



Calculation & Benchmark Administration by

**S&P Dow Jones  
Indices**

# **Fidelity Japan Quality Income Index**

## ***Methodology***

January 2026

The Fidelity Japan Quality Income Indices ("Indices") are proprietary to Fidelity, which has contracted with S&P DJI Netherlands B.V. (a subsidiary of S&P Dow Jones Indices LLC.) to calculate and administer the Indices.

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# Introduction

## Index Objective

The Fidelity Japan Quality Income Index measures the performance of companies from the S&P Japan BMI Index (the "Reference Index") that exhibit high relative dividend yield, ESG characteristics, and specified investment quality attributes while retaining broadly neutral Global Industry Classification Standard (GICS®) sector weights relative to the selection universe as described under Index Construction. The Index applies exclusions based on companies' involvement in specific business activities and performance against the principles of the United Nations' Global Compact (UNGC), as well as Controversy Ratings and aims to meet the sustainability criteria as outlined under Index Construction.

The indices governed by this methodology document ("**Methodology**") are administered and calculated by S&P DJI Netherlands B.V. (a subsidiary of S&P Dow Jones Indices LLC) ("**S&P DJI**" or the "**Index Administrator**"). Any changes to or deviations from this Methodology shall be made in the sole judgment and discretion of S&P DJI. The index owner is Fidelity Product Services LLC, doing business as Fidelity Investments ("FPS" or "Fidelity").

## Highlights

The index is fully reconstituted on an annual basis, as of the close on the 3rd Friday of February, or if such Friday is not an Index Business Day, the immediately following Index Business Day. In addition to the annual reconstitution, the Index will be rebalanced in months other than February in the event any index constituent ceases to pay a dividend (this is established when the Indicated Dividend Yield is 0), is identified as having an ESG controversy score of 0, or falls into a Business Involvement, MSCI ESG Global Norms Screens exclusionary category as of the relevant Observation Date as described under the Index Maintenance section.

FactSet Research Systems Inc. ("**FactSet**") and MSCI ESG Research LLC (MSCI) are used as the main source for the metrics in Eligibility Criteria and Index Construction, unless stated otherwise. Transcriptions have been mapped to FactSet and MSCI data fields in an Appendix that is available on request from S&P DJI and subject to Index Owner's approval<sup>1</sup>.

## Summary Description

Index Owner:	Fidelity Product Services LLC, doing business as Fidelity Investments ("FPS" or "Fidelity")
Index Administrator & Calculation Agent:	S&P DJI Netherlands B.V. ("S&P DJI")
Index Calculation and Publication:	The index level is calculated on each Index Business Day (subject to Index Policy) and published as soon as reasonably practicable thereafter.

<sup>1</sup> Requests can be made to S&P DJI (BenchmarkAdministration@spglobal.com) and will be subject to the approval of Fidelity.

**Supporting Documents**

This Methodology is intended to be read in conjunction with supporting documentation that helps provide greater detail with respect to the policies, procedures and calculations described herein. References throughout the Methodology direct the reader to the relevant supporting document for further information on a specific topic. The list of the main supplemental documents for this Methodology, and the hyperlinks to those documents, are set forth below:

Supporting Document	URL
S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology	<a href="#">Equity Indices Policies &amp; Practices</a>
S&P Dow Jones Indices' Index Mathematics Methodology	<a href="#">Index Mathematics Methodology</a>
S&P Dow Jones Indices' Float Adjustment Methodology	<a href="#">Float Adjustment Methodology</a>
S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology	<a href="#">GICS Methodology</a>

# Eligibility Criteria

## Eligibility Factors

At each Annual Reconstitution Observation Date, all stocks from the Reference Index are screened for security type eligibility, liquidity and investability requirements.

Index	Reference Index
Fidelity Japan Quality Income Index	S&P Japan Broad Market Index

Additionally, constituents must meet the following criteria for inclusion into the index.

## Security Type Eligibility

- Only primary market share classes<sup>2</sup> are included in case of multiple share classes. If the primary share class is not trading and there is one or more share classes trading, then the share class with the highest average daily traded value in US dollars over the previous 30 Index Business Days prior to the relevant Annual Reconstitution Observation Date is used.
- Only common stocks are eligible.
- Remove any remaining stocks that are:
  - Limited Partnerships
  - ADRs

## Data Availability Screens

- Only stocks with available current prices, prices from 6 months prior to the last Index Business Day of the previous month to the relevant Annual Reconstitution Observation Date, market caps, and trading volumes greater than zero are eligible.

## Liquidity Screens

- Exclude all stocks in the bottom quintile of stocks based on the number of days to trade US\$10 million of the stock, using the average daily traded value over the last 20 trading days for the stock in the previous month.
- Exclude all stocks with less than 15% free float market capitalization.

## Multiple Listings

Only primary listings are included in the Selection Universe<sup>3</sup>. However, the market capitalization for multiple listings is combined while determining the weights in the Final Selection.

<sup>2</sup> As defined by Factset

<sup>3</sup> If the primary listing is not trading, then the shares listed on a secondary listing venue with the highest average daily traded value in US dollars over the previous 30 Index Business Days prior to the relevant Observation Date is used.

### **Dual Listed Companies**

A dual-listed company (DLC) structure wherein the company has separate legal entities listed on different stock exchanges operating independently and shareholders in one entity do not automatically have ownership in the other, and each entity operates within the regulatory framework of its respective country are considered eligible as separate entities.

### **The Selection Universe**

The remaining stocks are sorted by free float-adjusted market capitalization. The market capitalization of all share classes is combined into a single value for each stock, the market capitalization is combined into the primary market share class<sup>4</sup> or if the primary market share class is not available, the share class with the highest average daily traded value in US dollars over the previous 30 Index Business Days prior to the relevant Annual Reconstitution Observation Date is used.

The largest 600 stocks by free float market capitalization for all share classes comprise the Selection Universe, and their free float-adjusted constituent and sector weights are utilized to define the Japan equity market.

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<sup>4</sup> As defined by Factset

# Index Construction

## Composite Quality, ESG, and Income Scores

In order to determine the level of quality, ESG, and dividend exposure for each stock in the Selection Universe, a Composite Quality Score, ESG Score, and Income Score are calculated using the factors listed below as of each Observation Date (whether during the Annual Reconstitution or any other Rebalance Month). Securities with negative Combined Quality and ESG Scores<sup>5</sup> are eliminated, while final constituent selection is based on the Income Score.

