

**S&P Dow Jones
Indices**

A Division of **S&P Global**

Markit iBoxx EUR Regulated Utilities Index Guide

September 2023

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1) Markit iBoxx EUR Regulated Utilities Index

The Markit iBoxx EUR Regulated Utilities Index is designed to reflect the performance of EUR denominated investment grade corporate regulated utilities debt. The index rules aim to offer a broad coverage of the EUR investment grade corporate regulated utilities bond universe and the membership consists of a subset of the bonds from the Markit iBoxx EUR Corporate index. The Markit iBoxx EUR Regulated Utilities Index is an integral part of the suite of iBoxx indices, which provide the marketplace with accurate and objective indices to assess the performance of bond markets and investments. The Markit iBoxx EUR Regulated Utilities Index covers companies from the Utilities sector that are subject to rate regulation from a regulatory authority where the regulatory authority determines the rates that subject firms can charge. The index is market-value-weighted.

This document covers the index rules and calculation methodology.

2) Bond selection rules

The following selection criteria are used to determine the index constituents:

- Bond type
- Credit rating
- Time to maturity
- Amount outstanding
- Country of risk
- Bond classification

2.1) Bond type

Only fixed-rate bonds whose cash flows can be determined in advance are eligible for the indices. The index is comprised solely of bonds. T-Bills and other money market instruments are not eligible. The Markit iBoxx EUR Regulated Utilities Index includes only euro currency denominated bonds. The issuer's domicile is not relevant.

In particular, bonds with the following characteristics are included:

- Fixed coupon bonds (i.e., plain vanilla bonds)
- Zero coupon bonds
- Step-ups
- Event-driven bonds, such as rating- or tax-driven bonds
- Dated and undated callable subordinated corporate bonds, including fixed-to-floater bonds that change to a floating rate note at or after the first call date. Undated bonds must be callable. In all calculations, these bonds are assumed to be redeemed at the first call date.
- Bonds with call options where the first and subsequent call dates are on a date when the bond is otherwise no longer eligible for the index, i.e. bonds with American call options within the last year prior to maturity.
- Soft bullet bonds. These are bonds with an initial fixed-coupon period and a variable or step-up coupon period thereafter that are structured so that they are expected to be redeemed at the end of the initial period.

The following bond types are specifically excluded from the index:

- Perpetual bonds
- Pay-in-kind bonds (during the pay-in-kind period)
- Zero step-ups (GAINS)
- Sinking funds and amortizing bonds
- Other callable and undated bonds
- Floating rate notes and other fixed-to-floater bonds
- Optionally and mandatory convertible bonds
- Subordinated bank or insurance debt with mandatory contingent conversion features or with any conversion options before the first call date
- Collateralized Debt Obligations (CDOs) and bonds collateralized by CDOs
- Retail bonds
- Private placements
- Bonds with differences between accrual and coupon payment periods and monthly-paying bonds
- Extended bonds as defined under section 'Maturity extension' in this document

For retail bonds and private placements, publicly available information is not always conclusive and the classification of a bond as a retail bond or a private placement will be made at S&P DJI's discretion based on the information available at the time of determination. Partial private placements where information on the specific amounts publicly placed and privately placed can be ascertained are included in the indices with the amount publicly placed. If the amount publicly placed is below the cut-off, the bond is not included in the indices. Any bond classified as retail or private placement is added to the list of excluded private placements and retail bonds. The list is published at <https://www.spglobal.com/spdji/en/> for future reference and to ensure consistency.

In instances where a new bond type is not specifically excluded or included according to the published index rules, S&P DJI will analyze the features of such securities in line with the principles set out in 2.1 of this guide. S&P DJI may consult specific Index Committees. Any decision as to the eligibility or ineligibility of a new bond type will be published and the index rules will be updated accordingly.

2.2) Credit rating

All bonds in the Markit iBoxx EUR Regulated Utilities Index must have an iBoxx Rating of investment grade. Ratings from the following three credit rating agencies are considered for the calculation of the iBoxx Rating:

- Fitch Ratings
- Moody's Investor Service
- S&P Global Ratings

Investment grade is defined as BBB- or higher from Fitch Ratings and S&P Global Ratings and Baa3 or higher from Moody's Investor Service. Bonds with an RD/SD rating are excluded from the Markit iBoxx EUR Regulated Utilities Index.

If a bond is rated by more than one of the above agencies, then the iBoxx rating is the average of the provided ratings. The rating is consolidated to the nearest rating grade. Rating notches are not used. For more information on how the average rating is determined, please refer to the *iBoxx Rating Methodology* document available at <https://www.spglobal.com/spdji/en/>.

