

# **S&P ESG Factor Indices** *Methodology*

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# Introduction

## Index Objective

The S&P ESG Factor Indices measure the performance of stocks characterized as having relatively better Factor Scores within the S&P 500 ESG Index (the “underlying index”), while maintaining similar Global Industry Classification Standard (GICS®) industry group weights to the S&P 500 (the “reference index”).

The indices target 25% of the float-adjusted market capitalization (FMC) of each industry group within the relevant reference index, using the Factor Score as the defining characteristic. Index constituents are weighted according to the product of their market capitalization and Factor Score or the inverse of their corresponding volatility within each GICS Industry Group, while industry group weights of the reference index are maintained, as detailed in *Constituent Weightings*.

*For information on the underlying S&P 500 ESG Index and reference S&P 500, please refer to the S&P ESG Index Series Methodology and S&P U.S. Indices Methodology documents, respectively, available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).*

*For information on Factor Score calculations, please refer to Appendix I.*

## Index Series

The index series currently consists of the:

- S&P 500 ESG Quality Index
- S&P 500 ESG Enhanced Value Index
- S&P 500 ESG Momentum Index
- S&P 500 ESG Low Volatility 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	<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>
S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology	<a href="#">GICS Methodology</a>

The methodology is created by S&P Dow Jones Indices (S&P DJI) 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

For a security to be eligible for index inclusion, it must, as of the rebalancing reference date:

1. Be an existing member of the underlying index:

S&P ESG Factor Index	Underlying Index
S&P 500 ESG Quality Index	S&P 500 ESG Index
S&P 500 ESG Enhanced Value Index	S&P 500 ESG Index
S&P 500 ESG Momentum Index	S&P 500 ESG Index
S&P 500 ESG Low Volatility Index	S&P 500 ESG Index

2. Meet the criteria set out in the following sections. At each rebalancing, each index's FMC weights, FMC targets, and score rankings are taken from a reference index, as defined below:

S&P ESG Factor Index	Reference Index
S&P 500 ESG Quality Index	S&P 500 Index
S&P 500 ESG Enhanced Value Index	S&P 500 Index
S&P 500 ESG Momentum Index	S&P 500 Index
S&P 500 ESG Low Volatility Index	S&P 500 Index

## Exclusions Based on Liquidity

**S&P 500 ESG Momentum Index.** Stocks must have traded at least 150 days during the 12-month measurement periods.

**S&P 500 ESG Low Volatility Index.** Stocks must have been issued and trading for at least one calendar year before being eligible to become an index constituent.

## Exclusions Based on Factor Score

If a stock does not have a Factor Score, it is excluded from the indices.

A security is excluded, based on Factor Score, if both of the following are satisfied:

1. Factor Score falls within the worst 25% of scores from its GICS Industry Group in the reference index.
2. Factor Score falls within the worst 25% of scores in the reference index.

*For information on Factor Score calculations, please refer to Appendix II.*

## Multiple Classes of Stock

Except for the S&P 500 ESG Momentum Index, 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.

**S&P 500 ESG Momentum Index.** For this index all publicly listed multiple share class lines are eligible for index inclusion, subject to meeting the eligibility criteria. 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.

# Index Construction

## Constituent Selection

The indices target 25% of the FMC of each industry group within the relevant reference index, using the Factor Score as the defining characteristic. The selection of index constituents is as follows:

1. Eligible stocks are ranked by Factor Score. For each GICS Industry Group, the highest-ranked stocks are selected in decreasing order until 20% of the cumulative market cap of each industry group within the reference index is reached. For stocks ranked between 20% and 30% of a GICS Industry Group's cumulative FMC, existing constituents are selected before non-constituents, until the target 25% FMC is reached.

For the S&P 500 ESG Quality Index, if the underlying earnings per share ("EPS") or book value per share ("BVPS") for a given stock's return on equity ("ROE") is negative, a quality score will be calculated but the stock will be ineligible for index inclusion.

2. If either of the following occurs, a stock that crosses the 25% target is selected and added to the index:
  - The stock's Factor Score ranks within the top quintile of the reference universe, subject to a 24% buffer for existing constituents<sup>1</sup>;
  - The stock is a current constituent and is not ranked within the worst quartile of the reference index.

Additionally, except for the S&P 500 ESG Low Volatility index, stocks with a weight greater than 3% in the reference index ranked within the top quintile of the reference index are automatically selected for index inclusion, subject to a 20% buffer.<sup>1</sup>

For the S&P 500 ESG Low Volatility index, in industry groups with a weight larger than 5% in the reference index, stocks ranked within the top quintile of the reference index are automatically selected for index inclusion, subject to a 20% buffer.

3. If at this point the selected stocks do not have sufficient weight capacity to span their respective industry group weights of the reference index, subject to the capping constraints detailed in *Constituent Weightings*, stocks that fall outside of the worst quartile are chosen until such capacity is achieved.

