

iBoxx USD Liquid Investment Grade 0-5 Index Methodology

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Introduction

The iBoxx USD Liquid Investment Grade 0-5 Index measures the performance of USD denominated short duration investment grade corporate debt. The index offers exposure to liquid corporate bonds maturing between 0 and 5 years and is rebalanced on a monthly basis. Only bonds from large issuers with at least US \$1 billion in aggregate outstanding issuance and US \$500 million face value per bond are included in the index. The index uses a market-value weighted methodology with a cap on each issuer of 3%. The indices are an integral part of the global iBoxx index families, which provide the marketplace with accurate and objective indices by which to assess the performance of bond markets and investments.

The iBoxx USD Liquid Investment Grade 0-5 Index is rebalanced once a month at the month-end (the “rebalancing date”) and consists of investment grade USD denominated bonds issued by corporate issuers from developed countries, time to maturity of less than 5 years and rated by at least one of three rating services: Fitch Ratings, Moody’s Investors Service, or Standard & Poor’s Rating Services.

All iBoxx indices are priced based on multiple data inputs.

Data Source

For more information on pricing data, please refer to the *iBoxx Pricing Methodology*, available at www.spglobal.com/spdji.

Bond Selection

The following selection criteria are applied to select the constituents for the index:

- Issuer Country
- Bond Type
- Credit Rating
- Time to Maturity
- Amount Outstanding
- Lockout Period
- Minimum Run
- Classification

Issuer Country

An issuer or, in the case of a finance subsidiary, the issuer's guarantor, must be domiciled, incorporated, and the country of risk must be in the countries listed as developed markets in "S&P iBoxx Country Classifications", available at www.spglobal.com/spdji.

Country Inclusion and Exclusion

Only bonds from countries classified as developed markets, based on the S&P Global iBoxx Global Economic Development Classification Methodology, are eligible for the index. A new country is added to the index if it is classified as a developed market by the S&P Global iBoxx Global Economic Development Classification Methodology. Countries classified as emerging are ineligible for index inclusion.

For more information, please refer to the S&P Global iBoxx Global Economic Development Classification Methodology, available at www.spglobal.com/spdji.

Bond Type

Only fixed-rate bonds whose cash flow can be determined in advance are eligible for indices. The indices are comprised solely of bonds. T-Bills and other money market instruments are not eligible. The iBoxx USD Liquid Investment Grade 0-5 Indices include only USD denominated bonds.

In particular, bonds with the following characteristics are included:

- Fixed coupon bonds
- Step-up bonds with coupon schedules known at issuance (or as functions of the issuer's rating)
- Sinking funds and amortizing bonds
- Medium term notes ("MTNs")
- Rule 144A offerings with a registration right. Only 144A bonds where the Registration S version of the bond is eligible for the iBoxx USD Benchmark Index are eligible.
- Callable
- Puttable bonds

- Fixed-to-floaters
 - Senior bonds issued by banks with a call option up to two years prior to maturity

The following instrument bond types are specifically excluded from the indices:

- Preferred shares
- Optionally and mandatory convertible bonds
- Subordinated bank or insurance debt with mandatory contingent conversion features or with any conversion options before the first call date is ineligible for the index • Bonds with other equity features attached (e.g., options/warrants)
- Private placements.
- Perpetual bonds
- Fixed-to-floaters except senior bonds issued by banks with a call option up to two years prior to maturity.
- Floating rate notes
- Pay-in kind bonds (during the pay-in-kind period)
- Zero coupon bonds
- Zero step-ups (GAINS)
- Bonds with differences between accrual and coupon payment periods and monthly-paying bonds.
- Structured bonds
- Retail bonds
- Step-up Floaters
- Reverse floaters
- Leveraged floaters

For retail bonds and private placements, publicly available information is not always conclusive and the classification of a bond as a retail bond or a private placement will be made at S&P DJI's discretion based on the information available at the time of determination. S&P DJI may consult the specific Index Committees to review potential retail bonds or private placements. Any bond classified as retail or private placement is added to the list of excluded private placements and retail bonds.

In instances where a new bond type is not specifically excluded or included according to the published index rules, S&P DJI analyzes the features of such securities in line with the index methodology. S&P DJI may consult the specific Index Committee.

