

TalkingPoints

Finding Resilience amid Uncertainty – A Low Volatility High Dividend Approach for the A-Share Market



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The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index seeks to measure the performance of the 50 least volatile, high-dividend-yielding, large-cap stocks in the China A-shares market. Low volatility and dividends are factors that have delivered risk premium in the China A-share market in the past.¹

The index combines the two factors through sequential dividend and low volatility screens. Companies exhibiting high dividend yield may fall in a “dividend trap,” since high dividend yield can be caused by decreasing stock prices rather than increasing dividend payments. Overlaying a low volatility screen on a high dividend strategy has historically helped to eliminate the dividend trap, resulting in improved absolute and risk-adjusted performance.²

Since launch,³ the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index has shown higher performance, lower risk, reduced drawdown and cheaper valuation than its benchmark, the S&P China A Domestic LargeCap.

Uncertainty has been a common theme for the Chinese equity market since 2021, amid worries over economic slowdown. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index may help to provide a defensive and resilient solution to navigate challenging periods.

¹ Zeng, Liyu, “Examining Factor Strategies in China’s A-Share Market,” S&P Dow Jones Indices, November 2015.

² Qu, Xiaoya et al., “Blending Low Volatility with Dividend Yields in the China A-Share Market,” S&P Dow Jones Indices, November 2019.

³ The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was launched April 1, 2019. For more information, see the S&P Low Volatility High Dividend Indices Methodology.

1. How does the index work?

The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index is designed to measure large-cap companies with and high dividend yield while limiting volatility. Index construction starts from the S&P China A Domestic LargeCap, which consists of the top 70% of stocks by float market capitalization in the China A market. As of May 31, 2026, the S&P China A Domestic LargeCap had 571 constituents. First, the top 100 stocks with the highest yields are selected. After that, volatility screening is applied to eliminate the 50 most volatile stocks. The remaining 50 names are weighted by dividend yield. The index rebalances semiannually in January and July.

Exhibit 1: Construction of the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index



Source: S&P Dow Jones Indices LLC. Data as of May 31, 2026. Chart is provided for illustrative purposes.

2. What are the characteristics of this index?

Historical Outperformance

The China A-share market went through a post-pandemic downward cycle from 2021 to 2023, followed by a recent recovery led by the development of AI-related technology, resulting in a three-year gain of 11.95% and a five-year gain of 0.81% for the CSI 300 as of May 31, 2026. In contrast to the volatility in broad market performance, the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index posted consistent performance of 11.63% and 11.08% over the past three- and five-year periods, respectively.

From January 2009 to May 2026, the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index outperformed the CSI 300, with stronger absolute performance and lower volatility based on back-tested data. The index gained 12.2%, outperforming the CSI 300 by 4.81% per year (see Exhibit 2). Meanwhile, the volatility was lower than that of the CSI 300 across the same period, resulting in stronger risk-adjusted performance.

This outperformance came from both price appreciation and dividends. From Jan. 31, 2009, to May 31, 2026, the price return of the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was 7.98%, 278 bps higher than the price return of the CSI 300. Meanwhile, it had a contribution of 4.22% from dividends and dividend reinvestment, nearly double that of the CSI 300. Historically, the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index has seen a balance between capital appreciation and dividend income generation.

The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index applies sequential dividend yield and volatility screens (see Exhibit 1). To better assess the impact of each step in the index construction process, we examine the performance of indices formed at each stage of the screening process (see Exhibit 2). The 100 stocks selected through the high-dividend screen comprise the S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Dividend 100 Index. After volatility screening, the remaining 50 higher volatility stocks within the high dividend 100 basket constitute the S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Volatility 50 Index.⁴ All indices are yield weighted and rebalanced semiannually.

⁴ For details of attribution indices, please refer to [S&P Low Volatility High Dividend Indices Methodology](#).

From Jan. 31, 2009, to May 31, 2026, the high dividend 100 index had an annualized excess return of 2.06% (see Exhibit 2). Incorporating the low volatility screen further improved results: the S&P China-A LargeCap Low Volatility High Dividend 50 Index posted an additional 2.75% in annualized excess return, while volatility declined from 22.31% to 20.48%. Meanwhile, over the same period, the high volatility 50 index underperformed the CSI 300, posting an annualized excess return of -1.91%. These results suggest that, historically, the low volatility screen would have enhanced the performance profile of a high-dividend strategy while reducing volatility.

