

# **S&P Target Date Index Series** *Methodology*

April 2024

# Table of Contents

Introduction	3
<b>Index Objective</b>	<b>3</b>
<b>Supporting Documents</b>	<b>3</b>
Eligibility Criteria	4
<b>Asset Class Eligibility</b>	<b>4</b>
Index Construction	5
<b>Approaches</b>	<b>5</b>
<b>S&amp;P Target Date Indices</b>	<b>5</b>
<b>Index Calculations</b>	<b>5</b>
Index Maintenance	6
<b>Rebalancing</b>	<b>6</b>
<b>Currency of Calculation and Additional Index Return Series</b>	<b>6</b>
<b>Base Dates and History</b>	<b>6</b>
Index Governance	8
<b>Index Committee</b>	<b>8</b>
Index Policy	9
<b>Holiday Schedule</b>	<b>9</b>
<b>Rebalancing</b>	<b>9</b>
<b>Unexpected Exchange Closures</b>	<b>9</b>
<b>Recalculation Policy</b>	<b>9</b>
<b>Contact Information</b>	<b>9</b>
Index Dissemination	10
<b>Tickers</b>	<b>10</b>
<b>Index Data</b>	<b>11</b>
<b>Web site</b>	<b>11</b>
Appendix I	12
<b>S&amp;P Target Date Style Indices</b>	<b>12</b>
Appendix II	14
<b>Methodology Changes</b>	<b>14</b>
Appendix III	16
<b>ESG Disclosures</b>	<b>16</b>
Disclaimer	17
<b>Performance Disclosure/Back-Tested Data</b>	<b>17</b>
S&P Dow Jones Indices: S&P Target Date Index Series Methodology	1

<b>Intellectual Property Notices/Disclaimer</b>	<b>18</b>
<b>ESG Indices Disclaimer</b>	<b>20</b>

# Introduction

## Index Objective

Each index in the S&P Target Date Index Series measures the performance of a set of weighted return indices, each aligned with specific target date years. The sub-index allocation for each index is determined once a year, through a survey of large fund management companies offering target date products.

The index series is dynamic, as new indices must be introduced, and legacy indices retired, as time passes. For funds tracking a particular S&P Target Date Index, the retirement of that index is akin to rolling the assets into a fund that tracks the Target Date Retirement Income Index. The latter index is effectively the ultimate endpoint for all assets tracking other indices in the series.

## Highlights and Index Family

**S&P Target Date Indices.** Each index measures the performance of sub-indices selected and weighted to represent a consensus of the opportunity set available in the U.S. universe of target date funds.

S&P Dow Jones Indices retires near-dated S&P Target Date indices if the annual survey determines a fund category is not represented by at least 20% of target date fund sponsors. New far-dated target date indices will launch if the annual survey determines at least 30% of target date fund sponsors contain the fund category.

**S&P Target Date Style Indices.** The S&P Target Date Style Indices use the annual holdings survey of standard S&P Target Date Indices to determine their sub-index weights, but classify funds in the survey into two styles, the TO style and the THROUGH style. Each represents a consensus asset allocation and glide path of the smaller style-specific sub-groups on which they are based. The classification is derived from each target date fund’s glide path and is explained in *Appendix I*.

## 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>

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

## Asset Class Eligibility

Existing asset classes in the index series must be employed by at least 25% of surveyed target date fund sponsors in one or more of their respective funds to remain eligible for inclusion. New asset classes must be employed by at least 30% of surveyed target date fund sponsors in one or more of their respective funds in order to be considered for inclusion. The indices are, therefore, composed of widely utilized asset classes. In terms of index construction, S&P Dow Jones Indices uses indices to track each asset class. The current universe of eligible asset classes and underlying benchmarks for each are as follows:

