

S&P Dow Jones Indices

A Division of **S&P Global**

S&P Select Industry Indices *Methodology*

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Table of Contents

| | |
|---|-----------|
| Introduction | 3 |
| Index Objective | 3 |
| Supporting Documents | 3 |
| Eligibility Criteria | 4 |
| Index Eligibility | 4 |
| Multiple Share Classes | 5 |
| Membership Classification | 5 |
| Index Construction | 7 |
| Constituent Selection | 7 |
| Constituent Weightings | 7 |
| Index Calculations | 8 |
| Index Maintenance | 9 |
| Rebalancing | 9 |
| Additions | 9 |
| Deletions | 9 |
| Corporate Actions | 9 |
| Spin-Offs | 9 |
| Currency of Calculation and Additional Index Return Series | 9 |
| Base Dates and History Availability | 10 |
| Index Data | 11 |
| Calculation Return Types | 11 |
| Index Governance | 12 |
| Index Committee | 12 |
| Index Policy | 13 |
| Announcements | 13 |
| Pro-forma Files | 13 |
| Holiday Schedule | 13 |
| Rebalancing | 13 |
| Unexpected Exchange Closures | 13 |
| Recalculation Policy | 13 |
| Contact Information | 13 |
| Index Dissemination | 14 |

| | |
|--|-----------|
| Tickers | 14 |
| Index Data | 14 |
| Web site | 14 |
| Appendix A: Index Inclusion and Exclusion Criteria | 15 |
| Index Inclusion Criteria | 15 |
| Index Exclusion Criteria | 15 |
| Appendix B: S&P Select Industry FMC Capped Indices | 16 |
| S&P Transportation Select Industry FMC Capped Index | 16 |
| S&P Hotels, Resorts & Cruise Lines Select Industry 15% FMC Capped Index | 18 |
| Appendix C: FMC Indices | 20 |
| Appendix D: Methodology Changes | 21 |
| Appendix E | 26 |
| ESG Disclosures | 26 |
| Disclaimer | 27 |
| Performance Disclosure/Back-Tested Data | 27 |
| Intellectual Property Notices/Disclaimer | 28 |
| ESG Indices Disclaimer | 30 |

Introduction

Index Objective

The S&P Select Industry Indices measure the performance of stocks comprising specific Global Industry Classification Standard (GICS®) sub-industries or groups of sub-industries. Membership is based on a company's GICS classification, as well as liquidity and market capitalization requirements. The indices are equal or capped market capitalization weighted, as defined in *Index Construction*.

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 | Equity Indices Policies & Practices |
| S&P Dow Jones Indices' Index Mathematics Methodology | Index Mathematics Methodology |
| S&P Dow Jones Indices' Float Adjustment Methodology | Float Adjustment Methodology |
| S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology | GICS Methodology |

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

Eligibility Criteria

Index Eligibility

To qualify for membership in the index, at each quarterly rebalancing, a stock must satisfy the following criteria:

1. Be a member of the S&P Total Market Index (TMI).
For information on the S&P TMI, please refer to the S&P U.S. Indices Methodology, available at www.spglobal.com/spdji/.
2. Be classified as a primary sub-industry stock (primary stock) for the respective index as outlined in the *Membership Classification* table.
3. Meet one of the following float-adjusted market capitalization (FMC) and float-adjusted liquidity ratio (FALR) requirements:
 - a. Be a current constituent, have an FMC greater than or equal to US\$ 300 million, and have an FALR greater than or equal to 50%.
 - b. Have an FMC greater than or equal to US\$ 500 million and an FALR greater than or equal to 90%.
 - c. Have an FMC greater than or equal to US\$ 400 million and an FALR greater than or equal to 150%.
 - d. Some of the S&P Select Industry Indices have different market capitalization and float-adjusted liquidity ratio requirements. Please see *Appendix A* for index specific requirements.
4. If fewer than 35 stocks are selected for each index using the eligible primary stocks, certain indices, as outlined in the *Membership Classification* table, select stocks for inclusion from a supplementary list of highly correlated sub-industries (supplementary stocks). Supplementary stocks are selected by the following process:
 - a. All eligible primary stocks are added to the index.
 - b. If there are 35 or more eligible primary stocks, then any current constituents that are supplementary stocks are deleted.
 - c. If after step 1 there are less than 35 eligible primary stocks, supplementary stocks meeting the relevant market capitalization and liquidity thresholds are added in order of FMC from largest to smallest until the minimum constituent count of 35 stocks is met.
 - d. A buffer is applied in step 3 such that a supplementary stock being added must have an FMC greater than 1.2 times (or 20% higher than) the supplementary stock it is replacing. The buffer is evaluated on each supplementary stock addition relative to the current supplementary stock it is replacing. For example, the largest non-index supplementary stock by FMC is evaluated against the smallest supplementary index constituent, the second largest non-index supplementary stock is evaluated against the second smallest supplementary index constituent, etc. This process is repeated until no supplementary additions exceed the buffer.
5. Additionally, minimum FMC requirements may be relaxed for all indices to ensure that there are at least 22 stocks in each index as of each rebalancing effective date.

Liquidity. A float-adjusted liquidity ratio (FALR), defined as the annual dollar value traded divided by the FMC, is used to measure liquidity. Using composite pricing and all publicly reported U.S. consolidated volume, annual dollar value traded is defined as the average closing price multiplied by the historical volume over the 365 calendar days prior to the evaluation date. This is reduced to the available trading period for stocks that do not have 365 calendar days of trading history. In these cases, the dollar value traded available as of the evaluation date is annualized.

- Liquidity requirements are reviewed during the quarterly rebalancings.
- The price, shares outstanding, and investible weight factor (IWF)
- FALR requirements are outlined in the *Index Eligibility* section on the previous page.

Takeover Restrictions. At the discretion of S&P Dow Jones Indices, constituents with shareholder ownership restrictions defined in company bylaws may be deemed ineligible for inclusion in the index. Ownership restrictions preventing entities from replicating the index weight of a stock may be excluded from the eligible universe or removed from the index. S&P Dow Jones Indices will provide up to five days advance notification of a deletion between rebalancings due to ownership restrictions. If the Index Committee decides to remove or exclude a company, that company is ineligible for re-entry or inclusion, respectively, for at least one full calendar year, beginning with the subsequent rebalance.

