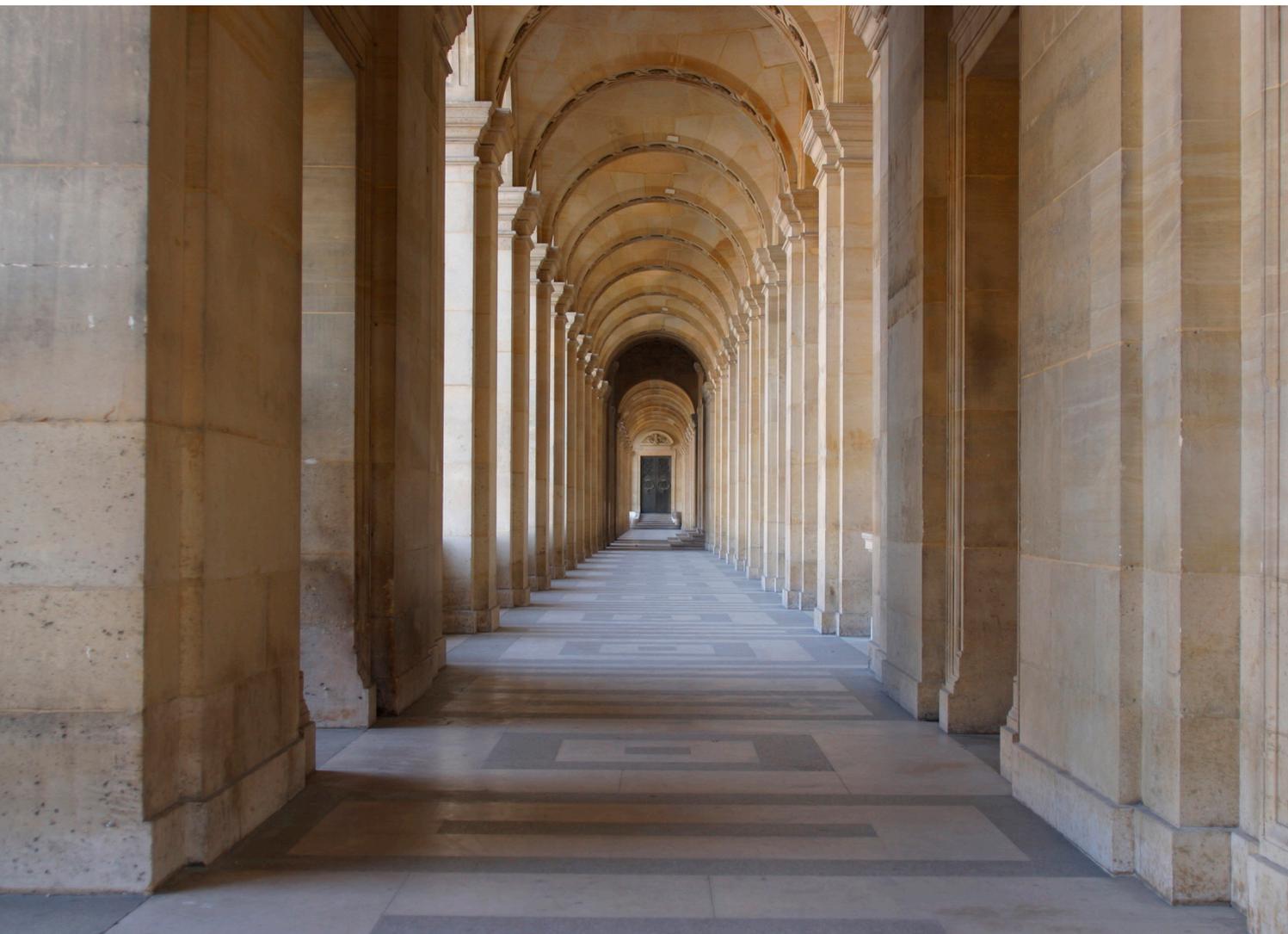


S&P 500[®] Quality FCF Aristocrats[®] Index



**S&P Dow Jones
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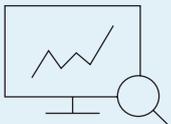
Tracking High-Quality Companies with Consistent and Efficient Cash Flow Generation

Index Overview

Launched in September 2024, the S&P 500 Quality FCF Aristocrats Index emphasizes consistency and financial resilience via a focus on free cash flow (FCF) to identify high-quality companies with a history of efficiently generating FCF.