The Fidelity Japan Quality Income Index is based on the following Quality, ESG, and Income metrics:

Metric	Weight	Definition
<b>Income</b>		
Dividend Yield	100%	Used to identify income. Calculated as the trailing cumulative dividends per share over the previous twelve months, divided by price per share.
<b>Quality (non-banking stocks)</b>		
Cash Flow Margin	33.3%	A profitability measure that indicates how efficient a company is at converting sales to cash, gauging whether or not the company has higher earnings quality. Calculated as operating cash flow divided by revenue over the last 12 months from the last report available.
Return on Invested Capital	33.3%	A measure of profitability relative to the capital invested, capturing how much profit a company generates with the assets equity and debtholders have committed, and therefore accounting for leverage. Calculated as EBIT divided by total capital over the last 12 months from the last report available.
Free Cash Flow Stability	33.3%	Measures consistency of a company's ability to generate positive free cash flows and therefore its financial strength. Calculated as the percent of the trailing 20 quarters, where operating cash flow minus capital expenditure, is positive.
<b>ESG</b>		
MSCI Industry Adjusted Company Score	100%	MSCI Industry-Adjusted Company Scores provide an opinion of companies' management of financially relevant ESG risks and opportunities. They are industry-relative measures and are determined at the company level. Scores are on a scale from 0 (the lowest score) to 10 (the highest score). <sup>6</sup>

A separate set of Quality metrics is used for Banks (identified using the GICS industry group) as consequence of differences in reporting requirements:

Metric	Weight	Definition
<b>Quality</b>		
Return on Equity	50%	Used to measure profitability. Calculated as net income over shareholder's equity over the last 12 months from the last available report.
Debt to Assets	50%	Used to measure financial leverage. Calculated as total debt divided by total assets based on the last annual report available. For this metric we use a Z-score of -2 for the highest quintile of securities based on Debt to Assets and 0 for all other securities, in order to favor stocks with lower Debt to Asset ratios.

<sup>5</sup> Please reference section "Calculating Composite Quality Scores, ESG Scores, and Income Scores" for methodology

<sup>6</sup> Please see [MSCI ESG Rating Methodology](#) for more information.

### Exclusions Based on Business Involvement

As of each Observation Date, companies with the following specific business activities, as determined by MSCI are excluded from the Selection Universe. The specific proxy and level of involvement threshold used to determine exclusion for each category are outlined below:

Category of Business Involvement	MSCI Category of Business involvement Description	Business Involvement Proxy	Level of Business Involvement Threshold
Alcohol	The recent-year percent of revenue, or maximum estimated percent, a company has derived from manufacture of alcoholic products.	Revenue	>=10%
	The recent-year percent of revenue, or maximum estimated percent, a company has derived from the supply of key raw materials and other products used specifically for the production of alcoholic products, such as malt, hops, distilled spirits, alcohol flavoring, chemical additives, "pure alcohol", or "potable alcohol."	Revenue	>=10%
	The recent-year percent of revenue, or maximum estimated percent, a company has derived from retail sales of alcohol products.	Revenue	>=10%
Adult Entertainment	The recent-year percent of revenue, or maximum estimated percent, a company has derived from producing, directing, or publishing adult entertainment materials that fall into the following categories: Producer of X-rated films, Producer of Pay-per-view programming or channels, Producer of sexually explicit video games, Producer of books or magazines with adult content, Live entertainment of an adult nature, Producer of adults-only material on the internet.	Revenue	>=5%
	The recent-year percent of revenue, or maximum estimated percent, a company has derived from distributing sexually explicit products and services, including X-rated movies and videos, printed materials, television programs, and online products.	Revenue	>=5%
Arctic Gas	This factor identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from Arctic Gas production. The definition of Arctic is geographical and includes production activities north of the 66.5 latitude. This factor includes offshore or onshore gas production.	Revenue	>=5%
Arctic Oil	This factor identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from Arctic Oil production. The definition of Arctic is geographical and includes production activities north of the 66.5 latitude. This factor includes offshore or onshore oil production.	Revenue	>=5%
Biocides	The recent-year percent of revenue, or maximum estimated percent, a company has derived from biocides.	Revenue	>=5%
Cannabis	The recent-year percent of revenue, or maximum estimated percent, a company has derived from the manufacture of cannabis products.	Revenue	>=5%
	The recent-year percent of revenue, or maximum estimated percent, a company has derived from retail sales of cannabis products.	Revenue	>=5%

<b>Gambling</b>	The recent-year percent of revenue, or maximum estimated percent, a company has derived from ownership or operation gambling facilities such as casinos, racetracks, bingo parlors, or other betting establishments, including: horse, dog, or other racing events that permit wagering; lottery operations; online gambling; pari-mutuel wagering facilities; bingo; pachislot and pachinko parlors; slot machines; Jai-alai; mobile gambling; and sporting events that permit wagering.	Revenue	>=5%
	The recent-year percent of revenue, or maximum estimated percent, a company has derived from licensing its company name or brand name to gambling products.	Revenue	>=5%
	The recent-year percent of revenue, or maximum estimated percent, a company has derived from providing key products or services fundamental to gambling operations, including: slot machines, roulette wheels, or lottery terminals; gambling technology and support such as IT maintenance, software design, security or surveillance systems, and lottery ticket printing; and, gambling-related services such as credit lines, and casino management and consultation.	Revenue	>=5%
<b>Oil Sands</b>	This factor identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from oil sands extraction for a set of companies that own oil sands reserves and disclose evidence of deriving revenue from oil sands extraction. This factor does not include revenue from non-extraction activities (e.g. exploration, surveying, processing, refining); ownership of oil sands reserves with no associated extraction revenues; revenue from intra-company sales.	Revenue	>=5%
<b>Palm Oil</b>	The recent-year percentage of revenue, or maximum estimated percent, a company has derived from the production or distribution of Palm Oil.	Revenue	>=5%
<b>Thermal Coal</b>	This factor identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading.	Revenue	>=5%
	This factor identifies the maximum percentage of revenue (either reported or estimated) that a company derives from the thermal coal based power generation.	Revenue	>=5%
<b>Tobacco</b>	The recent-year percent of revenue, or maximum estimated percent, a company has derived from retail sales of tobacco products.	Revenue	>=5%
	The recent-year percent of revenue, or maximum estimated percent, a company has derived from tobacco-related business activities.	Revenue	>=5%
	The recent-year percent of revenue, or maximum estimated percent, a company has derived from the manufacture of tobacco products.	Revenue	>=0%
<b>Weapons</b>	The recent-year percentage of revenue, or maximum estimated percent, a company has derived from the production of conventional weapons.	Revenue	>=5%
	The recent-year percent of revenue, or maximum estimated percent, a company has derived from weapons-related support systems and services.	Revenue	>=5%
<b>Civilian Firearms</b>	The recent-year percent of revenue, or maximum estimated percent, a company has derived from manufacturing automatic for civilian markets.	Revenue	>=0%
	The recent-year percent of revenue, or maximum estimated percent, a company has derived from the distribution (wholesale or retail) of automatic firearms for civilian use.	Revenue	>=5%

<b>Controversial Weapons</b>	Companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.	True/False	True
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### Exclusions Based on MSCI’s’ Controversy Rating

As of each Observation Date, companies identified as having a MSCI Controversy Rating of 0 are excluded from the Selection Universe.

