A Framework for Identifying Companies With Resilient Shareholder Yield Profiles

An Examination of the S&P 500 Resilient Shareholder Yield Index

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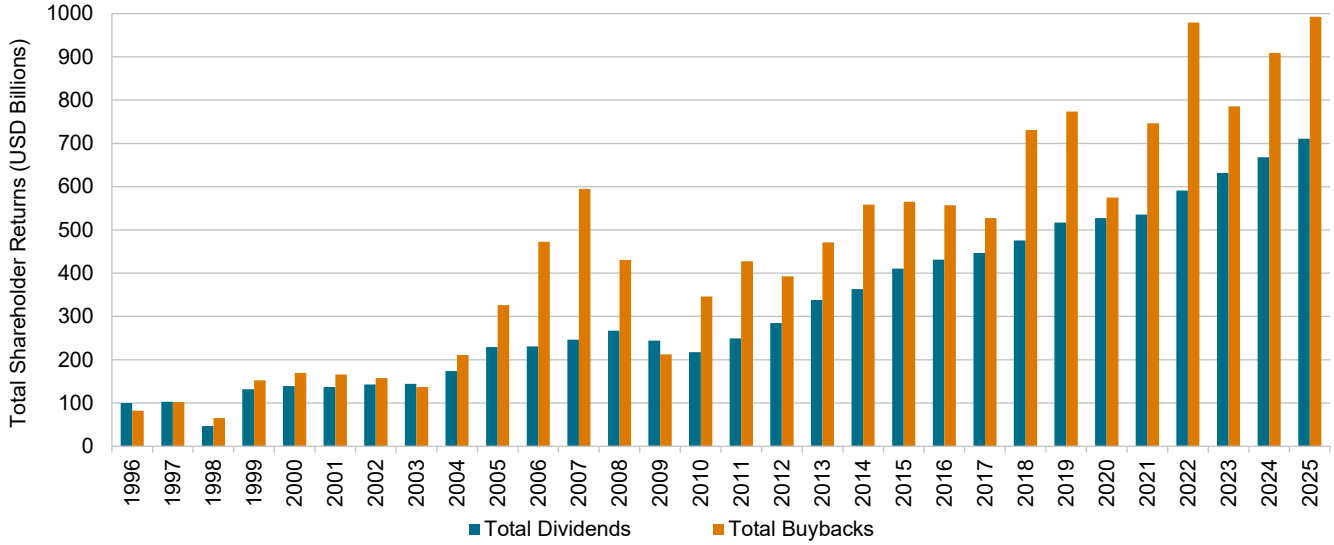
1. Introduction

Dividends have long been a widely recognized form of shareholder return, reflecting a company's capacity and willingness to distribute cash to investors. Yet the ways in which companies return capital have evolved materially over the past decade, with share repurchases becoming an increasingly significant component of capital returned by S&P 500® constituents. Companies may also support shareholder returns indirectly through balance sheet management, including reductions in net debt.

The S&P 500 Resilient Shareholder Yield Index reflects these multiple sources of shareholder capital return by including companies with high shareholder yield while requiring evidence of certain fundamental strengths. By combining capital return characteristics with measures of profitability, cash generation and balance sheet resilience, the index seeks to identify companies with sustainable shareholder return profiles. Historically, this approach has also been associated with more defensive characteristics than the S&P 500, while maintaining a focus on companies associated with long-term capital return through disciplined capital allocation and sustainable business performance.

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Exhibit 1: Buybacks Have Become a Major Component of Capital Returned by S&P 500 Constituents



Source: S&P Dow Jones Indices LLC. Data from Dec. 31, 1996, to Dec. 31, 2025. Chart is provided for illustrative purposes.

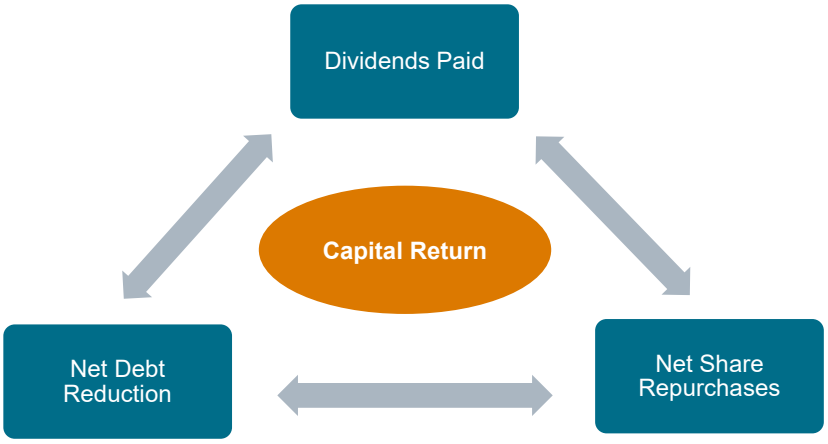
2. Capital Return and Shareholder Yield

2.1 Defining Capital Return and Shareholder Yield

Shareholder yield is a comprehensive measure of the capital a company returns to shareholders. It is calculated as capital return divided by float-adjusted market capitalization (FMC), where capital return is defined as the sum of dividends paid, net share repurchases and the net reduction in total debt.

Put simply, capital return represents the absolute amount of capital distributed directly to shareholders or used to reduce debt, while shareholder yield scales that amount by FMC.

Exhibit 2: The Components of Capital Return



Source: S&P Dow Jones Indices LLC. Chart is provided for illustrative purposes.

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2.2 The Role of Dividends, Buybacks and Net Debt Reduction

Shareholder yield incorporates dividends, buybacks and net debt reduction because each represents a distinct channel through which companies may enhance shareholder value. Dividends are direct and visible cash distributions. Share repurchases return capital by reducing the number of shares outstanding, thereby increasing each remaining share's proportionate claim on future earnings and cash flows. Net debt reduction is not a direct distribution to shareholders. However, it may support shareholder value by strengthening the balance sheet, reducing future financing costs and increasing the equity holders' residual claim on the business. Including debt reduction also helps avoid favoring companies that fund dividends and buybacks through incremental borrowing.

