

**S&P/TSX Fossil Fuel  
Reserves Free Indices  
*Methodology***

September 2024

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# Introduction

## Index Objective and Highlights

The S&P/TSX Fossil Fuel Reserves Free Indices measure the float-adjusted market capitalization (FMC) weighted performance of companies in an underlying index that do not own fossil fuel reserves.

## Index Series

The S&P/TSX 60 Fossil Fuel Reserves Free Index is part of the S&P Global 1200 Fossil Fuel Free Index Series. Other indices in the S&P Global 1200 Fossil Fuel Free Index Series include the following:

1. S&P Global 1200 Fossil Fuel Free Index
2. S&P Asia 50 Fossil Fuel Free Index
3. S&P/ASX All Australian 50 Fossil Fuel Free Index
4. S&P Europe 350 Fossil Fuel Free Index
5. S&P 500 Fossil Fuel Free Index
6. S&P Latin America 40 Fossil Fuel Free Index
7. S&P/TOPIX 150 Fossil Fuel Free Index

For information on any of the indices listed above, please refer to their respective methodology document, available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

## 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	<a href="#">Equity Indices Policies &amp; Practices</a>
S&P Dow Jones Indices' Index Mathematics Methodology	<a href="#">Index Mathematics Methodology</a>
S&P Dow Jones Indices' Float Adjustment Methodology	<a href="#">Float Adjustment Methodology</a>

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.

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# Eligibility Criteria and Index Construction

## Index Universe

At each rebalancing, each index universe is all constituents of the underlying index:

S&P/TSX Fossil Fuel Reserves Free Index Series	Underlying Index
S&P/TSX 60 Fossil Fuel Reserves Free Index	S&P/TSX 60
S&P/TSX Composite Fossil Fuel Reserves Free Index	S&P/TSX Composite

For more information on the S&P/TSX 60 or S&P/TSX Composite, please refer to the S&P/TSX Canadian Indices Methodology, available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

## Eligibility Screen

At each rebalancing reference date, exclude the following:

- companies without coverage, except for spin-offs
- companies with specific fossil fuel reserves, as measured by S&P Trucost Limited (“Trucost”).

Name	Trucost Category of Involvement Description	Proxy	S&P DJI Threshold
Thermal Coal	The company has proven and probable (2P) thermal coal reserves (coal used to generate power – also known as ‘steam coal’).		
‘Other’ (non-Metallurgical) Coal	The company has both proven and probable (2P) coal reserves used for all other non-metallurgical or thermal coal uses, such as chemical biproducts, coal briquettes, residential use, liquid fuel, cement production, paper manufacturing, pharmaceutical, alumina refineries, ferrochrome, anthracite. This also includes all coal reserves reported where reserves are not disclosed transparently as for either thermal or metallurgical uses.	2P Fossil Fuel Reserves <sup>1</sup> (millions of tonnes (Mt)/ millions of barrels (mmbbl)/billion cubic feet (bcf)/ million barrels of oil equivalents (mmboe))	>0
Conventional and Unconventional Oil	The company has proven and probable (2P) conventional (crude) or unconventional oil reserves. Unconventional oils include natural gas liquids (NGL), oil sands, condensates and liquid petroleum gas (LPG).		
Natural Gas	The company has proven and probable (2P) natural gas reserves – a naturally occurring hydrocarbon gas mixture consisting primarily of methane.		
Shale Gas	The company has proven and probable (2P) shale gas – gas trapped in rock, commonly shale or tight siltstone limestone or dolomite, below the earth’s surface.		
‘Other’ Oil and Gas	The company has proven and probable (2P) oil and/or gas reserves, but these are not disclosed transparently as specific types of oil or gas or are disclosed as one aggregate quantity of oil and gas reserves combined.		

For information on Trucost’s methodology please refer [here](#).

<sup>1</sup> 2P, or ‘proven and probable’ reserves, are those with more than a 50% probability level of being recovered.

## **Multiple Classes of Stock**

All publicly listed multiple share class lines are eligible for index inclusion, subject to meeting the eligibility criteria. All publicly listed multiple share class lines of a company are assigned identical fossil fuel reserves. For more information regarding the treatment of multiple share classes, please refer to Approach A within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

## **Constituent Selection**

At each rebalancing reference date, select eligible companies in the index universe to form the index.

## **Constituent Weighting**

At each rebalancing, the index is FMC weighted.

## **Index Calculations**

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

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

# Index Maintenance

## Rebalancing

The index rebalances quarterly, effective after the close of business on the third Friday of March, June, September, and December. The rebalancing reference dates are after the close of the third Friday of February, May, August, and November, respectively.

