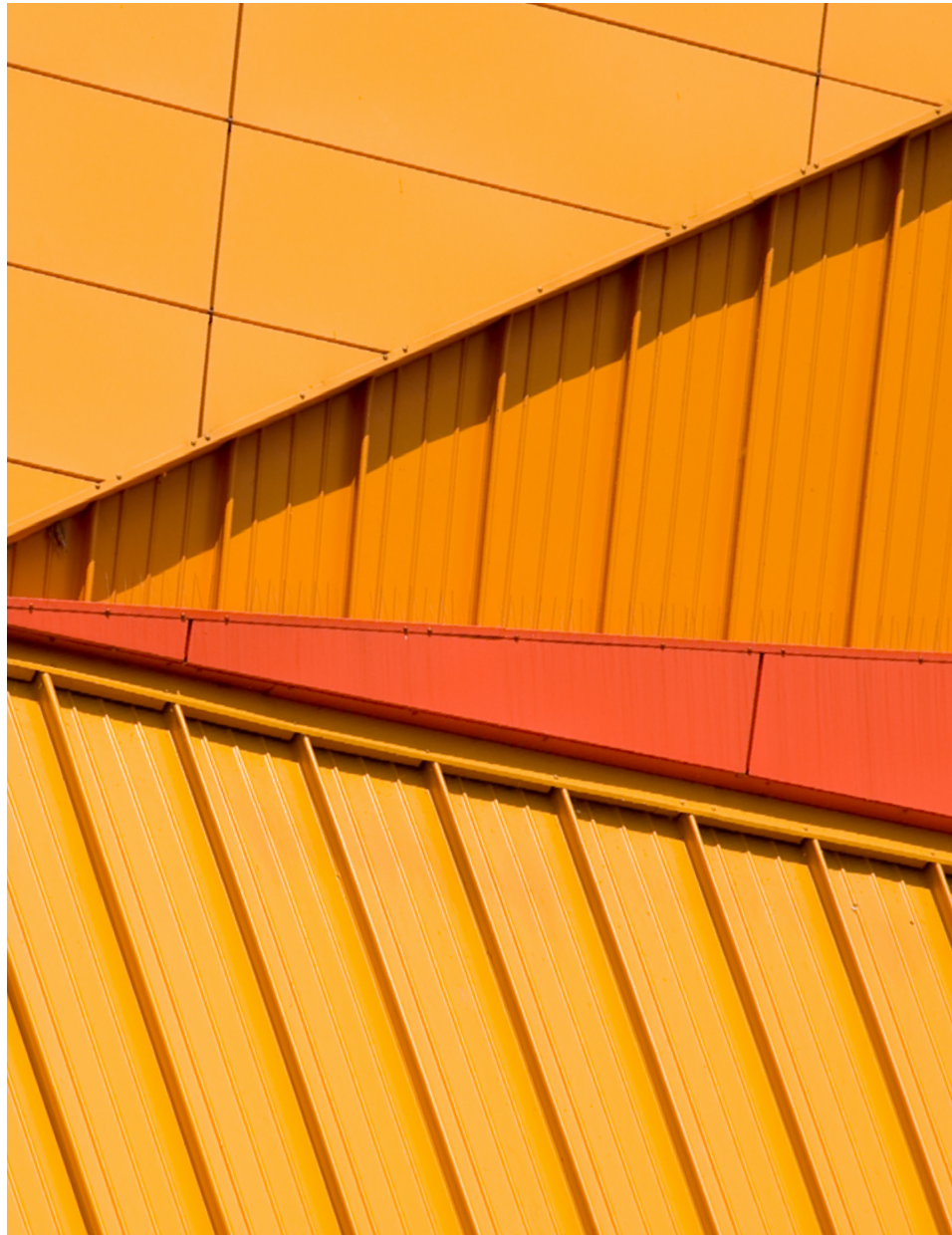


# Using Indices in Direct Indexing Solutions

Passive investing continues to grow, driven by its transparency, efficiency and low cost. While indices and index-linked products abound, many investors are still seeking more specialized approaches. Through direct indexing solutions, investment managers can offer investors access to leading market indices such as the S&P 500®, adjusted to meet specific objectives.



**S&P Dow Jones  
Indices**

A Division of **S&P Global**

# What's Fueling Interest in Direct Indexing?

## Specialization

Investment managers can build portfolios based on each investor's desired exposures

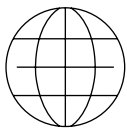
## Transparency

Investment managers have visibility into index composition down to the individual security level

## Tax Optimization

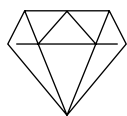
This capability provides the opportunity to implement tax-loss harvesting strategies

# Why S&P DJI?



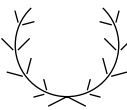
## World-renowned indices

We're home to iconic market benchmarks, such as the S&P 500 and the Dow Jones Industrial Average®, in addition to comprehensive global index families such as the S&P Global BMI.