Credit Rating

All bonds in the indices must have an iBoxx Rating of investment grade. Ratings from the following three credit rating agencies are considered for the calculation of the iBoxx Rating:

- Fitch Ratings
- Moody's Investor Service
- S&P Global Ratings

Investment grade is defined as BBB- or higher from Fitch Ratings and S&P Global Ratings and Baa3 or higher from Moody's Investor Service. Bonds with an RD/SD rating are excluded from the indices. If more

than one of the above agencies rates a bond, then the iBoxx rating is the average of the provided ratings. The index consolidates ratings to the nearest rating grade and does not use rating notches.

In case of an ID change or exchange of a Rule 144A/Regulation S offering into a registered bond the ratings from the Rule 144A/Regulation S offering are also used for the registered bond.

For more information on average ratings, please refer to the iBoxx Rating Methodology, available at www.spglobal.com/spdji.

Time to Maturity

All bonds must have at the rebalancing date a time to maturity:

- of at most five years, and
- All new insertions must have a time to maturity of at least 6 months. Bonds are kept in the index until maturity.

Time to Maturity at Issuance

All bonds must have a time to maturity of at least one year at issuance.

Amount Outstanding

Issue Amount Outstanding

The outstanding face value of a bond must be greater than or equal to USD 500m as of the bond selection cut-off date. Partial buybacks or increases affect the outstanding face value of a prospective bond. S&P DJI considers changes to the outstanding face value of a candidate bond as a result of partial or full buybacks or increases, provided that S&P DJI is aware of such changes as of the bond selection cut-off date.

Issuer Amount Outstanding

The outstanding face value of all bonds denominated in USD from the issuer in the broader iBoxx USD Investment Grade Corporate Index (excluding fixed-to-floater and perpetual bonds) must be greater than or equal to USD 1 billion as of the bond selection cut-off date.

Lockout Period, Minimum Run and Liquidity Screening

Lockout Period

A bond that drops out of the index at the rebalancing day is excluded from re-entering the index for a three-month period.

The rule for the lockout period takes precedence over the other rules for index selection. A locked out bond is not selected, even if the bond otherwise qualifies for index inclusion.

Minimum Run

Any bond that enters the index must remain in the index for a minimum of six months provided the bond is not downgraded to sub-investment grade, defaulted, or fully redeemed during that period.

Liquidity Screening

Bonds classified as illiquid by the Index Committee are excluded from the index.

Bond Classification

All bonds are classified based on the principal activities of the issuer and the main sources of the cash flows used to pay coupons and redemptions. In addition, a bond's specific collateral type or legal provisions are evaluated. Hence, it is possible that bonds issued from different subsidiaries of the same issuer carry different classifications.

The issuer classification is reviewed regularly based on updated information received by S&P DJI, and status changes are included in the indices at the next rebalancing if necessary.

Where the sector classification of a specific entity is not clear due to the diversified business of the entity, a decision is made at S&P DJI's discretion. S&P DJI assigns the classification according to its evaluation of the business risk presented in the security prospectus and annual reports, if available. S&P DJI also compares the classification to peers in the potential sectors. Membership lists including classification are published on the FTP server and in the *Indices* section of the webpage for registered users.

Denomination

Bonds must be denominated in USD.

Corporates

Corporate bonds are issued by public or private corporations. Corporate bonds are further classified into Financials and Non-Financials bonds, and then into multiple-level economic sectors according to the issuer's business scope. The category insurance-wrapped is added under Financials for corporate bonds whose timely coupon and/or principal payments are guaranteed by a special mono-line insurer such as AMBAC or MBIA. The sector overview is as follows.

iBoxx Corporates Sector Overview

	Economic Sector	Market Sector	Market Sub-Sector
Financials	Core Financials	Banks	Banks
		Insurance	Life Insurance
			Nonlife Insurance
	Financial Services	Financial Services	Equity Investment Instruments
			General Financial
			Nonequity Investment Instruments
		Insurance-wrapped	*
	Real Estate	Real Estate	Real Estate Investment & Services
			Real Estate Investment Trusts