### MSCI ESG Global Norms Screens Overview

MSCI ESG Global Norms screens are not intended to verify ongoing commitments of companies to such norms and conventions or assess the quality of internal compliance monitoring mechanisms of the companies that commit to such external guidelines and standards. Instead, MSCI ESG Global Norms screens leverage MSCI ESG Controversies Flags to identify publicly traded companies and fixed income issuers involved in controversies that may constitute a breach of those global norms and conventions. MSCI has reviewed details of each set of norms and determined a mapping of ESG controversy cases to the specific policies and principles of the following global norms and conventions:

- The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- The United Nations Global Compact Principles (UNGC)
- The International Labour Organization’s (ILO) conventions (Broad and Core Conventions)
- The United Nations Guiding Principles on Business and Human Rights (UNGP)

The screening factor values include Fail, Watch List, or Pass Signals based on the Severity of specific cases in which a company is implicated:

- **Fail** - The company is directly involved in one or more Very Severe unresolved controversies related to aspects covered by the relevant global norms’ policies.
- **Watchlist** - The company has either i) settled most of the stakeholders’ concerns related to its involvement in a Very Severe controversy related to aspects covered by the relevant global norm’s policies, ii) continues to be involved in such controversy indirectly through its business partners, or iii) is involved in one or more controversies related to aspects covered by the relevant global norms but with a lesser severity.
- **Pass** - The company has not been implicated in any ESG controversy cases related to aspects covered by the relevant global norms’ policies, or its involvement in such cases is not considered to be severe enough to warrant a Fail or Watch List Signal.

As of each Observation Date, companies identified and deemed by MSCI to be Non-compliant are excluded from the Selection Universe.

**Treatment of Missing MSCI Data**

Companies not in the MSCI ESG Ratings coverage universe will be excluded from the Selection Universe. Other missing MSCI data does not result in exclusion by default.

For more information on MSCI, please refer to [ESG Ratings Methodology - MSCI](#).

**Data**

The following data is used for data availability and data quality screens:

Factor	Transcription
<b>Price Momentum</b>	Simple Total Return starting from same date of the month 12 months ago from the observation date ending same date of the month before the observation date. If the date is a holiday or weekend, use the previous date that is not a holiday.
<b>Dividend Payout Ratio</b>	Earnings Per Share over the trailing fully reported 12 months divided by Dividends Per Share over the trailing fully reported 12 months.
<b>5 Year Dividends Per Share Growth (Fiscal Quarterly)</b>	Dividends Per Share from latest fiscal quarter – Dividends Per Share from 20 fiscal quarters prior.
<b>5 Year Dividends Per Share Growth (Fiscal Annually)</b>	Annual Dividends Per Share from latest fiscal year – Annual Dividends Per Share from 5 years prior.
<b>Indicated Dividend Yield</b>	Current indicated annual dividend rate.

**Data Availability Screens**

- If a security does not have a dividend yield (i.e., dividend yield factor is listed as N/A), it will not be eligible for inclusion.
- All securities without an indicated dividend yield will also be ineligible for inclusion.
- Securities are screened to remove any with negative 5 year dividends per share growth.

**Additional Data Quality Screens**

- Securities are screened to remove 5% with the lowest dividend payout ratios within each sector, the dividend payout ratio is calculated as earnings per share divided by trailing cumulative dividends per share over the previous 12 months from the last available report. To identify securities with the highest dividend payout ratios, eligible securities in the Selection Universe are (a) ranked within each sector based on their dividend payout ratio and (b) then the rank is scaled to a percentile by dividing by the count of available ratios in that sector. If a security's resulting percentile rank is less than or equal to 5%, it is excluded.
- Securities are screened to remove 5% with the lowest price momentum within each sector. Momentum is measured as the total return of a security using the levels 12 months before the Observation Date and 1 month before the Observation Date. If the date is a holiday or weekend, the previous date level that is not a holiday is used. To identify securities with the lowest price

momentum, eligible securities in the Selection Universe are (a) ranked within each sector based on price momentum and (b) then the rank is scaled to a percentile by dividing by the count of available ratios in that sector. If a security's resulting percentile rank is less than or equal to 5%, it is excluded.

### **Calculating Composite Quality Scores, ESG Scores, and Income Scores**

The raw quality, ESG, and income metrics listed above are first winsorized to the 96th percentile. Outliers below the 2nd and above the 98th percentile are reassigned the minimum / maximum values at the threshold.

For the securities remaining within each sector group<sup>7</sup>, z-scores<sup>8</sup> are created for each quality and ESG metric. The z-scores are calculated by dividing the difference between each security's winsorized value and the mean of eligible securities in its respective sector group by the standard deviation of the eligible securities in the sector group. The z-scores are capped at 3 standard deviations.

The equal weighted sum of the quality z-scores is then standardized and capped within 3 standard deviations to calculate the Composite Quality Score for each security. If a quality metric is not available for a security, it will be assigned a z-score value of 0 and still be used, if none of the quality metrics is available, they will all get assigned a value of 0. The combined Quality and ESG Score is the equal weighted sum of the Composite Quality Score and the ESG Score.

Securities with negative Combined Quality and ESG Scores are eliminated.

With the securities remaining within each sector group, z-scores are created for the income metric. The z-scores are calculated by dividing the difference between each security's winsorized value and the mean of eligible securities in its respective sector group by the standard deviation of the eligible securities in the sector group. The z-scores are capped at 3 standard deviations.

The Income Score for each security is the resulting income metric z-score.

### **Constituent Selection and Weighting**

Constituents are selected from the Selection Universe by combining each stock's Income Score with a Size Factor Score.

The process targets the selection of 80 stocks, but the final constituent count of the index may be more or less than 80 due to rounding during the security selection process.

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<sup>7</sup> For the purposes of calculating quality metric z-scores, Banks (identified using the GICS industry group) are removed from the GICS sector to which they belong to (Financials) and are treated as a Sector.

<sup>8</sup> A number representing the number of standard deviations a number is away from the mean.

### Calculating the Size Adjusted Income Scores

In order to remove the size bias in the index, Income Scores are blended with Size Scores to come up with a Size Adjusted Income Score, using the following procedure:

- A standardized z-score of the logarithm of each security's free float market capitalization for all share classes within each sector is calculated. The z-scores are then capped at 3 standard deviations. The Size Factor Score is the resulting z-score.
- Take the Income Score for each stock and combine it with the Size Factor Score, then set at 60%/40% weights respectively.
- The new calculated value for each security is its Size Adjusted Income Score.

