

**S&P Global SmallCap  
Select Index Series  
*Methodology***

August 2024

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# Introduction

## Index Objective

The S&P SmallCap Select Index Series measures the performance of small cap companies with positive earnings within the S&P Global BMI index family. All indices are float-adjusted market capitalization weighted.

## Index Series

The index series includes:

- **S&P Global SmallCap Select.** The index measures the performance of global small cap companies with positive earnings.
- **S&P Global ex-U.S. SmallCap Select.** The index measures the performance of global small cap companies with positive earnings, excluding stocks domiciled in the U.S.
- **S&P Developed ex-U.S. SmallCap Select.** The index measures the performance of small cap companies with positive earnings from developed markets, excluding stocks domiciled in the U.S.
- **S&P Developed ex-U.S. & Korea SmallCap Select.** The index measures the performance of small cap companies with positive earnings from developed markets, excluding stocks domiciled in the U.S. and South Korea.
- **S&P EPAC SmallCap Select.** The index measures the performance of small cap companies with positive earnings from developed markets within the Europe and Asia Pacific regions.
- **S&P EPAC ex-Korea SmallCap Select.** The index measures the performance of small cap companies with positive earnings from developed markets within the Europe and Asia Pacific regions, excluding stocks domiciled in South Korea.
- **S&P Emerging SmallCap Select.** The index measures the performance of small cap companies with positive earnings from emerging markets.
- **S&P Emerging Plus SmallCap Select.** The index measures the performance of small cap companies with positive earnings from emerging markets, including South Korea.
- **S&P United Kingdom SmallCap Select.** The index measures the performance small cap companies with positive earnings domiciled in the United Kingdom.

## 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>

Supporting Document	URL
S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology	<a href="#">GICS Methodology</a>
S&P Dow Jones Indices' Country Classification Methodology	<a href="#">Country Classification 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.

# Eligibility Criteria

## Index Universe

The S&P SmallCap Select Index Series draws constituents from the S&P Global BMI index family. To qualify for index membership, a stock must, as of the rebalancing reference date, be a member of the respective benchmark (the “Index Universe”), as defined in the table below.

Index	Benchmark (Index Universe)
S&P Global SmallCap Select	S&P Global SmallCap
S&P Global ex-U.S. SmallCap Select	S&P Global ex-U.S. SmallCap
S&P Developed ex-U.S. SmallCap Select	S&P Developed ex-U.S. SmallCap
S&P Developed ex-U.S. & Korea SmallCap Select	S&P Developed ex-U.S. & Korea SmallCap
S&P EPAC SmallCap Select	S&P EPAC SmallCap
S&P EPAC ex-Korea SmallCap Select	S&P EPAC ex-Korea SmallCap
S&P Emerging SmallCap Select	S&P Emerging SmallCap
S&P Emerging Plus SmallCap Select	S&P Emerging Plus SmallCap
S&P United Kingdom SmallCap Select	S&P United Kingdom SmallCap

For information on the S&P Global BMI, including eligibility criteria and maintenance procedures, please refer to the S&P Global BMI, S&P/IFCI Methodology available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

## Selection Universe

Stocks in the Index Universe excluding China-A Shares that satisfy the below eligibility criteria, as of the rebalancing reference date, form the selection universe:

- Liquidity and Float-Adjusted Market Capitalization (FMC).** At each rebalancing reference date, companies are ranked within their particular country based on liquidity measured by the six-month Median Daily Value Traded (MDVT) and FMC. The two screens below are performed independently of the other. Companies ranked within the percentiles defined below are not eligible for index inclusion:
  - The 20% least liquid securities in each country (16% for current constituents), by six-month MDVT, are excluded.
  - The 20% smallest securities in each country (16% for current constituents), by FMC, are excluded.
- Positive Earnings.** At each rebalancing reference date, a non-constituent stock’s prior two years of annual earnings must each be positive. Current constituents that post two consecutive years of negative earnings become ineligible. Annual earnings are defined as trailing earnings per share (EPS) for all companies except for Real Estate Investment Trusts (REITs). EPS over the last 12 months is given preference over fiscal year earnings per share data. If trailing 12 months EPS is not available, fiscal year-end EPS will be used. For REITs, annual earnings are defined as Funds-From-Operations (FFO), if available. If FFO is not available for a REIT, then EPS is used. REITs are determined by their GICS industry code (6010).
- Multiple Share Classes.** 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**

All stocks in the respective selection universe form each index.

## **Constituent Weightings**

The indices are float-adjusted market capitalization (FMC) 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 Market Capitalization Weighted Indices section of S&P Dow Jones Indices' Index Mathematics Methodology.*

# Index Maintenance

## Rebalancing

The indices rebalance semi-annually after the close on the third Friday of June and December. The fundamental data reference date is the close of the third Friday of the previous month.

