

**S&P Dow Jones  
Indices**

A Division of **S&P Global**

# **S&P/TSX Renewable Energy and Clean Technology Index *Methodology***

December 2024

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# Introduction

## Index Objective

The S&P/TSX Renewable Energy and Clean Technology Index measures the performance of companies listed on the Toronto Stock Exchange (TSX) whose core business is in the development and deployment of green technologies. The index is float-adjusted market capitalization (FMC) weighted, subject to a single constituent weight cap of 20%.

## Classification & Revenue Data Source

Impact Cubed provides the Renewable Energy and Clean Technology Classification system and revenue data used to screen the index universe for eligible securities. Impact Cubed is one of the world's leading providers of ESG (environmental, social and governance) research and analysis.

For more information on Impact Cubed and the classification system, please refer [here](#).

## Partnership

S&P Dow Jones Indices calculates and manages the indices. TMX Group (TMX) is the owner and distributor of all S&P/TSX equity index data.

## 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 is as follows:

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>

This methodology was created by S&P Dow Jones Indices (S&P DJI) 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.

TSX is a trademark of TSX, Inc. and has been licensed for use by S&P Dow Jones Indices.

# Eligibility Criteria

## Index Universe

At each rebalancing, the index universe is all companies listed on the TSX.

## Eligibility Factors

As of each rebalancing reference date, securities in the index universe must satisfy the following to be eligible for index inclusion:

**Domicile:** be domiciled in Canada.

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

**Listing Period:** except for spin-offs of existing constituents, securities must be listed on the TSX for a minimum of six full calendar months. Spin-offs are exempt from the listing period requirement.

**Eligible/Ineligible Securities.** The following security types are included or excluded as follows:

- **Included:**
  - Common stocks
  - Income trust units
  - “Stapled” securities, defined as combined securities trading as a single unit that cannot be separated
- **Excluded:**
  - Mutual Fund Corporation-issued securities
  - Preferred shares
  - Exchangeable shares
  - Warrants
  - Installment receipts
  - USD-denominated securities
  - Installment receipts (these securities *can* be used in lieu of common stock trading history)
  - “Paper-clipped” securities, defined as combinations of equity and debt securities:
    - Income Deposit Securities (IDS)
    - Enhanced Income Securities (EIS)
    - Income Participating Securities (IPS)
  - Securities that are, and which can be, separated by holders
  - Any other securities the Index Committee deems inappropriate

**Market Capitalization:** be greater than or equal to C\$ 100 million FMC in quoted market value (QMV), based on the volume weighted average price (VWAP) on the TSX, over the last 10 trading days of the month-end prior to the rebalancing.

**Liquidity:** have a float-adjusted turnover ratio<sup>1</sup> of at least 0.20. For dual-listed stocks, liquidity must be at least 0.10 when using Canadian volume only.

*For more information regarding float, please refer to S&P Dow Jones Indices' Float Adjustment Methodology.*

**Renewable Energy and Clean Technology Classification:** be classified as a renewable and clean technology company using Impact Cubed's revenue data mapping into five key thematic clusters:

1. Renewable Energy – Production and Distribution,
2. Renewable Energy – Manufacturing and Technologies,
3. Energy Efficiency,
4. Waste Reduction and Water Management; and
5. Low Impact Materials and Products.

*For the mapping of the clusters to Impact Cubed's Revenue Sectors, please refer to Appendix A.*

**Conduct "Pure Play" Analysis:** companies must satisfy Impact Cubed's eligibility criteria and have pure-play involvement in a specific theme, as described in the theme definitions. A company is considered to have pure-play involvement in a theme if either of the two conditions is met.

- 50% or more of the company's revenue is derived from products and services from one or more of the above themes.
- 50% or more of the company's EBITDA is generated by products or services from one or more of the above themes.

For example, a company that earns 100% of its revenue from the production of solar cells would have pure-play involvement in the Renewable Energy theme. The themes are not mutually exclusive, so a company's pure-play involvement may come from multiple themes. For example, a company that earns 40% of its revenue from solar cells and another 45% from water purification equipment would qualify for inclusion in the S&P/TSX Renewable Energy and Clean Technology Index.

**Multiple Classes of Stock.** 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.

Unlisted share class lines are not combined with any listed share class lines, but these unlisted share class lines are included when computing company total market capitalization.

In the case of securities that have constrained shares (foreign ownership constraints on a particular class of shares), the calculation of float shares is based on the total issued and outstanding shares of all classes, not on each class separately.

## Data Sources

Stock prices, VWAPs, and prices used to calculate QMV shall be prices determined by trading on the TSX.

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<sup>1</sup> The float-adjusted turnover ratio is the total number of shares traded in Canada and U.S. in the previous 12 months divided by float-adjusted shares outstanding at the end of the period.