If a new tranche of a bond is not rated, the rating of its parent applies. Prior to Jan. 1, 2008, the lowest rating was used as the iBoxx Rating.

2.3) Time to maturity

All bonds must have a remaining time to maturity of at least one year at rebalancing. The time to maturity is calculated from the rebalancing date to the assumed workout date of the bond, by using the day count convention of the bond.

The workout date for a bond is determined based on the bond features as follows:

- For plain vanilla bonds, the expected workout date is the final maturity date
- For dated and undated callable financial hybrid capital bonds, the workout date is assumed to be the first call date
- For non-financial hybrid capital bonds with an interest rate reset, the workout date is assumed to be the first reset date
- For soft bullets, the expected workout date is determined using the first call date

2.4) Amount outstanding

All bonds require a minimum amount outstanding of EUR 500 million (EUR 1 billion for legacy bonds) in order to be eligible for the index.

2.5) Country of risk

The country of risk of a bond must be from a member nation of the European Union, or of the United Kingdom, Norway or Switzerland.

3) Bond classification

All bonds are classified based on the principal activities of the issuer and the main sources of the cash flows used to pay coupons and redemptions. In addition, a bond's specific collateral type or legal provisions are evaluated. Hence, it is possible that bonds issued from different subsidiaries of the same issuer carry different classifications.

The issuer classification is reviewed regularly based on updated information received by S&P DJI, and status changes are included in the index at the next rebalancing if necessary.

Where the sector classification of a specific entity is not very clear due to the diversified business of the entity, decision will be made at S&P DJI's discretion. S&P DJI will assign the classification according to its evaluation of the business risk presented in the security prospectus and annual reports, if available. S&P DJI will also compare the classification to peers in the potential sectors. Membership lists including classification are published on the FTP server and in the *Indices* section of the webpage for registered users.

3.1) Regulated utilities sector classification

The regulated utilities market is a subset of the utilities and the infrastructure sectors. Infrastructure businesses offer essential services, are hard-asset backed, and generally have steady, predictable, low-volatility cash flows. They generally operate in regulated, monopolistic or near-monopolistic markets, or have long-term concessions/contractual agreements.

Each bond in the Markit iBoxx EUR Regulated Utilities Index is categorized as *Regulated Utility* based on a review of the issuer's main operating business. *Regulated Utilities* are defined as utility markets that are subject to rate regulation by a governmental authority where the regulatory authority determines the prices a firm may charge rather than the market acting as the rate setting mechanism. Utilities bonds are reviewed for material exposure to the regulated utilities market and may be categorized as *Regulated Utility* based on the profile of the issuer.

Debt from non-publicly listed companies is eligible if their non-infrastructure activities make up only an insignificant part of the business.

The table below shows the definition of the infrastructure segment of the utilities market, which is the starting point for determining which firms to screen for regulated utilities exposure.

3.2) Additional classification

Corporate debt is further classified into senior and subordinated debt.

4) Index calculation

4.1) Static data

Information used in the index calculation is sourced from offering circulars and checked against standard data providers.

4.2) Bond prices

For more details please refer to the *iBoxx Pricing Rules* document, available in the *Methodology* section of the webpage at <https://www.spglobal.com/spdji/en/>.

4.3) Rebalancing process

The Markit iBoxx EUR Regulated Utilities Index is rebalanced monthly on the last business day of the month after the close of business. Changes to outstanding amounts are only taken into account if they are publicly known three business days before the end of the month. Changes in ratings are only taken into account if they are publicly known two business days before the end of the month. New bonds issued are taken into account if they are publicly known to settle until the last calendar day of the month, inclusive, and if their rating has become known at least three trading days before the end of the month.

Preview lists of eligible bonds are published on the 6th calendar day of the month (moved to the next business day in case of holiday/weekend), as well as four (T-4), three (T-3), and two (T-2) trading days before end of the month. The preview membership list is published on the FTP server and in the indices section at <https://www.spglobal.com/spdji/en/> for registered users.

Three business days before the end of each month, a membership list with final amount outstanding for each bond is published.

Two business days before the end of each month, the rating information for the constituents is updated and the list is adjusted for all rating changes which are known to have taken place two trading days before the end of the month. Bonds which are known to have been upgraded to investment grade two trading days before the end of the month are not included in the membership, but bonds which are known to have been downgraded to sub-investment grade two trading days before the end of the month do get excluded from the membership. However, if any bonds which are part of the broader EUR universe become eligible two business days prior to rebalancing because of rating or amount changes, they will be included in the Index.

