

S&P/ASX 100 Equal Weight Index *Methodology*

July 2014

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Introduction

The S&P/ASX 100 Equal Weight Index is the equal-weight version of the market capitalization-weighted S&P/ASX 100. The index has the same constituents as the S&P/ASX 100, but each company in the index is allocated a fixed weight of 1% at each quarterly rebalancing. The S&P/ASX 100 Equal Weight Index (S&P/ASX 100 EWI) provides an opportunity to invest in the performance of these 100 leading companies in equal measure.

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.

Highlights

The S&P/ASX 100 EWI is designed to track the equally weighted performance of the 100 constituents in the S&P/ASX 100. For this, each stock is assigned a weight of 1% in the index at each rebalancing. As stock prices move in different directions, the weightings in the index will change. To achieve a balance between representation and investability S&P Dow Jones Indices' has chosen a quarterly rebalancing cycle for the S&P/ASX 100 EWI.

The S&P/ASX 100 EWI has the following features:

- Official index calculation and dissemination by S&P Dow Jones Indices.
- Index calculation uses the divisor-based methodology of the S&P/ASX 100.
- Constituent changes incorporated in the index as, and when, they are incorporated in the S&P/ASX 100.
- The quarterly rebalancing process balances representation and investability, while coinciding with the S&P/ASX 100 quarterly share adjustments.

Eligibility Criteria

Index Eligibility

The S&P Equal Weight Index is based on the S&P/ASX 100. All index constituents are members of the S&P/ASX 100 and follow the eligibility criteria for that index. The S&P/ASX 100 EWI is maintained in accordance with the index methodology of the S&P/ASX 100.

Please refer to the S&P/ASX Australia Indices methodology document for Eligibility Criteria for the S&P/ASX 100 Index.

Index Construction

Approaches

The index series is equal-weighted and calculated by the divisor methodology used in all S&P Dow Jones Indices' equity indices.

Index Calculations

The index value is simply the index market value divided by the index divisor:

$$\text{Index Value} = \text{Index Market Value} / \text{Divisor} \quad (1)$$

In order to maintain index series continuity, it is also necessary to adjust the divisor at each rebalancing.

$$(\text{Index Value})_{\text{before rebalancing}} = (\text{Index Value})_{\text{after rebalancing}} \quad (2)$$

Therefore,

$$(\text{Divisor})_{\text{after rebalancing}} = \frac{(\text{Index Market Value})_{\text{after rebalancing}}}{(\text{Index Value})_{\text{before rebalancing}}} \quad (3)$$

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

Index Maintenance

Rebalancing

Rebalancings occur after the market close on the third Friday of the quarter ending month. The goal of the index is to maintain a portfolio of 100 equally weighted stocks, while keeping index turnover to a minimum. Index additions and deletions coincide with the S&P/ASX 100. Each constituent in the S&P/ASX 100 EWI is assigned a weight of 1% at each rebalancing.

As the stock prices move, the weightings in the index will change. A more frequent rebalancing will result in higher index turnover; and less frequent will result in significant deviations from the equal weights. The S&P/ASX 100 EWI is rebalanced quarterly to coincide with the quarterly share adjustments of the S&P/ASX 100.

When a company is added to the index in the middle of the quarter, it takes the weight of the company that it replaced. The one exception is when a stock is removed from an index at a price of \$0.00. In such a case, the stock's replacement will be added to the index at the weight using the previous day's closing value, or the most immediate prior business day that the deleted stock was not valued at \$0.00.

Base Date

The indices base date is March 31, 2000. The base value, for the price return series is 2511.4, and 3578.1 for the total return series. These reflect the respective values of the S&P/ASX 100 price return and total return series on that day.

Historical daily returns are available beginning on March 31, 2000.

Index Actions

Action	Adjustment made to the index	Divisor adjustment?
Constituent change	<p>New constituent replaces the dropped stock in the EWJ with the same weight.</p> <p>For equal and modified market cap weighted indices, when a stock is removed from an index at a price of \$0.00, the stock's replacement will be added to the index at the weight using the previous day's closing value, or the most immediate prior business day that the deleted stock was not valued at \$0.00.</p>	No, except in the case of stocks removed at \$0.00
Share changes between quarterly share adjustments	None.	No
Quarterly share changes	There is no direct adjustment; however, the index rebalancing takes place on the same date.	Only because of the index rebalancing.

