Zacks

INDEX SERVICES

A DIVISION OF ZACKS INVESTMENT MANAGEMENT

THE ZACKS MLP INDEX (ZAXLP)

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1. Who is ZACKS

Zacks Investment Research

Zacks Investment Research was formed in 1978 to compile and analyze brokerage research for both institutional and individual investors. The guiding principle behind the work is the belief that there must be good reason for brokerage firms to spend over a billion dollars a year to research stocks to recommend to their clients. Obviously, these investment experts know something special that may be indicative of the future direction of stock prices. Zacks was determined to unlock that secret knowledge and make it available to clients to help them improve their investment results.

This massive undertaking requires Zacks to continually process reports issued by approximately 3,000 analysts from 150 brokerage firms. At any given point in time, Zacks is monitoring well over 200,000 earnings estimates and brokerage recommendation data points, looking for any change - whether it be an upgrade from a "hold" to a "buy" or a revision in an analyst's forecast for a specific quarter or fiscal year. Zacks constantly compiles and updates this information, distributing it to institutional investors and many financial web sites. Zacks ability to gather, analyze, and distribute information on a timely basis makes Zacks' research amongst the most widely used in the industry.

Zacks Investment Management

Zacks Investment Management (ZIM), a wealth management boutique, is an expert on earnings and using earnings estimates in the investment process. The firm is a wholly owned subsidiary of Zacks Investment Research. ZIM employs quantitative models that are made available to both retail and institutional clients through separately managed accounts and mutual funds. Zacks Index Services (ZIS), a division of ZIM, creates and maintains proprietary, quantitative portfolio strategies that are licensed to product sponsors and serve as the basis of investment products such as ETFs, UITs, and CEFs.

2. INDEX SUMMARY

Full Name	Zacks High Income MLP Index
Index Types	Price Appreciation Index (Ticker: ZAXLP) Total Return Index (Ticker: ZAXLPTR)
Eligible Stocks	All Master Limited Partnerships publicly traded on either the New York Stock Exchange or NASDAQ
Number of Constituents	25
Weighting Scheme	Modified Equal Dollar Weighted
Rebalancing & Reconstitution Frequency	Effective Quarterly in March, January, April, July, and October
Calculation Frequency	Price Return: 15 seconds between 00:30 & 18:00 ET Gross Total Return: 15 seconds between 00:30 & 18:00 ET
Base date	05/01/2012
Base level	1000
Historical Returns available since	01/31/2002
Derivatives and Linked Products	Direxion Zacks MLP High Income Shares ETF (ticker: ZMLP)

3. INDEX METHODOLOGY

3.1. Overview

The Zacks MLP Index ("the Index", hereafter) selects 25 Master Limited Partnerships (MLP) utilizing a methodology proprietary to Zacks. The objective of the Index is to select a group of MLPs with the potential to yield and outperform a purely passive representation of the Master Limited Partnership sector.

The Index constituent selection methodology utilizes multi-factor proprietary inclusion rules to identify those MLPs that offer the greatest potential from a risk/return perspective. The approach is specifically designed to enhance investment applications and investability.

3.2. Constituent Criteria

Stocks that meet the below conditions are included in the investable universe:

- MLPs that are traded on major exchanges within the U.S.

- MLPs that engage in U.S. energy infrastructure such as pipelines, storage facilities, processing plants, natural gas, oil and energy.

- Per share price of at least $10.

- Market capitalization of at least $300 million.

- Eliminate MLPs with liquidity of less than $3 million; where liquidity is defined as share price times average 3 month trading volume.

- 20% of the remaining universe after the initial screen is eliminated based on high short interest ratios.

- Each MLP is then ranked using a quantitative rules-based methodology that includes, value, liquidity, short interest, dividend yield and is sorted from highest to lowest.

- Rank the remaining MLPs based on dividend yield and select the 25 MLPs with the highest dividend yield and sustainable or growing distributions.

- Equal weight the final 25 MLPs so that each makes up 4% of the final portfolio.

3.3. Rebalancing Frequency

Index reconstitution will begin quarterly after the close of the last business day of January, April, July, and October. Special rebalancing can occur due to corporate actions such as mergers and acquisitions.

4. Index Calculation & Dissemination

NYSE Euronext ("the Agent", hereafter) has been selected as the index calculation agent acting on behalf of ZIS. The Agent calculates the index value for both the Price Appreciation and Total Return indexes, and applies all the index maintenance work such as handling of stock splits, M&A activities, etc. according to the specifications provided by ZIS. The Agent also updates and disseminates the index values, notably, through Bloomberg.

5. DISCLAIMER

Cases uncovered by the rules provided in this document

Should ZIS encounter cases that are not covered by the rules provided in this document, ZIS reserves the right to apply an adjustment to the rules that are believed to be along the lines of the purpose of the index.

Index Rule Changes

ZIS reserves the right to amend or withdraw the index rules in whole or in part at any time. ZIS and its affiliates (Zacks Investment Management and Zacks Investment Research) are not liable for any losses resulting from the index rule changes.

Liability

Although ZIS will do its best to ensure the accuracy of all the data and the calculations involved in the periodic index updates, it is not liable for any unforeseen outcomes caused by any inaccuracy in data or human errors.

Ownership

ZIS is the owner of all intellectual and other property rights to the index, including the name, the composition and the calculation of the index.