On the last business day of each month, S&P DJI publishes the final membership with closing prices for the bonds, and various bonds analytics based on the index prices of the bonds.

4.3.1) Weekly preview

In addition to the regular monthly rebalancing, a preview list (including sector classification for new bonds) is published each Friday with predicted changes to the index constituents at the next rebalancing. The preview list includes the next month's index constituents and shows bonds joining or leaving the indices at the next rebalancing, based on information available on such Fridays.

The first weekly preview will be published on the Friday that is at least three business days after the preceding month-end rebalance.

4.4) Index data

The calculation of the index is based on bid prices. New securities are included in the index at their respective ask prices when they enter the index family. In the event that no price can be established for a particular security, the index continues to be calculated based on the last available price. This might be the case in periods of market stress, or disruption as well as in illiquid or fragmented markets. If the required inputs become impossible to obtain, S&P DJI may consult market participants prior to the next rebalancing date. Decisions are made publicly available on a timely basis and S&P DJI may refer back to previous cases.

A sub-index is calculated if at least one bond matches all inclusion criteria. If no bonds qualify for an index, then its level remains constant. If at least one bond becomes available again, the index calculation resumes and is chained to the last calculated level. All bonds are assigned to sub-indices according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life. All bonds remain in their maturity bucket for the entire month.

The rebalancing takes place after close of market on the last trading day of a rebalancing month.

4.5) Index calculus

For specific index formulas please refer to the *Markit iBoxx Bond Index Calculus* document, available in the *Methodology* section of the iBoxx Documentation page at <https://www.spglobal.com/spdji/en/>.

4.6) Index and analytics weights

The Markit iBoxx EUR Regulated Utilities Index is market-value-weighted. The amount outstanding of a bond is only adjusted within the rebalancing process.

All calculations are based on the adjusted amount outstanding that reflects the outstanding bond notional at the last rebalancing. The bond prices relate to the nominal value of 100.

4.7) Treatment of the special intra-month events

Data for the application of corporate actions in the index may not be fully or timely available at all times, e.g. the final call prices for make-whole calls or the actual pay-in-kind percentage for PIK-payment options. In such cases, S&P DJI will estimate the approximate value based on the available data at the time of calculation.

4.7.1) Funged bonds

Bonds may be issued in several tranches. The different tranches are initially legally separate and therefore trade independently for a certain period. On and after the funged date, the tranches will be combined into one bond, i.e. the parent tranche will contain the original security, as well as the additional notional(s) from the new tranche(s). After the funged date, the prices for both the securities are the same, because they constitute one uniform bond. This is reflected in the indices as follows:

4.7.1.1) Parent and new tranche are both index constituents

- After the funged date, the price from the parent tranche is used for the funged tranche; no price for the funged bond
- Funged tranche leaves the index at the next rebalancing and parent amount outstanding increases accordingly

4.7.1.2) Parent is an index constituent, but the new tranche is not

- No special intra-month treatment necessary
- Parent amount outstanding increases at the next rebalancing

4.7.1.3) Parent is not an index constituent but the new tranche is

- No special intra-month treatment necessary
- Funged tranche leaves the index; parent tranche enters the index at the next rebalancing

4.7.2) Full redemptions: exercised calls, puts and buybacks

If a bond is fully redeemed intra-month, the bond effectively ceases to exist. In all calculations, the redeemed bond is treated as cash based on the last price, the call price or repurchase price, as applicable. The redemption factor, redemption and the redemption price are used to treat these events in the index and analytics calculation. In addition, the clean price of the bond is set to the redemption price, and the interest accrued until the redemption date is treated as an irregular coupon payment.

4.7.3) Bonds trading flat of accrued

If a bond is identified as trading flat of accrued, the accrued interest of the bond is set to 0 in the total return index calculation and is excluded from the calculation of all bond and index analytical values.

Bonds will be considered trading flat of accrued in any of the following situations:

- a bond has been assigned a default rating and/or
- issuer has announced a failure to pay a coupon and/or
- issuer has announced an intention not to make a payment on an upcoming coupon (grace period).

4.7.4) Maturity extension

4.7.4.1) Maturity extension for perpetual bonds without a reset date

Maturity	Coupon/call structure	Workout date at issuance	Updated Workout date if not called
Perpetual	Fixed/ Callable	Assume first call date as workout date	Extend workout date until the assumed next call date - 5 years from first call date*.

*Assumes the terms allow for a redemption at the new assumed maturity date.