Asset Class	Index Name	Index Code
US LargeCap	S&P 500 (TR)	500TR
US MidCap	S&P 400 (TR)	400TR
US SmallCap	S&P 600 (TR)	600TR
International Equities	S&P Developed Ex-U.S. BMI (US Dollar) Net Total Return	SPCBMIRWUUSD.NTR
Emerging Market Equities	S&P Emerging BMI (US Dollar) Net Total Return	SPCBMIREMUSD.NTR
US REITs	Dow Jones U.S. Select REIT Total Return Index (USD)	DWRTFT
International REITs	S&P Developed Ex-U.S. REIT (US Dollar) Net Total Return	SPCBMIRWUREITUSD.NTR
Core Fixed Income	S&P U.S. Aggregate Bond Index TR	SPUSAGGT
Cash Equivalents	S&P U.S. Treasury Bond 0-1 Year Index Total Return	SPBDUS1TNC
TIPS	S&P US Treasury TIPS Index TR	SPBDUSPT
High Yield Corporate Bonds	S&P 500 High Yield Corporate Bond Index	SP5HYBITNC
Commodities	S&P GSCI TR	SPGSCITR

# Index Construction

## Approaches

Each year for its annual index reconstitution, S&P Dow Jones Indices conducts a survey of target date funds. S&P Dow Jones Indices combines raw survey data from legacy target dates (funds with dates that have already passed) with observations from the retirement income category. This sometimes results in more than one fund per target date sponsor being included in a single survey category. The overall process is as follows:

- Funds are identified as target date funds from the Factset databases and sorted by sponsor and asset size. Fund sponsors not meeting the minimum asset threshold of US\$ 100 million within their target date family are removed from consideration.
- Fund holdings are drawn from the Factset database, supplemented by the latest quarterly holdings filing (Form N-Q) available on the SEC's EDGAR website.
- Asset class exposures for the funds are derived by mapping the fund holdings to their corresponding asset class category. In cases where the surveyed funds hold balanced or other multi-asset class funds, we look through to the underlying asset allocation of these funds to determine their net effect on the asset allocation of the surveyed fund. For the purpose of the survey results, the allocation of mixed funds will be distributed with appropriate representative weights across the asset classes.

## S&P Target Date Indices

S&P Dow Jones Indices arrives at weights for each index by applying the following methods and rules to raw survey observations:

1. For each target date peer group, asset class values either below the 10<sup>th</sup> percentile or above the 90<sup>th</sup> percentile of raw values are replaced with the value corresponding to the 10<sup>th</sup> percentile or the 90<sup>th</sup> percentile, respectively. This mitigates outlier effects without diminishing the number of survey data points.
2. From the results of step 1, mean values of at least 0.5% for existing components and 1.5% for new components, are then proportionately adjusted to create weights that sum to 100% for each target date index.

## Index Calculations

The indices are calculated by means of the weighted return methodology.

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

# Index Maintenance

## Rebalancing

**Annual Reconstitution.** Asset class weights are established annually on the last trading day of May, with reference data as of the close of the third Friday of April.

**Monthly Reweighting.** The indices are rebalanced, effective after the close of business on the last trading day of each month, to reestablish the asset class weights determined during the previous annual reconstitution<sup>1</sup>.

The reference date for pricing is five business days prior to the rebalancing.

## 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 [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

Index history availability and base dates are outlined in the tables below:

Index	Base Date	First Value Date
<i>S&amp;P Target Date Indices:</i>		
S&P Target Date 2010 Index	05/31/07	12/29/00
S&P Target Date 2015 Index	05/31/07	12/29/00
S&P Target Date 2020 Index	05/31/07	12/29/00
S&P Target Date 2025 Index	05/31/07	12/29/00
S&P Target Date 2030 Index	05/31/07	12/29/00
S&P Target Date 2035 Index	05/31/07	12/29/00
S&P Target Date 2040 Index	05/31/07	12/29/00
S&P Target Date 2045 Index	05/31/07	05/31/05
S&P Target Date 2050 Index	05/31/11	05/31/06
S&P Target Date 2055 Index	05/31/12	05/31/07
S&P Target Date 2060 Index	05/29/15	05/28/10
S&P Target Date 2065+ Index	06/01/21	05/31/16
S&P Target Date Retirement Income Index	05/31/07	12/29/00
<i>S&amp;P Target Date Style Indices:</i>		
S&P Target Date Through 2010 Index (retired May 2022)	05/31/07	05/31/07
S&P Target Date Through 2015 Index	05/31/07	05/31/07
S&P Target Date Through 2020 Index	05/31/07	05/31/07

<sup>1</sup> The first monthly rebalancing was effective after the close of Friday, February 26, 2010. Prior to this, weights were reset only during the May reconstitution.