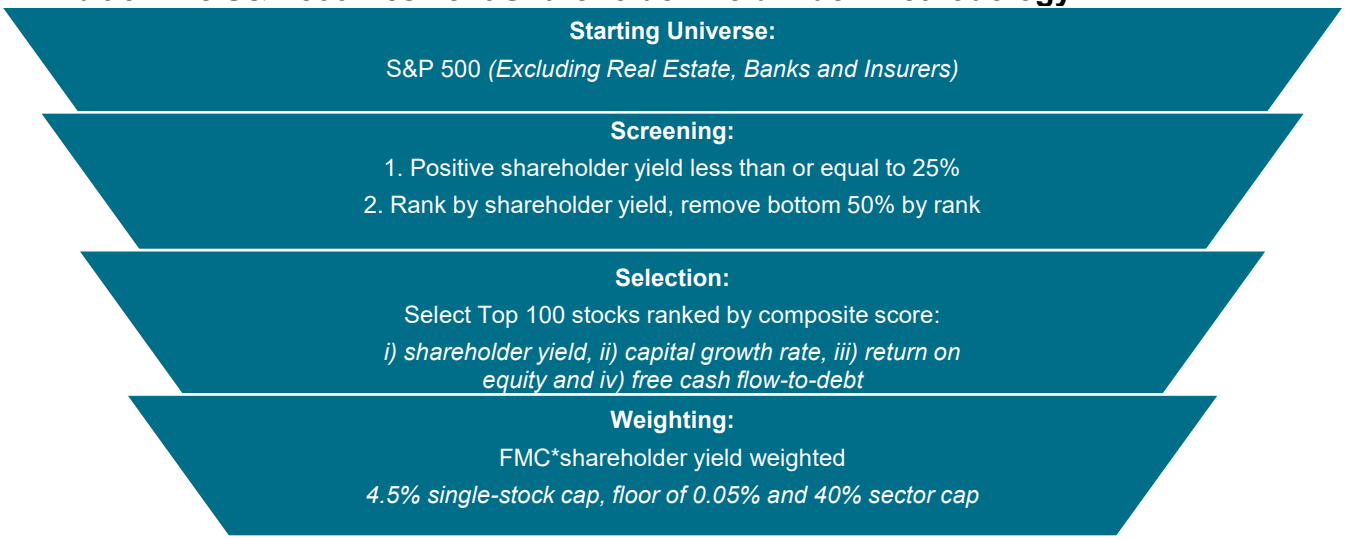
Combining these three components provides a more comprehensive measure of capital return than dividends alone. Scaling capital return by FMC may help identify companies whose market valuations are relatively low compared with the amount of capital they are returning or allocating for the benefit of shareholders.

3. Index Methodology

The S&P 500 Resilient Shareholder Yield Index builds on a traditional shareholder yield strategy by incorporating additional criteria designed to identify companies with certain fundamental quality characteristics.

The index's universe consists of the S&P 500, excluding selected GICS® sectors and subsectors. Companies within the eligible universe undergo a sequential screening and selection process as illustrated in Exhibit 3.

Exhibit 3: The S&P 500 Resilient Shareholder Yield Index Methodology



Source: S&P Dow Jones Indices LLC. Data as of July 2026. Chart is provided for illustrative purposes. For more information, please see the index methodology.

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3.1 Shareholder Yield Screening

The screening process comprises two stages. First, companies with shareholder yields above 25% are excluded. This step is intended to remove extreme observations that may reflect distressed valuations. Second, the remaining constituents are ranked by shareholder yield, with the lowest-yielding 50% removed. This helps ensure that shareholder return remains central to the constituent selection process.

3.2 Composite-Score Selection

The selection process is based on a composite score calculated as the equal-weighted average of four metrics.

1. Shareholder yield
2. Five-year capital return growth
3. Return on equity
4. Free cash flow to total debt

Companies are ranked by their composite scores, with the top 100 selected as index constituents. The methodology combines two shareholder capital return metrics with two measures of fundamental quality to assess not only the level and trajectory of capital returns, but also the profitability and financial capacity that may support them. Section 4 examines the economic rationale for the four metrics, assessing their historical efficacy on a standalone basis and their role within an integrated index framework.

3.3 Weighting and Capping

Selected constituents are weighted by FMC and tilted by shareholder yield, subject to stock and sector capping. This approach maintains a focus on shareholder return while supporting diversification and investability.

4. The Rationale for the Composite Score

The following analysis examines the economic rationale for including each metric and presents a quintile analysis (see Exhibits 5–8) to evaluate its long-term efficacy. For the quintile analysis, S&P 500 constituents were ranked by the relevant metric and divided into five equally sized, equal-weighted portfolios. The quintiles were rebalanced quarterly, with Quintile 1 comprising the highest-ranked stocks and Quintile 5 the lowest-ranked stocks.

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Exhibit 4: The S&P 500 Resilient Shareholder Yield Index Composite Score Metrics

Metric	Equation
Shareholder Yield	$Shareholder\ Yield_t = \frac{CR_t}{Daily\ Avg\ 1\ year\ FMC_t}$ where: $CR_t = Sum(Common\ Cash\ Dividends_t, Common\ Share\ Repurchases_t, -Common\ Share\ Issuances_t, -\Delta\ Total\ Debt_t)$
Five-Year Shareholder Capital Return Growth	$5y\ \text{Shareholder Capital Return Growth} = \frac{CR_t - Average\ (CR)}{Absolute\ Average(CR)}$ $Average\ CR = Average(CR_{t-1}, CR_{t-2}, CR_{t-3}, CR_{t-4}, CR_{t-5})$
Free Cash Flow to Total Debt	$FCF\ to\ Debt = \frac{Free\ Cash\ Flow}{Total\ Debt}$
Return on Equity	$Return\ on\ Equity = \frac{Net\ Income}{Total\ Shareholders'\ Equity}$

Source: S&P Dow Jones Indices LLC. Data as of June 2026. Table is provided for illustrative purposes. For more information, please see the index methodology.

4.1 Shareholder Yield

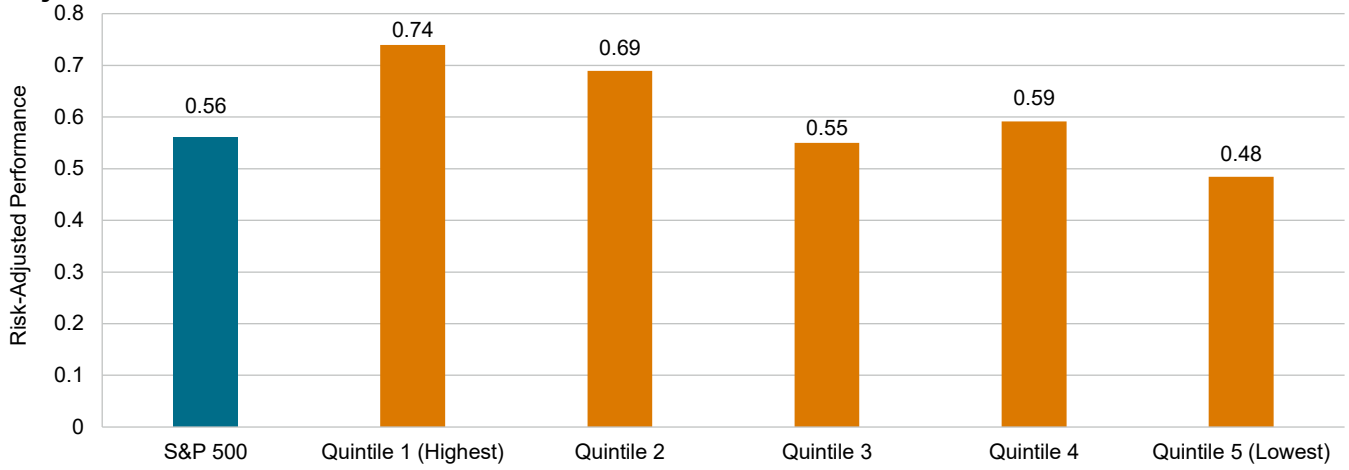
A focus on companies with high shareholder yields aims to identify businesses that return substantial capital to investors, potentially while trading at lower valuations. However, shareholder yield alone may not be a sufficient indicator of company quality because capital returned is measured relative to the company's FMC. As a result, a high shareholder yield may reflect strong capital returns relative to the company's valuation, but it may also result from a substantial decline in a distressed company's share price.