Exhibit 2: Historical Performance

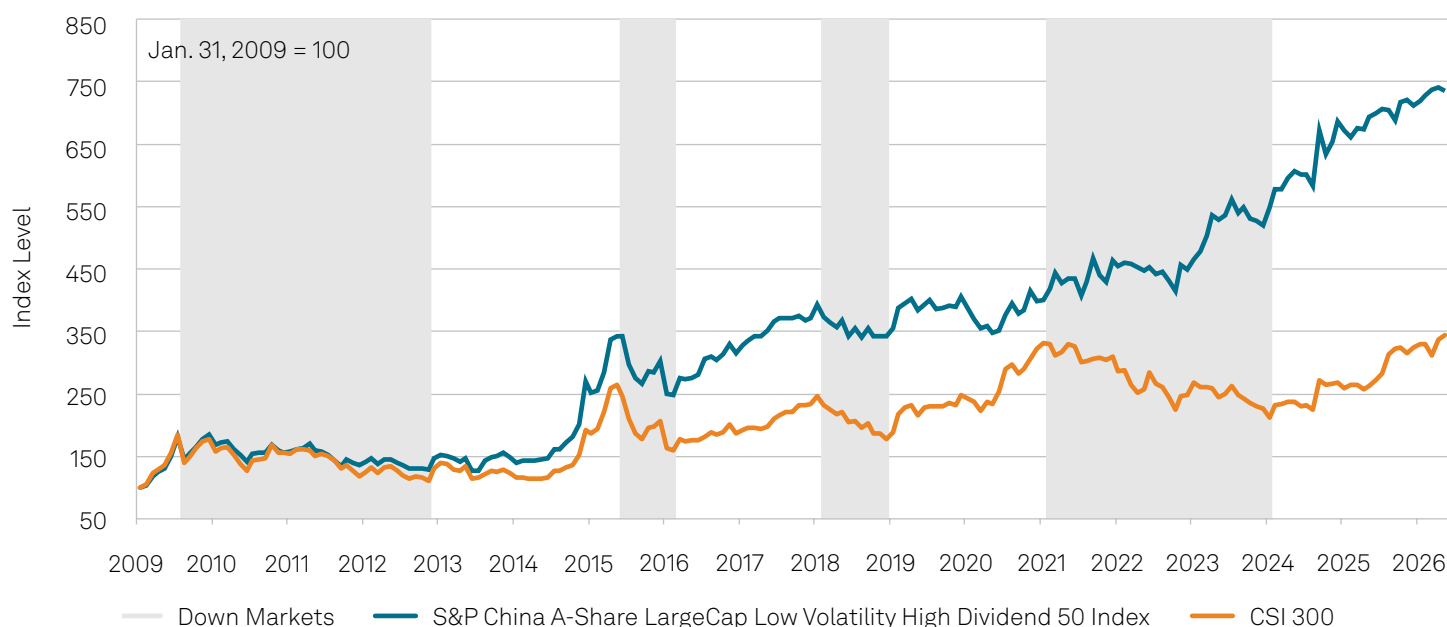
Period	CSI 300	S&P China A-Share LargeCap Low Volatility High Dividend 50 Index	S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Dividend 100 Index	S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Volatility 50 Index
Annualized Total Return (%)				
1-Year	30.91	6.16	20.16	31.04
3-Year	11.95	11.63	13.91	13.34
5-Year	0.81	11.08	8.68	4.76
10-Year	6.91	10.27	8.33	5.49
Since Jan. 31, 2009	7.39	12.20	9.45	5.48
Annualized Volatility (%)				
1-Year	14.78	5.56	8.85	14.53
3-Year	17.99	12.49	15.10	20.24
5-Year	18.26	13.82	15.78	20.63
10-Year	17.32	13.29	15.19	19.03
Since Jan. 31, 2009	23.22	20.48	22.31	26.46
Performance/Volatility				
1-Year	2.09	1.11	2.28	2.14
3-Year	0.66	0.93	0.92	0.66
5-Year	0.04	0.80	0.55	0.23
10-Year	0.40	0.77	0.55	0.29
Since Jan. 31, 2009	0.32	0.60	0.42	0.21
Maximum Drawdown since Jan. 31, 2009				
Maximum Drawdown (%)	40.07	31.01	38.96	55.33
Performance/Maximum Drawdown	0.18	0.39	0.24	0.1
Dividend Contribution since Jan. 31, 2009 (%)				
Annualized Price Return	5.20	7.98	-	-
Annualized Total Return	7.39	12.20	-	-
Return from Dividend and Dividend Reinvestment	2.19	4.22	-	-
Total Returns from Dividend and Dividend Reinvestment	29.67	34.59	-	-

Source: S&P Dow Jones Indices LLC, FactSet. Data from Jan. 31, 2009, to May 31, 2026. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was launched April 1, 2019. The S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Dividend 100 Index was launched Dec. 23, 2019. The S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Volatility 50 Index was launched Dec. 23, 2019. All data prior to such date is back-tested hypothetical data. Index performance based on total return in CNY. 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.