## Constituent Weightings

At each rebalancing, within each industry group, all selected constituents are weighted by the product of FMC capitalization in the reference index and Factor Score (for the S&P 500 ESG Quality, Enhanced Value, and Momentum Indices) or by the inverse of their corresponding volatility (for the S&P 500 ESG Low Volatility Index), while industry group weights of the reference index are maintained.

Constituents' weights are capped at the larger of 5% of the total index weight or the constituent's weight in the reference index. In addition, constituents' weights are capped at 20 times the constituent's FMC in the reference index and floored at 0.05%.

If any weighting constraint is violated, the excess weight is proportionally redistributed within each industry group first in such a way as to minimize the sum of the squared differences of capped weight and uncapped weight, divided by the uncapped weight for each stock. Where the optimization procedure fails

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<sup>1</sup> The threshold is relaxed to 24% for current constituents to further reduce portfolio turnover.

for a given industry group, the excess weight will be distributed to the other industry groups in that sector in the same way.

### **Index Calculations**

The indices calculate using the divisor methodology used in all S&P Dow Jones Indices' equity indices.

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

# Index Maintenance

## Rebalancing

**S&P 500 ESG Quality and Enhanced Value Indices.** The indices rebalance semi-annually after the close on the third Friday of June and December. The fundamental data reference date is five weeks prior to the rebalancing date. The rebalancing reference dates are the last business day of May and November, respectively. Weights calculated as a result of the reference date data are implemented in the indices using closing prices as of the Wednesday prior to the second Friday of June and December.

**S&P 500 ESG Momentum Index.** The index rebalances semi-annually, effective after the close on the third Friday of March and September, with a reference date of the last business day of February and August, respectively. Weights calculated as a result of the reference date data are implemented in the indices using closing prices as of the rebalancing reference date.

**S&P 500 ESG Low Volatility Index.** The index rebalances quarterly, effective after the close on the third Friday of March, June, September, and December, with a reference date of the last business day of February, May, August, and November, respectively. Index shares are calculated using closing prices on the Wednesday prior to the second Friday of the rebalancing month as the reference price. Index shares are calculated and assigned to each stock to arrive at the weights determined on the reference date.

## Additions and Deletions

Most additions and deletions occur as part of the semi-annual or quarterly index rebalancings in March, June, September, and December. Constituents removed from the S&P 500 are also removed from the respective S&P 500 ESG Factor Index simultaneously.

In addition, at the discretion of the Index Committee, a deletion may occur if an MSA is raised.

## Controversies: Media and Stakeholder Analysis Overlay

In addition to the above, S&P Global uses RepRisk, a leading provider of business intelligence on environmental, social, and governance risks, for daily filtering, screening, and analysis of controversies related to companies within the indices.

In cases where risks are presented, S&P Global releases a Media and Stakeholder Analysis (MSA) which includes a range of issues such as economic crime and corruption, fraud, illegal commercial practices, human rights issues, labor disputes, workplace safety, catastrophic accidents, and environmental disasters.

The Index Committee will review constituents that have been flagged by S&P Global's MSA to evaluate the potential impact of controversial company activities on the composition of the indices. If the Index Committee decides to remove a company in question, that company would not be eligible for re-entry into the index for one full calendar year, beginning with the subsequent rebalancing.

*For more information on RepRisk, please refer to [www.reprisk.com](http://www.reprisk.com). This service is not considered a direct contribution to the index construction process.*



## Corporate Actions and Spin-Offs

The spin-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). The spin-off company is removed after at least one day of regular way trading (with a divisor adjustment).

*For more information on Corporate Actions and Spin-Offs, please refer to the Non-Market Capitalization section of the S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

## Currency of Calculation and Additional Index Return Series

The indices calculate 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](http://www.spglobal.com/spdji).*

## Base Dates 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 500 ESG Quality Index	08/09/2021	06/17/2005	06/17/2005	100
S&P 500 ESG Enhanced Value Index	08/09/2021	06/17/2005	06/17/2005	100
S&P 500 ESG Momentum Index	08/09/2021	09/16/2005	09/16/2005	100
S&P 500 ESG Low Volatility Index	08/09/2021	06/17/2005	06/17/2005	100

# 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. The Index Committee meets regularly. At each meeting, the Index Committee reviews pending corporate actions that may affect index constituents, statistics comparing the composition of the index to the market, companies that are being considered as candidates for addition to the 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 to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

Press releases are posted on our Web site, [www.spglobal.com/spdji](http://www.spglobal.com/spdji), and are released to major news services.

## 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](http://www.spglobal.com/spdji) for a complete schedule of rebalancing timelines and pro-forma delivery times.*

## Holiday Schedule

The indices calculated daily, throughout the calendar year. The only days an index is not calculated are on days when all exchanges where an index's constituents are listed are officially closed or if WM/Refinitiv exchange rates services are not published.

