is following the protocol in line with the policy.

4.2 Oversight

The IOC is responsible for overseeing the development, interpretation and adherence to policies and procedures of indexes created and administered by Invesco Indexing. On an annual basis, Invesco Indexing is responsible for reviewing all policies and procedures, and the IOC approves these policies. The Chair of the committee is the committee’s US Compliance member and this committee provides MI to the relevant Board where applicable post every meeting. Further details on the Oversight committee functions and responsibilities can be found in the “Terms of Reference –Index Oversight Committee”.

5. Control Framework

Invesco Indexing’s control framework (“Control Framework”) sets forth regulatory obligations and the full suite of controls designed to meet those obligations, including the control objectives, control descriptions, control owners and control frequency. The Control Framework broadly covers controls for:

- i. Governance and conflict of interest requirements
- ii. Oversight function requirements
- iii. Control framework requirements
- iv. Accountability framework requirements
- v. Record-keeping requirements
- vi. Complaints-handling mechanism
- vii. Outsourcing

- viii. Input data
- ix. Methodology
- x. Transparency of methodology
- xi. Reporting of infringements
- xii. Benchmark statement
- xiii. Changes to and cessation of a Benchmark

6. Accountability Framework

6.1 Record-Keeping

Invesco Indexing keeps extensive records of its business activities and such records can be made available for inspection upon request. The record keeping rules are laid down in the “Recordkeeping Policy”.

6.2 Internal Review

Invesco Indexing is subject to periodic reviews of its business and operations to ensure compliance with the BMR and its Control Framework. Reviews are conducted at least annually. The results of internal reviews are presented and reviewed by the IOC and any reporting to the Board as applicable. In addition, upon request, they will be made available to any relevant competent authority. As Invesco Indexing is administering only Non-significant benchmarks, there is no requirement to conduct external audits.

6.3 Complaints Process

Invesco Indexing has a “Complaints-handling Policy” in place that provides a mechanism to communicate with Invesco Indexing management and promote early awareness and investigation of potential misconduct and other points of concern.

6.4 Compliance with Regulation

Invesco Indexing will, where requested by the relevant competent authority, disclose the details of the reviews and reports on the administrator's compliance with the Benchmark Methodology and the BMR.

6.5 Policy Availability

The following Policies are available upon request:

- Conflicts of Interest Policy
- Index Oversight Committee Terms of Reference

6.6 Service Providers

A list of Invesco Indexing service providers is available upon request. This includes calculation agents and technology service providers.

7. Compliance Monitoring

There is monitoring conducted by Compliance on various policies and procedures that are as follows:

- i. Information Barrier Policy
- ii. Personal Account dealing
- iii. Mandatory trainings completion

The relevant details of each monitoring is available in each of their relevant policies and/or procedures.

8. Outsourcing

8.1 External

For certain Benchmarks created and administered by Invesco Indexing, there have been established outsourcing arrangements for the daily price calculations with third party calculation agents. Those indexes determined by third-party calculation agents are noted in the relevant benchmark methodology document. Whilst Invesco Indexing may outsource these tasks, the management of Invesco Indexing remains fully responsible and accountable from a regulatory and legal perspective for the activities outsourced. Further details can be found in the “Invesco Indexing LLC Outsourcing Policy”.

9. Review

This Policy shall be reviewed on a periodic basis, no less frequently than annually.

Legal Owner: Compliance and Invesco Indexing

Date of Review	Summary of Changes	Date of Approval
3/14/23	Update to Outsourcing to clarify not all indexes calculated by third-party agents – updated org chart in Appendix I	4/2/23
02/21/2024	Approved by IOC	02/21/2024

Appendix I