### Selecting Constituents

Within each sector, securities are then ranked by their Size Adjusted Income Score. The number of stocks selected is determined as follows:

1. The number of stocks to select for each sector is equal to the market-cap weight in the Selection Universe of that sector multiplied by 80, subject to a minimum of 3.
2. If this results in a sector having less than three stocks, the stocks in the sector will not be selected and will not receive an Size Adjusted Income Score, and the sector weight will be zero in the Final Selection.
3. The stocks selected constitute the Final Selection.

On the third Friday of each month, stocks that have eliminated dividends, identified as having an ESG controversy score of 0, falls into a Business Involvement or MSCI Global Norms screens exclusionary category will be removed and replaced with stocks from the Selection Universe with the next highest Size Adjusted Income Score for that sector as of the relevant Observation Date.

### Weighting Constituents in an Annual Reconstitution Observation Date

Within each sector group, each stock is weighted based on its market cap weight in the Selection Universe (using the free float for all share classes of the stock) plus an overweight adjustment as of the Observation Date:

$$\text{Stock Weight}_i = \text{Market Cap Weight in Selection Universe}_i + \text{Overweight Adjustment}_i$$

The overweight adjustment applied is equal for all constituents within that sector, and when summed across the constituents of the sector, returns the weight difference between the sector to that of the same sector in the Selection Universe.

For each stock  $i$  within each sector:

$$\text{Overweight Adjustment}_i = \frac{\sum_i^M \text{Market Cap Weight in Selection Universe}_i - \sum_i^N \text{Market Cap Weight in Final Selection}_i}{N}$$

Where,

$M$  is the number of stocks within sector to which stock  $i$  belongs, in the Selection Universe,

$N$  is the number of stocks within sector to which stock  $i$  belongs, in the Final Selection.

The purpose of this “Equal Excess Weighting” approach is to reduce the potential for stock specific risk, i.e. concentration in individual stocks based solely on market cap.

### **ESG Exposure**

After the previous steps, the index level exposure to the z-scores of the Final Industry-Adjusted Company Scores from the MSCI ESG Ratings coverage universe is compared with the universe level market capitalization-weighted exposure. The z-scores are calculated by dividing the difference between each security’s winsorized value and the mean of eligible securities by the standard deviation of the eligible securities.

If the index level exposure is lower than the universe level exposure the index constituents with z-scores higher than the universe exposure are scaled up and index constituents with z-scores lower than the universe exposure are scaled down until the index level exposure is 1/10th standard deviations greater than the universe level exposure.

### **Weighting Constituents in a non-annual reconstitution Observation Date**

On the Observation Date of the monthly rebalance, constituents that have eliminated their dividend, signified by an Indicated Dividend Yield of 0, are identified as having an ESG controversy score of 0, or fall into a Business Involvement or MSCI’s Global Norms screens exclusionary category are replaced on the Rebalance Date with one or multiple new constituent(s). The new constituent(s) would have the next highest ranked Size Adjusted Income Score in the respective sector in the Selection Universe. The new constituent(s) would replace the weight as of the Observation Date of the stock that is being eliminated and sector neutrality is maintained. The new constituent(s) will be added with a weight equal to their weight in the Selection Universe<sup>9</sup> plus the average excess weight of the constituents that are already held in the respective sector.

Constituents are added to the sector one-by-one in a descending order according to their Size Adjusted Income Score until:

1. The weight of the deleted constituent(s) has been fully replaced; or
2. There are no other constituents within the sector from which to choose.

If the last constituent added causes the cumulative weight of the new additions to be greater than the constituents that were removed, its weight is trimmed down so that the weight of the added constituent(s) and the deleted constituent(s) from the sector is identical.

<sup>9</sup> Based on its market cap weight (using the free float for all share classes of the stock) in the Selection Universe

In the event that there are no or not enough constituent(s) available to replace the removed constituent(s) in the sector, all remaining constituents will be rescaled to 100% since the weight of the deleted constituent(s) could not be fully replaced.

$$Final\ Stock\ Weight_j = \frac{Stock\ Weight_j}{\sum_j^P Stock\ Weight_j}$$

Where,

$P$  is the number of remaining stocks in the index.

# Index Maintenance

## Index Calculations

The indices are calculated using a divisor methodology. Index calculations include price series, total return series, and net total return series.

The indices are calculated using S&P DJI's modified market cap weighted methodology. A modified market cap weighted index is one where index constituents have a user-defined index weight. Each stock's weight is based on the optimized weight and is calculated as described under the Index Construction section.

*Please refer to S&P DJI's Index Mathematics Methodology for further details on the modified market cap methodology.*

## Rebalancing

The Fidelity Japan Quality Income Index is fully reconstituted on an annual basis as of the close of the 3rd Friday of February. In addition to the annual reconstitution, the index will be rebalanced each month in the event that any index constituent ceases to pay a dividend (this is established when the Indicated Dividend Yield is 0), identified as having an ESG controversy score of 0, or falls into a Business Involvement or MSCI Global Norms screens exclusionary category, as of the relevant monthly Observation Date. As of the close of the 3rd Friday of each month, the index is rebalanced, removing stocks that have eliminated dividends, identified as having an ESG controversy score of 0, or have fallen into a Business Involvement or MSCI Global Norms screens exclusionary category and replacing with stocks from the Selection Universe with the next highest Size Adjusted Income Score for that sector as of the relevant Observation Date. The new index composition becomes effective at the opening of the next Index Business Day after the Rebalancing Date.

Proforma data will be generated starting 8 Index Business Days prior to the Rebalance Date, based on data from the 18th Index Business Day prior to the Rebalance Date.

If there are no index constituents that cease to pay a dividend, identified as having an ESG controversy score of 0, or fall into a Business Involvement or MSCI Global Norms screens exclusionary category as of the relevant Observation Date in a specific month other than the reconstitution month, there will be no rebalance for that month and no proforma will be generated.

- The “**Observation Date**” is as of the close of trading on the 18th Index Business Day prior to the Rebalance Date.
- The “**Annual Reconstitution Observation Date**” is as of the close of trading on the 18th Index Business Day prior to the Reconstitution Date.
- The “**Rebalancing Reference Date**” or “**Reference Date**” for weighting occurs as of the close of the 18 Index Business days prior to the Rebalance Date.

- The “**Rebalancing Effective Date**” or “**Rebalancing Date**” is after the close of the third Friday of the Rebalance Month effective at next day market open, or if such Friday is not an Index Business Day, the immediately preceding Index Business Day.
- The “**Reconstitution Date**” the 3<sup>rd</sup> Friday of February each year
- The “**Rebalance Month**” any month where an index constituent ceases to pay a dividend (this is established when the Indicated Dividend Yield is 0), is identified as having an ESG controversy score of 0 or meets the Business Involvement or MSCI Global Norms screen exclusion criteria as of the relevant Observation Date.

Stocks are assigned index shares and rebalance weights using the closing prices as of the Reference Date. Because index shares are assigned based on prices eighteen (18) Index Business Days prior to the Rebalancing Date, the actual weight of each stock at the Rebalancing Date differs from its Final Stock Weight due to market movements.