Changes to a constituent's shares and IWF are applied quarterly as part of the rebalancing process.

## Corporate Actions

The index follows the methodology and maintenance procedures of the underlying index with respect to the treatment of corporate actions.

*For information on corporate action treatment, please refer to the S&P/TSX Canadian Indices Methodology.*

**Spin-Offs.** Spin-offs that remain in the underlying index subsequently remain in the indices—provided the parent company is not currently excluded for ownership of fossil fuel reserves. Spin-offs removed from the underlying index after at least one day of regular way trading (with a divisor adjustment) are also removed from the indices. At the rebalancing, spin-offs are assigned the exclusion designations of the respective parent company as of the ex-date and retain these designations until they are assessed by Trucost.

## Additions and Deletions

**Additions.** Except for spin-offs, index additions are generally made only during rebalancings. A spin-off is added to all the indices of which the parent is a constituent at a zero price at the market close of the day before the ex-date (with no divisor adjustment).

**Deletions.** Index constituents may be removed from the index following a takeover, merger, delisting, bankruptcy, indefinite suspension, or if dropped from the underlying index. Index deletions are not replaced until the subsequent rebalancing.

In addition, if a company that is a constituent of both the underlying index and an S&P/TSX Fossil Fuel Reserves Free Index acquires another constituent of the underlying index which is currently excluded from the S&P/TSX Fossil Fuel Reserves Free Index due to ownership of fossil fuel reserves, the acquirer is dropped from the S&P/TSX Fossil Fuel Reserves Free Index on the action effective date.

*For more information on the treatment of corporate actions, please refer to the Market Capitalization Indices section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

## Currency of Calculation and Additional Index Return Series

The index calculates in Canadian and U.S. dollars.

WMR 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 WMR based on LSEG data and appear on LSEG pages.

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.com/spdji](http://www.spglobal.com/spdji).

### Base Date and History Availability

Index history availability, base date, and base value are shown in the table below.

Index	Launch Date	First Value Date	Base Date	Base Value
S&P/TSX 60 Fossil Fuel Reserves Free Index	10/05/2015	12/30/2011	12/30/2011	1000
S&P/TSX Composite Fossil Fuel Reserves Free Index	07/22/2024	12/19/2003	12/19/2003	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 index. The Index Committee meets regularly. All committee members are full-time professional members of S&P Dow Jones Indices' staff. 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

Whenever possible, announcements of additions or deletions of stocks or other index adjustments are made five trading days before the adjustments are implemented. In those cases when it is not possible to trade a stock five days after an announcement, the announcement period may be shortened. However, the implementation of an index adjustment is never earlier than the market close of the day following the announcement.

Announcements of additions and deletions for the S&P/TSX Canadian indices are generally made at 5:15 PM Eastern Time.

In addition, TMX Datalinx offers a fee-based subscription to Index Notices. The Index Notices provide the most detailed and comprehensive coverage of index changes. Complete data for index replication (including share counts, tickers and data on index levels and returns) are also available through TMX Datalinx. In order to subscribe, contact TMX Datalinx by phone at +1.416.947.4778 or by email at [marketdata@tmx.com](mailto:marketdata@tmx.com).

## Pro-forma Files

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the index rebalances. 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 rebalance. 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](http://www.spglobal.com/spdji) for a complete schedule of rebalancing timelines and pro-forma delivery times.*

## Holiday Schedule

The S&P/TSX Canadian indices are calculated when the Canadian equity market is open.

*A complete holiday schedule for the year is available on the TMX Web site at [www.tmx.com](http://www.tmx.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 certain S&P/TSX Canadian indices whenever any of their 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](mailto:index_services@spglobal.com).

# Index Dissemination

The TMX Group (TMX) serves as the distributor of both real-time and historical index data. In addition, index levels are available on S&P Dow Jones Indices' Web site at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

## **Index Data**

Daily constituent and index level data are available from the Toronto Stock Exchange on subscription. Please contact Market Data at 416-947-4778 or, by email, at [marketdata@tmx.com](mailto:marketdata@tmx.com).

*For further information, please refer to the TMX Web site at [www.tmx.com](http://www.tmx.com).*

## **Web site**

*For further information, please refer to S&P Dow Jones Indices' Web site at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).*

# Appendix A

## Indices in this Methodology Employing Backward Data Assumption

S&P/TSX Composite Fossil Fuel Reserves Free Index

### Backward Data Assumption

The index employs a “Backward Data Assumption” method for some datapoints used in the derivation of historical index membership prior to the Live Data Effective Date (defined below). The “Backward Data Assumption” method involves applying the earliest available actual live data point for an index constituent to all prior, historical instances of that constituent in the index universe.