Canadian and U.S. trading volume is determined using the composite volume. Canadian trading volume includes trading on the TSX, Aequitas (Lit and Neo), Alpha, CSE (Pure Trading), Instinet Canada, Liquidnet Canada, Lynx, Nasdaq CXC, Nasdaq CXD, Nasdaq CX2, Omega and TriAct Match Now. U.S. volume will include trading volume on OTC markets only if the company is dual-listed on a U.S. exchange.

# Index Construction

## **Constituent Selection**

At each rebalancing, select all eligible stocks from the index universe and form the index.

## **Constituent Weightings**

At each rebalancing, the index FMC weights constituents, subject to a single constituent weight cap of 20%. Any excess weight is proportionally redistributed to uncapped constituents, with the process continued iteratively until the constraint is satisfied.

## **Index Calculations**

The index calculates by means of the divisor method used in most S&P Dow Jones Indices' equity indices. The index value is simply the index market value divided by the index divisor.

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

# Index Maintenance

## Rebalancings and Reweightings

**Rebalancings.** The index rebalances annually, effective after the close on the third Friday of September. The rebalancing reference date is the last business day of August.

**Reweightings.** The index reweights quarterly, effective after the close on the third Friday of March, June, September, and December. The reweighting reference date is the closing prices as of the Thursday prior to the second Friday of the reweighting month.

## Additions/Deletions

**Additions and Deletions.** Except for spin-offs, additions and deletions are generally only made during rebalancings.

**Spin-offs.** A spin-off is added to all the indices of which the parent is a constituent, at a zero price at the market close of the day before the ex-date (with no divisor adjustment). If a spin-off is determined to be ineligible for continued index inclusion, it is removed after at least one day of regular way trading (with a divisor adjustment).

## Corporate Actions

For information on corporate actions, please refer to the Market Capitalization Indices Section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

## Currency of Calculation and Additional Index Return Series

The index calculates in Canadian 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 various index calculations, 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.spglobal.com/spdji/](http://www.spglobal.com/spdji/).*

## Other Adjustments

Please refer to the S&P/TSX Composite Index methodology document for treatment of Other Adjustments. The same procedures are applied to the S&P/TSX Renewable Energy and Clean Technology Index.

## Base Date

The base date for the index is March 24, 2010 and the base level is 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**

The S&P/TSX Canadian Index Committee maintains the S&P/TSX Canadian indices. The Index Committee comprises of four members representing S&P Dow Jones Indices and three members representing the TMX. The Index Committee is chaired by a member designated by S&P Dow Jones Indices. Meetings are held regularly.

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 Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

# Index Policy

## **Announcements**

Whenever possible, announcements of additions or deletions of stocks or other index adjustments are made five trading days before the adjustments are implemented. In those cases when it is not possible to trade a stock five days after an announcement, the announcement period may be shortened. However, the implementation of an index adjustment is never earlier than the market close of the day following the announcement.

In addition, TMX Datalinx offers a fee-based subscription to Index Notices. The Index Notices provide the most detailed and comprehensive coverage of index changes. Complete data for index replication (including share counts, tickers and data on index levels and returns) are also available through TMX Datalinx. In order to subscribe, contact TMX Datalinx by phone at +1.416.947.4778 or by email at [marketdata@tmx.com](mailto:marketdata@tmx.com).

## **Holiday Schedule**

The S&P/TSX Canadian indices calculate when the Canadian equity market is open.

*A complete holiday schedule for the year is available on the TMX Web site at [www.tmx.com](http://www.tmx.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 any questions regarding an index, please contact: [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

# Index Dissemination

The TMX Group (TMX) serves as the distributor of both real-time and historical index data. In addition, index levels are available on S&P Dow Jones Indices' Web site at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/), through major quote vendors (see codes below), through numerous investment oriented Web sites and various print and electronic media.

## Tickers

The table below lists headline indices covered by this document. All versions of the below indices that may exist are also covered by this document. Please refer to the [S&P DJI Methodology & Regulatory Status Database](#) for a complete list of indices covered by this document.

Index	Return Type	BBG	RIC
S&P/TSX Renewable Energy and Clean Technology Index	Price Return	TXCT	.GSPTXCT
	Total Return	TXCTAR	.TRGSPTXCT

## Index Data

Daily constituent and index level data is available from the Toronto Stock Exchange on subscription. Please contact Market Data at 416-947-4778 or, by email, at [marketdata@tmx.com](mailto:marketdata@tmx.com).

