

**S&P 500 Higher Credit-Rating
Ex Insurance Equity Index
*Methodology***

August 2021

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Introduction

Index Objective and Highlights

The S&P 500 Higher Credit-Rating Ex Insurance Equity Index measures the performance of S&P 500 (the “Index Universe”) U.S.-incorporated companies, excluding those classified by the Global Industry Classification Standard (GICS) as insurance companies (GICS Code: 4030), with long-term debt credit ratings defined in *Eligibility Criteria*. The index uses Issuer Credit Ratings (ICRs) from up to three rating agencies, S&P Global Ratings (SPGR), Moody’s, and Fitch, to determine constituents’ credit ratings. Index constituents are first float-adjusted market capitalization (FMC) weighted, with those FMC weights then adjusted so that the sector weights in the index are set to equal the sector weights in the index universe.

For information on the S&P 500, including eligibility criteria and maintenance procedures, please refer to the S&P 500 Index methodology available at www.spdji.com.

Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing 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 as follows:

Supporting Document	URL
S&P Dow Jones Indices’ Equity Indices Policies & Practices Methodology	Equity Indices Policies & Practices
S&P Dow Jones Indices’ Index Mathematics Methodology	Index Mathematics Methodology
S&P Dow Jones Indices’ Global Industry Classification Standard (GICS) Methodology	GICS Methodology

This methodology was created by S&P Dow Jones Indices to achieve the aforementioned objective of measuring the underlying interest of each index governed by this methodology document. Any changes to or deviations from this methodology are made in the sole judgment and discretion of S&P Dow Jones Indices so that the index continues to achieve its objective.

Eligibility Criteria

Index Universe

The index universe consists of all constituents of the S&P 500. The reference universe for the index is the composition of the index universe at the open of the upcoming rebalancing effective date.

Index Eligibility

To qualify for index membership, as of the rebalancing reference date, a stock must:

1. Be a member of the index universe
2. Be a U.S.-incorporated company
3. Not be classified as an insurance company (GICS Code: 4030)
4. Have long-term debt ICRs of:
 - AAA, AA+, AA, AA-, A+, A and A- from SPGR and Fitch Ratingor
 - Aaa, Aa1, Aa2, Aa3, A1, A2 and A3 from Moody's Rating

Multiple Share Classes

All publicly listed multiple share class lines are eligible for index inclusion, subject to meeting the eligibility criteria. For more information regarding the treatment of multiple share classes, please refer to Approach A within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

Index Construction

Constituent Selection

The selection of index constituents is done as follows:

1. Issuer Credit Ratings (ICR)¹ from three rating agencies (S&P, Moody's, and Fitch) are obtained each month for each of the stocks that satisfy the criteria as detailed in the *Eligibility Criteria*. The eligible ICRs are shown in the table below:

Table 1: Eligible ICR Ratings

SPGR	Moody's	Fitch
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-
A+	A1	A+
A	A2	A
A-	A3	A-

2. To integrate the ICR from three rating agencies, rules in Table 2 are applied.

Table 2: ICR Integration Rules

Number of Ratings Available	Rating Selection/Inclusion
3	Two ratings need to be in Table 1
2	Two ratings need to be in Table 1
1	Available one
0	Excluded

Constituent Weightings

At each rebalancing, constituents are weighted as follows:

1. Constituents are float-adjusted market capitalization (FMC) weighted.
2. Constituents' FMC weights are adjusted so that the sector weights in the index are set to equal the sector weights in the index universe.
3. If no constituents satisfy the credit rating requirements in a particular sector, that sector's weight is proportionally (based on sector weights) assigned to the other sectors and their constituents.

Index Calculations

The index is calculated by means of the divisor methodology used in most S&P Dow Jones Indices' equity indices.

For more information on the index calculation methodology please refer to the Non-Market Capitalization Weighted Indices section of the S&P Dow Jones Indices' Index Mathematics Methodology.

¹ If long-term Issuer Defaulting Rating is not available, then Senior Unsecured Debt Rating is used as a proxy.