The back-tested quintile analysis appears to support this interpretation. Over the period examined, Quintile 1 showed the strongest annualized and risk-adjusted performance, outperforming both the S&P 500 and the other four quintiles on these measures (see Exhibit 5). However, this outperformance was accompanied by elevated risk, as reflected in higher standard deviation and drawdowns.

This elevated risk profile is consistent with the possibility that the highest shareholder yield quintile includes potential yield traps, where elevated yields may partly reflect substantial share price declines rather than financially sustainable capital returns. Accordingly, shareholder yield serves as the starting point for the methodology, while the remaining metrics seek to provide additional insight into future capital returns and growth.

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Exhibit 5: The Highest Shareholder Yield Quintile Had the Highest Back-Tested Risk-Adjusted Performance



Metric	S&P 500	Quintile 1 (Highest)	Quintile 2	Quintile 3	Quintile 4	Quintile 5 (Lowest)
Annualized Performance (%)	8.54	12.88	10.54	9.24	10.50	9.03
Annualized Standard Deviation (%)	15.21	17.43	15.28	16.80	17.77	18.65
Risk-Adjusted Performance	0.56	0.74	0.69	0.55	0.59	0.48
Maximum Drawdown (%)	-50.95	-54.98	-45.63	-44.70	-49.53	-55.47

Quintiles 1 through 5 are hypothetical compositions.
Source: S&P Dow Jones Indices LLC, FactSet. Data from June 30, 2000, to May 29, 2026. Index performance based on monthly total return in USD. Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes and reflect hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

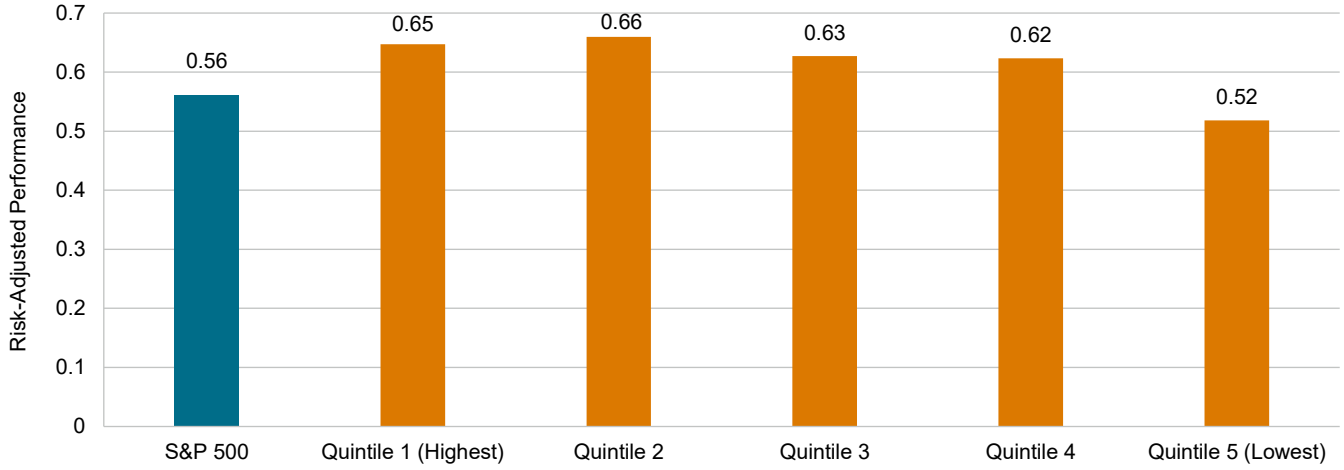
4.2 Five-Year Shareholder Capital Return Growth

This metric measures the growth in shareholder capital returns over time. Rather than focusing solely on the current level of shareholder distributions, it reflects the average growth in shareholder capital returns over the preceding five years. As such, it provides an indication of whether a company's capacity to return capital to shareholders has been expanding or contracting and may help identify companies with an increasing capacity to generate cash.

The quintile analysis in Exhibit 6 shows that the highest-ranked quintiles generally delivered stronger performance and risk-adjusted outcomes than the lower-ranked quintiles. Meanwhile, Quintile 5—the lowest-ranked group—recorded the lowest return, highest volatility and largest drawdown.

Unlike shareholder yield, which is primarily a point-in-time measure, shareholder capital return growth focuses on the trajectory of distributions and balance-sheet improvement. Its inclusion may therefore help differentiate companies with strengthening capital return capacity from those with current shareholder yields that may be less durable.

Exhibit 6: Higher-Ranked Shareholder Capital Return Growth Quintiles Generally Showed Stronger Back-Tested Performance



Metric	S&P 500	Quintile 1 (Highest)	Quintile 2	Quintile 3	Quintile 4	Quintile 5 (Lowest)
Annualized Performance (%)	8.54	10.89	10.82	10.27	10.57	9.42
Annualized Standard Deviation (%)	15.21	16.83	16.39	16.37	16.96	18.17
Risk-Adjusted Performance	0.56	0.65	0.66	0.63	0.62	0.52
Maximum Drawdown (%)	-50.95	-52.40	-46.72	-49.18	-46.39	-54.76

Quintiles 1 through 5 are hypothetical compositions.
Source: S&P Dow Jones Indices LLC, FactSet. Data from June 30, 2000, to May 29, 2026. Index performance based on monthly total return in USD. Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes and reflect hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

4.3 Return on Equity

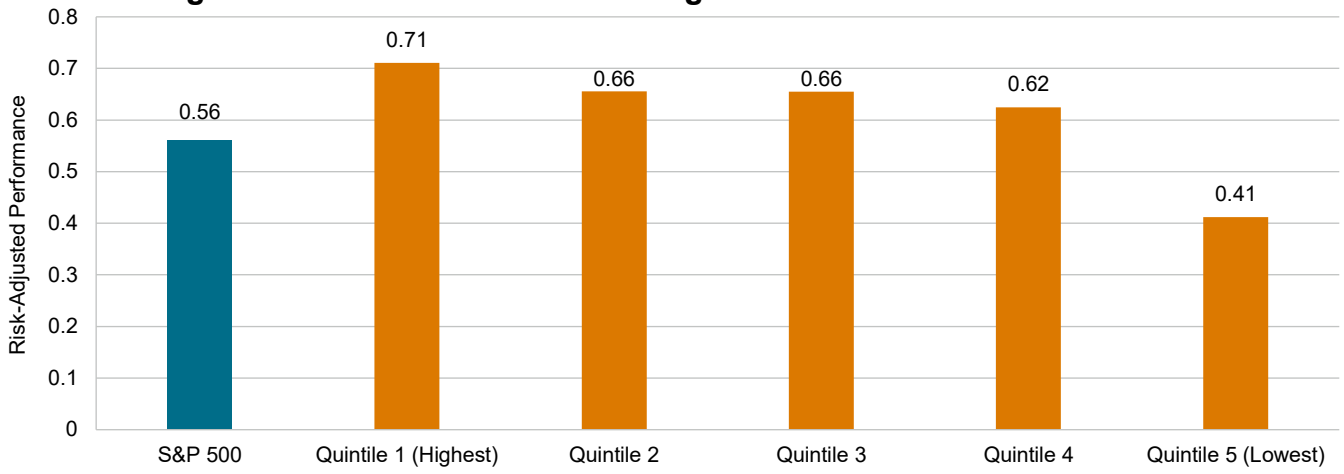
Return on equity (ROE) measures profit relative to shareholders' equity and is a widely used indicator of profitability. Within the index framework, it complements the shareholder return metrics by assessing a company's ability to generate earnings from invested equity, although it can be influenced by leverage and changes in the equity base.