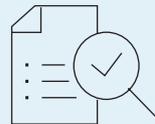
Free cash flow (FCF) is defined as the cash remaining after a business meets its operational costs and capital expenditures, and may serve as an indicator of company quality. Firms that consistently generate robust FCF tend to exhibit operational efficiency, disciplined capital allocation and durable business models. Moreover, high and stable FCF may act as a buffer in volatile markets, potentially increasing resilience and long-term viability.

Key Index Features



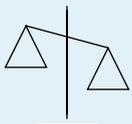
Positive FCF Screen:

The S&P 500 Quality FCF Aristocrats Index requires companies to demonstrate a minimum of 10 consecutive years of positive FCF.



Focus on Profitability and Efficiency:

Eligible companies are assessed based on FCF margin and FCF return on invested capital (ROIC) as the index seeks to select constituents that have tended to exhibit higher quality characteristics.



Balancing Quality and Growth:

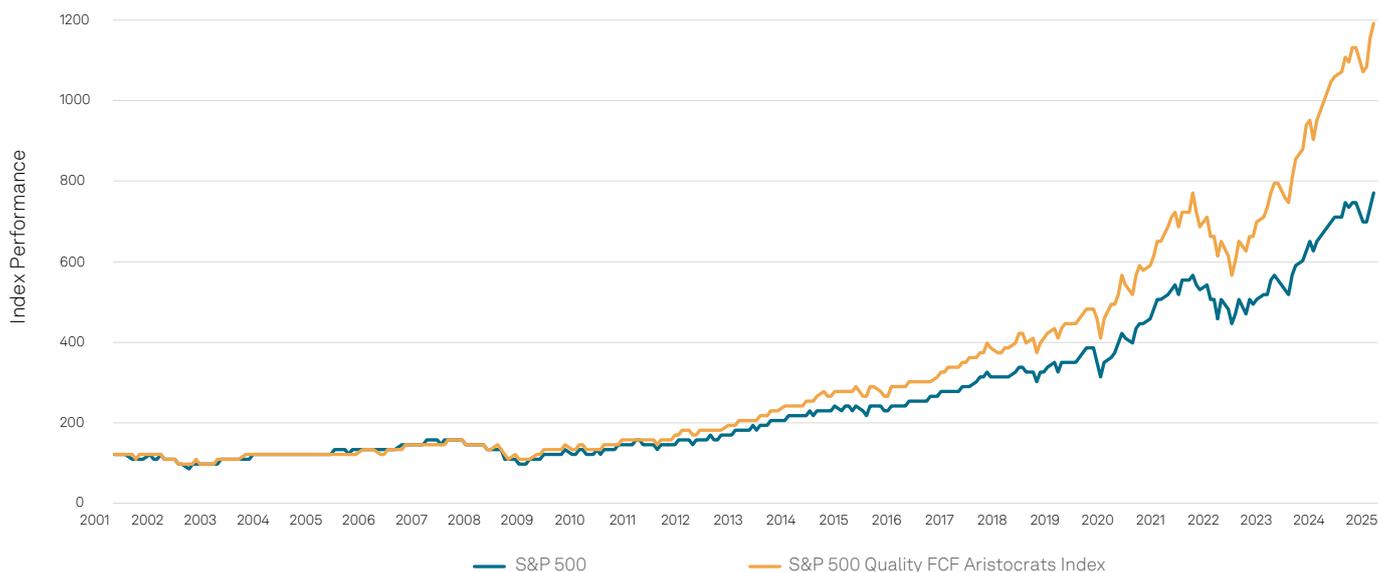
Companies with strong and consistent FCF generation may be well positioned to pursue growth opportunities by reinvesting excess cash into advertising, marketing, or research and development (R&D).



Long-Term Outperformance with Defensive Characteristics:

Hypothetical back-tested data shows the S&P 500 FCF Aristocrats has outperformed the S&P 500, combined with lower volatility, smaller downside capture ratios and reduced drawdowns over the long term.

Exhibit 1: Back-Tested Historical Performance of the S&P 500 Quality FCF Aristocrats vs. the S&P 500