*For further information, please refer to the TMX Web site at [www.tmx.com](http://www.tmx.com).*

## Web site

*For further information, please refer to S&P Dow Jones Indices' Web site at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/).*

# Appendix A

## Cluster to Revenue Sector Mapping

### Impact Cubed Data Used: Revenue.

Impact Cubed evaluates what a company makes (products and services) and uses company disclosed revenues to map to one of the sectors in Impact Cubed's industry classification framework. Each business activity is classified as positively aligned, neutral, or negatively aligned to one or more Sustainable Development Goals.

S&P DJI maps Impact Cubed's revenue sectors to one of the clusters identified in *Eligibility Criteria*, as follows:

Impact Cubed Revenue Sector	Cluster
Renewable Energy Generation	Renewable Energy – Production and Distribution
Solar Energy - Regulated	Renewable Energy – Production and Distribution
Solar Energy - Unregulated	Renewable Energy – Production and Distribution
Solar Energy Generation	Renewable Energy – Production and Distribution
Wind Energy - Regulated	Renewable Energy – Production and Distribution
Wind Energy - Unregulated	Renewable Energy – Production and Distribution
Wind Energy Generation	Renewable Energy – Production and Distribution
Biomass & Waste - Regulated	Renewable Energy – Production and Distribution
Biomass & Waste - Unregulated	Renewable Energy – Production and Distribution
Biomass & Waste Energy Gen	Renewable Energy – Production and Distribution
Geothermal - Regulated	Renewable Energy – Production and Distribution
Geothermal - Unregulated	Renewable Energy – Production and Distribution
Geothermal Energy Generation	Renewable Energy – Production and Distribution
Hydropower Energy - Regulated	Renewable Energy – Production and Distribution
Hydropower Energy - Unregulated	Renewable Energy – Production and Distribution
Hydropower Generation	Renewable Energy – Production and Distribution
Marine Energy Generation	Renewable Energy – Production and Distribution
Nuclear Power Generation	Renewable Energy – Production and Distribution
Renewable Energy Equipment	Renewable Energy – Manufacturing and Technologies
Other Renewable Energy Equip	Renewable Energy – Manufacturing and Technologies
Solar Energy Equipment	Renewable Energy – Manufacturing and Technologies
Solar Thermal Elec Gen Equip	Renewable Energy – Manufacturing and Technologies
Solar Inverters	Renewable Energy – Manufacturing and Technologies
Wind Energy Equipment	Renewable Energy – Manufacturing and Technologies
Wind Turbine Components	Renewable Energy – Manufacturing and Technologies
Wind Turbines	Renewable Energy – Manufacturing and Technologies
Geothermal Energy Equipment	Renewable Energy – Manufacturing and Technologies
Hydro Energy Equipment	Renewable Energy – Manufacturing and Technologies
Marine Energy Equipment	Renewable Energy – Manufacturing and Technologies
Renewable Energy Project Dev	Renewable Energy – Manufacturing and Technologies
Solar Plant Construction	Renewable Energy – Manufacturing and Technologies
Wind Farm Construction	Renewable Energy – Manufacturing and Technologies
Biomass Plant Construction	Renewable Energy – Manufacturing and Technologies
Switchgear, Transformer & Other	Renewable Energy – Manufacturing and Technologies
Graphite Products	Renewable Energy – Manufacturing and Technologies

Impact Cubed Revenue Sector	Cluster
PV Modules	Renewable Energy – Manufacturing and Technologies
PV Wafers	Renewable Energy – Manufacturing and Technologies
PV Cells	Renewable Energy – Manufacturing and Technologies
Polysilicon	Renewable Energy – Manufacturing and Technologies
Energy Storage Systems	Energy Efficiency
Electric Vehicles	Energy Efficiency
Fully electric vehicles	Energy Efficiency
Smart Grid Equipment	Energy Efficiency
Power Storage	Energy Efficiency
Power Automation Equipment	Energy Efficiency
Power Management	Energy Efficiency
Corrugated Packaging Matl	Low Impact
Sanitary Paper Products	Low Impact
Recyclable Materials	Low Impact
Recycling Facilities	Low Impact
Recycling Equipment & Machinery	Low Impact
Paper	Low Impact
Advanced Materials	Low Impact
Water Purification Equipment	Waste Reduction and Water management
Water Sewage Networks	Waste Reduction and Water management
Water Supply Networks	Waste Reduction and Water management
Water Treatment Chemicals	Waste Reduction and Water management
Water Utilities	Waste Reduction and Water management
Water Utility Line Construction	Waste Reduction and Water management
Remediation Services	Waste Reduction and Water management
Filtration Prods - Air & Liquids	Waste Reduction and Water management
Pollution Control Equipment	Waste Reduction and Water management

The research supports four critical elements of index management:

1. **Qualification.** Determining which companies meet the standards to be considered eligible for pure-play involvement.
2. **Scanning.** Monitoring a pool of candidate companies for future addition to the Index.
3. **Selection.** Choosing constituents from the universe of qualified companies that satisfy the environmental and financial criteria of the index.
4. **Monitoring.** Tracking index holdings to ensure that they continue to meet the criteria for inclusion.