4.7.4.2) Maturity extension for perpetuals & dated fixed-to-fixed bonds with a reset date

Maturity	Coupon/Call structure	Workout Date at issuance	Updated Workout date if not called
Perpetual	Reset*/Callable	Assume first call date as workout date	Extend workout date until the end of the next reset date*
Dated	Reset/Callable	Assume reset date as workout date	Extend workout date until the end of the next reset date or final maturity date*

*Assumes the bond terms allow for a redemption at the new assumed maturity date

4.7.5) Multi-coupon bonds

Some bonds have pre-defined coupon changes that lead to a change in the annual coupon over the life of the bond. In all instances, the coupon change must be a fixed amount on top of a fixed coupon, i.e. floating coupon bonds are not eligible for the indices. The two main categories of bonds are step-up bonds and event-driven bonds.

- **Step-up bonds:** These are bonds with a pre-defined coupon schedule that cannot change during the life of the bond. The coupon schedule is used in all bond calculations.
- **Event-driven bonds:** These are bonds whose coupon may change upon occurrence (or non-occurrence) of pre-specified events, such as rating changes, e.g. rating-driven bonds, failure to register (register-driven bonds), or failure to complete a merger (merger-driven bonds). In the calculation of the indices and the analytics, the coupon schedule as of the calculation date is used. That is to say, any events occurring after the calculation date are ignored in the determination of the applicable coupon schedule. *Example of an event-driven bond:* A bond's rating changes on 31 December 2003 from A- to BBB+ and the coupon steps up from 6% to 6.25% from 1 March 2004 onward. The coupon dates are 1 October and 1 April each year. The correct coupon schedule for the bond and index calculations is date dependent. The index calculation on 20 December 2003 uses the 6% coupon for the whole life of the bond, while the calculation on 31 January 2004 uses a 6% coupon for the current coupon period to 29 February 2004, and a 6.25% coupon for all later interest payments. The index calculation on 20 March uses a 6% coupon until 29 February, a 6.25% coupon for the remainder of the current coupon period and a 6.25% coupon for all future coupon payments. The index calculation after 1 April uses a 6.25% coupon.

4.7.6) Ex-dividend conventions

Some markets have ex-dividend conventions. Ex-dividend means that the next coupon is detached from the bond several days in advance of the coupon payment date. The date on which the next coupon is detached is the ex-dividend date and the period between the ex-dividend date and the coupon payment date is the ex-dividend period. If a bond is in the ex-dividend period, the next coupon payment will not be paid to a buyer of this bond, but will be paid to the original bond holder.

The indices and analytics calculations take ex-dividend conventions into account. During the ex-dividend period, the accrued interest of the bond is negative, while the next coupon payment is held separate in the variable coupon adjustment. If the bond enters the index during the ex-dividend period, then the next coupon payment and the coupon adjustment will not accrue to the index. However, if the bond was already in the index, the next coupon payment needs to be included in the total return calculations. This is controlled via the ex-dividend indicator which is 0 if the bond enters the index during the current ex-

dividend period and 1 if not. The same treatment is also applied to all analytics calculation, i.e. the first cash flow is excluded from the calculations if the bond enters during the current ex-dividend period.

4.8) Index history

The Index history starts on 31 December 2005. The index has a base value of 100 on that date.

4.9) Settlement conventions

All iBoxx indices are calculated using the assumption of T+0 settlement days.

4.10) Calendar

S&P DJI publishes an index calculation calendar in the *iBoxx Calendars* section of the iBoxx Documentation page at <https://www.spglobal.com/spdji/en/>. This calendar provides an overview of the index calculation holidays of the iBoxx bond index families in a given year.

4.11) Publication of the Index

The Markit iBoxx EUR Regulated Utilities Index is calculated as end-of-day index and distributed once daily after market close.

Bond and index analytical values are calculated end of day Monday to Friday using that day's closing prices. In addition, bond and index analytical values are calculated using the previous trading day's closing prices on the last calendar day of each month if that day is not a regular trading day as well as on common bank holidays as published in the iBoxx index calculation calendar. This index calculation calendar is available at <https://www.spglobal.com/spdji/en/> under *iBoxx Calendars*. Index data is also available from the main information vendors.

Closing index values and key statistics are published at the end of each calculation day in the *Indices* section of the website for registered users.

4.12) Data publication and access

The table below summarizes the publication of Markit iBoxx EUR Regulated Utilities Index at <https://www.spglobal.com/spdji/en/> for registered users and on the FTP server.