### Additions and Deletions

Except for spin-offs, companies can only be added to an index during the rebalancing. Between Rebalancing Dates, deletions can occur due to acquisitions, mergers and spin-offs, or due to bankruptcies or suspensions. As the indices do not have a fixed number of constituents, additions to and deletions from an index may not be equal in number.

### Corporate Actions

Between two Rebalancing Dates the maintenance of index constituents is based on the following principle: all share and price adjustments that do not alter the membership of stocks in the universe or their risk characteristics do not lead to changes in the index value or composition. The section below details the maintenance rules for the most common corporate actions. If not explicitly mentioned in this document, index maintenance will follow the same principles as those for the Reference Index.

Corporate Action	Adjustment Made to Index	Divisor Adjustment?
Stock Split, Forward/Reverse	Market capital neutral treatment, share change offset by price adjustment	No
IWF Change	IWF changes do not affect index market capitalization as the AWF will adjust to negate any IWF changes	No
Share Issuance	Share changes do not affect index market capitalization as the AWF will adjust to negate any share changes	No
Rights Offering	If the rights are in the money, the spot price of the underlying security will be adjusted after market close of the day prior to the ex-date and the index shares of the underlying security will adjust to offset the price adjustment thus making the event a market cap neutral event.	No
Special Dividend	Price adjustment will be applied after market close on ex-date minus 1	Yes

Delisting	The delisted security will be deleted from the index (at either the last traded price of a zero price).	Yes
Spin-off (Add Spin-Off)	S&P DJI practice is to follow a zero price spin off treatment. No Price Adjustment applied to the parent, the spinoff company is added to the index at price of zero and at the terms of the spinoff so it is market capitalization neutral on the ex-date (no divisor change). The spun-offs are added to the index. In the event that S&P DJI applies the event as a non-ZPSO event, the spun-off company is added to the index with respect to spinoff ratio. The spot price of the underlying security is adjusted after market close of the day prior to the ex-date by the closing spot price of the spun-off company multiplied by the spinoff ratio, thus making it a market cap neutral event. The divisor will not be adjusted.	No
M&A (constituent acquired for cash)	The acquired company is deleted from the index.	Yes
M&A (constituent acquired by another constituent for stock and or cash and stock)	The acquired company is deleted from the index. The shares outstanding and IWF of the acquirer will be adjusted with respect to the stock terms of the acquisition.	Yes

For more information on Corporate Actions, please refer to S&P DJI's Equity Indices Policies & Practices.

### Exchange Rate

WM/Reuters foreign exchange rates are taken daily at 04:00 PM London time and used in the calculation of the indices. These mid-market fixings are calculated by the WM Company based on Reuters' data and appear on Reuters pages WMRA.

### Currency of Calculation

Each index is calculated in USD and JPY.

Index	Currency
Fidelity Japan Quality Income Index PR (USD)	USD
Fidelity Japan Quality Income Index TR (USD)	USD
Fidelity Japan Quality Income Index NR (USD)	USD
Fidelity Japan Quality Income Index PR	JPY
Fidelity Japan Quality Income Index TR	JPY
Fidelity Japan Quality Income Index NR	JPY

### Index Calendar

Every weekday except for Good Friday, Christmas and New Year's Day



### **Other Adjustments**

In cases where there is no achievable market price for a stock being deleted, it can be removed at a zero or minimal price at the Index Committee's discretion, in recognition of the constraints faced by investors in trading bankrupt or suspended stocks.

# Index Data

## Calculation Return Types

S&P DJI calculates multiple return types which vary based on the treatment of regular cash dividends. The classification of regular cash dividends is determined by S&P DJI.

- Price Return (PR) versions are calculated without adjustments for regular cash dividends.
- Gross Total Return (TR) versions reinvest regular cash dividends at the close of the ex-date without consideration for withholding taxes.
- Net Total Return (NTR) versions reinvest regular net cash dividends at the close of the ex-date with consideration for withholding taxes.

In the event there are no regular cash dividends on the ex-date, the daily performance of the indices will be identical.

*For more information on the classification of regular versus special cash dividends as well as the tax rates used in the calculation of net return, please refer to S&P DJI's Equity Indices Policies & Practices Methodology located at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).*

*For more information on the calculation of return types, please refer to S&P DJI's Index Mathematics Methodology located at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).*

## Base Date and History Availability

Index history availability, Launch Date, Base Date and Launch Value are shown in the table below:

Index	Launch Date	Base Date	History Start Date	Base Value
Fidelity Japan Quality Income Index PR (USD)	07/24/2024	12/31/2009	12/31/2009	100
Fidelity Japan Quality Income Index TR (USD)	07/24/2024	12/31/2009	12/31/2009	100
Fidelity Japan Quality Income Index NR (USD)	07/24/2024	12/31/2009	12/31/2009	100
Fidelity Japan Quality Income Index PR <sup>10</sup>	10/25/2024	12/31/2009	12/31/2009	100
Fidelity Japan Quality Income Index TR	10/25/2024	12/31/2009	12/31/2009	100
Fidelity Japan Quality Income Index NR	10/25/2024	12/31/2009	12/31/2009	100

All information presented prior to the inception date ("Launch Date") is back-tested.

<sup>10</sup> The Fidelity Japan Quality Income Indices have been relaunched on 25th October 2024, with an updated index methodology to replace the currency of indices from USD to JPY. Historical timeseries associated with the relevant Bloomberg code have been restated due to the change in currency.

# Index Governance

## Index Committee

S&P DJI's S&P Custom BA Index Committee ("Index Committee") maintains the Fidelity Japan Quality Income Indices. The Index Committee meets at regular intervals. At each meeting, the Index Committee reviews matters that may affect the indices, including the Methodology, constituents and any significant market events. In addition, the Index Committee may revise index policy and procedures.

S&P DJI considers information regarding changes to the Indices and related matters to be potentially market moving and material; therefore, all Index Committee discussions are confidential.

*For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P DJI's Equity Indices Policies & Practices document located here [www.spglobal.com/spdji](http://www.spglobal.com/spdji).*

# Index Policy

## Announcements

All index constituents are evaluated daily for data needed to calculate index levels and returns. All events affecting the daily index calculation are typically announced in advance via the Index Corporate Events report (.SDE), delivered daily to Fidelity and authorized clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients. The Index Administrator shall review the Index Methodology periodically for best practices, and any material changes shall be announced ahead of time via its website and/or via email. The index Methodology is reviewed by the Index Committee as part of the regular index rebalancing process, as well as on at least an annual basis, to ensure that the Methodology is being applied consistently and allows the index to achieve its stated objective. These reviews may highlight situations where changes to the Methodology are necessary to reflect changes in the underlying market.