Multiple Share Classes

Each company is represented once by the Designated Listing. For more information regarding the treatment of multiple share classes, please refer to Approach B within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

Membership Classification¹

| S&P Select Industry Index | GICS Sub-Industries (GICS Code) |
|---------------------------|--|
| Aerospace & Defense | Aerospace & Defense (20101010) |
| Banks | Asset Management & Custody Banks (40203010)* Diversified Banks (40101010) Regional Banks (40101015) Diversified Financial Services (40201020) Commercial & Residential Mortgage Finance (40201050) *Must also meet the North American Industry Classification (NAICS) of Depository Credit Intermediation (5221). |
| Biotechnology | Biotechnology (35201010) <i>Supplementary sub-industry:</i> Life Sciences Tools & Services (35203010) |
| Capital Markets | Asset Management & Custody Banks (40203010) Diversified Capital Markets (40203030) Financial Exchanges & Data (40203040) Investment Banking & Brokerage (40203020) |
| Food & Beverage | Agricultural Products & Services (30202010) Brewers (30201010) Consumer Staples Merchandise Retail (30101040) Distillers & Vintners (30201020) Food Distributors (30101020) Food Retail (30101030) Packaged Foods & Meats (30202030) Soft Drinks & Non-alcoholic Beverages (30201030) |
| Healthcare Equipment | Health Care Equipment (35101010) Health Care Supplies (35101020) |
| Health Care Services | Health Care Distributors (35102010) Health Care Facilities (35102020) Health Care Services (35102015) Managed Health Care (35102030) |
| Homebuilders | Homebuilding (25201030) |

¹ Please note that a stock may qualify for more than one index.

| S&P Select Industry Index | GICS Sub-Industries (GICS Code) |
|------------------------------------|---|
| | <i>Supplementary sub-industries:</i> Building Products (20102010) Home Furnishings (25201020) Home Improvement Retail (25504030) Homefurnishing Retail (25504060) Household Appliances (25201040) |
| Insurance | Insurance Brokers (40301010) Life & Health Insurance (40301020) Multi-Line Insurance (40301030) Property & Casualty Insurance (40301040) Reinsurance (40301050) |
| Internet | Internet Services & Infrastructure (45102030) Interactive Media & Services (50203010) |
| Metals and Mining | Aluminum (15104010) Coal & Consumable Fuels (10102050) Copper (15104025) Diversified Metals & Mining (15104020) Gold (15104030) Precious Metals & Minerals (15104040) Silver (15104045) Steel (15104050) |
| Oil & Gas Equipment | Oil & Gas Drilling (10101010) Oil & Gas Equipment & Services (10101020) |
| Oil & Gas Exploration & Production | Integrated Oil & Gas (10102010) Oil & Gas Exploration & Production (10102020) Oil & Gas Refining & Marketing (10102030) |
| Pharmaceuticals | Pharmaceuticals (35202010) |
| Regional Banks | Regional Banks (40101015) |
| Retail | Apparel Retail (25504010) Automotive Retail (25504050) Broadline Retail (25503030) Computer & Electronic Retail (25504020) Consumer Staples Merchandise Retail (30101040) Drug Retail (30101010) Food Retailers (30101030) Other Specialty Retail (25504040) |
| Semiconductors | Semiconductors (45301020) <i>Supplementary sub-industry:</i> Semiconductor Equipment (45301010) |
| Software & Services | Application Software (45103010) Interactive Home Entertainment (50202020) IT Consulting & Other Services (45102010) Systems Software (45103020) |
| Technology Hardware | Electronic Components (45203015) Electronic Equipment & Instruments (45203010) Technology Hardware, Storage & Peripherals (45202030) |
| Telecom | Alternative Carriers (50101010) Communications Equipment (45201020) Integrated Telecom Services (50101020) Wireless Telecomm Services (50102010) |
| Transportation | Air Freight & Logistics (20301010) Airport Services (20305010) Cargo Ground Transportation (20304030) Rail Transportation (20304010) Highways & Rail tracks (20305020) Marine Transportation (20303010) Marine Ports & Services (20305030) Passenger Airlines (20302010) Passenger Ground Transportation (20304040) |

Index Construction

Constituent Selection

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

Constituent Weightings

At each quarterly rebalancing, initially equal weight constituents with adjustments to ensure that, for a given theoretical portfolio value (TPV), each constituent's index weight cannot exceed 4.5% of the FMC and the value that can be traded in three days. No stock in the index can have a weight greater than 4.5%. TPVs are reviewed annually in September, incorporating index-linked exchange traded product assets under management (AUM) using the below process:

1. Determine the maximum aggregate AUM tracking each index over the past year, based on index-linked exchange traded product's AUM from the previous September, December, March, and June, as well as the latest available month-end data point.
2. Round the maximum value up to the nearest billion.
3. Add a 20% buffer to the result and again round up to the nearest billion for the final TPV.

If there are no index-linked exchange traded products tracking an index, set the TPV for that index at US\$ 2 billion. Any updates are made at the discretion of the Index Committee and announced to clients with ample lead time.

S&P Dow Jones Indices calculates a maximum constituent weight for each index constituent using the following formula:

$$\text{Max constituent weight} = \min \left\{ 4.5\%, \frac{3 * 3\text{month MDVT}}{TPV}, \frac{4.5\% * \text{Constituent FMC}}{TPV} \right\}$$

where:

3-month MDVT = Three-month median daily value traded

3 = Liquidity weight multiplier

4.5% = Single stock cap

The reference date for assessing the 3-month MDVT and stock price is after the close on the last business days of February, May, August, and November for the rebalancings effective after the close on the third Fridays of March, June, September, and December.

Each constituent's initial equal weight is compared to the calculated maximum constituent weight, and the constituent's weight is set to the lesser of the maximum constituent weight or the initial equal weight. If the resulting index weights do not sum to 100%, iteratively redistribute any excess weights to the uncapped constituents.

If all constituents are capped and the resulting index weights still do not sum to 100%, relax the constraints in the following order:

1. Maximum liquidity weight multiplier in increments of 0.1,
2. Single stock cap in increments of 0.1%,
3. TPV decreasing in increments of US\$ 100 million.

Repeat the process iteratively until a feasible solution is found. The single stock weight constraint's upper limit for the iterative process is 4.8%.