Corporate Actions

Corporate Action	Adjustment made to the index	Divisor adjustment?
Spin-off	No weight change. The price is adjusted to Price of Parent Company minus (Price of Spin-off company/Share Exchange Ratio). Index Shares change so that the company's weight remains the same as its weight before the spin-off.	No
Rights Offering	The price is adjusted to Price of Parent Company minus (Price of Rights Offering/Rights Ratio). Index Shares change so that the company's weight remains the same as its weight before the spin-off.	No
Stock Split	Index Shares are multiplied by and price is divided by the split factor.	No
Share Issuance or Share Repurchase	None.	No
Special Dividends	Price of the stock making the special dividend payment is reduced by the per share special dividend amount after the close of trading on the day before the dividend ex-date.	Yes

For more information, please refer to *S&P Dow Jones Indices' Equity Indices Policies & Practices* document located on our Web site, www.spdji.com.

Index Data

Total Return Indices

Each index will have a total return counterpart, which assumes dividends are reinvested in the index after the close on the ex-date. On any given date t :

$$\text{Total Return Multiplier}_t = \frac{[\text{Index Value}_t + \text{Index Dividend Points}_t]}{\text{Index Value}_{t-1}} \quad (4)$$

$$\text{Total Return Index Value}_t = (\text{Total Return Index Value}_{t-1}) * (\text{Total Return Multiplier}_t) \quad (5)$$

$$\text{Index Dividend Points}_t = \sum_{i=1}^N (\text{Index Shares})_{i,t} * (\text{Ex-dividends})_{i,t} / \text{Index Divisor}_t \quad (6)$$

For more information on the tax rates used in the calculation of net return indices, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

Index Governance

Index Committee

Each of S&P Dow Jones Indices' global indices is the responsibility of an Index Committee that monitors overall policy guidelines and methodologies, as well as additions to and deletions from these indices. S&P Dow Jones Indices chairs the S&P/ASX Index Committee, which is comprised of five members representing both S&P Dow Jones Indices and the Australian Stock Exchange.

Decisions made by the Index Committee include all matters relating to index construction and maintenance. The Index Committee meets regularly to review market developments and convenes as needed to address major corporate actions.

It is the sole responsibility of the Index Committee to decide on all matters relating to methodology, maintenance, constituent selection and index procedures. The Index Committee makes decisions based on all publicly available information and discussions are kept confidential to avoid any unnecessary impact on market trading.

For information on [Quality Assurance and Internal Reviews of Methodology](#), please refer to S&P Dow Jones Indices' [Equity Indices Policies & Practices](#) document located on our Web site, www.spdji.com.

Index Policy

Announcements

Changes to the indices are generally announced two-to-five business days in advance of index implementation whenever practical, bearing in mind that the timing of such events is occasionally uncertain. Changes are announced via the Index Corporate Action report (SPA), delivered daily via FTP to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

All methodology changes are posted to the S&P Dow Jones Indices' Web site and announced via email to all clients. The latest available version is always posted on the Web site at www.spdji.com.

For more information on S&P Dow Jones Indices' announcements, please refer to the Announcement Policy located on our Web site, www.spdji.com.

Pro-forma files

In addition to the corporate actions file (.SPA), S&P Dow Jones Indices' provides constituent proforma files for each index each time the indices rebalance. The proforma file is provided in advance of the rebalancing date and it 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 S&P/ASX indices are calculated on all business days, this is inclusive of state public holidays. The exchange is closed for trading on national public holidays; indices are not calculated on those days.

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

Unscheduled Market Closures

In situations where an exchange is forced to close early due to unforeseen events, such as computer or electric power failures, weather conditions or other events, S&P Dow Jones Indices will calculate the closing price of the indices based on (1) the closing prices published by the exchange, or (2) if no closing price is available, the last regular trade

reported for each security before the exchange closed. If an exchange fails to open due to unforeseen circumstances, S&P Dow Jones Indices treats this closure as a standard market holiday. The index will use the prior day's closing prices and shifts any corporate actions to the following business day. If all exchanges fail to open or in other extreme circumstances, S&P Dow Jones Indices may determine not to publish the index for that day.

For further information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

Recalculation Policy

S&P Dow Jones Indices reserves the right to recalculate an index under certain limited circumstances. S&P Dow Jones Indices may choose to recalculate and republish an index if it is found to be incorrect or inconsistent within two trading days of the publication of the index level in question for one of the following reasons:

1. Incorrect or revised closing price
2. Missed corporate event
3. Late announcement of a corporate event
4. Incorrect application of corporate action or index methodology

Any other restatement or recalculation of an index is only done under extraordinary circumstances to reduce or avoid possible market impact or disruption as solely determined by the Index Committee.

For more information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

Index Dissemination

Index Data

Complete data for index replication (including share counts, tickers and data on index levels and returns) are available through S&P Dow Jones Indices' index data group for subscription via FTP.

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

Tickers

Index	Bloomberg	Reuters	IRESS
S&P/ASX 100 Equal Weight Index	SPAXEW	.AXEW	XEW

FTP

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

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

Web site

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

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