Exhibit 7 shows that companies with higher ROE generally had higher performance and risk-adjusted performance than their less profitable peers. The difference was most pronounced among the lowest-ranked companies, which generated the weakest risk-adjusted performance, the highest volatility and the deepest drawdowns.

ROE therefore provides a measure of operating profitability that complements the capital return measures. While shareholder yield and capital return growth assess how capital is returned, ROE assesses the profitability of the businesses supporting those actions.

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Exhibit 7: Higher ROE Was Linked with Stronger Back-Tested Performance



Metric	S&P 500	Quintile 1 (Highest)	Quintile 2	Quintile 3	Quintile 4	Quintile 5 (Lowest)
Annualized Performance (%)	8.54	10.88	10.56	10.64	10.23	9.01
Annualized Standard Deviation (%)	15.21	15.31	16.11	16.25	16.37	21.89
Risk-Adjusted Performance	0.56	0.71	0.66	0.66	0.62	0.41
Maximum Drawdown (%)	-50.95	-46.20	-42.21	-45.44	-50.60	-62.96

Quintiles 1 through 5 are hypothetical compositions.
Source: S&P Dow Jones Indices LLC, FactSet. Data from June 30, 2000, to May 29, 2026. Index performance based on monthly total return in USD. . Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes and reflect hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

4.4 Free Cash Flow to Total Debt

The importance of free cash flow (FCF) has long been recognized in the corporate finance literature. Jensen (1986)[1] argued that the efficient deployment of internally generated cash plays an important role in shareholder value creation. The FCF-to-total debt ratio measures the extent to which a company's debt obligations are covered by internally generated cash flow, providing an indicator of financial flexibility and balance sheet resilience.

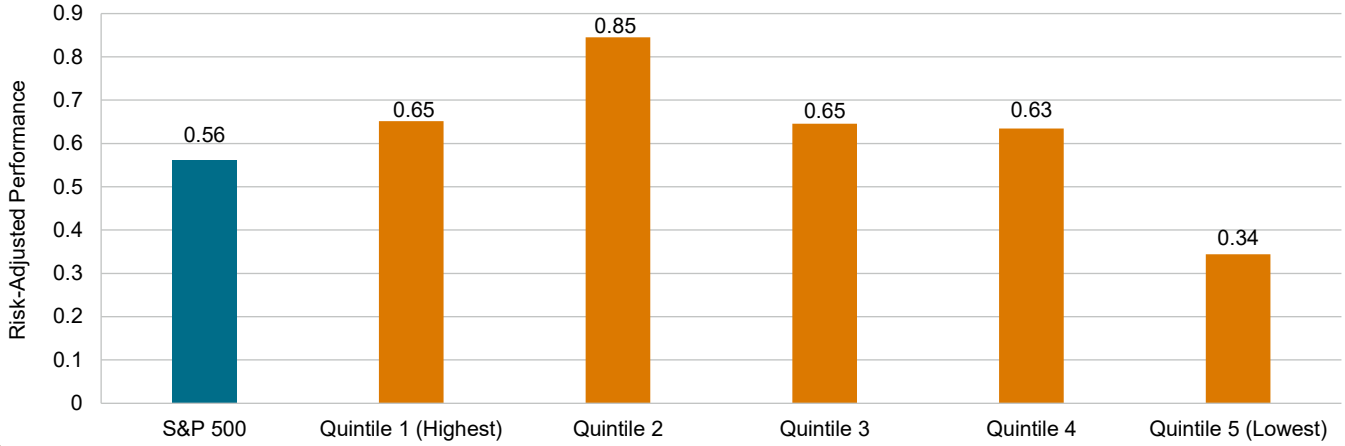
Exhibit 8 suggests that companies with stronger FCF coverage of debt generally exhibited higher performance and more favorable risk characteristics than those with weaker coverage. Better coverage levels also tend to be associated with lower leverage. However, the relationship was not monotonic. While Quintile 1 exhibited the lowest maximum drawdown, Quintile 2 exhibited the highest absolute and risk-adjusted performance. By contrast, the weakest quintile significantly underperformed, experiencing the highest volatility and deepest maximum drawdown.

[1] Jensen, Michael C. "Agency costs of free cash flow, corporate finance, and takeovers." *The American Economic Review, 76*(2), 323–329. 1986.

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This metric may be relevant in a shareholder yield framework because it helps assess whether a company has the cash-generating capacity to meet its obligations while continuing to support capital returns.

Exhibit 8: Companies with Stronger FCF-to-Total Debt Ratios Generally Exhibited More Favorable Risk Characteristics



Metric	S&P 500	Quintile 1 (Highest)	Quintile 2	Quintile 3	Quintile 4	Quintile 5 (Lowest)
Annualized Performance (%)	8.54	10.90	12.96	10.67	10.94	6.84
Annualized Standard Deviation (%)	15.21	16.73	15.34	16.53	17.24	19.84
Risk-Adjusted Performance	0.56	0.65	0.85	0.65	0.63	0.34
Maximum Drawdown (%)	-50.95	-44.27	-44.90	-50.29	-53.92	-57.24

Quintiles 1 through 5 are hypothetical compositions.
Source: S&P Dow Jones Indices LLC, FactSet. Data from June 30, 2000, to May 29, 2026. Index performance based on monthly total return in USD. Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes and reflect hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

5. Combining Metrics Within the Index

The methodology uses a composite score that combines shareholder yield with three complementary metrics: capital return growth, ROE and FCF-to-total debt. Each metric addresses a distinct aspect of the index objective. Shareholder yield identifies companies returning a meaningful amount of capital relative to their market value. Capital return growth assesses the direction of that capital return profile over time. ROE evaluates profitability, while FCF-to-total debt provides insight into cash-generation capacity and balance sheet strength.

Considered together, the metrics seek to identify companies with strong shareholder yields that are supported by improving capital return capacity, profitable operations and financial resilience. This integrated approach is intended to reduce reliance on any single metric and, in particular, to help distinguish sustainable shareholder returns from those associated with financially weaker companies.

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Exhibit 9 compares the back-tested performance of the S&P 500 Resilient Shareholder Yield Index with that of the S&P 500 and the highest-ranked quintile for each individual metric. Over the full period, the index had an annualized performance of 11.21% and outperformed the S&P 500 by 2.67% annualized, although it underperformed the highest-shareholder-yield quintile. However, the index had higher risk-adjusted performance than the highest-shareholder-yield quintile, with materially lower volatility and maximum drawdown. Historically, this result is consistent with the goal of maintaining an emphasis on shareholder yield while incorporating characteristics associated with higher quality and more resilient businesses. Section 6 examines the characteristics of the index over the full back-tested period, including its performance through several attribution lenses.