**Quarterly Updates.** In addition to the semi-annual rebalancings, shares outstanding and IWFs update quarterly after the close of the third Friday in March and September.

*For more information on shares outstanding and IWFs, please refer to S&P Dow Jones Indices' Equity Policies & Practices Methodology.*

## Additions

Except for spun-off companies, and as otherwise detailed below, there are no additions between rebalancings.

## Deletions

Companies that are removed from the respective benchmark index are also removed from the appropriate S&P SmallCap Select index. This includes, but is not limited to, companies being assigned to a different cap size.

Between rebalancings, a company can be deleted from the index due to corporate events such as mergers, acquisitions, delistings, or bankruptcies.

## Corporate Actions

**Spin-Offs.** Spin-offs from current index constituents are eligible for index inclusion. Such spin-offs are included in the index on their ex-dates and remain in the index until the first rebalancing reference date after the spin-off reports annual earnings, when it is evaluated for inclusion. As of this rebalancing reference date, if the company reported positive earnings, it remains in the index; if the company reported negative earnings, it is removed from the index at the rebalancing.

After the first earnings screen, the spin-off is treated according to the regular deletion rules.

Note that the first rebalancing reference date with company reporting earnings does not equate to being the actual next rebalancing reference date after the spin-off ex-date if that rebalancing occurs before the spin-off reports earnings.

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

## Currency of Calculation and Additional Index Return Series

The indices are calculated in 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: 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](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 Global SmallCap Select	12/21/2018	12/17/1999	12/17/1999	100
S&P Global ex-U.S. SmallCap Select	12/21/2018	12/17/1999	12/17/1999	100
S&P Developed ex-U.S. SmallCap Select	12/21/2018	12/17/1999	12/17/1999	100
S&P Developed ex-U.S. & Korea SmallCap Select	04/05/2019	12/17/1999	12/17/1999	100
S&P EPAC SmallCap Select	04/05/2019	12/17/1999	12/17/1999	100
S&P EPAC ex-Korea SmallCap Select	04/05/2019	12/17/1999	12/17/1999	100
S&P Emerging SmallCap Select	12/21/2018	12/17/1999	12/17/1999	100
S&P Emerging Plus SmallCap Select	04/05/2019	12/17/1999	12/17/1999	100
S&P United Kingdom SmallCap Select	04/05/2019	12/17/1999	12/17/1999	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. 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**

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.*

## **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 and their corresponding weights and index shares effective for the upcoming rebalancing. Since index shares are assigned based on reference 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 are calculated when the U.S. equity markets are open.

*A complete holiday schedule for the year is available on the S&P Dow Jones Indices' Web site 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.

## **Real-Time Calculation**

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 any questions regarding an index, please contact: [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

# Index Dissemination

## 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	BBG
S&P Global SmallCap Select	Price Return Total Return	SPGLSSUP SPGLSSUT
S&P Global ex-U.S. SmallCap Select	Price Return Total Return	SPGUSSUP SPGUSSUT
S&P Developed ex-U.S. SmallCap Select	Price Return Total Return	SPWUSSUP SPWUSSUT
S&P Developed ex-U.S. & Korea SmallCap Select	Price Return Total Return	SPWKSSUP SPWKSSUT
S&P EPAC SmallCap Select	Price Return Total Return	SPEPSSUP SPEPSSUT
S&P EPAC ex-Korea SmallCap Select	Price Return Total Return	SPEKSSUP SPEKSSUT
S&P Emerging SmallCap Select	Price Return Total Return	SPEMSSUP SPEMSSUT
S&P Emerging Plus SmallCap Select	Price Return Total Return	SPKESSUP SPKESSUT
S&P United Kingdom SmallCap Select	Price Return Total Return	SPGBSSUP SPGBSSUT

## 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/).

## 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

## Methodology Changes

Methodology changes since December 21, 2018, are as follows:

<b>Change</b>	<b>Effective Date (After Close)</b>	<b>Previous</b>	<b>Methodology Updated</b>
Rebalancing Reference Date	12/03/2021	The rebalancing reference date is the close of the last business day of the previous month.	The rebalancing reference date is the close of the third Friday of the previous month.

# Appendix B

## ESG Disclosures

<b>EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL &amp; GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY<sup>1</sup></b>		
1.	<b>Name of the benchmark administrator.</b>	S&P Dow Jones Indices LLC.
2.	<b>Underlying asset class of the ESG benchmark.<sup>2</sup></b>	N/A
3.	<b>Name of the S&amp;P Dow Jones Indices benchmark or family of benchmarks.</b>	<a href="#">S&amp;P DJI Equity Indices Benchmark Statement</a>
4.	<b>Do any of the indices maintained by this methodology take into account ESG factors?</b>	No
<b>Appendix latest update:</b>		January 2021
<b>Appendix first publication:</b>		January 2021

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<sup>1</sup> 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].

<sup>2</sup> 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).

### **Intellectual Property Notices/Disclaimer**

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