	Economic Sector	Market Sector	Market Sub-Sector
Non-Financials	Basic Materials	Basic Resources	Forestry & Paper
			Industrial Metals
			Mining
	Consumer Goods	Chemicals	Chemicals
		Automobiles & Parts	Automobiles & Parts
			Beverages
		Food & Beverage	Food Producers
			Household Goods
			Leisure Goods
			Personal Goods
	Consumer Services	Education	Academic & Educational Services
			Media
		Retail	Food & Drug Retailers
			General Retailers
		Travel & Leisure	Travel & Leisure
	Energy	Oil & Gas	Oil Equipment / Services & Distribution
			Oil & Gas Producers
		Renewable Energy	Renewable Energy
	Health Care	Health Care	Health Care Equipment & Services
			Pharmaceuticals & Biotechnology
	Industrials	Construction & Materials	Construction & Materials
			Aerospace & Defense
		Industrial Goods & Services	Electronic & Electrical Equipment
			General Industrials
			Industrial Engineering
			Industrial Transportation
	Technology	Technology	Software & IT Services
			Technology Hardware & Equipment
	Telecommunications	Telecommunications	Integrated Telecommunications
			Wireless Telecommunications
	Utilities	Utilities	Electricity
			Gas / Water & Multiutilities

Additional Classification

Corporate debt is further classified into senior and subordinated debt. Bank senior debt structure additionally differentiates between Bail-in and Preferred bonds. The Bail-in classification captures all senior notes which are subject to write-down or conversion into a subordinated instrument on the occurrence of a resolution event, as well as senior bank debt issued by bank holding companies.

Hybrid capital issued by banking and insurance institutions is further detailed into the respective tiers of subordination.

The market information on the tier of subordination for insurance capital is often less standardized and clear than the equivalent issues by banks. In these cases, the classification is based on the maturity, coupon payment and deferral provisions of the bond from the offering circulars of the bonds. The table below displays the seniority classification of debt issued by both financial and non-financial sectors.

Seniority Levels Overview

Market Sector	Seniority Level 1	Seniority Level 2	Seniority Level 3
Bank	SEN	Preferred	*
		Bail-in	*
	SUB	T2 (post-Jan '13 issuances)	T2 callable
			T2 non-callable
		T2 (pre-Jan '13 issuances)	LT2 callable
			LT2 non-callable
			UT2
		T1	T1 step
			T1 non-step
Insurance	SEN	*	*
	SUB	T3	*
		T2 dated	T2 dated callable
			T2 dated non-callable
		T2 perpetual	*
Financial Services	SEN	*	*
	SUB	T3	*
		T2	T2 callable
			T2 non-callable
		T2 dated	T2 dated callable
			T2 dated non-callable
		T2 perpetual	*
		T1	*
			T1 step
			T1 non-step
		Other	Hybrid**
			Non-hybrid
Other sectors	SEN	*	*
	SUB	Other	Hybrid**
			Non-hybrid

** Bonds must satisfy the following criteria to be considered hybrids:

- Subordinated
- Deferrable coupons
- First non-call period ≥ 5 years
- Either perpetual or 'long-dated', where 'long-dated' is defined as > 25 years of the time to maturity at issuance

Index Calculation

Static Data

Information used in the index calculation is sourced from offering circulars and checked against standard data providers.

Bond Prices

For more details, please refer to the *iBoxx Pricing Methodology*, available at www.spglobal.com/spdji.

Rebalancings

The index rebalances monthly on the last business day of the month after the close of business. Any inclusion after the index cut-off day (t-3) will not be considered in the re-balancing process, but will become effective at the end of the following month. New bonds issued are taken into account if the bonds are publicly known to settle until the last calendar day of the month, inclusive, and if the rating and amount outstanding is available at least three trading days before the end of the month.

Two business days before the end of each month, the rating and amount information for the constituents is updated and the list is adjusted for all rating and amount changes which are known to have taken place three business days before the end of the month which could also result in exclusion of the bond. However, if bonds which are part of broader USD indices become eligible into the index two business days prior to rebalancing because of rating and/or amount changes, will be included in the index

On the last business day of each month, S&P DJI publishes the final membership with closing prices for the bonds, and various bonds analytics based on the index prices of the bonds.

Rebalancing Procedure

In a first step the selection criteria set out in *Bond Selection* are applied to the universe of the broader iBoxx USD Corporate Investment Grade Index.

- Bond ratings and amount outstanding are used as of the bond selection cut-off date
- Maturity dates remain fixed for the life of the bond
- Only bonds with a first settlement date on or before the rebalancing date are included in the selection process

Index Data

The calculation of the index is based on bid prices. New securities are included in the index at their respective ask prices when they enter the index family. If no price can be established for a particular security, the index continues to be calculated based on the last available price. This might be the case in periods of market stress, or disruption as well as in illiquid or fragmented markets. If the required inputs become impossible to obtain, S&P DJI may consult market participants prior to the next rebalancing date. Decisions are made publicly available on a timely basis and S&P DJI may refer back to previous cases.