A complete holiday schedule for the year is available at [www.spglobal.com/spdji](http://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 any questions regarding an index, please contact: [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

# Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at [www.spglobal.com/spdji](http://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	Return Type	Bloomberg
S&P 500 ESG Quality Index (USD)	Price Return	SPE5EVUP
	Total Return	SPE5EVUT
	Net Total Return	SPE5EVUN
S&P 500 ESG Enhanced Value Index (USD)	Price Return	SPE5QUUP
	Total Return	SPE5QUUT
	Net Total Return	SPE5QUUN
S&P 500 ESG Momentum Index (USD)	Price Return	SPE5MOUP
	Total Return	SPE5MOUT
	Net Total Return	SPE5MOUN
S&P 500 ESG Low Volatility Index (USD)	Price Return	SPE5LVUP
	Total Return	SPE5LVUT
	Net Total Return	SPE5LVUN

## 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/en/contact-us](http://www.spglobal.com/spdji/en/contact-us).

## S&P DJI ESG Data

Company-level ESG scores data are available via subscription.

For product information, please contact S&P Dow Jones Indices, [www.spglobal.com/spdji/en/contact-us](http://www.spglobal.com/spdji/en/contact-us).

## Website

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

# Appendix I

## Quality and Value Score Calculation

For Quality and Value indices, z-scores ( $Z_i$ ) are computed by re-standardizing the average non-winsorized z-scores using their mean and standard deviation within the reference index universe. The quality and value average non-winsorized z-scores are calculated according to the *S&P Quality Indices and S&P Enhanced Value Indices Methodologies*, respectively. Outlier z-scores are winsorized to ensure that the overall scores are less distorted by extreme values. To do this, for a given z-score, the values for all securities are first ranked in ascending order. Then, for securities that lie above 4 or below -4, their value is set as equal to 4 or -4, whichever is applicable.

## Momentum Score Calculation

'Momentum Value' is calculated for each of the securities in the reference index universe on each of the rebalancing reference dates. The momentum value is computed as the 12-month price change in local currency. If 12 months of price history is not available, momentum value is calculated from nine months of price history. The effective rebalancing month is stated as month ( $M$ ).

$$\text{Momentum Value} = (\text{price}_{M-1} / \text{price}_{M-13}) - 1$$

$$\text{Or Momentum Value} = (\text{price}_{M-1} / \text{price}_{M-10}) - 1, \text{ if 12 months of price history is not available.}$$

The Momentum z-score ( $Z_i$ ) for each security is calculated using the mean and standard deviation of the momentum value within the reference index universe. Outlier z-scores are winsorized to a maximum value of 3 and a minimum value of -3, and then transformed into momentum Factor Score in the same way as quality and value Factor Score.

## Factor Scores

The Quality, Value and Momentum indices use 'Factor Scores' in their constituent selection and weighting. Using the winsorized z-score, a Factor Score is computed for each of the securities in the reference index. For a given security, if its winsorized z-score is above 0, then its Factor Score will be the addition of 1 and the winsorized z-score. On the other hand, if its winsorized z-score is below 0, then its Factor Score will be the result of the reciprocal of 1 subtracted by its winsorized z-score.

$$\text{If } Z_i > 0, \text{ Score} = 1 + Z$$

$$\text{If } Z_i < 0, \text{ Score} = 1 / (1 - Z)$$

$$\text{If } Z_i = 0, \text{ Score} = 1$$

For the S&P 500 ESG Low Volatility Index, the Factor Score is computed as the inverse of volatility, as calculated in the *S&P Low Volatility Indices Methodology*.

# Appendix II

## Methodology Changes

Methodology changes since August 9, 2021, are as follows:

Change	Effective Date (After Close)	Previous	Methodology Updated
Constituent Selection (step 1)	12/16/2022	<p>The indices target 25% of the FMC of each industry group within the relevant reference index, using the Factor Score as the defining characteristic. The selection of index constituents is as follows:</p> <ol style="list-style-type: none"> <li>1. Eligible stocks are ranked by Factor Score. For each GICS Industry Group, the highest-ranked stocks are selected in decreasing order until 20% of the cumulative market cap of each industry group within the reference index is reached. For stocks ranked between 20% and 30% of a GICS Industry Group's cumulative FMC, existing constituents are selected before non-constituents, until the target 25% FMC is reached.</li> </ol>	<p>The indices target 25% of the FMC of each industry group within the relevant reference index, using the Factor Score as the defining characteristic. The selection of index constituents is as follows:</p> <ol style="list-style-type: none"> <li>1. Eligible stocks are ranked by Factor Score. For each GICS Industry Group, the highest-ranked stocks are selected in decreasing order until 20% of the cumulative market cap of each industry group within the reference index is reached. For stocks ranked between 20% and 30% of a GICS Industry Group's cumulative FMC, existing constituents are selected before non-constituents, until the target 25% FMC is reached.</li> </ol> <p>For the S&amp;P 500 ESG Quality Index, if the underlying earnings per share ("EPS") or book value per share ("BVPS") for a given stock's return on equity ("ROE") is negative, a quality score will be calculated but the stock will be ineligible for index inclusion</p>



# 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 in 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. 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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