*For more information, please refer to the Announcements section of S&P DJI's Equity Indices Policies & Practices Methodology.*

## Pro-forma Files

In addition to the corporate events file (.SDE), S&P DJI provides constituent pro-forma files each time an index rebalances. The pro-forma file is typically provided daily in advance of the Rebalance Date and contains all constituents and their corresponding weights and index shares effective for the upcoming rebalance. As index shares are assigned based on prices prior to the rebalance, the actual weight of each stock at the rebalance differs from these weights due to market movements.

## Holiday Schedule

Each index is calculated on each day that is an Index Business Day.

## Rebalancing

The Index Committee may change the date of a given rebalancing for reasons including market holidays occurring on or around the scheduled rebalancing date. Any such change will be announced with proper advance notice where possible.

## Unexpected Exchange Closures

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

## Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

## Contact Information

For questions regarding an index, please contact: [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

## Index Dissemination

Index levels are available through S&P DJI's here [www.spdji.com](http://www.spdji.com), and major quote vendors (see codes below).

### Tickers

The table below lists headline indices covered by this document.

Index	Return Type	Bloomberg	Real Time
Fidelity Japan Quality Income Index PR	Price Return	FIDJPQIP	No
Fidelity Japan Quality Income Index TR	Total Return	FIDJPQIT	No
Fidelity Japan Quality Income Index NR	Net Total Return	FIDJPQIN	No
Fidelity Japan Quality Income Index PR (USD)	Price Return	NA	No
Fidelity Japan Quality Income Index TR (USD)	Total Return	NA	No
Fidelity Japan Quality Income Index NR (USD)	Net Total Return	NA	No

### SFTP

Daily stock level and index data are available via SFTP subscription.

### Web site

For further information, please refer to <https://www.spglobal.com/spdji/en/custom-indices/fidelity/#overview>

## Appendix I – Defined Terms

“**Annual Reconstitution Observation Date**” has the meaning given to such term in Index Construction.

“**Combined Quality and ESG Score**” has the meaning given to such term in Index Construction.

“**Composite Quality Score**” has the meaning given to such term in Index Construction.

“**Equal Excess Weighting**” has the meaning given to such term in Index Construction.

“**ESG Score**” has the meaning given to such term in Index Construction.

“**Final Selection**” has the meaning given to such term in Index Construction.

“**Income Score**” has the meaning given to such term in Index Construction.

“**Index Business Day**” means every weekday except for Good Friday, Christmas and New Year’s Day each day.

“**Industry**” has the meaning given to such term in the S&P Dow Jones Indices’ Global Industry Classification Standard (GICS) Methodology

“**Observation Date**” has the meaning given to such term in Index Construction.

“**Rebalancing Date**” has the meaning given to such term in Index Construction.

“**Rebalancing Reference Date**” has the meaning given to such term in Index Maintenance.

“**Reconstitution Date**” has the meaning given to such term in Index Construction.

“**Rebalance Month**” has the meaning given to such term in Index Construction.

“**Selection Universe**” has the meaning given to such term in Eligibility Criteria.

“**Size Adjusted Income Score**” has the meaning given to such term in Index Construction

“**Size Factor Score**” has the meaning given to such term in Index Construction.

## Appendix II – Methodology Changes

In calculating and determining the value of each index, S&P DJI will, subject as provided below, use the Methodology and its interpretation of such Methodology shall be conclusive and binding. While S&P DJI uses the Methodology described in this document to calculate each index, no assurance can be given that market, regulatory, juridical, financial, fiscal or other circumstances (including, but not limited to, any changes to or any suspension or termination of any constituent of an index or any other events affecting transactions on the same or similar terms to any constituent of an index) will not arise that would, in the view of S&P DJI, necessitate or make desirable a modification of or change to such Methodology (including, but without limitation, a change in the frequency of calculation of any index level) in order for each index to continue being calculated and determined notwithstanding the relevant circumstances S&P DJI shall be entitled to make any such modification or change in its sole discretion.

S&P DJI shall be entitled to make such modifications and/or changes to the Methodology as it, in its sole discretion, deems necessary or desirable, including (without limitation):

- i. To correct any manifest error or proven error or to cure, correct or supplement any ambiguity or defective provision contained in this Methodology; and/or
- ii. To preserve the intended index objective, where such modification and/or change is of a formal, minor or technical nature; and/or
- iii. To take into account any change in the terms (whether in relation to settlement mechanics or otherwise) on which relevant instruments concerning any index constituent are traded.

In deciding what is necessary or desirable, S&P DJI will consider and/or take into account what it determines to be the intended objective of the index.

In making any such modifications, however S&P DJI will (x) ensure that such modifications or changes pursuant to this section “Change in Methodology” will result in a methodology that, in S&P DJI’s sole determination, is consistent with the intended objective of the Methodology described herein and (y) limit any such modification or change to the index rules and/or method of calculating any index Level(s).

All proposals to discontinue an index are assessed to determine any potential impact on the market. S&P DJI may at its option, consult with market participants regarding the index termination.

Methodology changes since 24<sup>th</sup> of July, 2024 are as follows:

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
ESG Exposure	15-Nov-2024	Next, the index-level exposure to Index Constituents with MSCI ESG Ratings that are greater than or equal to BBB is assessed. If the total weight attributed to this group is <50%, the weight of the group with MSCI ESG Ratings greater than or equal to BBB is increased to 50% of the index’s weight, and the weight of those Index Constituents with MSCI ESG Ratings of BB or less is reduced to 50%	NA

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		<p>of the index's weight. Increasing or reducing the respective weights of index constituents does not occur if the total weight attributed to Index Constituents with MSCI ESG Ratings that are greater than or equal to BBB is above or equal to 50% or if there are no constituents with an MSCI ESG Rating greater than or equal to BBB in the final selection.</p>	
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## Appendix III – EU ESG Disclosure