Exhibit 9: Comparing the S&P 500 Resilient Shareholder Yield Index With the Standalone Metric Portfolios

Period	S&P 500	S&P 500 Resilient Shareholder Yield Index	Quintile 1: Shareholder Yield	Quintile 1: Capital Return Growth	Quintile 1: Return on Equity	Quintile 1: FCF-to-Total Debt
Annualized Performance (%)						
Full Period	8.54	11.21	12.88	10.89	10.88	10.90
One-Year	29.78	36.48	24.20	18.70	12.29	20.34
Three-Year	23.61	21.24	15.73	14.78	15.63	16.51
Five-Year	14.15	12.90	9.44	7.99	9.78	10.45
Annualized Standard Deviation (%)						
Full Period	15.21	13.91	17.43	16.83	15.31	16.73
Risk-Adjusted Performance						
Full Period	0.56	0.81	0.74	0.65	0.71	0.65
Maximum Drawdown (%)						
Full Period	-50.95	-45.06	-54.98	-52.40	-46.20	-44.27

Quintiles are hypothetical compositions.
Source: S&P Dow Jones Indices LLC, FactSet. Data from June 30, 2000, to May 29, 2026. Index performance based on monthly total return in USD. The S&P 500 Resilient Shareholder Yield Index was launched on Dec. 2, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

6. Historical Index Characteristics

6.1 Defensive Qualities

Exhibit 10 examines the S&P 500 Resilient Shareholder Yield Index's upside and downside capture over the full back-tested period. The index had an upside capture ratio of 94.79% and a downside capture ratio of 78.52%. Historically, these results indicate that, on average, the

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index reflected a substantial proportion of the S&P 500's gains while exhibiting defensive characteristics in declining markets.

Exhibit 10: The S&P 500 Resilient Shareholder Yield Index Had a Lower Downside Capture and Maximum Drawdown Versus the S&P 500



Source: S&P Dow Jones Indices LLC, FactSet. Data from June 30, 2000, to July 31, 2026. Index performance based on monthly total return in USD. The S&P 500 Resilient Shareholder Yield Index was launched on Dec. 2, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Exhibit 11 shows the index's performance during nine market stress events since 2000, including the Global Financial Crisis and the COVID-19 pandemic. The index declined less than the S&P 500 in six of the nine periods and recorded a smaller average decline across all nine events.

Exhibit 11: Performance During Selected Market Drawdown Periods

Market Stress Event	S&P 500 (%)	S&P 500 Resilient Shareholder Yield Index (%)
Tech Bubble Burst (Aug. 31, 2000-Sept. 30, 2002)	-44.73	-20.41
Global Financial Crisis (Oct. 31, 2007-Feb. 27, 2009)	-50.95	-45.06
Euro Crisis (March 31, 2010-June 30, 2010)	-12.80	-10.02
China's Black Monday (May 29, 2015-Sept. 30, 2015)	-8.36	-9.32
Inflation Fears (Jan. 31, 2018-March 29, 2018)	-6.13	-7.73
Q4 2018 (Sept. 28, 2018-Dec. 31, 2018)	-13.52	-13.97
COVID-19 March 2020 (Feb. 28, 2020-March 31, 2020)	-12.35	-8.98
Inflation Spike (Dec. 31, 2021-Oct. 31, 2022)	-23.87	-18.34
Trade Tariff Hikes (Feb. 19, 2025-April 8, 2025)	-18.75	-16.68
Average	-21.30	-16.70

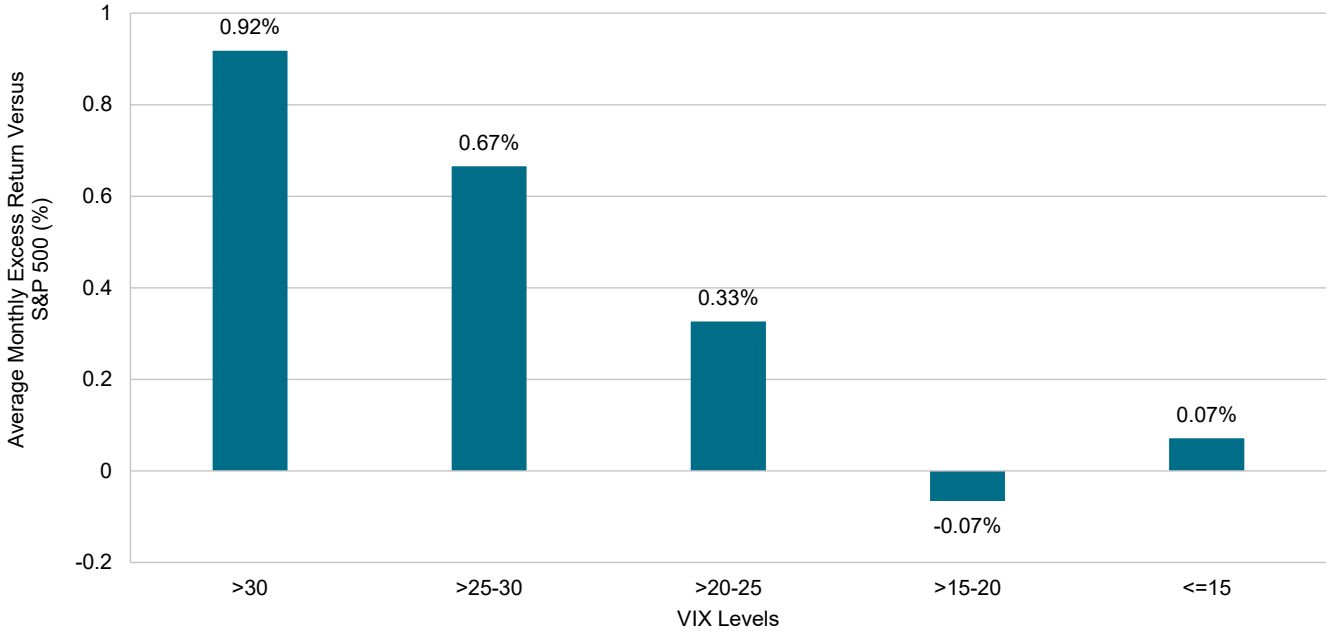
Source: S&P Dow Jones Indices LLC. Data from June 16, 2000, to July 31, 2026. Index and metric performance based on monthly total return in USD. The S&P 500 Resilient Shareholder Yield Index was launched on Dec. 2, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

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Another way to assess the index's defensive characteristics is to examine its performance across different volatility regimes. Exhibit 12 shows the index's excess return relative to the S&P 500 across various CBOE Volatility Index (VIX®) regimes.

The results show that the index recorded its strongest excess return during periods of elevated volatility, averaging 92 bps when VIX exceeded 30. Excess returns remained positive when VIX was between 20-25 and 25-30. In lower-volatility regimes, relative performance was broadly flat, averaging -7 bps when VIX was between 15 and 20, and 7 bps when it was 15 or lower.