Backward Data Assumption affects only the historical, hypothetical constituents of any index back-test. Only actual live data is ever used in live index rebalancings and in the historical rebalancing calculation of an index after its Live Data Effective Date.

For more information on S&P DJI’s principles and processes for using Backward Data Assumption, please refer to the [FAQ](#).

### Designated Datasets Subject to Backward Data Assumption

The Backward Data Assumption within the historical back-test, with respect to the indices identified above, applies only to designated datasets and associated time horizons as defined below. For each designated dataset, all historical rebalancing events prior to the Live Data Reference Date listed below are subject to use of the Backward Data Assumption.

Data Provider	Designated Dataset	Live Data Reference Date	Live Data Effective Date
Trucost	Fossil Fuel Reserve	11/17/2023	12/18/2023

The Live Data Reference Date refers to the first rebalancing reference date from which only actual live data is used.

The Live Data Effective Date refers to the first date from which index constituents are determined solely on actual live data for each respective dataset.

### Historical Coverage Assessment per Designated Dataset

**Trucost Fossil Fuel Reserve Data Coverage** (with respect to underlying index universe):

### S&P/TSX Composite Fossil Fuel Reserves Free Index

Reference Date	Underlying Index	Point-in-Time Data		After Using the Data Assumption	
	Stock Count	Stock Count	Index Weight	Stock Count	Index Weight
11/21/2003	211	0	0.0%	109	73.5%
02/20/2004	223	0	0.0%	113	70.6%
05/21/2004	221	0	0.0%	115	74.0%
08/20/2004	223	0	0.0%	117	74.2%
11/19/2004	223	0	0.0%	117	74.5%
02/18/2005	220	0	0.0%	116	75.5%
05/20/2005	224	0	0.0%	117	77.6%
08/19/2005	221	0	0.0%	122	77.0%
11/18/2005	208	0	0.0%	123	78.5%

Reference Date	Underlying Index	Point-in-Time Data		After Using the Data Assumption	
	Stock Count	Stock Count	Index Weight	Stock Count	Index Weight
02/17/2006	274	0	0.0%	160	78.0%
05/19/2006	278	0	0.0%	164	77.6%
08/18/2006	278	0	0.0%	167	79.6%
11/17/2006	273	0	0.0%	170	83.0%
02/16/2007	273	0	0.0%	174	82.7%
05/18/2007	277	0	0.0%	177	83.0%
08/17/2007	269	0	0.0%	181	84.2%
11/16/2007	264	0	0.0%	183	87.7%
02/15/2008	254	0	0.0%	184	89.2%
05/16/2008	256	0	0.0%	184	88.5%
08/15/2008	252	0	0.0%	185	89.0%
11/21/2008	242	0	0.0%	186	93.6%
02/20/2009	215	0	0.0%	180	94.1%
05/15/2009	209	0	0.0%	179	93.1%
08/21/2009	207	109	90.5%	185	98.7%
11/20/2009	203	107	89.6%	182	98.5%
02/19/2010	210	116	90.6%	187	98.1%
05/21/2010	222	116	89.9%	190	97.7%
08/20/2010	229	117	88.8%	193	97.4%
11/19/2010	234	117	87.9%	199	97.1%
02/18/2011	244	120	88.2%	205	96.7%
05/20/2011	247	121	88.1%	207	97.1%
08/19/2011	260	121	86.7%	216	96.9%
11/18/2011	256	120	86.4%	215	97.0%
02/17/2012	253	123	87.4%	215	97.3%
05/18/2012	252	120	87.3%	217	97.9%
08/17/2012	246	119	87.2%	218	98.1%
11/16/2012	249	119	86.8%	222	98.2%
02/15/2013	244	123	88.3%	219	98.3%
05/17/2013	237	118	88.7%	215	98.8%
08/16/2013	234	118	88.6%	216	98.9%
11/15/2013	239	117	88.3%	222	99.1%
02/21/2014	241	192	95.5%	227	99.1%
05/16/2014	244	193	95.3%	232	99.5%
08/15/2014	251	197	95.3%	238	99.5%
11/21/2014	251	197	95.2%	238	99.6%
02/20/2015	250	240	99.5%	244	99.8%
05/15/2015	247	242	99.6%	246	99.9%
08/21/2015	247	238	99.4%	245	99.9%
11/20/2015	242	229	99.1%	240	99.9%
02/19/2016	240	225	98.9%	238	99.9%
05/20/2016	235	217	98.6%	232	99.8%
08/19/2016	240	216	98.2%	236	99.7%
11/18/2016	247	215	98.0%	241	99.7%
02/17/2017	249	216	97.7%	244	99.7%
05/19/2017	250	215	97.6%	245	99.8%
08/18/2017	248	212	97.1%	244	99.8%
11/17/2017	249	211	96.3%	245	99.8%
02/16/2018	250	233	99.0%	246	99.8%
05/18/2018	248	243	99.7%	245	99.9%
08/17/2018	246	242	99.8%	243	99.9%
11/16/2018	246	242	99.8%	243	99.9%
02/15/2019	239	236	99.9%	236	99.9%
05/17/2019	242	238	99.8%	239	99.9%
08/16/2019	239	235	99.8%	236	99.8%
11/15/2019	233	229	99.8%	230	99.8%
02/21/2020	231	227	99.7%	228	99.8%
05/15/2020	229	225	99.6%	226	99.7%
08/21/2020	221	213	99.4%	218	99.7%

