

S&P/TAIFEX RMB Indices *Methodology*

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Introduction

Index Objective, Highlights, and Index Family

The S&P/TAIFEX RMB Indices are designed to track the performance of the inverse of the nearest quarterly month USD/CNT (RTF) or USD/CNH (RHF) FX futures contract traded on the Taiwan Futures Exchange (TAIFEX). The indices are calculated on a daily basis. The RTF and RHF FX futures contracts are quoted in Chinese renminbi (RMB) per U.S. dollar (USD), while the S&P/TAIFEX RMB Indices are denominated in USD.

The index family consists of the following indices:

- S&P/TAIFEX RTF RMB Index
- S&P/TAIFEX RHF RMB Index

For each index, both an excess return (ER) and total return (TR) version are calculated.

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' Commodities Indices Policies & Practices Methodology	Commodities 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.

TAIFEX is a trademark of Taiwan Futures Exchange and has been licensed for use by S&P Dow Jones Indices.

Index Construction

The S&P/TAIFEX RMB Indices are constructed from the nearest quarterly month futures contract traded on the TAIFEX. The table below lists the contracts and symbols.

Index	Underlying Futures Contract	Symbol
S&P/TAIFEX RTF RMB (USD) Index	USD/CNT FX Futures	RTF
S&P/TAIFEX RHF RMB (USD) Index	USD/CNH FX Futures	RHF

Each index measures the return from a long position in the inverse of the first quarterly month futures contract. Over a five-day rolling period every quarter, starting 10 trading days and ending six trading days prior to the futures last trade day (including the last trade day), the index rolls to the second quarterly month contract.

Calculation of the Excess Return Index

On any business day of the underlying futures, t , the index ER is calculated as follows:

$$IndexER_t = IndexER_{t-1} * (1 + CDR_t) \quad (1)$$

where:

$IndexER_{t-1}$ = The Index Excess Return on the preceding business day, defined as any date on which the index is calculated.

CDR_t = Contract Daily Return, as determined by the following formula:

$$CDR_t = \frac{TDWO_t}{TDWI_{t-1}} - 1 \quad (2)$$

where:

$t-1$ = The preceding business day.

$TDWO_t$ = Total Dollar Weight Obtained on t , as determined by the following formula for each of the indices:

$$TDWO_t = \sum_{i=1}^2 CRW_{i,t} * \frac{1}{DCRP_{i,t}} \quad (3)$$

$TDWI_{t-1}$ = Total Dollar Weight Invested on $t-1$, as determined by the following formula for each of the indices:

$$TDWI_{t-1} = \sum_{i=1}^2 CRW_{i,t} * \frac{1}{DCRP_{i,t-1}} \quad (4)$$

where:

$CRW_{i,t}$ = Contract Roll Weight of the i^{th} RTF/RHF Futures Contract on date t .

$DCRP_{i,t}$ = Daily Contract Reference Price of the i^{th} RTF/RHF Futures Contract on date t .

Contract Roll Period

The Roll Period is five days, which starts 10 days prior to the future's last trade day (including the last trade day) and ends after the close of the sixth trading day prior to the future's last trade day (including the last trade day). The last trade day is the third Wednesday of the delivery month.

In calculating the Excess Return of each of the indices, the Contract Roll Weights ($CRW_{i,t}$) of each of the contracts in the index, on a given day, t , are determined as follows:

Day of the Roll Period (t)	The Contract Roll Weight of the First Nearby Contract Expiration ($CRW_{1,t}$)	The Contract Roll Weight of the Roll Contract Expiration ($CRW_{2,t}$)
First	0.8	0.2
Second	0.6	0.4
Third	0.4	0.6
Fourth	0.2	0.8
Fifth	0.0	1.0

The following table provides an example roll period showing the mechanics of the roll period based on the last trade dates of the underlying futures contracts:

Date	Roll Out	Roll In	Last Trade	Roll Begins	Roll Ends
12/5/2017	RTFZ7	RTFH8			
12/6/2017	RTFZ7	RTFH8			
12/7/2017	RTFZ7	RTFH8		X	
12/8/2017	RTFZ7	RTFH8			
12/11/2017	RTFZ7	RTFH8			
12/12/2017	RTFZ7	RTFH8			
12/13/2017	RTFH8	RTFM8			X
12/14/2017	RTFH8	RTFM8			
12/15/2017	RTFH8	RTFM8			
12/18/2017	RTFH8	RTFM8			
12/19/2017	RTFH8	RTFM8			
12/20/2017	RTFH8	RTFM8	X		
12/21/2017	RTFH8	RTFM8			

In addition to the transactions described above, the weight of each index component is also adjusted every day to ensure that the change in total dollar exposure for the index is only due to the price change of each contract and not due to using a different weight for a contract trading at a higher price.