Downside Protection in Volatile Markets

As various financial reforms are ongoing, the Chinese equities market has been especially volatile compared to many developed markets. For example, the 2015 Market Crash is a vivid memory for many A-share investors. Thanks to low volatility screening and a large-cap focus, the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index has provided some downside protection during market downturns. It reduced drawdowns by 11.18%, 12.27%, 15.3% and 72.84% in the Post-2008 Global Financial Crisis (GFC) Drawdown, 2015 Market Crash, 2018 Bear Market and COVID-19 Pandemic Selloff/Post-Pandemic Recession, respectively (see Exhibit 3).

Exhibit 3: Performance during Down Markets



Drawdown	S&P China A-Share LargeCap Low Volatility High Dividend 50 Index TR (%)	CSI 300 TR (%)	S&P China A-Share LargeCap Low Volatility High Dividend 50 Index ER (%)
Post-GFC Drawdown (August 2009–November 2012)	-28.88	-40.07	11.18
2015 Market Crash (June 2015–February 2016)	-27.5	-39.78	12.27
2018 Bear Market (February 2018–December 2018)	-12.73	-28.04	15.3
COVID-19 Selloff and Post-Pandemic Recession (February 2021–January 2024)	36.97	-35.87	72.84

Source: S&P Dow Jones Indices LLC, FactSet. Data as of May 31, 2026. Indices were rebased to 100 on Jan. 31, 2009. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was launched April 1, 2019. All data prior to index launch is back-tested hypothetical data. Index performance based on total return in CNY. Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes and reflect 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.

Expanding the time horizon shows the index's historical ability to mitigate the cyclicity of performance. Exhibit 4 shows the relative performance of the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index in rolling 3-, 5- and 10-year periods.

As indicated by back-tested historical data, the longer the performance measurement period, the higher the probability of outperforming the CSI 300. Over the period from Jan. 31, 2009, to May 31, 2026, 173 observations spanning a three-year performance horizon were identified. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index beat the CSI 300 in 80.9% of cases, with an average monthly excess return of 6.3%. When expanded to 10 years, the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index outperformed the CSI 300 in all 89 cases observed, while maintaining an average monthly excess return of 5.2%.

Exhibit 4: Rolling Performance Observations of the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index versus the CSI 300

Category	3-Year	5-Year	10-Year
Number of Observations	173	149	89
Number of Outperformance Observations	140	124	89
Percentage of Outperformance Observations	80.9	83.2	100.0
Average Excess Return (%)	6.3	5.8	5.2

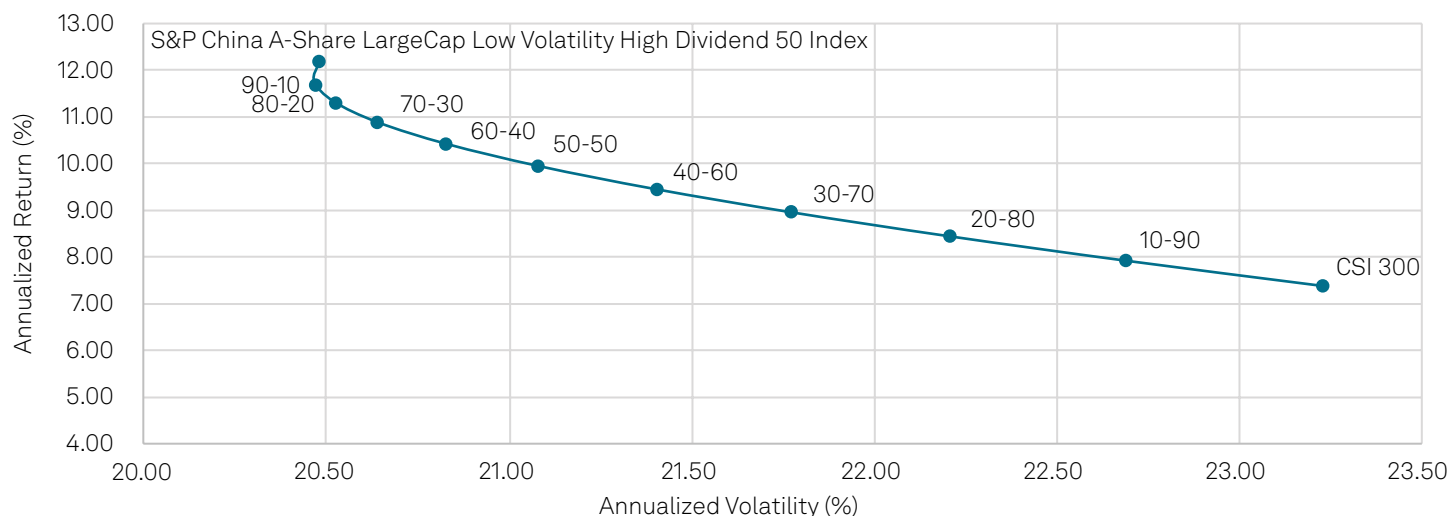
Source: S&P Dow Jones Indices LLC, FactSet. Data from Jan. 31, 2009, to May 31, 2026. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was launched April 1, 2019. All data prior to such date is back-tested hypothetical data. Index performance based on total return in CNY. Past performance 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.