Exhibit 12: Average Monthly Excess Return Across Volatility Regimes



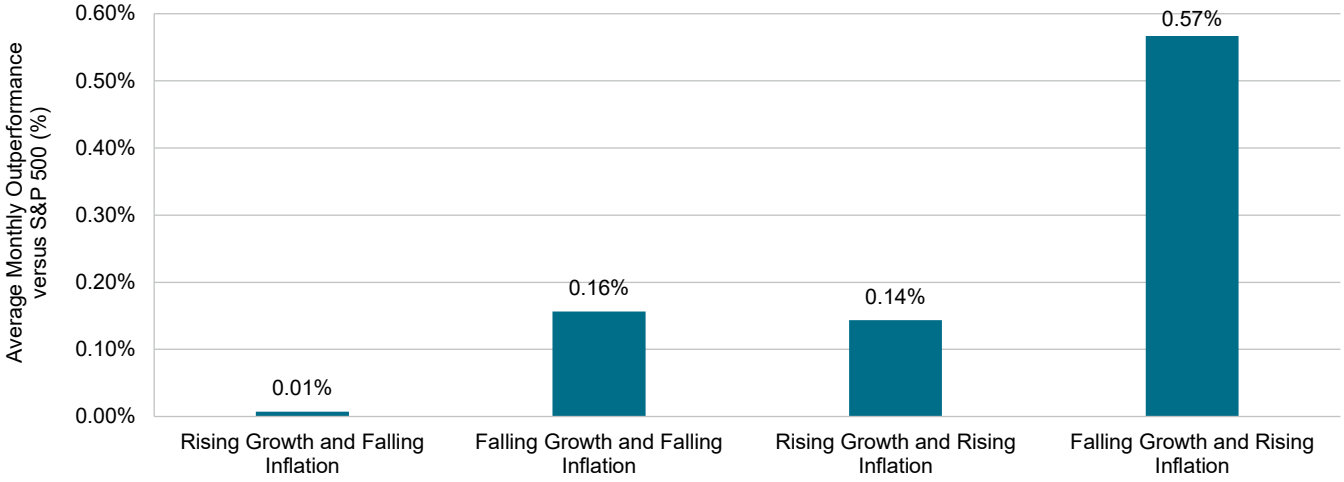
Source: S&P Dow Jones Indices LLC, Cboe. Data from June 30, 2000, to July 31, 2026. Index and metric performance based on daily total return in USD. The S&P 500 Resilient Shareholder Yield Index was launched on Dec. 2, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

A final perspective on the index's defensive characteristics is provided by its performance across different macroeconomic regimes, defined by rising or falling growth and inflation. Exhibit 13 shows the index's average excess return relative to the S&P 500 in each regime.

The index recorded its highest average excess return—57 bps—when growth was falling and inflation was rising. More broadly, falling growth was associated with positive excess return, regardless of the direction of inflation. When growth was rising, average excess returns were close to zero when inflation was falling and modestly positive when inflation was rising.

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Exhibit 13: Performance of the S&P 500 Resilient Shareholder Yield Index Across Macroeconomic Environments[2]



Source: S&P Dow Jones Indices LLC. Data from June 30, 2000, to June 30, 2026. Index performance based on monthly total return in USD. The S&P 500 Resilient Shareholder Yield Index was launched on Dec. 2, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflect hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

6.2 Higher Quality and Lower Valuation Characteristics

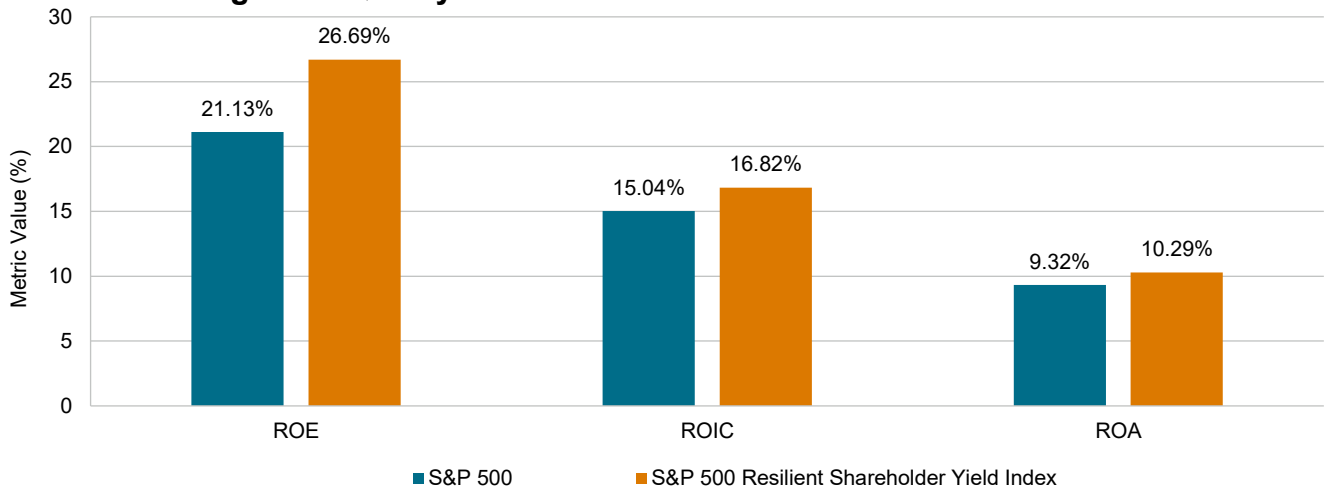
Through its screening process and composite score selection, the S&P 500 Resilient Shareholder Yield Index can be viewed as a multi-factor strategy that combines several metrics, each contributing distinct tilts and characteristics. These measures are blended to identify companies with high shareholder yields and robust fundamentals, while also emphasizing defensive qualities.

In particular, the index has historically exhibited tilts toward both quality and value, as reflected in its fundamental characteristics. Exhibit 14 examines the index's quality characteristics across several measures. Over the full back-tested period, the index exhibited higher ROE, return on invested capital (ROIC) and return on assets (ROA) relative to the S&P 500.

[2] For more information on index performance over various macroeconomic periods, please see: Hao, Wenli Bill and Rupert Watts. "A Historical Perspective on Factor Index Performance across Macroeconomic Cycles." S&P Dow Jones Indices LLC. Aug. 21, 2026.

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Exhibit 14: Long-Term Quality Metrics

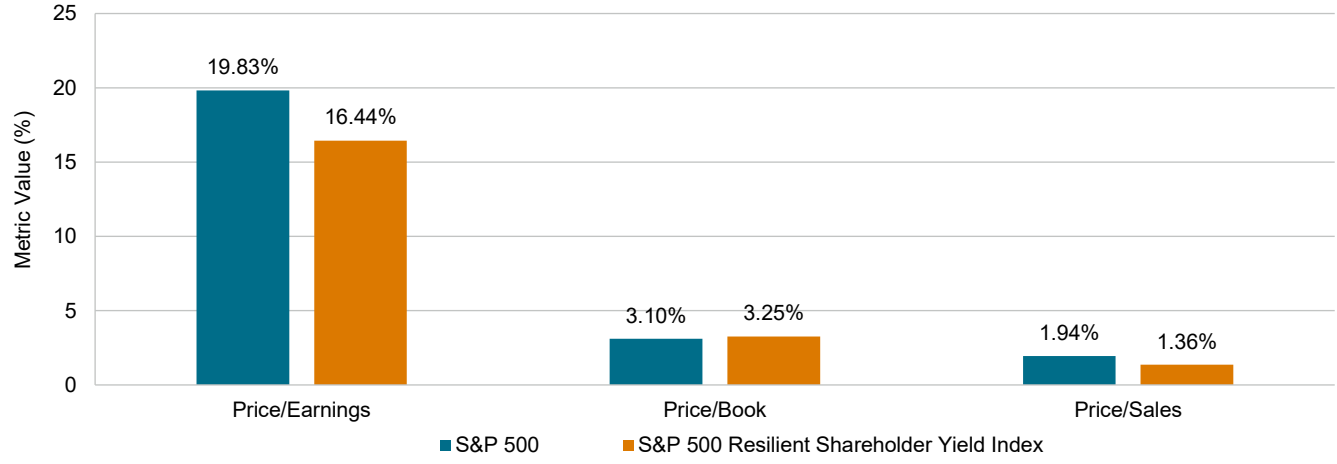


Source: S&P Dow Jones Indices LLC. Data from June 30, 2000, to July 31, 2026. Index performance based on monthly total return in USD. The S&P 500 Resilient Shareholder Yield Index was launched on Dec. 2, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Exhibit 15 examines the index's value tilt and shows that it generally traded at lower price-to-earnings and price-to-sales ratios than the S&P 500. However, this relationship was not consistent across all valuation measures, as the index recorded a modestly higher price-to-book ratio.