Index	Base Date	First Value Date
S&P Target Date Through 2025 Index	05/31/07	05/31/07
S&P Target Date Through 2030 Index	05/31/07	05/31/07
S&P Target Date Through 2035 Index	05/31/07	05/31/07
S&P Target Date Through 2040 Index	05/31/07	05/31/07
S&P Target Date Through 2045 Index	05/31/07	05/31/07
S&P Target Date Through 2050 Index	05/31/11	05/31/07
S&P Target Date Through 2055 Index	05/31/12	05/31/07
S&P Target Date Through 2060 Index	05/31/16	05/31/11
S&P Target Date Through 2065+ Index	06/01/21	05/31/16
S&P Target Date Through Retirement Index	05/30/14	05/30/14
S&P Target Date To 2010 Index (retired May 2016)	05/31/07	05/31/07
S&P Target Date To 2015 Index (retired May 2022)	05/31/07	05/31/07
S&P Target Date To 2020 Index	05/31/07	05/31/07
S&P Target Date To 2025 Index	05/31/07	05/31/07
S&P Target Date To 2030 Index	05/31/07	05/31/07
S&P Target Date To 2035 Index	05/31/07	05/31/07
S&P Target Date To 2040 Index	05/31/07	05/31/07
S&P Target Date To 2045 Index	05/31/07	05/31/07
S&P Target Date To 2050 Index	05/31/11	05/31/07
S&P Target Date To 2055 Index	05/31/12	05/31/07
S&P Target Date To 2060 Index	05/31/16	05/31/11
S&P Target Date To 2065+ Index	06/01/21	05/31/16
S&P Target Date To Retirement Index	05/30/14	05/30/14

New Target Date indices are launched with five years of history, with historical returns matching those of the closest dated index.<sup>2</sup> For example, history for the Target Date 2055 Index (launched in May 2012) matches the returns of the Target Date 2050 Index back to May 2007.

All information presented prior to the inception date is back-tested. Back-tested calculations prior to May 2005 are based on an extrapolation of asset class weights. The 2001 weights were set by applying the 2006 weights with the equivalent time to respective target dates. For example, the 2001 asset allocation of the 2020 target date is equal to the observed 2006 asset allocation of the 2025 target date. Weights for the Retirement Income series are identical for both 2001 and 2006. For the period from 12/29/2000 to 5/31/2001, the target asset class weights are equivalent to those which were in effect as of 6/1/2001. For the period from 6/1/2001 to 5/31/2005, the asset class weights are derived by smoothing asset allocations from the 2001 starting point to the observed 2005 asset allocation.

<sup>2</sup> The S&P Target Date To Retirement Index and S&P Target Date Through Retirement Index were launched with history going back to their inception date (May 30, 2014).



# Index Governance

## **Index Committee**

An S&P Dow Jones Indices Index Committee maintains the indices. The Committee meets regularly. At each meeting, the Committee reviews matters that may affect index constituents, statistics comparing the composition of the indices to the market, and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting constituents, 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

## **Holiday Schedule**

The S&P Target Date Index Series is calculated daily on all business days in which at least one component index is calculated.

## **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 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 [S&P DJI Methodology & Regulatory Status Database](#) for a complete list of indices covered by this document.