Table 1: Frequency, File type and Access

Frequency	File Type	Access
Daily	Underlying file – Bond level	FTP Server
	Indices file – Index level	FTP Server / website / Bloomberg for index levels only
Weekly	Preview components	FTP Server / website
On the 6th calendar day of the month (or the next index publication day if the 6th calendar day falls on a non-business day), T-4, T-3, T-2	Preview components	FTP Server / website
Monthly	End of month components	FTP Server / website
	XREF files	FTP Server

The index identifiers for the publication channels are:

Table 2: Index identifiers

Index Name	Markit iBoxx EUR Regulated Utilities	
Return Type	TRi	CPi
SEDOL	--	--
ISIN	GB00BZCNMP09	GB00BZCNMQ16
Ticker	IBXXIERT	IBXXIERP
RIC	.IBXXIERT	.IBXXIERP

4.13) Annual index review

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

5) Governance and regulatory compliance

IHS Markit Benchmark Administration Limited (IMBA UK) is the Index Administrator of iBoxx indices. Information on IMBA UK's governance and compliance approach can be found [here](#). This document covers:

- Governance arrangements, including external committees
- Input data integrity
- Conflicts of interest management
- Market disruption and Force Majeure
- Methodology changes and cessations
- Complaints
- Errors and restatements
- Reporting of infringements and misconduct
- Methodology reviews
- Business continuity

More details about IMBA UK can be found on the [Administrator's website](#).

6) Changes to the Markit iBoxx EUR Regulated Utilities Index

Aug. 31, 2023	Annual Index Review 2022 <ul style="list-style-type: none"> • Treatment of distressed debt exchanges • Introduction of new economic sector classification "Energy" with new market sector classification "Renewable Energy" • Updated infrastructure sector classification methodology • Maturity extension section added
June 30, 2022	<ul style="list-style-type: none"> • Monthly forward start date updated from 10th calendar day to 6th calendar day
Sep. 1, 2021	<ul style="list-style-type: none"> • Monthly forward start date updated from 12th calendar day to 10th calendar day
March 31, 2021	<ul style="list-style-type: none"> • Governance and Regulatory Compliance section added • iBoxx Sector Level 6: Electricity split into Alternative and Conventional Electricity
July 31, 2020	Annual Index Review 2019 <ul style="list-style-type: none"> • Introduction of updated corporate classification schema • Updates as part of the changes in definition and treatment of hybrid bonds
Sep. 30, 2018	Annual Index Review 2018 <ul style="list-style-type: none"> • Treatment of bond rating upgrades on t-2 • Clarification on bond eligibility during tender • Clarification of treatment of called bonds
Nov. 30, 2016	Annual Index Review 2016 <ul style="list-style-type: none"> • Rule clarification: Bonds trading flat of accrued
Oct. 31, 2016	<ul style="list-style-type: none"> • Launch of the Markit iBoxx EUR Regulated Utilities Index

7) Further information

Client support

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Formal complaints

Formal complaints should be emailed to spdji_compliance@spglobal.com.

Please note: spdji_compliance@spglobal.com should only be used to log formal complaints.

General index inquiries

For general index inquiries, please contact indices@ihsmarkit.com.

A) ESG Disclosures

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY [1]		
1	Name of the benchmark administrator.	IHS Markit Benchmark Administration Limited (IMBA)
2	Underlying asset class of the ESG benchmark. [2]	N/A
3	Name of the S&P Dow Jones Indices benchmark or family of benchmarks.	iBoxx Benchmark Statement
4	Do any of the indices maintained by this methodology take into account ESG factors?	No
Appendix latest update:		May 2023
Appendix first publication:		May 2023

[1] The information contained in this Appendix is intended to meet the requirements of the European Union Commission Delegated Regulation (EU) 2020/1817 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum content of the explanation of how environmental, social and governance factors are reflected in the benchmark methodology and the retained EU law in the UK (The Benchmarks (amendment and Transitional Provision) (EU Exit) Regulations 2019).

[2] The 'underlying assets' are defined in European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.

Disclaimer

Performance Disclosure/Back-Tested Data

Where applicable, S&P Dow Jones Indices and its index-related affiliates (“S&P DJI”) 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 DJI 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.

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.

Information presented prior to an index’s launch date is hypothetical back-tested performance, not actual performance, and is based on the index methodology in effect on the 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. 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.

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 certain 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. Index returns shown do not represent the results of actual trading of investable assets/securities. S&P DJI maintains the index and calculates the index levels and performance shown or discussed but does not manage any assets.

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