Secondary Reweighting. If, on the third to last business day of March, June, September, or December, the aggregate weight of companies with index weights greater than 4.8% exceeds 50%, index weights reset to the previously determined weights using the data from that quarter's reference date, with an effective date as of after the close of the last business day of the month.

If a secondary reweighting is triggered, and existing constituent(s) were dropped since the prior quarterly rebalancing, the secondary reweighting re-runs the reweighting process using the same data from the latest quarterly rebalancing.

Index Calculations

Each index is calculated by means of the divisor methodology used for all S&P Dow Jones Indices equity indices.

For more information on the Index calculation methodology, please refer to the Equal Weighted Indices and Capped Market Capitalization Weighted sections of S&P Dow Jones Indices' Index Mathematics Methodology.

Index Maintenance

Rebalancing

Index membership is reviewed quarterly. Rebalancings occur after the closing on the third Friday of the quarter ending month. The reference date for additions and deletions is after the closing of the last trading date of the previous month.

For index selection purposes, all S&P Select Industry Indices use shares outstanding, GICS code and IWF figures as of the rebalancing effective date. Closing prices as of the Wednesday prior to the second Friday of the rebalancing month are used for setting index shares.

Additions

Stocks are added between rebalancings only if a deletion in the index causes the constituent count to fall below 22. In those cases, each stock deletion is accompanied with a stock addition. A new stock is added to the index at the weight of the deleted stock.

Deletions

A stock is deleted from an S&P Select Industry Index if dropped from the S&P TMI. If a deletion causes the number of stocks in the relevant index to fall below 22, each stock deletion is accompanied with a corresponding stock addition.

In the case of mergers involving two index constituents, the merged entity remains in the index provided it satisfies the eligibility criteria. If the merged entity qualifies for index inclusion, the stock deemed the target is dropped, the index shares for the acquirer will remain unchanged, and the weightings of the remaining constituents adjust proportionally.

GICS Reclassifications. If a constituent's GICS classification changes to an ineligible sub-industry for a given index, the constituent is removed at the subsequent rebalancing.

Corporate Actions

The indices follow the corporate actions treatment for equal weighted indices.

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

Spin-Offs

The indices follow the S&P TMI treatment of spin-offs. In general, both the parent and spin-off company remain in the index until the subsequent rebalancing. The spin-off company is added to the index at a zero price at the close of the day before the ex-date. No price adjustment is applied to the parent and there is no divisor change.

If the spin-off company is dropped from S&P TMI the weight of the spun-off company is added back to the parent stock's weight after at least one day of trading.

Currency of Calculation and Additional Index Return Series

The indices are calculated in U.S. dollars.

In addition to the indices detailed in this methodology, additional return series versions of the indices may be available, including, but not limited to the following: currency, currency hedged, decrement, fair value,

inverse, leveraged, and risk control versions. For a list of available indices, please refer to the [S&P DJI Methodology & Regulatory Status Database](#).

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

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

Base Dates and History Availability

Index history availability, base dates and base values are shown in the table below.

| S&P Select Industry Index | Launch Date | First Value Date | Base Date | Base Value |
|------------------------------------|-------------|------------------|------------|------------|
| Aerospace & Defense | 06/19/2006 | 12/17/1999 | 12/17/1999 | 1000 |
| Banks | 09/09/2011 | 06/20/2003 | 06/20/2003 | 1000 |
| Biotechnology | 01/27/2006 | 12/17/1999 | 12/17/1999 | 1000 |
| Capital Markets | 09/09/2011 | 06/20/2003 | 06/20/2003 | 1000 |
| Food & Beverage | 12/22/2008 | 12/17/1999 | 12/17/1999 | 1000 |
| Healthcare Equipment | 06/19/2006 | 12/17/1999 | 12/17/1999 | 1000 |
| Health Care Services | 06/19/2006 | 12/17/1999 | 12/17/1999 | 1000 |
| Homebuilders | 01/27/2006 | 12/17/1999 | 12/17/1999 | 1000 |
| Insurance | 09/09/2011 | 06/20/2003 | 06/20/2003 | 1000 |
| Internet | 02/01/2016 | 06/17/2005 | 06/17/2005 | 1000 |
| Metals and Mining | 06/19/2006 | 12/17/1999 | 12/17/1999 | 1000 |
| Oil & Gas Equipment | 06/19/2006 | 12/17/1999 | 12/17/1999 | 1000 |
| Oil & Gas Exploration & Production | 06/19/2006 | 12/17/1999 | 12/17/1999 | 1000 |
| Pharmaceuticals | 06/19/2006 | 12/17/1999 | 12/17/1999 | 1000 |
| Regional Banks | 09/09/2011 | 06/20/2003 | 06/20/2003 | 1000 |
| Retail | 06/19/2006 | 12/17/1999 | 12/17/1999 | 1000 |
| Semiconductors | 01/27/2006 | 12/17/1999 | 12/17/1999 | 1000 |
| Software & Services | 09/19/2011 | 06/20/2003 | 06/20/2003 | 1000 |
| Technology Hardware | 06/19/2006 | 12/17/1999 | 12/17/1999 | 1000 |
| Telecom | 06/19/2006 | 12/17/1999 | 12/17/1999 | 1000 |
| Transportation | 06/19/2006 | 12/17/1999 | 12/17/1999 | 1000 |

Index Data

Calculation Return Types

S&P Dow Jones Indices calculates multiple return types which vary based on the treatment of regular cash dividends. The classification of regular cash dividends is determined by S&P Dow Jones Indices.

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

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

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

For more information on the classification of regular versus special cash dividends as well as the tax rates used in the calculation of net return, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

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

Index Governance

Index Committee

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

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

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

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

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

Index Policy

Announcements

All index constituents are evaluated daily for data needed to calculate index levels and returns. All events affecting the daily index calculation are typically announced in advance via the Index Corporate Events report (.SDE), delivered daily via to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

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

Pro-forma Files

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

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

Holiday Schedule

The indices calculate all business days of the year when the U.S. equity market is open.

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

Rebalancing

The Index Committee may change the date of a given rebalancing for reasons including market holidays occurring on or around the scheduled rebalancing date. Any such change will be announced with proper advance notice where possible.

Unexpected Exchange Closures

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

Contact Information

For questions regarding an index, please contact: index_services@spglobal.com.

Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at www.spglobal.com/spdji/, major quote vendors (see codes below), 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.

| S&P Select Industry Index | BBG | RIC |
|------------------------------------|----------|----------|
| Aerospace & Defense | SPSIAD | .SPSIAD |
| Banks | SPSIBK | .SPSIBK |
| Biotechnology | SPSIBI | .SPBIO |
| Capital Markets | SPSICM | .SPSICM |
| Food & Beverage | SPSIFBUP | .SPSIFB |
| Healthcare Equipment | SPSIHE | .SPSIHE |
| Health Care Services | SPSIHP | .SPSIHP |
| Homebuilders | SPSIHO | .SPHOME |
| Insurance | SPSIINS | .SPSIINS |
| Internet | SPSIIN | .SPSIIN |
| Metals and Mining | SPSIMM | .SPSIMM |
| Oil & Gas Equipment | SPSIOS | .SPSIOS |
| Oil & Gas Exploration & Production | SPSIOP | .SPSIOP |
| Pharmaceuticals | SPSIPH | .SPSIPH |
| Regional Banks | SPSIRBK | .SPSIRBK |
| Retail | SPSIRE | .SPSIRE |
| Semiconductors | SPSISC | .SPSEMI |
| Software & Services | SPSISS | .SPSISS |
| Technology Hardware | SPSICH | .SPSICH |
| Telecom | SPSITE | .SPSITE |
| Transportation | SPSITN | .SPSITN |

Index Data

Daily constituent and index level data are available via subscription.

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

Web site

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

Appendix A: Index Inclusion and Exclusion Criteria

The S&P Select Industry Indices listed below have different float-adjusted market capitalization and float-adjusted liquidity ratio criteria used for index inclusion and exclusion.

Index Inclusion Criteria

| Index | Float-adjusted Market Capitalization and Float-adjusted Liquidity Ratio |
|-----------|--|
| Banks | Float-adjusted market cap above US \$2 billion and float-adjusted liquidity ratio above 100% |
| Insurance | Float-adjusted market cap above US \$2 billion and float-adjusted liquidity ratio above 90% |

Index Exclusion Criteria

| Index | Float-adjusted Market Capitalization and Float-adjusted Liquidity Ratio |
|-----------|--|
| Banks | Float-adjusted market cap below US \$1 billion or float-adjusted liquidity ratio below 50% |
| Insurance | Float-adjusted market cap below US \$1 billion or float-adjusted liquidity ratio below 50% |

Appendix B: S&P Select Industry FMC Capped Indices

S&P Transportation Select Industry FMC Capped Index

Index Universe. At each rebalancing, the index universe is the S&P Total Market Index.

For information on the S&P TMI, please refer to the S&P U.S. Indices Methodology, available at www.spglobal.com/spdji/.

Index Eligibility. The eligibility criteria are identical to the eligibility criteria for the S&P Transportation Select Industry Index.

Constituent Selection. At each rebalancing, select all eligible stocks and form the index.

Constituent Weightings. At each rebalancing, the index initially FMC weights stocks using closing prices as of the rebalancing reference date, with membership, shares outstanding, and IWFs reflected as of the rebalancing effective date. The index then caps constituents' weights according to the following process:

1. If any company's weight exceeds 22.5%, cap that company's weight at 22.5% and proportionally redistribute all excess weight to all uncapped companies within the index. If, after this redistribution, any other company breaches the company weight cap, repeat the process iteratively until no company breaches the company capping rule.
2. Then, the aggregate weight of the companies with weights greater than 4.5% cannot exceed 45% of the total index weight.
3. If the rule in Step 2 is breached, rank all the companies in descending order by weight and identify the company with the smallest weight above 4.5%. Reduce the weight of this company either until the rule in Step 2 is satisfied or the company weight reaches 4.5%.
4. Proportionally redistribute this excess weight to all companies with weights below 4.5%. Any stock that receives weight cannot breach the 4.5% cap. Repeat this process iteratively until Step 2 is satisfied or until all stock weights are greater than or equal to 4.5%.
5. If the rule in Step 2 is still breached and all stocks are greater than or equal to 4.5%, identify the company with the smallest weight that causes the 4.5% limit breach. Reduce the weight of this company either until the rule in Step 2 is satisfied or the company weight reaches 4.5%.
6. Proportionally redistribute this excess weight to all companies with weights less than 4.5%. Repeat this process iteratively until Step 2 is satisfied.
7. Assign index share amounts to each constituent to arrive at the weights calculated above. Since index shares are assigned based on prices prior to rebalancing, the actual weight of each constituent at the rebalancing differs somewhat from these weights due to market movements.

At times, an index's company count may require the capping rules to be relaxed. Please refer to the table below for an overview of the relaxation process, when necessary. Each subsequent row is a relaxation of the previous row's weight caps.

| Number of Constituents | Single Company Weight Cap ² | Threshold for Aggregate Company Weight Capping ³ | Aggregate Company Weight Cap ² |
|------------------------|--|---|---|
| 12-14 | 25.0% | 5.0% | 50% |
| 11 | 27.5% | 5.5% | 55% |
| 9-10 | 30.0% | 6.0% | 60% |
| 8 | 32.5% | 6.5% | 65% |
| 7 | 35.0% | 7.0% | 70% |
| 6 | 37.5% | 7.5% | 75% |
| 5 | 40.0% | 8.0% | 80% |
| 4 | 42.5% | 8.5% | 85% |
| 3 | 50.0% | 9.5% | 95% |

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

For more information on the capping thresholds, please refer to the Regulatory Capping Requirements section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

Index Maintenance. This index follows the same index maintenance procedures as the S&P Select Industry Indices with four exceptions:

- **Rebalancing:** Closing prices as of the Wednesday prior to the second Friday of the rebalancing month are used for setting capped index weights.
- **Additions:** A new addition is added to the index with index shares that are commensurate with the index shares of the stock in a hypothetical rebalancing using the closing prices on the date the addition is announced. Current constituents' index shares remain constant.
- **Corporate Actions:** The index follows the corporate actions treatment for FMC weighted indices.

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

- **Spin-Offs:** If the spin-off company is dropped from the index universe, the weight of the spin-off deleted reinvests across all the index components proportionally such that the relative weights of all index components are unchanged, with a divisor change.