Index Maintenance

Rebalancing

The index rebalances monthly, effective after the close on the last business day of each month. The monthly rebalancing reference date is after the close seven business days prior to the rebalancing effective date. Index weights are assigned based on closing prices as of the rebalancing reference date.

Additions and Deletions

Additions. Except for spin-offs (see *Corporate Actions* below), no additions are made to the index between rebalancings.

Deletions. Index constituents removed from the index universe are removed from the index simultaneously.

Ratings Changes. A constituent that receives a rating below A-, or whose rating changes to below A-, between rebalancings remains in the index and is evaluated for continued inclusion at the subsequent rebalancing.

GICS Reclassifications. A constituent whose GICS changes to an ineligible classification between rebalancings remains in the index and is dropped at the subsequent rebalancing.

Corporate Actions

Spin-Offs. Spin-offs are added to the index on the ex-date at a zero price. If the spin-off remains in the underlying index, both the parent company and spin-off remain in the index until the next index rebalancing. If the spun-off company does not remain in the underlying index, it is removed from the index after the first day of regular way trading, with the proceeds reinvested across the index.

For more information on Corporate Actions, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

Currency of Calculation and Additional Index Return Series

The index calculates in U.S. dollars.

In addition to the indices detailed in this methodology, additional return series versions of the indices may be available, including, but not limited to: currency, currency hedged, decrement, fair value, inverse, leveraged, and risk control versions. For a list of available indices, please refer to the [S&P DJI Methodology & Regulatory Status Database](#).

For information on the calculation of different types of indices, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

For the inputs necessary to calculate certain types of indices, including decrement, dynamic hedged, fair value, and risk control indices, please refer to the Parameters documents available at www.spdji.com.

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.

Base Date and History Availability

Index history availability, base date, and base value are shown in the table below.

Index	Launch Date	First Value Date	Base Date	Base Value
S&P 500 Higher Credit-Rating Ex Insurance Equity Index	04/19/2021	06/30/2015	06/30/2015	100

Index Data

Calculation Return Types

S&P Dow Jones Indices 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 Dow Jones Indices.

- Price Return (PR) versions are calculated without adjustments for regular cash dividends.
- Gross Total Return (TR) versions reinvest regular cash dividends at the close on the ex-date without consideration for withholding taxes.
- Net Total Return (NTR) versions, if available, reinvest regular cash dividends at the close on the ex-date after the deduction of applicable withholding taxes.

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

For a complete list of indices available, please refer to the daily index levels file (".SDL").

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 Dow Jones Indices' Equity Indices Policies & Practices Methodology.

For more information on the calculation of return types, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

Index Governance

Index Committee

An S&P Dow Jones Indices' Index Committee maintains the index. The Index Committee meets regularly. All committee members are full-time professional members of S&P Dow Jones Indices' staff. At each meeting, the Index Committee may review pending corporate actions that may affect index constituents, statistics comparing the composition of the indices to the market, companies that are being considered as candidates for addition to an index, and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting companies, treatment of dividends, share counts or other matters.

S&P Dow Jones Indices considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

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.

For information on Quality Assurance and Internal Reviews of the methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

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 all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

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

Pro-forma Files

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the indices rebalance. The pro-forma file is typically provided daily in advance of the rebalancing date and contains all constituents and their corresponding weights and index shares effective for the upcoming rebalancing. Since index shares are assigned based on prices prior to the rebalancing, the actual weight of each stock at the rebalancing will differ from these weights due to market movements.

Please visit www.spdji.com for a complete schedule of rebalancing timelines and pro-forma delivery times.

Holiday Schedule

The index is calculated on all days when at least one of the underlying exchanges is open.

A complete holiday schedule for the year is available at www.spdji.com.

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.

For information on Calculations and Pricing Disruptions, Expert Judgment, and Data Hierarchy, 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.

Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at www.spdji.com, major quote vendors (see codes below), numerous investment-oriented Web sites, and various print and electronic media.

Index Data

Daily constituent and index level data are available via subscription.

For product information, please contact S&P Dow Jones Indices, www.spdji.com/contact-us.

Website

For further information, please refer to S&P Dow Jones Indices' Web site at www.spdji.com.

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