Complementing Broad Equities

Many investors start with a long-term broad equities market strategy. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index is significantly different from the broad-based equity benchmarks of the A-share market. Measured by active share,⁵ 83.2% of constituents were different from the CSI 300 as of May 31, 2026. Thus, the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index could potentially complement a broad equity strategy and support diversification.

As illustrated by hypothetical compositions in Exhibit 4, when weights were moved from the CSI 300 to the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index by increments of 10%, the risk/performance point moved toward the top left of the CSI 300 composition, which means higher performance and lower risk. For example, at a 50/50 weighting, the hypothetical total return increased by 256 bps to 9.95% per year and volatility decreased to 21.08%.

Exhibit 5: Historical Risk/Performance Profile When Blending the CSI 300 with the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index



All compositions are hypothetical compositions.

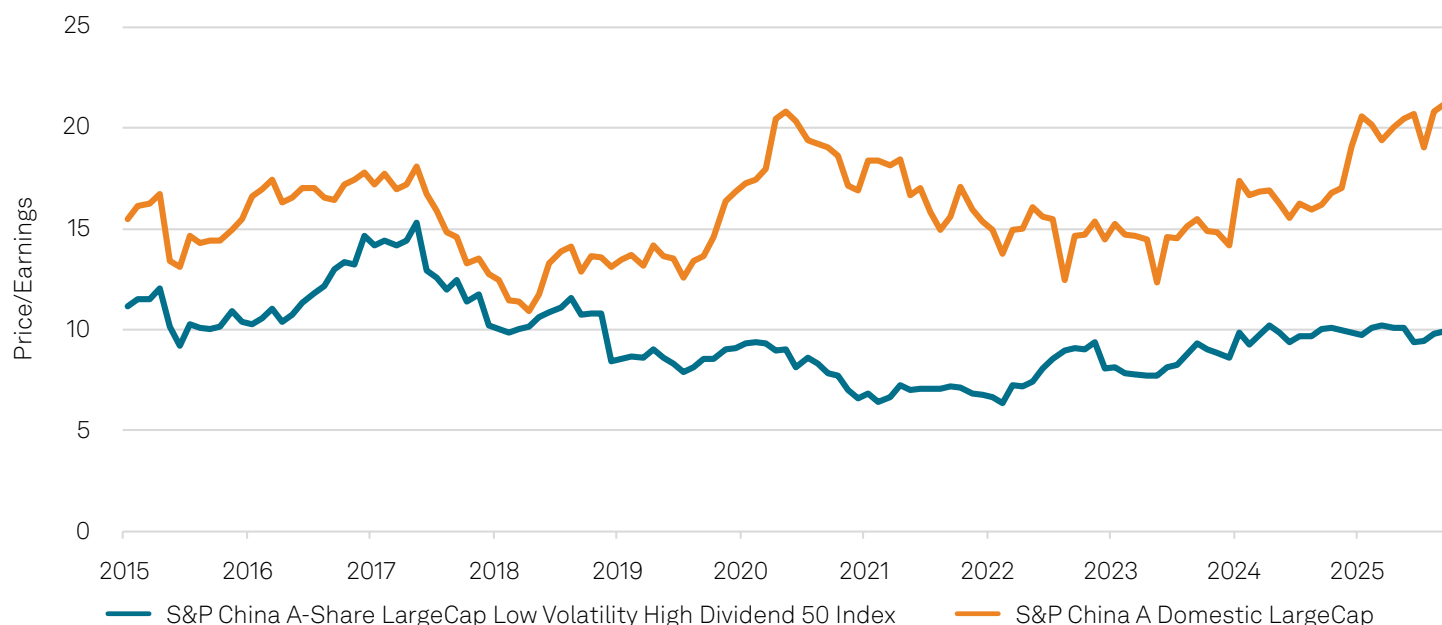
Source: S&P Dow Jones Indices LLC, FactSet. Data from Jan. 31, 2009, to May 31, 2026. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was launched April 1, 2019. All data prior to such date is back-tested hypothetical data. Index performance based on total return in CNY. Past performance 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.

