



# Texas Capital Texas Equity Index (SYTXSX) Rulebook

**19 July 2023**

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# 1 Index Objective

The Texas Capital Texas Equity Index (the “Index”) comprises the subset of sufficiently large and liquid companies in the Syntax US 3000 Index (SY3000) that are domiciled in the State of Texas. The constituents are weighted within their industries by float-adjusted market capitalization, and the industries are weighted by their proportions of Gross Domestic Product (GDP) within the State of Texas.

Information regarding the day-to-day calculation and maintenance of this and other Syntax Indices — as well as regarding the definitions of key terms used throughout this and other Syntax Index Rulebooks — is available in an accompanying document, the *Syntax Index Calculations & Adjustments Rulebook*.

# 2 Index Parameters

**Launch Date:** 30 March 2023

**First Value Date:** 16 September 2005

**Index Calendar:** US (NYSE)

**Index Trading Hours:** US (NYSE)

**Corporate Action Handling:** Cap-weight Methods

**Regular Dividend Reinvestment:** Pro rata Method

**Reconstitution:** Quarterly — each March, June, September and December (the “Reconstitution Months”)

**Rebalancing:** Quarterly — each March, June, September and December (the “Rebalancing Months”)

**Snapshot Date:** The last US trade date before the Rebalancing Month, at the market close

**Weight Date:** The last US trade date on or before the Wednesday immediately preceding the second Friday of the Rebalancing Month, at the market close



**Rebalance Date:** The last US trade date on or before the third Friday of the Rebalancing Month, at the market close

**Effective Date:** The first US trade date following the third Friday of the Rebalancing Month, at the market open

**Inter-Basket Changes:** Constituent entities are neither added nor removed in the Rebalancing except as compelled by reasons that could have triggered an Intra-Basket Change had they occurred between Rebalancings. The Constituent security or Constituent listing of a Constituent entity may be replaced in the Rebalancing by another that provides sufficiently equivalent exposure to the same Constituent entity, as per the Administrator's Expert Judgment. Additions and removals of all kinds may be made in the Reconstitution.

**Intra-Basket Changes:** Index Constituents may be removed at any time due to corporate actions or events severely affecting liquidity, business integrity, or the relevance of business engagement. Except where specified in the *Syntax Index Calculations & Adjustments Rulebook* for handling of corporate actions such as mergers or spinoffs, Index Constituents are not added between Rebalancings.

## 3 Basket Construction

### 3.1 Universe

The Index's Universe is drawn from the Syntax US 3000 Index (SY3000). Candidates are those companies from the SY3000 that are domiciled in the State of Texas, excluding Texas Capital Bank (TCB) and any affiliates thereof.

### 3.2 Selection

To be considered an "Eligible Candidate", a Candidate must meet all the following eligibility criteria:

- Average Daily Traded Value (ADTV): three-month minimum of 3 million USD based on at least one month of trading history
- Market capitalization: minimum of 250 million USD
- Float-adjusted market capitalization: minimum of 250 million USD

The Index selects all Eligible Candidates as Constituents.



### 3.3 Weighting

As of the Weight Date, Constituents are weighted by float-adjusted market capitalization within their North American Industry Classification System (NAICS) Sectors, which are weighted relative to one another within the Index by their proportions of GDP within the State of Texas. The weighting is subject to the following constraints:

- Index Weight maximum of 10% for each Constituent.
- Index Weight minimum of 0.05% for each Constituent.
- Index Weight maximum of 45% collectively for the Constituents whose individual Index Weights exceed 5%.

## 4 Index Variants

The Index is calculated in US Dollar (USD) on an end-of-day (EOD) basis by Syntax Indices and on an intraday basis by ICE Data Indices LLC in the following variants:

<b>Ticker</b>	<b>Name</b>	<b>Return Type</b>	<b>Base Date</b>	<b>EOD Launch Date</b>	<b>Base Level</b>
SYTXSX	Texas Capital Texas Equity Index	Price Return	16 Sep 2005	30 Mar 2023	1000
SYTXSXC	Texas Capital Texas Equity Index Total Return	Gross Total Return	16 Sep 2005	30 Mar 2023	1000

## 5 Data Sourcing

GDP breakdowns by industry in the State of Texas are sourced from the U.S. Bureau of Economic Analysis (BEA) on a two-quarter lag, and the industries as reported by the BEA are mapped to the NAICS Sector assignments of the Index Constituents based on NAICS codes.

In the event that BEA reporting of the Texas GDP industry breakdown is delayed beyond the two-quarter lag, the Index will use the latest-available BEA reporting.