### EU BMR Disclosures - Part I<sup>11</sup>

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE BENCHMARK STATEMENT		
1.	Name of the Benchmark Administrator	S&P DJI Netherlands B.V.
2.	Type of benchmark or family of benchmarks <sup>12</sup>	Equity
3.	Name of the benchmark or family of benchmarks	Fidelity Japan Quality Income Index
4.	Are there any EU Climate Transition Benchmarks, EU Paris-aligned benchmarks, benchmarks that pursue ESG objectives or benchmarks that take into account ESG factors in the benchmark administrator's portfolio?	Yes  This Index Family does not include EU Climate Transition Benchmarks or EU Paris-aligned Benchmarks.  For a list of the EU CTBs and EU PABs, and benchmarks that take into account ESG factors, please refer to the <a href="#">S&amp;P DJI Methodology &amp; Regulatory Database</a> .
5.	Does this benchmark or family of benchmarks pursue ESG objectives?	Yes
6.	Where the response to (5) is 'Yes', the section below provides information in relation to those ESG factors for the 'Equity' benchmarks, including those ESG factors listed in Annex II to Delegated Regulation (EU) 2020/1816:	
7.	List of combined ESG factors List of environmental factors List of social factors List of governance factors	Please refer to the <a href="#">S&amp;P DJI Fidelity EU Low Carbon Benchmark Regulation Disclosure Report</a> for a description of the ESG Factors listed in Annex II of Delegated Regulation (EU) 2020/1816 for each index that pursues ESG objectives within this index series.
8.	Data and standards used	
a.	Description of data sources used to provide information on the ESG Factors in the ESG Disclosures required under Annex 1 to Delegated Act 2020/1816	Please refer to the <a href="#">S&amp;P DJI Sustainability Metrics Reference Guide</a> for more information on the metrics and the data sets used to calculate them.
b.	Reference standards	Whilst there are no specific reference standards that apply to the data, where possible, S&P Dow Jones Indices uses international sustainability disclosure frameworks such as: SASB, GRI, UN Global Compact and the recommendations of the Financial Stability Board's Task Force for Climate-related Financial Disclosures as published in the 2017 Final Report.
DISCLOSURES OF THE ALIGNMENT WITH THE OBJECTIVES OF THE PARIS AGREEMENT		
1.	Does the benchmark align with the target of reducing carbon	No

<sup>11</sup> EU BMR Disclosures - Part I includes an explanation of how ESG factors are reflected in each benchmark in accordance with Article 27(2)(aa) of the EU BMR, as supplemented by Commission Delegated Regulation (EU) 2020/1816.

<sup>12</sup> The "type of benchmark" refers to the type of 'underlying asset', as selected from the list provided in Annex II to 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.

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE BENCHMARK STATEMENT		
	emissions or the attainment of the objectives of the Paris Agreement?	
2.	The temperature scenario, in accordance with international standards, used for the alignment with the target of reducing GHG emissions or attaining the objectives of the Paris Agreement;	Not applicable. The benchmarks do not pursue the objective of seeking to reduce carbon emissions for the purposes of meeting a specific temperature scenario and/or attaining the objectives of the Paris Agreement and therefore a temperature scenario is not relevant to the benchmarks.
3.	The name of the provider of the temperature scenario used for the alignment with the target of reducing GHG emissions or the attainment of the objectives of the Paris Agreement.	Not applicable.
4.	The methodology used for the measurement of the alignment with the temperature scenario	Not applicable.
5.	The hyperlink to the website of the temperature scenario used.	Not applicable.
Date on which information has last been updated and reason for the update:		Not applicable
Appendix first publication:		December 2025

### EU BMR Disclosures - Part II<sup>13</sup>

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY			
	EU BMR ESG Factor <sup>14</sup>	S&P DJI ESG Factor	Comment
1.a List of Combined ESG Factors considered	Not applicable.	MSCI Industry Adjusted Company Score	Weighting. For more information, please refer to the ' <i>Index Construction</i> ' section of the Index methodology.
	Not applicable	Controversies Monitoring: <i>MSCI Controversy Rating</i>	Exclusion. For more information, please refer to the ' <i>Index Construction</i> ' section of the Index methodology.
	Weighted average ESG rating of the benchmark (voluntary).	ESG Ratings Exposure: ( <i>MSCI ESG Ratings</i> ) <i>ESG Risk Rating Exposure</i>	Weighting. For more information, please refer to the ' <i>Index Construction</i> ' section of the Index methodology.
	Not applicable.	Business Activities Involvement screen: Revenue Thresholds for <i>Arctic Gas</i> : This screen identifies the maximum percentage of revenue	Exclusion. For more information, please refer to the ' <i>Index Construction</i> ' section of the Index methodology.

<sup>13</sup> EU BMR Disclosures - Part II includes an explanation of how key elements of the methodology reflect ESG factors in accordance with Article 13(1)(d) of Regulation (EU) 2016/1011 (EU BMR), as supplemented by Commission Delegated Regulation (EU) 2020/1817.

<sup>14</sup> 'ESG factors' means the environmental, social and governance factors (i) referred to in Annex II of Commission Delegated Regulation (EU) 2020/1816; and (ii) additional ESG factors taken into account by the methodology.

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY			
1.b List of Environmental Factors considered		(either reported or estimated) greater than 0% that a company derives from Arctic Gas production. The definition of Arctic is geographical and includes production activities north of the 66.5 latitude. This factor includes offshore or onshore gas production.	
	Not applicable.	Business Activities Involvement screen: Revenue Thresholds for <i>Arctic Oil</i> : This screen identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from Arctic Oil production. The definition of Arctic is geographical and includes production activities north of the 66.5 latitude. This factor includes offshore or onshore oil production.	Exclusion. For more information, please refer to the ' <i>Index Construction</i> ' section of the Index methodology.
	Not applicable.	Business Activities Involvement screen: Revenue Thresholds for <i>Biocides</i> : This screen identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from oil sands extraction for a set of companies that own oil sands reserves and disclose evidence of deriving revenue from oil sands extraction. This factor does not include revenue from non-extraction activities (e.g. exploration, surveying, processing, refining); ownership of oil sands reserves with no associated extraction revenues; revenue from intracompany sales.	Exclusion. For more information, please refer to the ' <i>Eligibility Criteria</i> ' section of the Index methodology.

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY			
	Not applicable.	Business Activities Involvement screen: Revenue Thresholds for <i>Oil Sands</i> . This screen involves companies that are involved in the extraction and/or production of shale oil and gas.	Exclusion. For more information, please refer to the ' <i>Eligibility Criteria</i> ' section of the Index methodology.
	Not applicable.	Business Activities Involvement screen: Revenue Thresholds for <i>Thermal Coal</i> . The screen identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading. This screen identifies the maximum percentage of revenue (either reported or estimated) that a company derives from the thermal coal based power generation.	Exclusion. For more information, please refer to the ' <i>Eligibility Criteria</i> ' section of the Index methodology.
	Not applicable	Business Activities Involvement screen for <i>Palm Oil</i> : This screen covers companies recent-year percentage of revenue, or maximum estimated percent, a company has derived from the production or distribution of Palm Oil.	Exclusion. For more information, please refer to the ' <i>Eligibility Criteria</i> ' section of the Index methodology.
<b>1.c List of Social Factors considered</b>	International treaties and conventions, United Nations principles or, where applicable,	Business Activities Involvement screen for <i>Controversial Weapons</i> : This screen covers	Exclusion. For more information, please refer to the ' <i>Eligibility Criteria</i> '

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY			
	national law used in order to determine what constitutes a 'controversial weapon'.	companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.	section of the Index methodology.
	Weighted average percentage of benchmark constituents in the controversial weapons sector.	Business Activities Involvement screen for <i>Controversial Weapons</i>	Exclusion. For more information, please refer to the ' <i>Eligibility Criteria</i> ' section of the Index methodology.
	Not applicable	Business Activities: Involvement screen Revenue Threshold for <i>Civilians Arms</i> : This screen covers companies' recent-year percent of revenue, or maximum estimated percent, a company has derived from manufacturing automatic for civilian markets. This screen covers companies' recent-year percent of revenue, or maximum estimated percent, a company has derived from the distribution (wholesale or retail) of automatic firearms for civilian use	Exclusion. For more information, please refer to the ' <i>Eligibility Criteria</i> ' section of the Index methodology.
	Not applicable	Business Activities Involvement screen: Revenue Threshold for <i>Weapons</i> : This screen covers companies recent-year percentage of revenue, or maximum estimated percent, a company has derived from the production of conventional weapons. This screen covers companies recent-year percent of revenue, or maximum estimated percent, a company has derived from weapons-related support systems and services.	Exclusion. For more information, please refer to the ' <i>Eligibility Criteria</i> ' section of the Index methodology.