# Appendix B

## Methodology Changes

Methodology changes since January 1, 2015 are as follows:

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
Industry Classification & Revenue Data Source	08/30/2024	Sustainalytics provides the industry classification and revenue data.	Impact Cubed provides the industry classification and revenue data.
Constituent Weighting	08/30/2024	At each rebalancing, the index FMC weights constituents, subject to a single constituent weight cap of 10%.	At each rebalancing, the index FMC weights constituents, subject to a single constituent weight cap of 20%.
Definition of Renewable Fuels	01/02/2019	Companies that supply the fuels, and infrastructure for the production and distribution of cleaner hybrid fuels, “liquefied natural gas” (LNG), “compressed natural gas” (CNG); and hydrogen. Companies that supply bio-fuels produced from biomass; agricultural and food waste; and by-products, including biogas from methane and landfill gas.	Companies that supply the fuels, and infrastructure for the production and distribution of cleaner hybrid fuels and hydrogen. Companies that supply bio-fuels produced from biomass; agricultural and food waste; and by-products, including biogas from methane and landfill gas.
Trading Volume for Liquidity Calculation	07/31/2018	Canadian trading volume includes trading volume at the TSX, Aequitas (Lit and Neo), Alpha, CSE (Pure Trading), Lynx, Nasdaq CXC, Nasdaq CX2 and Omega. U.S. trading volume is determined using the composite volume.	Canadian and U.S. trading volume is determined using the composite volume. Canadian trading volume includes trading on the TSX, Aequitas (Lit and Neo), Alpha, CSE (Pure Trading), Instinet Canada, Liquidnet Canada, Lynx, Nasdaq CXC, Nasdaq CXD, Nasdaq CX2, Omega and TriAct Match Now.
Volume Weighted Average Price (VWAP) Period	10/30/2017	Market capitalization is calculated based on the VWAP of the security on the Toronto Stock Exchange over the last three trading days of the month-end prior to the Annual Review.	Market capitalization is calculated based on the VWAP of the security on the Toronto Stock Exchange over the last ten trading days of the month-end prior to the Annual Review.
Trading Volume for Liquidity Calculation	08/04/2017	Only trading volume from the TSX, Aequitas (Lit and Neo), Alpha, CSE (Pure Trading), Lynx, Nasdaq CXC, Nasdaq CX2 and Omega was included.	Trading volume from TSX, Aequitas (Lit and Neo), Alpha, CSE (Pure Trading), Lynx, Nasdaq CXC, Nasdaq CX2 and Omega and U.S. exchanges are included.

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
Liquidity Criteria	08/04/2017	Float-adjusted turnover, as measured by comparing the 12-month volume relative to the current float-adjusted shares, must be at least 0.20.	The float-adjusted turnover ratio (total number of shares traded in Canada and U.S. in the previous 12 months divided by float-adjusted shares outstanding at the end of the period) must be 0.20,  For dual-listed stocks, liquidity must be at least 0.10 when using Canadian volume only.
Multiple Share Class Lines	08/20/2015	Companies that have more than one class of common stock outstanding were represented only once in the index. The stock price was based on one class, and the share count was based on the total shares outstanding of all classes.	There will no longer be consolidated lines in the S&P Float Market Cap (FMC) indices. Instead, all multiple share class companies that have listed share class lines are adjusted for shares and float such that each share class line only represents that line's shares and float. All multiple share class companies that have an unlisted class line are also adjusted.
Trading Volume Marketplaces	08/20/2015	TSX and other Canadian trading venues which make the data available in a timely fashion.	TSX, Aequitas (Lit and Neo), Alpha, Chi-X, CSE (Pure Trading), CX2, Lynx, TMX Select (Excluded after September 2016 review) and Omega.

# Disclaimer

## Performance Disclosure/Back-Tested Data

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

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Information presented prior to an index’s launch date is hypothetical back-tested performance, not actual performance, and is based on the index methodology in effect on the launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate certain ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using “Backward Data Assumption” (or pulling back) of ESG data for the calculation of back-tested historical performance. “Backward Data Assumption” is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as “product involvement”) were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on “Backward Data Assumption” please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history

will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used. Index returns shown do not represent the results of actual trading of investable assets/securities. S&P DJI maintains the index and calculates the index levels and performance shown or discussed but does not manage any assets.

Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

### **Intellectual Property Notices/Disclaimer**

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