⁵ Active share = $1/2 \sum_{i=1}^n |\text{weight}_{\text{portfolio},i} - \text{weight}_{\text{benchmark},i}|$, where the benchmark is the CSI 300.

Favorable Valuation and Dividend Yield

Due to dividend yield screening, the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index has historically tended to be less expensive than its benchmark, the S&P China A Domestic LargeCap. Over the past 10 years, the price/earnings and price-to-book ratios of the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index were consistently lower than those of the S&P China A Domestic LargeCap (see Exhibits 6 and 7).

Exhibit 6: Price/Earnings (Trailing)



Source: S&P Dow Jones Indices LLC. Data from Sept. 30, 2015, to May 31, 2026. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was launched April 1, 2019. All data prior to such date is back-tested hypothetical data. Index performance based on total return in CNY. 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.

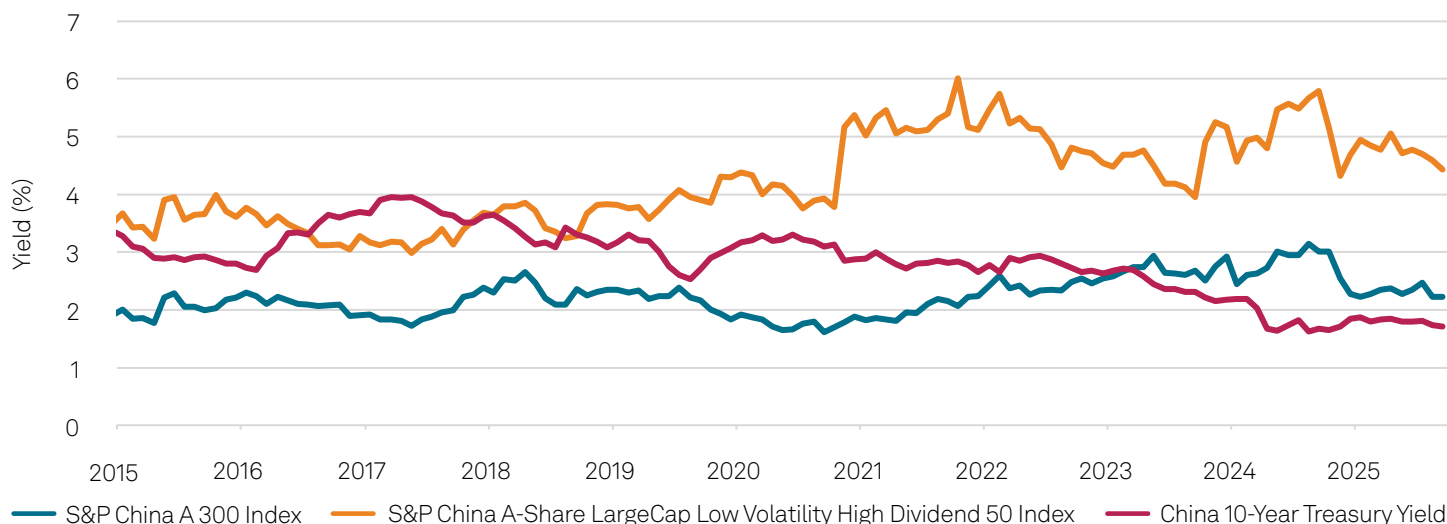
Exhibit 7: Price-to-Book Ratio (LTM)



Source: S&P Dow Jones Indices LLC. Data from Sept. 30, 2015, to May 31, 2026. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was launched April 1, 2019. All data prior to such date is back-tested hypothetical data. Index performance based on total return in CNY. 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.

As the low-rate environment has persisted in A-share market, the dividend yield potential of the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index comes into focus, as it has historically delivered higher dividend yields compared with the market benchmark, the CSI 300 (see Exhibit 8). From December 2017 to May 2026, the China 10-Year Treasury Yield decreased from 4.0% to 1.7%. In contrast, the dividend yield of the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index increased from 3.0% to 4.4% during the same period.