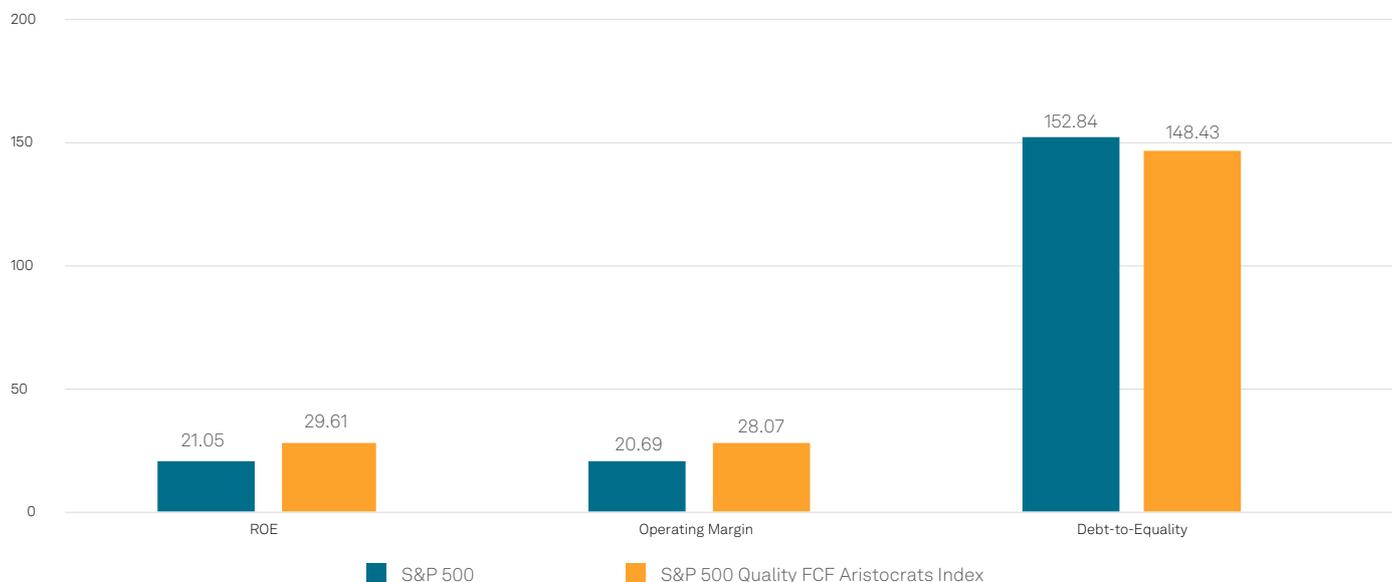


Source: S&P Dow Jones Indices LLC. Data from April 28, 2006 to June 30, 2025. The S&P 500 Quality FCF Aristocrats Index was launched Sept. 23, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Using FCF to Assess Company Quality

On average, constituents of the S&P 500 Quality FCF Aristocrats Index have shown stronger return on equity (ROE), higher operating margins and lower financial leverage (debt-to-equity) metrics relative to The 500™, as illustrated in Exhibit 2.

Exhibit 2: Back-Tested Quality Metrics of the S&P 500 Quality FCF Aristocrats Index vs. the S&P 500



Source: S&P Dow Jones Indices LLC., FactSet. Data from April 30, 2001 to June 30, 2025. The S&P 500 Quality FCF Aristocrats Index was launched Sept. 23, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.



History of Outperformance with Defensive Characteristics

Hypothetical back-tested performance shows that the S&P 500 Quality FCF Aristocrats Index has outperformed its benchmark on a risk-adjusted basis over the long term. Additionally, the index demonstrated defensive characteristics that balance growth potential with stability, as evidenced by its reduced volatility and lower downside capture ratios.

Back-Tested Annualized Performance of the S&P 500 Quality FCF Aristocrats Index vs. the S&P 500

Metric	S&P 500	S&P 500 Quality FCF Aristocrats Index
Annualized Return (%)	8.87	10.90
Annualized Volatility (%)	15.06	14.46
Risk-Adjusted Return	0.59	0.75
Maximum Drawdown (%)	-50.95	-41.85
Average Drawdown (%)	-20.22	-18.30
Upside Capture Ratio (%)	-	98.31
Downside Capture Ratio (%)	-	87.32

Source: S&P Dow Jones Indices LLC. Data from April 30, 2001 to June 30, 2025. The S&P 500 Quality FCF Aristocrats Index was launched Sept. 23, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.



For more insights into the index series, please refer to [Analyzing the S&P Quality FCF Aristocrats Indices across Macroeconomic Environments and Comparing the S&P Quality FCF Aristocrats Indices with the S&P Dividend Aristocrats®](#).

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Performance Disclosure/Back-Tested Data

The S&P 500 Quality FCF Aristocrats Index was launched September 23, 2024. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance, and is based on the index methodology in effect on the index launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Complete index methodology details are available at www.spglobal.com/spdji. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

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Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate S&P DJI's ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using "Backward Data Assumption" (or pulling back) of ESG data for the calculation of back-tested historical performance. "Backward Data Assumption" is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as "product involvement") were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on "Backward Data Assumption" please refer to the [FAQ](#). The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used.

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