The rebalancing takes place after the close on the last trading day of a rebalancing month.

Index Calculus

For specific index formulas please refer to the *iBoxx Bond Index Calculus Methodology*, available at www.spglobal.com/spdji.

Special Intra-Month Event Treatment

Data for the application of corporate actions in the index may not be fully or timely available at all times, e.g. the final call prices for make-whole calls or the actual pay-in-kind percentage for PIK-payment options. In such cases, S&P DJI will estimate the approximate value based on the available data at the time of calculation.

Index and Analytics Weightings

The indices are volume-weighted indices, with a bond's market value as the weighting factor. Once the eligible bond universe has been defined, the weight for each bond is determined and an issuer cap of 3% is applied. The weights and capping factors are determined on the last business day of each month using the end-of-month market values.

The amount outstanding of a bond is only adjusted within the monthly rebalancing process at the end of each month. However, bonds that are fully redeemed intra-month are taken into account immediately. Fully redeemed bonds are bonds that are fully called or have been completely repurchased.

All calculations are based on the adjusted amount outstanding that reflects the outstanding bond notional at the last rebalancing. The bond prices relate to the nominal value of 100.

Full Redemptions: Exercised Calls, Puts, and Buybacks

If a bond is fully redeemed intra-month, the bond effectively ceases to exist. In all calculations, the redeemed bond is treated as cash based on the last price, the call price or repurchase price, as applicable. The redemption factor, redemption and the redemption price are used to treat these events in the index and analytics calculation. In addition, the clean price of the bond is set to the redemption price, and the interest accrued until the redemption date is treated as an irregular coupon payment.

Bonds Trading Flat of Accrued

If a bond is identified as trading flat of accrued, the accrued interest of the bond is set to 0 in the total return index calculation and is excluded from the calculation of all bond and index analytical values. Bonds will be considered trading flat of accrued in any of the following situations:

- a bond has been assigned a default rating and/or
- issuer has announced a failure to pay a coupon and/or
- issuer has announced an intention not to make a payment on an upcoming coupon (grace period).

Multi-Coupon Bonds

Some bonds have pre-defined coupon changes that lead to a change in the annual coupon over the life of the bond. In all instances, the coupon change must be a fixed amount on top of a fixed coupon, i.e. floating coupon bonds are not eligible for the indices. The two main categories of bonds are step-up bonds and event-driven bonds.

- **Step-up bonds:** These are bonds with a pre-defined coupon schedule that cannot change during the life of the bond. The coupon schedule is used in all bond calculations.
- **Event-driven bonds:** These are bonds whose coupon may change upon occurrence (or non-occurrence) of pre-specified events, such as rating changes, e.g. rating-driven bonds, failure to

register (register-driven bonds), or failure to complete a merger (merger-driven bonds). In the calculation of the indices and the analytics, the coupon schedule as of the calculation date is used. That is to say, any events occurring after the calculation date are ignored in the determination of the applicable coupon schedule. *Example of an event-driven bond:* A bond's rating changes on 31 December 2003 from A- to BBB+ and the coupon steps up from 6% to 6.25% from 1 March 2004 onward. The coupon dates are 1 October and 1 April each year. The correct coupon schedule for the bond and index calculations is date dependent. The index calculation on 20 December 2003 uses the 6% coupon for the whole life of the bond, while the calculation on 31 January 2004 uses a 6% coupon for the current coupon period to 29 February 2004, and a 6.25% coupon for all later interest payments. The index calculation on 20 March uses a 6% coupon until 29 February, a 6.25% coupon for the remainder of the current coupon period and a 6.25% coupon for all future coupon payments. The index calculation after 1 April uses a 6.25% coupon.

Index History

The Index history starts on 30 April 2010. The index has a base value of 100 on that date.

Settlement Conventions

All iBoxx indices calculate using the assumption of T+0 settlement days.

Calendar

For information on index calculation holidays of the iBoxx bond index families, please refer to the index calculation calendar, available at www.spglobal.com/spdji.