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY			
	Weighted average percentage of benchmark constituents in the tobacco sector.	Business Activities Involvement screen: Revenue Threshold <i>Tobacco</i> : This screen covers companies' recent-year percent of revenue, or maximum estimated percent, a company has derived from retail sales of tobacco products, tobacco-related business activities, and the manufacture of tobacco products.	Exclusion. For more information, please refer to the ' <i>Eligibility Criteria</i> ' section of the Index methodology.
	Not applicable	Business Activities Involvement screen: Revenue Threshold <i>Adult Entertainment</i> : This screen covers companies' recent-year percent of revenue, or maximum estimated percent, a company has derived from producing, directing, or publishing adult entertainment materials that fall into the following categories: Producer of X-rated films, Producer of Pay-per-view programming or channels, Producer of sexually explicit video games, Producer of books or magazines with adult content, Live entertainment of an adult nature, Producer of adults-only material on the internet. This screen covers companies' recent-year percent of revenue, or maximum estimated percent, a company has derived from distributing sexually explicit products and services, including X-rated movies and videos, printed materials, television programs, and online products.	Exclusion. For more information, please refer to the ' <i>Eligibility Criteria</i> ' section of the Index methodology.
	Not applicable	Business Activities Involvement screen:	Exclusion. For more information, please refer

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY			
		<p>Revenue Threshold <i>Cannabis</i>: This screen covers companies' recent-year percent of revenue, or maximum estimated percent, a company has derived from the manufacture of cannabis products. This screen covers companies' recent-year percent of revenue, or maximum estimated percent, a company has derived from retail sales of cannabis products.</p>	<p>to the '<i>Eligibility Criteria</i>' section of the Index methodology.</p>
	Not applicable	<p>Business Activities Involvement screen: Revenue Threshold <i>Gambling</i>: This screen covers companies' recent-year percent of revenue, or maximum estimated percent, a company has derived from ownership or operation gambling facilities such as casinos, racetracks, bingo parlors, or other betting establishments, including: horse, dog, or other racing events that permit wagering; lottery operations; online gambling; pari-mutuel wagering facilities; bingo; pachislot and pachinko parlors; slot machines; Jai-alai; mobile gambling; and sporting events that permit wagering. This screen covers companies' recent-year percent of revenue, or maximum estimated percent, a company has derived from licensing its company name or brand name to gambling products. This screen covers companies' recent-year percent of revenue, or maximum estimated</p>	<p>Exclusion. For more information, please refer to the '<i>Eligibility Criteria</i>' section of the Index methodology.</p>

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY			
		percent, a company has derived from providing key products or services fundamental to gambling operations, including: slot machines, roulette wheels, or lottery terminals; gambling technology and support such as IT maintenance, software design, security or surveillance systems, and lottery ticket printing; and, gambling-related services such as credit lines, and casino management and consultation.	
	Not applicable	<p>Business Activities Involvement screen:  <b>Revenue Threshold Alcohol:</b> This screen covers companies' recent-year percent of revenue, or maximum estimated percent, a company has derived from manufacture and retail sales of alcoholic products.</p> <p>This screen covers companies' recent-year percent of revenue, or maximum estimated percent, a company has derived from the supply of key raw materials and other products used specifically for the production of alcoholic products, such as malt, hops, distilled spirits, alcohol flavoring, chemical additives, "pure alcohol", or "potable alcohol."</p>	Exclusion. For more information, please refer to the ' <i>Eligibility Criteria</i> ' section of the Index methodology.
	Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and	MSCI ESG Global Norms Screening: <i>UNGC Non-Compliant Companies</i>	Exclusion. For more information, please refer to the ' <i>Eligibility Criteria</i> ' section of the Index methodology.

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY	
	conventions, United Nations principles and, where applicable, national law.
<b>1.d</b> <b>List of Governance Factors considered.</b>	Not applicable
<b>2.</b>	<b>Data and standards used.</b>
<b>2.a</b>	<p>The data sets are defined as either:</p> <ul style="list-style-type: none"> <li>- <u>Reported</u>: All data in the dataset are provided as disclosed by companies, or as stated in the public domain.</li> <li>- <u>Modeled</u>: All data are derived using a proprietary modeling process with only proxies used in the creation of the dataset.</li> <li>- <u>Reported and Modeled</u>: The dataset is either a mix of reported and modeled data or is derived by the vendor using reported data/information in a proprietary scoring or determination process.</li> </ul> <p>The index methodology uses the following ESG data sets.</p>
	<p><b>Data Source:</b> <b>Data Set:</b></p>
	<p><b>MSCI</b> (external data source)</p> <p>This methodology uses the following datasets provided by MSCI, a global leader in sustainability research and analytics:</p> <ul style="list-style-type: none"> <li>• Business Involvement Screening Research (Reported and Modeled)</li> <li>• ESG Ratings (Reported and Modeled)</li> <li>• ESG Controversies (Reported and Modeled)</li> <li>• Global Norms (Reported and Modeled)</li> </ul> <p><i>For more information, please refer to <a href="http://www.MSCI.com">www.MSCI.com</a></i></p>
<b>2.b</b>	<p><b>Verification and quality of data.</b></p> <p>The data quality process involves regular reviews of new data received, and includes comparison with previous data, outlier and error checks and escalation of suspect data to data vendors. S&amp;P Dow Jones Indices also holds regular feedback sessions with data partners and vendors to share any quality concerns and to remedy any issues that are observed during data validations performed by the S&amp;P Dow Jones Indices Global Data Management Team. Data used by S&amp;P Dow Jones Indices is reviewed against secondary and tertiary data sources, to the extent such secondary/tertiary sources are available and accessible to S&amp;P Dow Jones Indices, for cross comparison and validation. Some more thematic or specific datasets may not have a comparable data source that can be used for comparison, but these datasets are still reviewed for internal consistency and self-comparison over time.</p>
<b>2.c</b>	<p><b>Reference standards.</b></p> <p>Not applicable.</p>
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<b>Appendix first publication:</b> December 2025	

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