Calculation of the Total Return Index

A total return version of each of the indices is calculated, which includes interest accrual on the notional value of the index based on the three-month U.S. Treasury rate, as follows:

$$IndexTR_t = IndexTR_{t-1} * (1 + CDR_t + TBR_t) \quad (5)$$

where:

$IndexTR_{t-1}$ = The index TR on the preceding business day.

CDR_t = Contract Daily Return as defined in equation (2).

TBR_t = Treasury Bill Return, as determined by the following formula:

$$TBR_t = \left[\frac{1}{1 - \frac{91}{360} * TBR_{t-1}} \right]^{\frac{Delta_t}{91}} - 1 \quad (6)$$

where:

Δt_t = The number of calendar days between the current and previous business days.

$TBAR_{t-1}$ = The most recent weekly high discount rate for 91-day U.S. Treasury bills effective on the preceding U.S. business day. Generally, the rates are announced by the U.S. Treasury on each Monday. When Monday is a U.S. bank holiday, the prevailing rate applies until the latest rate is announced on Tuesday.

Currency of Calculation and Additional Index Return Series

In addition to the indices detailed in this methodology, additional return series versions of the indices may be available, including, but not limited to: 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 various index calculations, 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 Date and History Availability

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/TAIFEX RTF RMB Index (USD) ER	03/23/2018	07/31/2015	07/31/2015	100
S&P/TAIFEX RTF RMB Index (USD) TR	03/23/2018	07/31/2015	07/31/2015	100
S&P/TAIFEX RHF RMB Index (USD) ER	03/23/2018	07/31/2015	07/31/2015	100
S&P/TAIFEX RHF RMB Index (USD) TR	03/23/2018	07/31/2015	07/31/2015	100

Index Governance

Index Committee

The S&P/TAIFEX Index Committee maintains the S&P/TAIFEX RMB Indices. The Index Committee is composed of full-time employees of S&P Dow Jones Indices and the TAIFEX. The Committee meets at least annually. At each meeting, the Committee reviews any significant market events. In addition, the Committee may revise index policy for timing of contract rolls 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' Commodities Indices Policies & Practices Methodology.

Index Policy

Announcements

Announcements of the daily index values are made after the market close each day.

Holiday Schedule

The indices are calculated daily, throughout the calendar year. The indices follow the TAIFEX holiday schedule.

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

For information on Calculations and Pricing Disruptions, Market Disruption Events & Holidays During Roll Period, Expert Judgment, Data Hierarchy, Unexpected Exchange Closures, and Error Corrections, please refer to S&P Dow Jones Indices' Commodities Indices Policies & Practices document.

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.

Index	BBG	RIC
S&P/TAIFEX RTF RMB Index (USD) ER	SPTRTFUP	.SPTRTFUP
S&P/TAIFEX RTF RMB Index (USD) TR	SPTRTFUT	.SPTRTFUT
S&P/TAIFEX RHF RMB Index (USD) ER	SPTRHFUP	.SPTRHFUP
S&P/TAIFEX RHF RMB Index (USD) TR	SPTRHFUT	.SPTRHFUT

Index Data

Daily index level data is available via subscription.

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

Web site

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

Appendix

ESG Disclosures

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY¹	
1.	Name of the benchmark administrator. S&P Dow Jones Indices LLC.
2.	Underlying asset class of the ESG benchmark.² 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	

¹ 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].

² 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.

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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ESG Indices Disclaimer

S&P DJI provides indices that seek to select, exclude, and/or weight index constituents based on, but not limited to, certain environmental, social or governance (ESG) indicators, or a combination of those indicators, including the following: environmental indicators (including the efficient use of natural resources, the production of waste, greenhouse gas emissions, or impact on biodiversity); social indicators (such as, inequality and investment in human capital); governance indicators (such as sound management structures, employee relations, remuneration of staff, tax compliance, respect for human rights, anti-corruption and anti-bribery matters), specific sustainability or values-related company involvement indicators (for example, production/distribution of controversial weapons, tobacco products, or thermal coal), or controversies monitoring (including research of media outlets to identify companies involved in ESG-related incidents).

S&P DJI ESG indices use ESG metrics and scores in the selection and/or weighting of index constituents. ESG scores or ratings seek to measure or evaluate a company's, or an asset's, performance with respect to environmental, social and corporate governance issues.

The ESG scores, ratings, and other data used in S&P DJI ESG indices is supplied directly or indirectly by third parties (note these parties can be independent affiliates of S&P Global or unaffiliated entities) so an S&P DJI ESG index's ability to reflect ESG factors depends on these third parties' data accuracy and availability.

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Prospective users of an S&P DJI ESG Index are encouraged to read the relevant index methodology and related disclosures carefully to determine whether the index is suitable for their potential use case or investment objective.