Index (Total Return)	BBG	RIC
<i>S&amp;P Target Date Indices:</i>		
S&P Target Date 2010 Index	SPTGT10T	.SPTGT10T
S&P Target Date 2015 Index	SPTGT15T	.SPTGT15T
S&P Target Date 2020 Index	SPTGT20T	.SPTGT20T
S&P Target Date 2025 Index	SPTGT25T	.SPTGT25T
S&P Target Date 2030 Index	SPTGT30T	.SPTGT30T
S&P Target Date 2035 Index	SPTGT35T	.SPTGT35T
S&P Target Date 2040 Index	SPTGT40T	.SPTGT40T
S&P Target Date 2045 Index	SPTGT45T	.SPTGT45T
S&P Target Date 2050 Index	SPTGT50T	.SPTGT50T
S&P Target Date 2055 Index	SPTGT55T	.SPTGT55T
S&P Target Date 2060 Index	SPTGT60T	.SPTGT60T
S&P Target Date 2065+ Index	SPTGT65T	
S&P Target Date Retirement Income Index	SPTGRIT	.SPTGRIT
<i>S&amp;P Target Date Style Indices:</i>		
S&P Target Date Through 2010 Index (retired May 2022)	SPTDR10T	--
S&P Target Date Through 2015 Index	SPTDR15T	--
S&P Target Date Through 2020 Index	SPTDR20T	--
S&P Target Date Through 2025 Index	SPTDR25T	--
S&P Target Date Through 2030 Index	SPTDR30T	--
S&P Target Date Through 2035 Index	SPTDR35T	--
S&P Target Date Through 2040 Index	SPTDR40T	--
S&P Target Date Through 2045 Index	SPTDR45T	--
S&P Target Date Through 2050 Index	SPTDR50T	--
S&P Target Date Through 2055 Index	SPTDR55T	--
S&P Target Date Through 2060 Index	SPTDR60T	--
S&P Target Date Through 2065+ Index	SPTDR65T	--
S&P Target Date Through Retirement Index	SPTDRRIT	--
S&P Target Date To 2010 Index (retired May 2016)	SPTD10T	--
S&P Target Date To 2015 Index (retired May 2022)	SPTD15T	--
S&P Target Date To 2020 Index	SPTD20T	--
S&P Target Date To 2025 Index	SPTD25T	--
S&P Target Date To 2030 Index	SPTD30T	--
S&P Target Date To 2035 Index	SPTD35T	--
S&P Target Date To 2040 Index	SPTD40T	--
S&P Target Date To 2045 Index	SPTD45T	--
S&P Target Date To 2050 Index	SPTD50T	--
S&P Target Date To 2055 Index	SPTD55T	--
S&P Target Date To 2060 Index	SPTD60T	--
S&P Target Date To 2065+ Index	SPTD65T	--
S&P Target Date To Retirement Index	SPTDRIT	--

**Index Data**

Index 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 I

## S&P Target Date Style Indices

The target date style classification is derived from each target date fund's glide path relative to the funds in the S&P Target Date universe, as opposed to the fund's own to/through classification. The following steps are used to determine the constituents of the holdings survey for each of the S&P Target Date Style Indices:

**Step 1.** Once the universe for the standard S&P Target Date Indices is determined, a Target Date Style framework is developed by defining some key terms.

- **Reference Year (RY).** The referenced survey year.
- **Static Equity Allocation.** The equity allocation of the terminal asset allocation, which is when equity exposure of the target date fund reaches its final allocation.
- **N.** The number of years that the reduction of the equity allocation continues beyond the target date maturity of a target date fund.

**Step 2.** A Target Date Maturity Grid is created based on the survey results. For each Target Date Fund (TDF) Series included in the survey, the allocations related to equity asset classes are aggregated for each of the target date funds within the fund family.

**Step 3.** When there are gaps in the Target Date Maturity Grid, hypothetical target date funds are created called fund equivalents:

- The Retirement Income Fund Equivalent (RFE)
- The Past Fund Equivalent (PFE)
- The Approaching Fund Equivalent (AFE)
- The Next-Approaching Fund Equivalent (NAFE)

**Step 4.** The Fund Equivalents are created at five-year increments as follows:

- For the RFE: if a TDF Series has a Target Date Retirement Income Fund in place, the equity allocation of that fund is assigned to the RFE; if not, the static equity allocation is assigned to RFE.
- For the PFE: the Past Fund is a target date fund which has passed its stated target date maturity for a given Reference Year. If a TDF Series has a Past Fund, the equity allocation of the Past Fund is assigned to the PFE; otherwise:
  - a) If  $N > 0$ , interpolate between the RFE and the next available target date fund, and assign the interpolated equity allocation to the PFE.
  - b) If  $N = 0$ , assign the equity allocation of the RFE to the PFE.
- For the AFE: the Approaching Fund is a target date fund approaching its target date maturity in a given Reference Year. If a TDF Series has an Approaching Fund in place, the equity allocation of the Approaching Fund is assigned to the AFE; otherwise:
  - a) If  $N > 0$ , assign the interpolated equity allocation of the Past Fund Equivalent (PFE) and the next available target date maturity fund to the AFE.
  - b) If  $N = 0$ , assign the equity allocation of the PFE to the AFE.