Exhibit 8: Index Yields

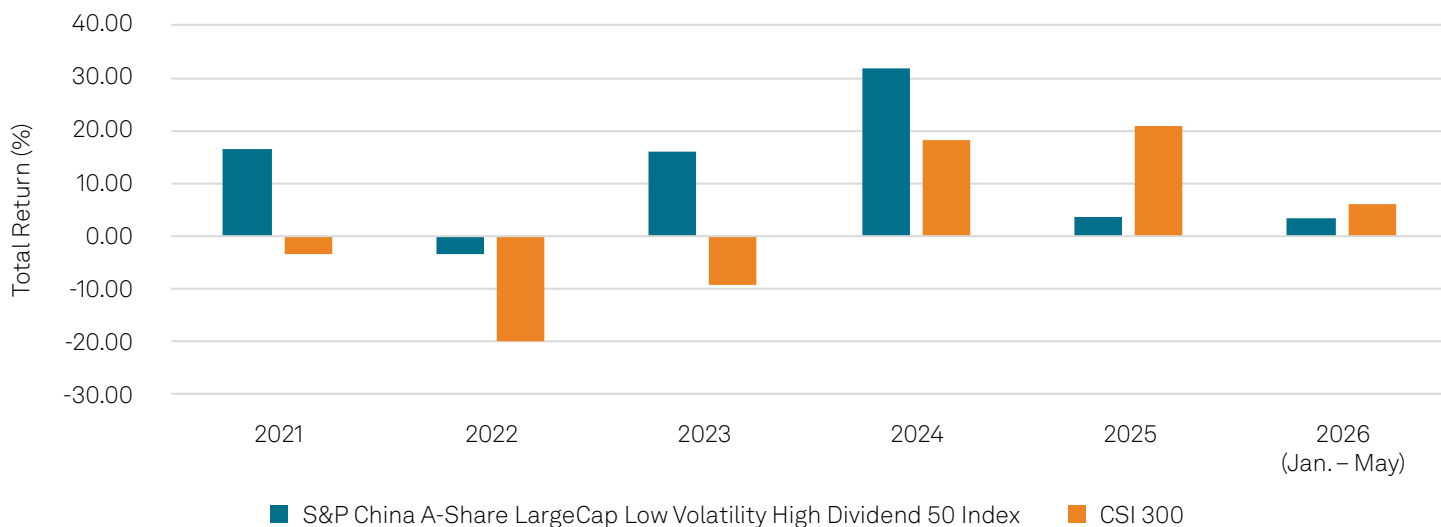


Source: S&P Dow Jones Indices LLC. Data from Sept. 30, 2015, to May 31, 2026. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was launched April 1, 2019. All data prior to such date is back-tested hypothetical data. Index performance based on total return in CNY. Past performance 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.

Selection-Driven Outperformance

The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index has outperformed the CSI 300 over the past five years (see Exhibit 2). The index consistently outperformed the CSI 300 from 2021 to 2024, but it began to lag during the technology-led market rally that started in mid-2025 (see Exhibit 9). To identify the drivers of this performance divergence, we conducted an attribution analysis and factor regression.

Exhibit 9: Calendar Year Performance



Source: S&P Dow Jones Indices LLC, FactSet. Data from Dec. 31, 2020, to May 31, 2026. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was launched April 1, 2019. All data prior to such date is back-tested hypothetical data. Index performance based on total return in CNY. 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.

From January 2021 to June 2025, the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index outperformed the S&P China A 300 Index by 92.12% in cumulative compound performance terms. Exhibit 10 shows that the selection effect was a larger contributor than the allocation effect. The outperformance during this period may be partly attributable to an overweight in Utilities, Energy and Financials, underweight in Health Care, and more importantly, to the selection effect in Information Technology, Industrials and Financials.