² Cap individual companies at the single company weight cap.

³ Cap the sum of all companies with weights exceeding the threshold for aggregate company weight capping at the aggregate company weight cap.

S&P Hotels, Resorts & Cruise Lines Select Industry 15% FMC Capped Index

Index Universe. At each rebalancing, the index universe is the S&P Total Market Index.

For information on the S&P TMI, please refer to the S&P U.S. Indices Methodology, available at www.spglobal.com/spdji/.

Index Eligibility. At each rebalancing, a stock must satisfy the following criteria to be eligible for index inclusion:

- be classified as a primary sub-industry stock (primary stock) for the Hotels, Resorts & Cruise Lines sub-industry (GICS code 25301020).
- meet one of the following FMC and FALR requirements:
 - have an FMC greater than or equal to US\$ 500 million and an FALR greater than or equal to 90%.
 - have an FMC greater than or equal to US\$ 400 million and an FALR greater than or equal to 150%.
 - for current constituents, have an FMC greater than or equal to US\$ 300 million and an FALR greater than or equal to 50%.
- If fewer than 11 stocks are selected, the next stock with the highest FMC in the sub-industry will be added to the selection.

Constituent Selection. At each rebalancing, select the eligible stocks and form the index.

Constituent Weightings. At each rebalancing, the index is capped market capitalization weighted. The index initially FMC weights constituents using closing prices as of the rebalancing reference date, with membership, shares outstanding, and IWFs reflected as of the rebalancing effective date. The index then caps constituents' weights at 15%, according to the following process:

1. If any company's weight exceeds 14%, cap that company weight at 14%. The cap is set to 14% to allow for a 1% buffer.
2. Proportionally redistribute all excess weight to all uncapped stocks within the index. If, after this redistribution, any other stock breaches the stock weight cap, repeat the process iteratively until no stock breaches the stock capping rule.

Index Maintenance. This index follows the same index maintenance procedures as the S&P Select Industry Indices with five exceptions:

1. **Rebalancing.** Closing prices as of the Wednesday prior to the second Friday of the rebalancing month are used for setting capped index weights.
2. **Additions.** Stocks are added between rebalancings only if a deletion in the index causes the constituent count to fall below 11. In those cases, each stock deletion is accompanied with a stock addition.

A new addition is added to the index with index shares that are commensurate with the index shares of the stock in a hypothetical rebalancing using the closing prices on the date the addition is announced. Current constituents' index shares remain constant.
3. **Deletions.** If a deletion causes the number of stocks in the relevant index to fall below 11, each stock deletion is accompanied with a corresponding stock addition.
4. **Corporate Actions.** The index follows the corporate actions treatment for FMC weighted indices.

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

5. **Spin-Offs.** The indices follow the S&P TMI treatment of spin-offs. In general, both the parent and spin-off company remain in the index until the subsequent rebalancing. The spin-off company is added to the index at a zero price at the close of the day before the ex-date. No price adjustment is applied to the parent and there is no divisor change. If the spin-off company is dropped from S&P TMI the weight of the spun-off company being deleted is reinvested across all the index components proportionally such that the relative weights of all index components are unchanged. The net change in index market capitalization will cause a divisor change.

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

For more information on the capping thresholds, please refer to the Regulatory Capping Requirements section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

Appendix C: FMC Indices

S&P Dow Jones Indices also calculates a version of each headline index using an FMC weighting scheme, as detailed in the table below.

| Headline Index | FMC Weighted Index |
|---|---|
| S&P Aerospace & Defense Select Industry Index | S&P Aerospace & Defense Select Industry FMC Index (USD) |
| S&P Banks Select Industry Index | S&P Banks Select Industry FMC Index (USD) |
| S&P Biotechnology Select Industry Index | S&P Biotechnology Select Industry FMC Index (USD) |
| S&P Capital Markets Select Industry Index | S&P Capital Markets Select Industry FMC Index (USD) |
| S&P Food & Beverage Select Industry Index | S&P Food & Beverage Select Industry FMC Index (USD) |
| S&P Health Care Services Select Industry Index | S&P Health Care Services Select Industry FMC Index (USD) |
| S&P Healthcare Equipment Select Industry Index | S&P Healthcare Equipment Select Industry FMC Index (USD) |
| S&P Homebuilders Select Industry Index | S&P Homebuilders Select Industry FMC Index (USD) |
| S&P Insurance Select Industry Index | S&P Insurance Select Industry FMC Index (USD) |
| S&P Internet Select Industry Index | S&P Internet Select Industry FMC Index (USD) |
| S&P Metals and Mining Select Industry Index | S&P Metals and Mining Select Industry FMC Index (USD) |
| S&P Oil & Gas Equipment & Services Select Industry Index | S&P Oil & Gas Equipment & Services Select Industry FMC Index (USD) |
| S&P Oil & Gas Exploration & Production Select Industry Index | S&P Oil & Gas Exploration & Production Select Industry FMC Index (USD) |
| S&P Pharmaceuticals Select Industry Index | S&P Pharmaceuticals Select Industry FMC Index (USD) |
| S&P Regional Banks Select Industry Index | S&P Regional Banks Select Industry FMC Index (USD) |
| S&P Retail Select Industry Index | S&P Retail Select Industry FMC Index (USD) |
| S&P Semiconductors Select Industry Index | S&P Semiconductors Select Industry FMC Index (USD) |
| S&P Software & Services Select Industry Index | S&P Software & Services Select Industry FMC Index (USD) |
| S&P Technology Hardware Select Industry Index | S&P Technology Hardware Select Industry FMC Index (USD) |
| S&P Telecom Select Industry Index | S&P Telecom Select Industry FMC Index (USD) |
| S&P Transportation Select Industry Index | S&P Transportation Select Industry FMC Index (USD) |
| S&P Hotels, Resorts & Cruise Lines Select Industry 15% FMC Capped Index | S&P Hotels, Resorts & Cruise Lines Select Industry FMC Weighted Index (USD) |

The above FMC-weighted versions follow the same eligibility criteria, index composition, and index maintenance procedures as the headline indices with three exceptions:

1. **Corporate Actions.** The indices follow the corporate actions treatment for FMC-weighted indices. *For further information, please refer to the Market Capitalization Weighted Indices section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*
2. **Constituent Weightings.** The indices weight constituents by FMC. *For further information, please refer to S&P Dow Jones Indices Float-Adjustment Methodology.*
3. **Index Calculations.** The indices follow the index calculation methodology for FMC-weighted indices. *For further information, please refer to the S&P Dow Jones Indices' Index Mathematics Methodology.*

Appendix D: Methodology Changes

Methodology changes since January 1, 2015, are as follows:

| Change | Effective Date (After Close) | Previous | Methodology Updated |
|-----------------------------------|------------------------------|---|--|
| Rebalancing | 12/21/2024 | Closing prices as of the second Friday of the rebalancing month are used for setting index shares. | Closing prices as of the Wednesday prior to the second Friday of the rebalancing month are used for setting index shares. |
| Theoretical Portfolio Value (TPV) | 06/21/2024 | Theoretical portfolio values are reviewed annually. Any updates are made at the discretion of the Index Committee and announced to clients with ample lead time. | <p>Theoretical portfolio values are reviewed annually in September, incorporating index-linked exchange traded product assets under management (AUM) using the below process:</p> <ol style="list-style-type: none"> 1. Determine the maximum aggregate AUM tracking each index over the past year, based on index-linked exchange traded product's AUM from the previous September, December, March, and June, as well as the latest available month-end data point. 2. Round the maximum value up to the nearest billion. 3. Add a 20% buffer to the result and again round up to the nearest billion for the final TPV. <p>In the event that there are no index-linked exchange traded products tracking an index, the TPV for that index is set at US\$ 2 billion. Any updates are made at the discretion of the Index Committee and announced to clients with ample lead time.</p> |
| Constituent Weightings | 06/21/2024 | <p>S&P Select Industry Indices. At each quarterly rebalancing, constituents are initially equal weighted, with adjustments made to ensure that no individual constituent's index weight exceeds the value that can be traded in a single day for a given theoretical portfolio value as detailed below.</p> <p>S&P Dow Jones Indices calculates a maximum basket liquidity weight for each index constituent using the ratio of the constituent's three-month median daily value traded to the theoretical portfolio value as of the last business day of February, May, August, and November for the rebalancing effective after the closing on the third Fridays of March, June, September and December, respectively.</p> <p>Each constituent's initial equal weight is compared to the calculated maximum basket liquidity weight, and the constituent's weight is set to the lesser of the maximum basket liquidity weight or the initial equal weight.</p> <p>If the resulting weights fail to sum to 100%, the weight of the constituent with the lowest maximum basket liquidity weight from the remaining equal weighted constituents is increased to the maximum basket liquidity weight. The index then equal weights the remaining constituents again. This process repeats iteratively until no equal weight stock exceeds the assigned maximum basket liquidity weight and the resulting weights sum to 100%.</p> | <p>S&P Select Industry Indices. At each quarterly rebalancing, initially equal weight constituents with adjustments to ensure that, for a given theoretical portfolio value (TPV), each constituent's index weight cannot exceed 4.5% of the FMC and the value that can be traded in three days. No stock in the index can have a weight greater than 4.5%. TPVs are reviewed annually in September, incorporating index-linked exchange traded product assets under management (AUM) using the below process:</p> <ol style="list-style-type: none"> 1. Determine the maximum aggregate AUM tracking each index over the past year, based on index-linked exchange traded product's AUM from the previous September, December, March, and June, as well as the latest available month-end data point. 2. Round the maximum value up to the nearest billion. 3. Add a 20% buffer to the result and again round up to the nearest billion for the final TPV. <p>If there are no index-linked exchange traded products tracking an index, set the TPV for that index at US\$ 2 billion. Any updates are made at the discretion of the Index Committee and announced to clients with ample lead time.</p> <p>S&P Dow Jones Indices calculates a maximum constituent weight for each index constituent using the following formula:</p> $\text{Max constituent weight} = \min\{4.5\%, (3 * 3\text{month MDVT})/TPV, (4.5\% * \text{Constituent FMC})/TPV\}$ |

| Change | Effective Date (After Close) | Previous | Methodology Updated |
|-------------------------------------|------------------------------|---|--|
| | | <p>If necessary, a final adjustment is made to ensure that no stock in the index has a weight greater than 4.5%. This step of the iterative weighting process may force the weight of those stocks limited to their maximum basket liquidity weight to exceed that weight. In such cases, S&P Dow Jones Indices will make no further adjustments. If any of the S&P Select Industry Indices contain exactly 22 stocks as of the rebalancing effective date, the index is equally weighted without basket liquidity constraints.</p> | <p>where: $3\text{-month MDVT} = \text{three-month median daily value traded}$ $3 = \text{liquidity weight multiplier}$</p> <p>The reference date for assessing the 3-month MDVT and stock price is after the close on the last business days of February, May, August, and November for the rebalancings effective after the close on the third Fridays of March, June, September, and December.</p> <p>Each constituent's initial equal weight is compared to the calculated maximum constituent weight, and the constituent's weight is set to the lesser of the maximum constituent weight or the initial equal weight. If the resulting index weights do not sum to 100%, iteratively redistribute any excess weights to the uncapped constituents.</p> <p>If all constituents are capped and the resulting index weights still do not sum to 100%, relax the constraints in the following order:</p> <ol style="list-style-type: none"> 1. Maximum liquidity weight multiplier in increments of 0.1, 2. Single stock cap in increments of 0.1%, 3. TPV decreasing in increments of US\$ 100 million. <p>Repeat the process iteratively until a feasible solution is found. The single stock weight constraint's upper limit for the iterative process is 4.8%.</p> <p>Secondary Reweighting. If, on the third to last business day of March, June, September, or December, the aggregate weight of companies with index weights greater than 4.8% exceeds 50%, index weights reset to the previously determined weights using the data from that quarter's reference date, with an effective date as of after the close of the last business day of the month.</p> <p>If a secondary reweighting is triggered, and existing constituent(s) were dropped since the prior quarterly rebalancing, the secondary reweighting re-runs the reweighting process using the same data from the latest quarterly rebalancing.</p> |
| Secondary Reweighting Check | 06/21/2024 | | <p>If, on the third to last business day of March, June, September, or December, the aggregate weight of companies with index weights greater than 4.8% exceeds 50%, index weights reset to the previously determined weights using the data from that quarter's reference date.</p> <p>If a secondary reweighting is triggered, and existing constituent(s) were dropped since the prior quarterly rebalancing, the secondary reweighting re-runs the reweighting process using the same data from the latest quarterly rebalancing.</p> |
| Membership Classification: Banks | 03/17/2023 | <p>GICS sub-industries:</p> <ul style="list-style-type: none"> • Asset Management & Custody Banks (40203010) • Diversified Banks (40101010) • Regional Banks (40101015) • Other Diversified Financial Services (40201020) • Thrifts & Mortgage Finance (40102010) | <p>GICS sub-industries:</p> <ul style="list-style-type: none"> • Asset Management & Custody Banks (40203010) • Diversified Banks (40101010) • Regional Banks (40101015) • Diversified Financial Services (40201020) • Commercial & Residential Mortgage Finance (40201050) |