- For the NAFE: the Next Approaching Fund is the target date fund right after the Approaching Fund or the Approaching Fund Equivalent. If a TDF Series has a Next Approaching Fund, the equity allocation of the Next Approaching Fund is assigned to the NAFE; otherwise:
  - a) If  $N > 0$ , interpolate between the AFE and the next available target date maturity fund, and assign the interpolated equity allocation to the NAFE.
  - b) If  $N = 0$ , assign the equity allocation of the AFE to the NAFE.
- The Target Date Fund Equivalent closest to the Reference Year (TFE) is used, which is the target date fund or fund equivalent falling on the Reference Year or closest to the Reference Year, be it a past or an approaching fund. For example, if  $RY = 2012$ , the closest TFE is the PFE (2010). If  $RY = 2013$ , the closest TFE is the AFE (2015).

**Step 5.** Two style factors are defined:

1. Equity Exposure Factor: the average of the equity allocations of the TFE and the RFE.
2. Equity Exposure Differential Factor: the difference between the equity allocations of the TFE and the RFE.

**Step 6.** Develop a Style Score. Each TDF Series is assigned a score for its Equity Exposure Factor and its Differential Factor, combined equally to a Composite score.

**Step 7.** Based on the Style Scores, the TDF Series in the survey are partitioned by count into three equal segments. The segment with the lowest Style Scores is included in the “TO” category, while the segment with the highest Style Scores is included in the “THROUGH” category.

**Step 8.** Style portfolio weights are obtained by following the same procedure used for the standard target date indices, applied to the appropriate TDF Series included in the style categories.

# Appendix II

## Methodology Changes

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

Change	Effective Date (After Close)	Previous	Methodology Updated
<b>Database Source</b>	05/27/2022	<ul style="list-style-type: none"> <li>Funds are identified as target date funds from the Morningstar databases and sorted by sponsor and asset size. Fund sponsors not meeting the minimum asset threshold of US\$ 100 million within their target date family are removed from consideration.</li> <li>Fund holdings are drawn from the Morningstar database, supplemented by the latest quarterly holdings filing (Form N-Q) available on the SEC's EDGAR website.</li> </ul>	<ul style="list-style-type: none"> <li>Funds are identified as target date funds from the Factset databases and sorted by sponsor and asset size. Fund sponsors not meeting the minimum asset threshold of US\$ 100 million within their target date family are removed from consideration.</li> <li>Fund holdings are drawn from the Factset database, supplemented by the latest quarterly holdings filing (Form N-Q) available on the SEC's EDGAR website.</li> </ul>
<b>Index Names</b>	05/28/2021	<p>The index name is:</p> <ul style="list-style-type: none"> <li>S&amp;P Target Date 2060+ Index</li> <li>S&amp;P Target Date Through 2060+ Index</li> <li>S&amp;P Target Date To 2060+ Index</li> <li>S&amp;P Target Date 2060+ Index (Conservative Glide Path) TR (USD)</li> <li>S&amp;P Target Date 2060+ Index (Moderate Glide Path) TR (USD)</li> <li>S&amp;P Target Date 2060+ Index (Aggressive Glide Path) TR (USD)</li> </ul>	<p>The index name is:</p> <ul style="list-style-type: none"> <li>S&amp;P Target Date 2060 Index</li> <li>S&amp;P Target Date Through 2060 Index</li> <li>S&amp;P Target Date To 2060 Index</li> <li>S&amp;P Target Date 2060 Index (Conservative Glide Path) TR (USD)</li> <li>S&amp;P Target Date 2060 Index (Moderate Glide Path) TR (USD)</li> <li>S&amp;P Target Date 2060 Index (Aggressive Glide Path) TR (USD)</li> </ul>
<b>Annual Reconstitution Data Reference Date</b>	04/16/2020	Asset class weights are established annually on the last trading day of May, with reference data as of the last trading day of April.	Asset class weights are established annually on the last trading day of May, with reference data as of the close of the third Friday of April.
<b>Migration to Index of Indices</b>	05/31/2017	In terms of index construction, S&P Dow Jones Indices uses ETFs to track each asset class. The indices are calculated by means of the divisor method.	In terms of index construction, S&P Dow Jones Indices uses indices to track each asset class. The indices are calculated by means of the weighted return method.
<b>Removal of Fitted Curve</b>	05/31/2017	To smooth variations in asset class allocations between target dates, a curve is fitted to the preliminary weight values for each asset class across target dates. Weights must be 0% or greater than or equal to 0.5%, and they must sum to 100%. Allocations along the fitted curve for each asset class and target date are designated as final index weights.	S&P Dow Jones Indices has discontinued the application of a fitted curve to finalize index representation of each asset class across target date years in the indices.
<b>Index Launch Process</b>	05/31/2016	New far-dated Target Date indices are launched if the annual survey determines a fund category has at	New far-dated Target Date funds are launched if the annual survey determines at least 30% of target date