Taken together, these results indicate that the index historically exhibited both a quality tilt, as measured by constituent profitability, and lower valuations across certain measures.

Exhibit 15: Long-Term Value Metrics



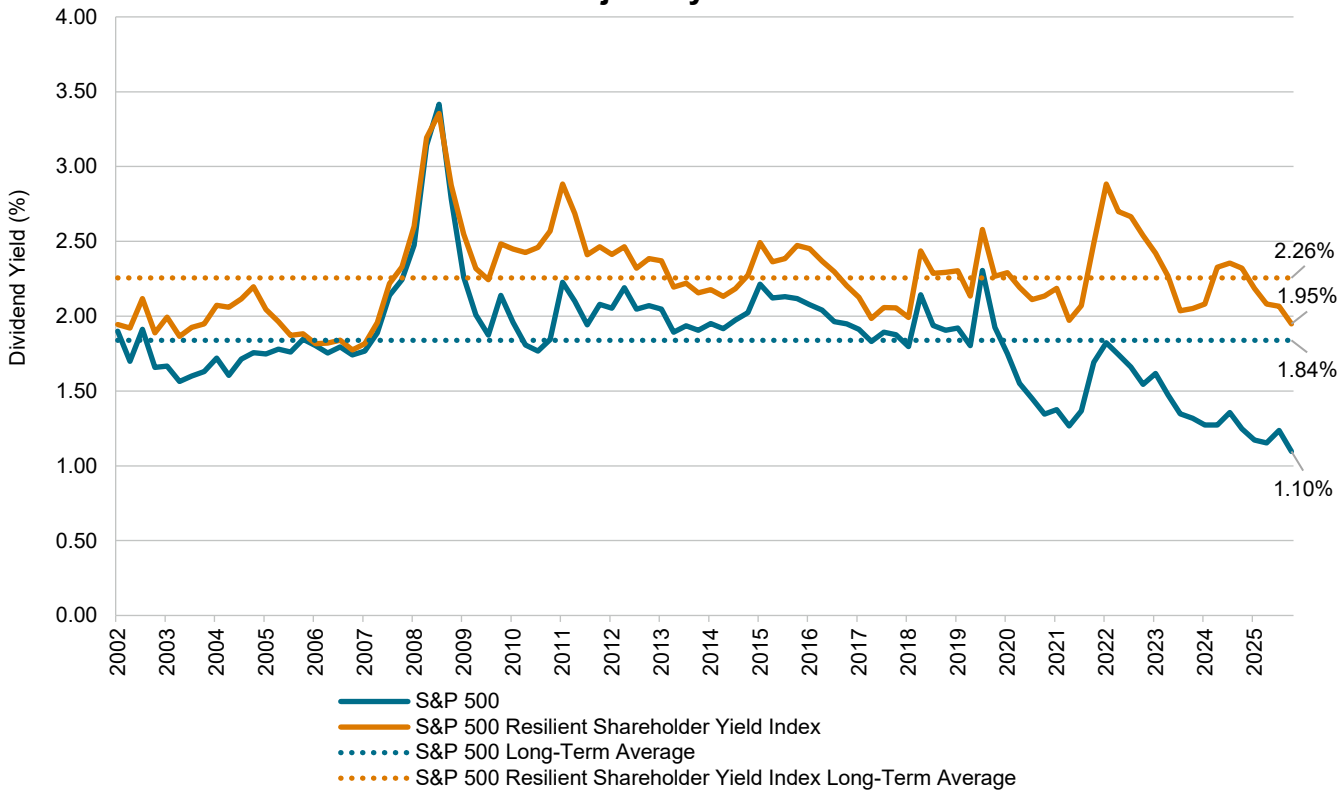
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6.3 Dividend Yield Characteristics

Although dividends represent only one component of shareholder yield, the index recorded a higher average dividend yield than the S&P 500 over the full back-tested period. Its long-term average dividend yield was 2.26%, 42 bps higher than the S&P 500. As shown in Exhibit 16, this spread has varied over time and is currently wide relative to much of the historical period, reflecting the S&P 500's historically low dividend yield.

Exhibit 16: Historical Dividend Yield Trajectory



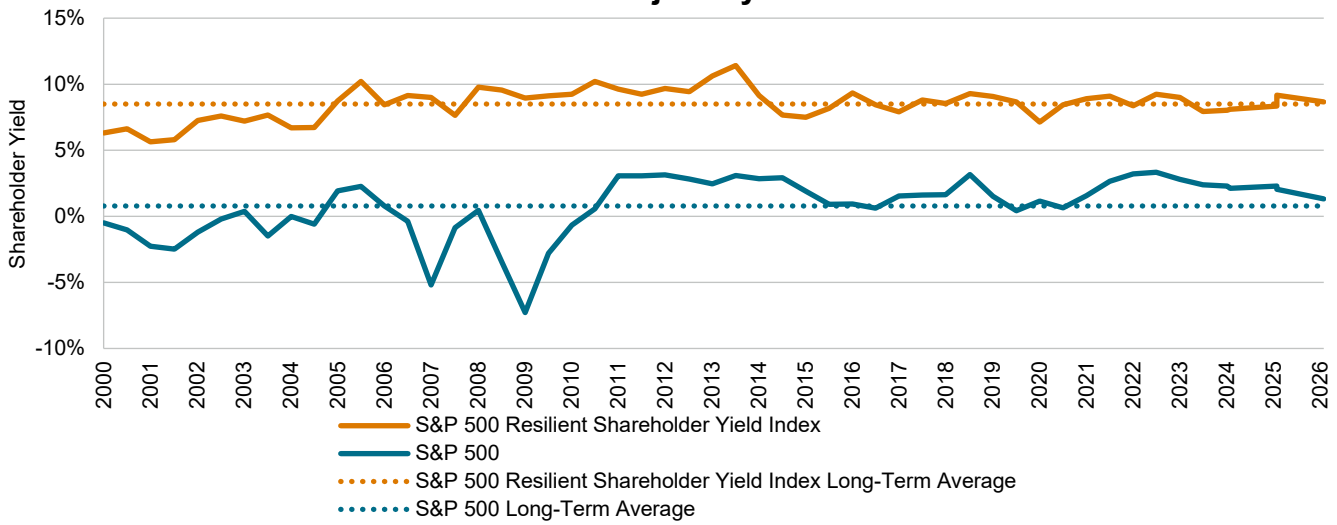
Source: S&P Dow Jones Indices LLC. Data from June 30, 2000, to June 30, 2026. Index performance based on monthly total return in USD. The S&P 500 Resilient Shareholder Yield Index was launched on Dec. 2, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

6.4 Shareholder Yield Characteristics

Exhibit 17 presents a more comprehensive measure of shareholder distributions through the index's shareholder yield. The S&P 500 Resilient Shareholder Yield Index consistently maintained a substantially higher shareholder yield than the S&P 500, averaging 8.50% versus 0.78% over the period examined. On average, this represented more than 10 times the shareholder yield of the benchmark. Notably, the S&P 500 Resilient Shareholder Yield Index's shareholder yield remained relatively stable over the full history and generally close to its long-term average.

