

S&P Dow Jones Indices

A Division of **S&P Global**

S&P Multi-Factor Composite Indices *Methodology*

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Table of Contents

Introduction	2
Index Objective and Highlights	2
Index Family	2
Supporting Documents	2
Eligibility Criteria and Index Construction	3
Index Eligibility	3
Component Sub-Index Selection and Weightings	3
Index Calculations	3
Index Maintenance	4
Rebalancing	4
Corporate Actions	4
Currency of Calculation and Additional Index Return Series	4
Base Date and History Availability	4
Index Data	5
Calculation Return Types	5
Index Governance	6
Index Committee	6
Index Policy	7
Announcements	7
Holiday Schedule	7
Rebalancing	7
Unexpected Exchange Closures	7
Recalculation Policy	7
Real-Time Calculation	7
Contact Information	7
Index Dissemination	8
Tickers	8
Index Data	8
Web Site	8
Disclaimer	9

Introduction

Index Objective and Highlights

The S&P Multi-Factor Composite Indices are weighted return indices that measure the equal weighted performance of various combinations of single-factor indices (component sub-indices). Each sub-index follows its respective methodology to represent the performance of stocks from the underlying universe with characteristics related to its particular factor. For the indices in this family, S&P 500 stocks may be present in one or more of the component sub-indices.

Index Family

The index family includes the following indices:

- S&P 500 QVM Multi-Factor Composite Index
- S&P 500 QVML Multi-Factor Composite Index

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

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 and Index Construction

Index Eligibility

Each S&P Multi-Factor Composite Index is composed of the component sub-indices defined below:

Composite Index	Component Sub-Indices
S&P 500 QVM Multi-Factor Composite Index	S&P 500 Quality Index
	S&P 500 Enhanced Value Index
	S&P 500 Momentum Index
S&P 500 QVML Multi-Factor Composite Index	S&P 500 Quality Index
	S&P 500 Enhanced Value Index
	S&P 500 Momentum Index
	S&P 500 Low Volatility Index

For information on the component sub-indices above, please refer to the respective index methodology document for each sub-index, available at www.spglobal/spdji.com.

Component Sub-Index Selection and Weightings

At each rebalancing the respective component sub-indices for each S&P Multi-Factor Composite Index, as defined above, are selected and equal weighted.

Index Calculations

The indices are calculated by means of the divisor methodology used in all S&P Dow Jones Indices' equity indices.

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

Index Maintenance

Rebalancing

The indices rebalance quarterly, effective after the close of the third Friday of March, June, September, and December. At each rebalancing the weights of the component sub-indices are equal weighted.

Corporate Actions

For information on the component sub-indices' corporate action treatments, please refer to the respective index methodology, available at www.spglobal/spdji.com.

Currency of Calculation and Additional Index Return Series

The indices calculate in U.S. dollars.

WM/Refinitiv foreign exchange rates are taken daily at 4:00 PM London time and used in the calculation of the indices. These mid-market fixings are calculated by the WM Company based on Refinitiv data and appear on Refinitiv pages WMRA.

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 index calculation, 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/spdji.com.

Base Date and History Availability

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

Index	Launch Date	First Value Date	Base Date	Base Value
S&P 500 QVM Multi-Factor Composite Index	06/29/2020	12/16/1994	12/16/1994	1000
S&P 500 QVML Multi-Factor Composite Index	06/29/2020	12/16/1994	12/16/1994	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 S&P Dow Jones Indices 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 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 the indices, 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 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.

Holiday Schedule

The index is calculated daily, throughout the calendar year, when the U.S. equity markets are open.

A complete holiday schedule for the year is available on S&P Dow Jones Indices' Web site at www.spglobal/spdji.com.

Rebalancing

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

Unexpected Exchange Closures

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

Recalculation Policy

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

Real-Time Calculation

Real-time, intra-day, index calculations are executed for some versions of the index, whenever the index's primary exchanges are open. Real-time indices are not restated.

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/spdji.com, 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.

Index	Return Type	Bloomberg	RIC
S&P 500 QVM Multi-Factor Composite Index (USD)	Price Return	SPQVMCUP	.SPQVMCUP
	Total Return	SPQVMCUT	.SPQVMCUT
	Net Total Return	SPQVMCUN	.SPQVMCUN
S&P 500 QVML Multi-Factor Composite Index (USD)	Price Return	SPQVMLUP	.SPQVMLUP
	Total Return	SPQVMLUT	.SPQVMLUT
	Net Total Return	SPQVMLUN	.SPQVMLUN

Index Data

Daily index level data are available via subscription.

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

Web Site

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

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