Exhibit 10: Three-Factor Brinson Performance Attribution

Sector	S&P China A-Share LargeCap Low Volatility High Dividend 50 Index		S&P China A 300 Index		Attribution Analysis			
	Average Weight (%)	TR (%)	Average Weight (%)	TR (%)	Allocation Effect	Selection Effect	Interaction Effect	Total Effect
Financials	30.03	86.40	20.39	23.94	6.90	10.58	4.75	22.22
Industrials	19.44	75.80	14.86	-7.23	0.82	12.06	4.49	17.36
Energy	7.80	180.53	2.38	114.17	6.58	1.28	2.42	10.28
Utilities	8.05	84.85	3.24	74.54	8.63	0.19	0.03	8.85
Information Technology	2.75	46.25	15.01	-26.92	1.93	18.44	-11.80	8.58
Real Estate	8.34	34.23	1.84	-46.41	0.48	2.24	3.70	6.41
Health Care	0.69	16.62	8.65	-50.33	5.48	1.11	-0.95	5.64
Consumer Staples	5.76	5.48	14.48	-38.62	0.56	8.44	-3.69	5.31
Materials	7.76	28.20	9.15	-23.66	0.27	6.78	-3.24	3.81
Communication Services	1.51	119.96	1.43	-33.70	1.60	0.54	0.14	2.28
Consumer Discretionary	7.88	-7.75	8.57	-23.38	1.16	0.19	0.05	1.40
Total	100.00	75.18	100.00	-16.94	34.39	61.84	-4.11	92.12

Source: S&P Dow Jones Indices LLC, FactSet. Data from Jan. 31, 2021, to June 30, 2025. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was launched April 1, 2019. All data prior to such date is back-tested hypothetical data. Index performance based on total return in CNY. 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.

From July 2025 to May 2026, the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index underperformed the CSI 300 by 28.3% on a cumulative basis. Exhibit 11 shows that the underperformance over this period was mainly driven by an underweight in Information Technology and an overweight in Financials.

Exhibit 11: Three-Factor Brinson Performance Attribution

Sector	S&P China A-Share LargeCap Low Volatility High Dividend 50 Index		S&P China A 300 Index		Attribution Analysis			
	Average Weight (%)	TR (%)	Average Weight (%)	TR (%)	Allocation Effect	Selection Effect	Interaction Effect	Total Effect
Health Care	0.77	-0.56	5.91	-7.81	1.93	-0.51	0.43	1.84
Utilities	8.48	24.15	3.64	2.15	-0.38	0.77	1.36	1.75
Consumer Staples	11.57	2.10	8.48	-11.15	-1.26	1.27	0.48	0.49
Real Estate	3.26	5.50	0.65	-15.74	-1.26	0.18	0.61	-0.47
Consumer Discretionary	10.44	0.19	7.38	-8.94	-1.20	0.54	0.16	-0.51
Communication Services	3.79	-14.51	1.32	-16.85	-1.50	-0.06	0.47	-1.09
Energy	7.38	8.73	2.45	30.35	-0.11	-0.50	-0.84	-1.45
Materials	10.36	10.32	9.77	56.64	1.93	-3.66	-0.77	-2.50
Financials	29.43	-7.89	19.27	-8.22	-4.06	-0.59	0.19	-4.46
Industrials	14.53	-2.11	18.37	39.61	-0.18	-7.15	1.26	-6.06
Information Technology	--	--	22.76	135.70	-15.84	--	--	-15.84
Total	100.00	3.16	100.00	31.47	-21.94	-9.71	3.35	-28.30

Source: S&P Dow Jones Indices LLC, FactSet. Data from June 30, 2025, to May 31, 2026. Index performance based on total return in CNY. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 12 shows the result of the factor regression, where we see that the S&P China A-Share LargeCap Low Volatility High Dividend 50 Index exhibited value and quality characteristics. After controlling for six common equity factors, the index demonstrated a 4.42% annualized alpha with statistical significance.