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
		least 15 target date fund sponsors (10 for Target Date To/Through).	fund sponsors contain the fund category.
<b>Index Retirement Process</b>	05/31/2016	S&P Dow Jones retires near-dated target date indices if the annual survey determines a fund category has fewer than 15 target date fund sponsors (10 for Target Date To/Through).	Near-Dated Target Date indices are retired if the annual survey determines the category is not represented by at least 20% of target date fund sponsors.



# Appendix III

## ESG Disclosures

<b>EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL &amp; GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY<sup>3</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>4</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 Multi-Asset 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

<sup>3</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>4</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**

© 2024 S&P Dow Jones Indices. All rights reserved. S&P, S&P 500, SPX, SPY, The 500, US500, US 30, S&P 100, S&P COMPOSITE 1500, S&P 400, S&P MIDCAP 400, S&P 600, S&P SMALLCAP 600, S&P GIVI, GLOBAL TITANS, DIVIDEND ARISTOCRATS, Select Sector, S&P MAESTRO, S&P PRISM, S&P STRIDE, GICS, SPIVA, SPDR, INDEXOLOGY, iTraxx, iBoxx, ABX, ADBI, CDX, CMBX, MBX, MCDX, PRIMEX, HHPI, and SOVX are registered trademarks of S&P Global, Inc. ("S&P Global") or its affiliates. DOW JONES, DJIA, THE DOW and DOW JONES INDUSTRIAL AVERAGE are trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks together with others have been licensed to S&P Dow Jones Indices LLC. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. This document does not constitute an offer of services in jurisdictions where S&P DJI does not have the necessary licenses. Except for certain custom index calculation services, all information provided by S&P DJI is impersonal and not tailored to the needs of any person, entity, or group of persons. S&P DJI receives compensation in connection with licensing its indices to third parties and providing custom calculation services. Past performance of an index is not an indication or guarantee of future results.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments based on that index. S&P DJI does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. S&P DJI makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. S&P DJI is not an investment advisor, commodity trading advisor, fiduciary, "promoter" (as defined in the Investment Company Act of 1940, as amended) or "expert" as enumerated within 15 U.S.C. § 77k(a), and S&P DJI makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. S&P DJI is not a tax advisor. Inclusion of a security, commodity, crypto currency, or other asset within an index is not a recommendation by S&P DJI to buy, sell, or hold such security, commodity, crypto currency, or other asset, nor is it considered to be investment or trading advice.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof ("Content") may be modified, reverse engineered, reproduced, or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P DJI. The Content shall not be used for any unlawful or unauthorized purposes. S&P DJI and its third-party data providers and licensors (collectively "S&P Dow Jones Indices Parties") do not guarantee the accuracy, completeness, timeliness, or availability of the Content. S&P Dow Jones Indices Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" "WHERE IS" BASIS. S&P DOW JONES INDICES PARTIES DISCLAIMS ANY AND ALL

EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Dow Jones Indices Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special, or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related information and other analyses, including ratings, research and valuations are generally provided by licensors and/or affiliates of S&P Dow Jones Indices, including but not limited to S&P Global's other divisions such as S&P Global Market Intelligence. Any credit-related information and other related analyses and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. Any opinion, analyses and rating acknowledgement decisions are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Dow Jones Indices does not assume any obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P DJI does not act as a fiduciary or an investment advisor. While S&P DJI has obtained information from sources it believes to be reliable, S&P DJI does not perform an audit or undertake independent verification of any information it receives. S&P DJI reserves the right to vary or discontinue any index at any time for regulatory or other reasons. Various factors, including external factors beyond S&P DJI's control might necessitate material changes to indices.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P Global Ratings reserves the right to assign, withdraw or suspend such acknowledgement at any time and in its sole discretion. S&P Dow Jones Indices, including S&P Global Ratings, disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgement as well as any liability for any damage alleged to have been suffered on account thereof. Affiliates of S&P Dow Jones Indices LLC, including S&P Global Ratings, may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. Such affiliates of S&P Dow Jones Indices LLC, including S&P Global Ratings, reserve the right to disseminate its opinions and analyses. Public ratings and analyses from S&P Global Ratings are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) and [www.globalcreditportal.com](http://www.globalcreditportal.com) (subscription), and may be distributed through other means, including via S&P Global Ratings publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

S&P Global keeps certain activities of its various divisions and business units separate from each other to preserve the independence and objectivity of their respective activities. As a result, certain divisions and business units of S&P Global may have information that is not available to other business units. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions, and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate, or otherwise address.

Some indices use the Global Industry Classification Standard (GICS®), which was developed by, and is the exclusive property and a trademark of, S&P Global and MSCI. Neither MSCI, S&P DJI nor any other party involved in making or compiling any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use

thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability, or fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P DJI, any of their affiliates or any third party involved in making or compiling any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

S&P Dow Jones Indices products are governed by the terms and conditions of the agreements under which they may be provided. A license is required from S&P Dow Jones Indices to display, create derivative works of and/or distribute any product or service that uses, is based upon and/or refers to any S&P Dow Jones Indices and/or index data.

### **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.

ESG scores, ratings, and other data may be reported (meaning that the data is provided as disclosed by companies, or an asset, or as made publicly available), modelled (meaning that the data is derived using a proprietary modelling process with only proxies used in the creation of the data), or reported and modelled (meaning that the data is either a mix of reported and modelled data or is derived from the vendor using reported data /information in a proprietary scoring or determination process).

ESG scores, ratings, and other data, whether from an external and/or internal source, is based on a qualitative and judgmental assessment, especially in the absence of well-defined market standards, and due to the existence of multiple approaches and methodologies to assess ESG factors and considerations. An element of subjectivity and discretion is therefore inherent in any ESG score, rating, or other data and different ESG scoring, rating, and/or data sources may use different ESG assessment or estimation methodologies. Different persons (including ESG data ratings, or scoring providers, index administrators or users) may arrive at different conclusions regarding the sustainability or impact of a particular company, asset, or index.

Where an index uses ESG scores, ratings or other data supplied directly or indirectly by third parties, S&P DJI does not accept responsibility for the accuracy or completeness of such ESG scores, ratings, or data. No single clear, definitive test or framework (legal, regulatory, or otherwise) exists to determine 'ESG', 'sustainable', 'good governance', 'no adverse environmental, social and/or other impacts', or other equivalently labelled objectives. In the absence of well-defined market standards and due to the existence of multitude approaches, the exercise of judgment is necessary. Accordingly, different persons may classify the same investment, product and/or strategy differently regarding 'ESG', 'sustainable', 'good governance', 'no adverse environmental, social and/or other impacts', or other equivalently labelled

objectives. Furthermore, the legal and/or market position on what constitutes an 'ESG', 'sustainable', 'good governance', 'no adverse environmental, social and/or other impacts', or other equivalently labelled objectives may change over time, especially as further regulatory or industry rules and guidance are issued and the ESG sustainable finance framework becomes more sophisticated.

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.