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Exhibit 17: Historical Shareholder Yield Trajectory

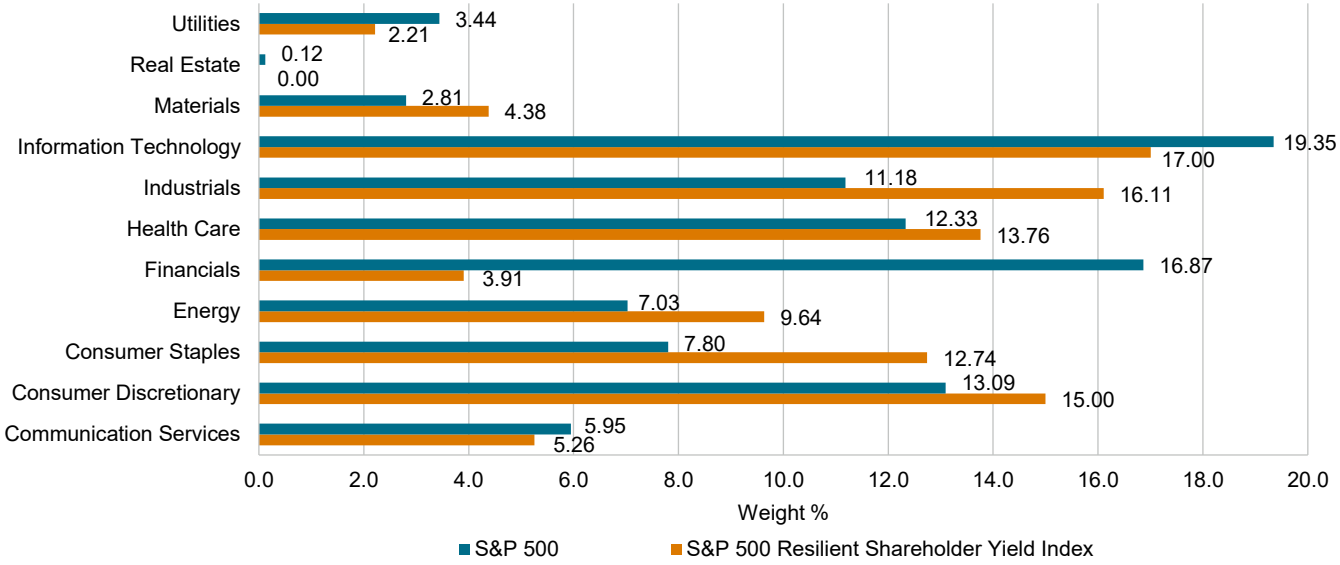


Source: S&P Dow Jones Indices LLC. Data from June 19, 2000, to July 18, 2026. Index performance based on monthly total return in USD. The S&P 500 Resilient Shareholder Yield Index was launched on Dec. 2, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

6.5 Long-Term Sector Weights

Exhibit 18 shows the index's long-term sector weights, which were broadly diversified while differing meaningfully from the S&P 500. The largest weights were to Information Technology, Health Care and Industrials, while Financials represented the most significant underweight.

Exhibit 18: Long-Term Sector Weights Versus the S&P 500



Source: S&P Dow Jones Indices LLC. Data from June 30, 2000, to July 31, 2026. The S&P 500 Resilient Shareholder Yield Index was launched on Dec. 2, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

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6.6 Brinson Attribution

Exhibit 19 presents the full-period performance attribution of the S&P 500 Resilient Shareholder Yield Index relative to the S&P 500. Of the index's cumulative relative performance of 904.41 bps over the full back-tested period, 518.59 bps were attributable to sector-based allocation effects, while 385.82 bps were attributable to bottom-up stock selection. Allocation effects were led by an underweight to Financials and an overweight to Consumer Staples. At the sector level, Industrials (245 bps) and Consumer Discretionary (118 bps) were the largest stock-selection contributors, while Communication Services detracted (-85 bps). Overall, the index's outperformance versus the S&P 500 reflected a combination of sector positioning and stock selection, with contributions varying across sectors.

Exhibit 19: Long-Term Performance Attribution of the S&P 500 Resilient Shareholder Yield Index

Sector	S&P 500		S&P 500 Resilient Shareholder Yield		Attribution Analysis		
	Average Weight (%)	Total Return (bps)	Average Weight (%)	Total Return (bps)	Allocation Effect (bps)	Selection Effect (bps)	Total Effect (bps)
Total	100.00	732.91	100.00	1,637.32	518.59	385.82	904.41
Communication Services	5.95	691.30	5.26	160.95	57.45	-85.07	-27.63
Consumer Discretionary	13.09	868.41	15.00	1,754.47	40.11	117.79	157.90
Consumer Staples	7.80	782.18	12.74	961.10	123.72	106.15	229.87
Energy	7.03	783.09	9.64	1,226.83	21.68	-21.67	0.02
Financials	16.87	428.86	3.91	971.81	151.62	41.16	192.78
Health Care	12.33	639.52	13.76	802.25	35.73	-3.94	31.79
Industrials	11.18	825.37	16.11	2,428.24	-14.23	245.88	231.64
Information Technology	19.35	898.09	17.00	1,030.81	62.11	-15.77	46.34
Materials	2.81	786.35	4.38	501.07	1.05	-27.87	-26.82
Real Estate	0.12	160.50	--	--	2.89	--	2.89
Utilities	3.44	596.71	2.21	288.91	36.48	29.15	65.63

Source: S&P Dow Jones Indices LLC. Data from June 30, 2000, to May 29, 2026. Index performance based on monthly total return in USD. The S&P 500 Resilient Shareholder Yield Index was launched on Dec. 2, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

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7. Conclusion

Shareholder yield provides a broader framework for assessing how companies return capital than dividends alone. By incorporating dividends, net share repurchases and net debt reduction, it reflects both direct shareholder distributions and balance sheet actions that may support long-term shareholder value.

The S&P 500 Resilient Shareholder Yield Index builds on this framework by combining shareholder yield with capital return growth, profitability and balance-sheet measures. The objective is to identify companies with strong capital return profiles while placing greater emphasis on the durability of those returns and the fundamental strength of the underlying companies.

Over the full back-tested period, the index showed competitive absolute performance and higher risk-adjusted performance relative to the S&P 500. Historically, the index also exhibited lower downside capture and positive relative performance during several periods of elevated volatility and weaker growth. Its constituents displayed tilts toward quality and value. These findings suggest that combining shareholder yield with complementary measures of business resilience may provide a more balanced approach than relying on shareholder yield alone.

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Performance Disclosure/Back-Tested Data

The S&P 500 Resilient Shareholder Yield Index was launched Dec 02, 2024. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance, and is based on the index methodology in effect on the index 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. Complete index methodology details are available at www.spglobal.com/spdji. 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.

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. Back-tested performance is for use with institutions only; not for use with retail investors.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices 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.

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 S&P DJI's 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.

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