| Change | Effective Date (After Close) | Methodology | |
|---|---------------------------------|---|--|
| | | Previous | Updated |
| | | | Other Diversified Financial Services (40201020) is now called Diversified Financial Services (40201020) |
| Membership Classification: Internet | 03/17/2023 | GICS sub-industries: • Internet & Direct Marketing Retail (25502020) • Internet Services & Infrastructure (45102030) • Interactive Media & Services (50203010) | GICS sub-industries: • Internet Services & Infrastructure (45102030) • Interactive Media & Services (50203010) |
| Membership Classification: Retail | 03/17/2023 | GICS sub-industries: • Apparel Retail (25504010) • Automotive Retail (25504050) • Computer & Electronic Retail (25504020) • Department Stores (25503010) • Drug Retail (30101010) • Food Retailers (30101030) • General Merchandise Stores (25503020) • Hypermarkets & Super Centers (30101040) • Internet & Direct Marketing Retail (25502020) • Specialty Stores (25504040) | GICS sub-industries: • Apparel Retail (25504010) • Automotive Retail (25504050) • Computer & Electronic Retail (25504020) • Drug Retail (30101010) • Food Retailers (30101030) • Broadline Retail (25503030) • Consumer Staples Merchandise Retail (30101040) • Other Specialty Retail (25504040) Hypermarkets & Super Centers (30101040) is now called Consumer Staples Merchandise Retail (30101040) Specialty Stores (25504040) is now called Other Specialty Retail (25504040) |
| Membership Classification: Software & Services | 03/17/2023 | GICS sub-industries: • Application Software (45103010) • Data Processing & Outsourced Services (45102020) • Interactive Home Entertainment (50202020) • IT Consulting & Other Services (45102010) • Systems Software (45103020) | GICS sub-industries: • Application Software (45103010) • Interactive Home Entertainment (50202020) • IT Consulting & Other Services (45102010) • Systems Software (45103020) |
| Membership Classification: Transportation | 03/17/2023 | GICS sub-industries: • Air Freight & Logistics (20301010) • Airlines (20302010) • Airport Services (20305010) • Highways & Rail tracks (20305020) • Marine (20303010) • Marine Ports & Services (20305030) • Railroads (20304010) • Trucking (20304020) | GICS sub-industries: • Air Freight & Logistics (20301010) • Passenger Airlines (20302010) • Airport Services (20305010) • Highways & Rail tracks (20305020) • Marine Transportation (20303010) • Marine Ports & Services (20305030) • Rail Transportation (20304010) • Cargo Ground Transportation (20304030) • Passenger Ground Transportation (20304040) Marine (20303010) is now called Marine Ports & Services (20305030) Railroads (20304010) is now called Rail Transportation (20304010) |
| Membership Classification: Software & Services | 09/21/2018 | GICS sub-industries: • Application Software (45103010) • Data Processing & Outsourced Services (45102020) • Home Entertainment Software (45103030) • IT Consulting & Other Services (45102010) • Systems Software (45103020) | GICS sub-industries: • Application Software (45103010) • Data Processing & Outsourced Services (45102020) • Interactive Home Entertainment (50202020) • IT Consulting & Other Services (45102010) • Systems Software (45103020) |
| Membership Classification: Internet | 09/21/2018 | GICS sub-industries: • Internet & Direct Marketing Retail (25502020) • Internet Software & Services (45101010) | GICS sub-industries: • Internet & Direct Marketing Retail (25502020) • Internet Services & Infrastructure (45102030) • Interactive Media & Services (50203010) |
| Membership Classification: Capital Markets | 09/16/2016 | GICS sub-industries: • Asset Management & Custody Banks (40203010) • Diversified Capital Markets (40203030) • Investment Banking & Brokerage (40203020) | Stocks belonging to Financial Exchanges & Data (40203040) are now eligible for index membership. |
| Membership Classification: Internet | 09/16/2016 | GICS sub-industries: • Internet Retail (25502020) • Internet Software & Services (45101010) | Internet Retail (25502020) is now called Internet & Direct Marketing Retail. |
| Membership Classification: | 09/16/2016 | GICS sub-industries: • Aluminum (15104010) • Coal & Consumable Fuels (10102050) | Stocks belonging to Copper (15104025) are now eligible for index membership. |