Data Publication and Access

The table below summarizes the publication of the indices for registered users and on the FTP server, available at www.spglobal.com/spdji.

In addition to the indices detailed in this methodology, other indices covered by this document may be available. For a list of available indices, please refer [here](#).

Frequency, File Type, and Access

Frequency	File Type	Access
Daily	Underlying file – Bond level	FTP Server
	Indices file – Index level	FTP Server / website / Bloomberg for index levels only
Daily from the 6th calendar day of the month (or the next index publication day if the 6th calendar day falls on a non-business day)	Forwards	FTP Server
Monthly	End of Month Components	FTP Server / website
	XREF files	FTP Server

Below is a summary of the identifiers for each publication channel:

Index name	iBoxx USD Liquid Investment Grade 0-5 Index	
Version	TRI	CPI
ISIN	GB00BC5ZDZ94	GB00BC5ZF534
Sedol	BC5ZDZ9	BC5ZF53
Ticker	IBXXSIG1	IBXXSIG2

Index name	iBoxx USD Liquid Investment Grade 0-5 Index	
RIC	.IBXXSIG1	.IBXXSIG1

Annual Review

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.

Index Governance

Index Committee

An Index Committee maintains the indices. All committee members are full-time professionals at S&P Dow Jones Indices. Meetings are held regularly. The Index Committee oversees the management of the indices, including determinations of intra-rebalancing changes, maintenance and inclusion policies, and other matters affecting the maintenance and calculation of the indices.

In fulfilling its responsibilities, the Index Committee has full and complete discretion to (i) amend, apply, or exempt the application of index rules and policies as circumstances may require and (ii) add, remove, or by-pass any bond in determining the composition of an index.

The Index Committee may rely on any information or documentation submitted to it or gathered by it that the Index Committee believes to be accurate. The Index Committee reserves the right to reinterpret publicly available information and to make changes to the indices based on a new interpretation of that information at its sole discretion. All Index Committee discussions are confidential.

The Index Committee is separate from and independent of other analytical groups at S&P Global. In particular, the Index Committee has no access to or influence on decisions by S&P Global Ratings analysts.

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 more information on index governance policies, please refer [here](#).

Methodology Changes

27 Jul 2026	Where applicable, S&P DJI updated the index naming conventions: - Removed “Markit” - Added “Index” - Replaced currency symbols with written references - Included “Years” or “Months” for maturity-based sub-indices
31 Mar 2026	Annual Index Review 2025 Introduction of subordinated debt classification tiers for Financial Services
31 July 2022	Monthly forward start date updated from 10th calendar day to 6th calendar day
31 Mar 2022	Annual Index Review 2021 Introduction of new market sector classification “Education” with market sub-sector classification “Academic & Educational Services”
01 Sep 2021	Monthly forward start date updated from 12th calendar day to 10th calendar day
28 Feb 2021	Annual Index Review 2020 Updated Insurance classification
31 Jan 2021	Governance and Regulatory Compliance section added
31 Jul 2020	Implementation of Annual Index Review 2019 - Introduction of updated corporate classification schema - Implementation of updated Bank Tier Classification - Updates as part of the changes in definition and treatment of hybrid bonds
31 Jan 2020	- Definition update of Guaranteed and Wrapped - Definition update of Other Sub-Sovereign classification as part of Annual Index Review 2019
06 June 2019	Combining section of sector classification into Corporates Section
30 Nov 2018	Updates in the Debt/Tier Chart to add other sectors Section 3.4
22 May 2018	Additional senior bank debt classification based on TLAC regulation
22 May 2018	Clarification on Rebalancing cut-off for bonds within the existing iBoxx USD universe
21 Sep 2016	Clarification on amount outstanding of the exchanged bonds in section 2.5
22 Mar 2016	Added classification for Guaranteed & Wrapped
15 Mar 2016	Rebalancing process
01 Oct 2014	- Index restatement, complaints sections added - Additional clarifications on bond eligibility, classification and corporate actions
31 Aug 2013	Launch of the Markit iBoxx USD Liquid Investment Grade 0-5 Index

Further Information

Client Support

For client support please contact index_services@spglobal.com.

Formal Complaints

Formal complaints should be emailed to spdji_compliance@spglobal.com.

Please note: spdji_compliance@spglobal.com should only be used to log formal complaints.

General Index Inquiries

For general index inquiries, please contact index_services@spglobal.com.

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).

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