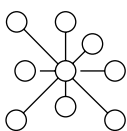
## A wealth of data and information

We're the largest global resource for index-based concepts, data and research, with more assets invested in products based on our indices than any other index provider in the world.



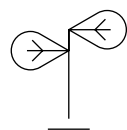
## More than 125 years of innovation and expertise

Since 1896, we have provided innovative index solutions backed by robust methodologies and strong governance across the asset-class spectrum.



## Unique datasets

We provide access to novel and sophisticated datasets such as the machine learning-driven sector data behind the S&P Kensho New Economy Indices.



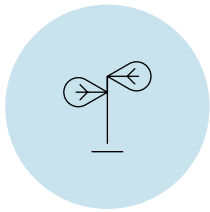
## Advanced ESG scores

The S&P Global ESG Scores are based on up to 1,000 underlying data points per company, accounting for the many facets of sustainability.

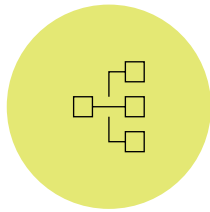
S&P DJI's indices and datasets can be accessed directly from S&P DJI or via authorized third-party direct indexing platforms.

# Our Ever-Growing Universe of Index Solutions

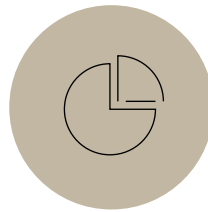
Investment managers can utilize our indices as the starting point for their direct indexing solutions. Whether accessing the U.S. market via the iconic S&P 500, S&P MidCap 400®, S&P SmallCap 600® and S&P Composite 1500®, seeking international exposure via the S&P ADR Indices and S&P Global BMI, or pursuing more fine-tuned strategies accounting for sectors, factors, thematic trends and sustainability, managers can target their objectives using off-the-shelf index solutions from S&P DJI.



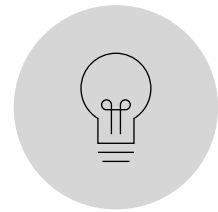
**Sustainability**



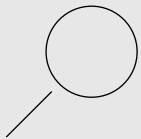
**Factors**



**Sectors**

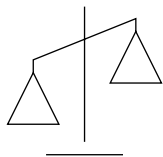


**Thematics**



## Spotlight on Growth and Value

The S&P Style Indices provide broad exposure to growth and value and are capped market cap weighted. These characteristics make them relevant benchmarks for evaluating the skill of active managers and suitable for those seeking long-term index approaches with a tilt toward a particular style. For investment managers seeking to provide growth and value exposure within U.S. equities, we offer growth and value versions of the S&P 500, S&P MidCap 400, S&P SmallCap 600, S&P Composite 1500, S&P 900 and S&P 1000.



## The Power of Passive

For over 20 years, our renowned SPIVA® Scorecards have measured actively managed funds against their index benchmarks worldwide. The results show that relatively few active managers have outperformed passive managers over the long-term. But the true measure of successful active management is whether a manager or strategy can deliver above-average returns consistently over multiple periods. Demonstrating the ability to outperform repeatedly is the only proven way to differentiate a manager's skill from luck. Through research published in our Persistence Scorecards, we show that relatively few funds can consistently stay on top.

Indexing has also helped to democratize investing. Thanks to the growing index opportunity set, investors today now have greater access to sophisticated exposures once available only via active management, including factor, sustainability and multi-asset strategies.

## About S&P Dow Jones Indices

At S&P Dow Jones Indices, we provide iconic and innovative index solutions backed by unparalleled expertise across the asset-class spectrum. By bringing transparency to the global capital markets, we empower investors everywhere to make decisions with conviction. We're the largest global resource for index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based upon our indices than any other index provider in the world. With over USD 8.3 trillion in passively managed assets linked to our indices and over USD 8.4 trillion benchmarked to our indices, our solutions are widely considered essential in tracking market performance, evaluating portfolios and developing investment strategies.

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## CONTACT US

### U.S.

+1-877-325-5415

### EMEA

+44-20-7176-8888

### UAE

+971(0)4-371-7131

### Asia-Pacific

+86-10-6569-2770

### India

+91-22-2272-5312

### Japan

+81 3-4550-8564

### Australia

+61 2-9255-9802

### South Africa

+27-11214-1994

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