| Change | Effective Date (After Close) | Methodology | |
|---|---------------------------------|--|---|
| | | Previous | Updated |
| Metals and Mining | | <ul style="list-style-type: none"> Diversified Metals & Mining (15104020) Gold (15104030) Precious Metals & Minerals (15104040) Silver (15104045) Steel (15104050) | |
| Membership Classification: Retail | 09/16/2016 | <p>GICS sub-industries:</p> <ul style="list-style-type: none"> Apparel Retail (25504010) Automotive Retail (25504050) Catalog Retail (25502010) Computer & Electronic Retail (25504020) Department Stores (25503010) Drug Retail (30101010) Food Retailers (30101030) General Merchandise Stores (25503020) Hypermarkets & Super Centers (30101040) Internet Retail (25502020) Specialty Stores (25504040) | <p>Stocks belonging to Catalog Retail (25502010) are no longer eligible for index membership.</p> <p>Internet Retail (25502020) is now called Internet & Direct Marketing Retail.</p> |
| Membership Classification: Technology Hardware | 06/17/2016 | <p>GICS sub-industries are broken out into primary and supplementary sub-industries</p> <p><i>Primary sub-industry:</i></p> <ul style="list-style-type: none"> Technology Hardware, Storage & Peripherals (45202030) <p><i>Supplementary sub-industry:</i></p> <ul style="list-style-type: none"> Electronic Equipment & Instruments (45203010) Electrical Components & Equipment (20104010) | All three eligible sub-industries are designated as primary sub-industries. In addition, Electrical Components & Equipment (20104010) is replaced by Electronic Components (45203015). |
| Index Name: Computer Hardware to Technology Hardware | 06/17/2016 | S&P Computer Hardware Select Industry Index | S&P Technology Hardware Select Industry Index |
| Membership Classification: Software & Services | 06/17/2016 | <p>GICS sub-industries:</p> <ul style="list-style-type: none"> Application Software (45103010) Data Processing & Outsourced Services (45102020) Home Entertainment Software (45103030) Internet Software & Services (45101010) IT Consulting & Other Services (45102010) Systems Software (45103020) | Stocks belonging to Internet Software & Services (45101010) are no longer eligible for index membership. |
| Treatment of Multiple Share Class Companies | 12/18/2015 | <p>A number of companies in the S&P TMI are represented by multiple share class lines. To determine eligibility for the S&P Select Industry Indices, the float-adjusted market capitalization of each share class line of multiple class companies is combined to arrive at a company float-adjusted market capitalization figure. The liquidity of each individual share class line is evaluated independently based on the float-adjusted market capitalization of that individual line. If an individual share class line of a multiple share class company does not meet the liquidity criteria, the remaining share class line has its float-adjusted market capitalization reevaluated independently to ensure that it continues to meet the size criteria on its own.</p> | Some companies may have more than one share class line in the S&P TMI. In the S&P Select Industry Indices, each company is represented once by the primary listing, which is generally the most liquid share line. |
| Treatment of Supplementary Sub-Industry Companies | 12/18/2015 | <p>Companies from supplementary sub-industries meeting the relevant market capitalization and liquidity thresholds are included in order of their float-adjusted market capitalization until the minimum constituent count of 35 companies is met. Supplementary companies are deleted from the index at subsequent rebalancings only if they are replaced by a qualifying company derived from the index's primary sub-industry universe or if a non-index supplementary sub-industry company has a float-adjusted market cap greater than the</p> | <p>Stocks from the supplementary sub-industries are selected by the following process.</p> <ol style="list-style-type: none"> All eligible primary stocks are added to the index. If there are 35 or more eligible primary stocks, then any supplementary stocks currently in the index are deleted. If after step 1 there are less than 35 eligible primary stocks, then supplementary stocks meeting the relevant market capitalization and liquidity thresholds are added in order of their float-adjusted market capitalization from |

| Change | Effective Date (After Close) | Methodology | |
|------------------------------|---------------------------------|--|---|
| | | Previous | Updated |
| | | smallest supplementary company currently belonging to the index, as of the rebalancing reference date. No buffer is applied. | largest to smallest until the minimum constituent count of 35 stocks is met. 4. A buffer is applied in step 3 such that a supplementary stock being added must have a float-adjusted market cap greater than 1.2 times (or 20% higher than) the supplementary stock it is replacing. This buffer is evaluated on each supplementary stock addition relative to the current supplementary stock it is replacing. For example, the largest non-index supplementary stock by float-adjusted market capitalization is evaluated against the smallest supplementary index constituent, the second largest non-index supplementary stock is evaluated against the second smallest supplementary index constituent, etc. This process is repeated until no supplementary additions exceed the buffer. |
| Rebalancing Weighting Scheme | 12/18/2015 | S&P Dow Jones Indices calculates a maximum basket liquidity weight for each constituent in the index using the ratio of its three-month average daily value traded to a \$500,000,000 portfolio value. | <p>S&P Dow Jones Indices calculates a maximum basket liquidity weight for each constituent in the index using the ratio of its three-month median daily value traded to the theoretical portfolio value.</p> <p>Current theoretical portfolio values used are as follows:</p> <ul style="list-style-type: none"> • S&P Aerospace & Defense Select Industry Index: \$500,000,000 • S&P Banks Select Industry Index: \$2,000,000,000 • S&P Biotechnology Select Industry Index: \$2,000,000,000 • S&P Capital Markets Select Industry Index: \$500,000,000 • S&P Computer Hardware Select Industry Index: \$500,000,000 • S&P Food & Beverage Select Industry Index: \$500,000,000 • S&P Health Care Services Select Industry Index: \$500,000,000 • S&P Healthcare Equipment Select Industry Index: \$500,000,000 • S&P Homebuilders Select Industry Index: \$2,000,000,000 • S&P Insurance Select Industry Index: \$1,000,000,000 • S&P Metals and Mining Select Industry Index: \$1,000,000,000 • S&P Oil & Gas Equipment & Services Select Industry Index: \$500,000,000 • S&P Oil & Gas Exploration & Production Select Industry Index: \$2,000,000,000 • S&P Pharmaceuticals Select Industry Index: \$1,000,000,000 • S&P Regional Banks Select Industry Index: \$2,000,000,000 • S&P Retail Select Industry Index: \$1,000,000,000 • S&P Semiconductors Select Industry Index: \$500,000,000 • S&P Software & Services Select Industry Index: \$500,000,000 • S&P Telecom Select Industry Index: \$500,000,000 • S&P Transportation Select Industry Index: \$500,000,000 |

Appendix E

ESG Disclosures

| EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY⁴ | | |
|---|--|--|
| 1. | Name of the benchmark administrator. | S&P Dow Jones Indices LLC. |
| 2. | Underlying asset class of the ESG benchmark.⁵ | N/A |
| 3. | Name of the S&P Dow Jones Indices benchmark or family of benchmarks. | S&P DJI Equity Indices Benchmark Statement |
| 4. | Do any of the indices maintained by this methodology take into account ESG factors? | No |
| Appendix latest update: | | January 2021 |
| Appendix first publication: | | January 2021 |

⁴ The information contained in this Appendix is intended to meet the requirements of the European Union Commission Delegated Regulation (EU) 2020/1817 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum content of the explanation of how environmental, social and governance factors are reflected in the benchmark methodology and the retained EU law in the UK [The Benchmarks (amendment and Transitional Provision) (EU Exit) Regulations 2019].

⁵ The 'underlying assets' are defined in European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.

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.

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