Reference Date	Underlying Index Stock Count	Point-in-Time Data		After Using the Data Assumption	
		Stock Count	Index Weight	Stock Count	Index Weight
11/20/2020	222	213	99.3%	218	99.7%
02/19/2021	219	210	99.0%	214	99.6%
05/21/2021	229	217	98.9%	221	99.5%
08/20/2021	229	217	98.6%	222	99.5%
11/19/2021	233	219	98.7%	226	99.5%
02/18/2022	240	225	98.9%	232	99.5%
05/20/2022	239	227	99.0%	231	99.5%
08/19/2022	238	225	99.1%	230	99.5%
11/18/2022	236	222	98.9%	228	99.4%
02/17/2023	237	219	98.3%	225	98.6%
05/19/2023	232	217	98.5%	221	98.8%
08/18/2023	227	213	98.5%	216	98.7%
11/17/2023	227	215	98.7%	n/a	n/a
02/16/2024	225	213	98.6%	n/a	n/a



## Appendix B – Methodology Changes

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

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
Exclusion Screening Data Source	06/19/2020	SAM is the source for exclusion data.	Trucost is the source for exclusion data.
Scope of Quarterly Exclusion Screening	06/19/2020	FFR exclusion screening is performed on the entire index universe once per year as part of the June quarterly rebalancing. For the March, September and December quarterly rebalancings, only universe additions are subject to FFR exclusion screening.	FFR exclusion screening is performed on the entire index universe as part of each quarterly rebalancing.
Deletions: Removal of MSA Overlay	12/20/2019	Any constituent flagged by S&P Global's MSA may be removed if the Index Committee determines that the company in question is no longer eligible for index inclusion.	--
Trading Volume for Liquidity Calculation	07/31/2018	Canadian trading volume includes trading volume at the TSX, Aequitas (Lit and Neo), Alpha, CSE (Pure Trading), Lynx, Nasdaq CXC, Nasdaq CX2 and Omega. U.S. trading volume is determined using the composite volume.	Canadian and U.S. trading volume is determined using the composite volume. Canadian trading volume includes trading on the TSX, Aequitas (Lit and Neo), Alpha, CSE (Pure Trading), Instinet Canada, Liquidnet Canada, Lynx, Nasdaq CXC, Nasdaq CXD, Nasdaq CX2, Omega and TriAct Match Now.
Intra-rebalancing Drop Treatment	09/16/2016	Companies involved in environmental crisis situations are not dropped from the index between rebalancings.	Any constituent raised as an environmental Media and Stakeholder Analysis (MSA) case by S&P Global will be brought to the governing Index Committee for possible immediate removal. In the event of removal, the constituent in question is ineligible for re-entry into the index for one year beginning with the subsequent rebalancing.
Treatment of Spin-offs	10/01/2015	If the spun-off stock is to be added and if an achievable market price is available, it is used; if not, a theoretical price based on the spin-off terms is used. The price is adjusted to the Price of the Parent Company minus (Price of the Spun-off company/Share Exchange Ratio). Index shares change so that the company's weight remains the same as its weight before the spin-off.	The spun-off company is added to all the indices of which the parent is a constituent at a zero price at the market close of the day before the ex-date (with no divisor adjustment). If the spun-off company is to remain in the S&P/TSX 60, it will subsequently remain in the S&P/TSX 60 Fossil Fuel Reserves Free Index, provided the parent company is not currently excluded due to ownership of fossil fuel reserves. If the spun-off company is removed from the S&P/TSX 60 after at least one day of regular way trading (with a divisor adjustment), or if the parent company is currently excluded due to ownership of fossil fuel reserves, the S&P/TSX 60 Fossil Fuel Reserves Free Index will follow the same treatment.

# 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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