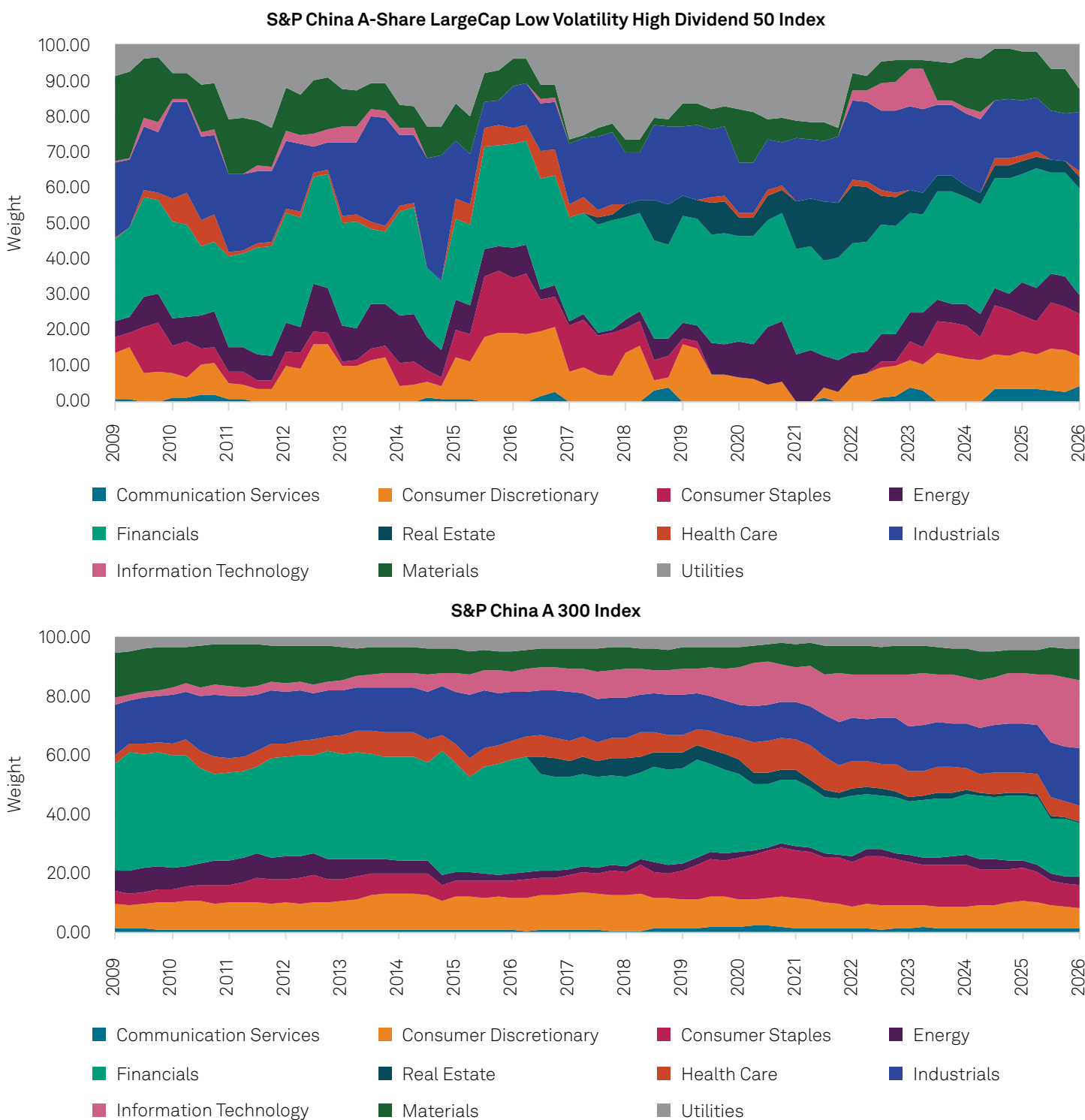
Exhibit 12: Six-Factor Regression of the S&P China A 300 Index and S&P China A-Share Dividend Opportunities Index

Category	S&P China A-Share LargeCap Low Volatility High Dividend 50 Index	CSI 300
Annualized Alpha (%)	4.42	0.93
T-Stats	2.75	1.18
Market Beta	0.90	1.10
T-Stats	37.86	94.32
Size	0.02	-0.26
T-Stats	0.51	-12.42
Value	0.44	-0.11
T-Stats	8.06	-3.97
Profitability	0.28	0.13
T-Stats	3.61	3.50
Investment	0.16	0.08
T-Stats	1.58	1.55
Momentum	-0.20	-0.09
T-Stats	-5.20	-4.54
R-Square	0.92	0.98

Source: S&P Dow Jones Indices LLC, FactSet, BetaPlus. Data from Jan. 31, 2009, to March 31, 2026. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was launched April 1, 2019. All data prior to such date is back-tested hypothetical data. Index performance based on total return in CNY. 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.

Appendix

Exhibit 13: The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index and S&P China A 300 Index Historical Sector Weight



Source: S&P Dow Jones Indices LLC. Data from March 31, 2009, to March 31, 2026. The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was launched April 1, 2019. All data prior to index launch is back-tested hypothetical data. Charts are provided for illustrative purposes and reflect hypothetical historical data. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Performance Disclosure/Back-Tested Data

The S&P China A-Share LargeCap Low Volatility High Dividend 50 Index was launched April 1, 2019. The S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Dividend 100 Index was launched December 23, 2019. The S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Volatility 50 Index was launched December 23, 2019. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance. The back-test calculations are based on the same methodology that was 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. Complete index methodology details are available at www.spglobal.com/spdji. Past performance of the Index is not an indication of future results. 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.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

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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