

S&P Consumer Finance Index *Methodology*

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Introduction

The S&P Consumer Finance Index is designed to provide liquid exposure to U.S. companies engaging in consumer lending and consumer finance related activities.

Highlights

The index is comprised of 50 of the largest companies trading on U.S. stock exchanges whose primary business is related to consumer finance.

Constituents include mortgage REITs, thrifts and mortgage finance companies, diversified banks, regional banks and consumer finance or data processing services companies engaged in the consumer lending business.

To ensure investability, minimum market capitalization and liquidity requirements are set.

The index follows a modified market capitalization weighted scheme that reduces single company concentration and gives greater weight to companies more purely exposed to the consumer finance industry.

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 index universe is drawn from the S&P Total Market Index (TMI). The index universe is then limited to companies with the following GICS^{®1} classifications:

GICS Sub-Industries	GICS Code
Consumer Finance	40202010
Mortgage REITs	40402030
Thriffs & Mortgage Finance	40102010
Specialized Finance	40201040
Data Processing & Outsourced Services	45102020
Diversified Banks	40101010
Other Diversified Financial Services	40201020
Regional Banks	40101015

Selection Universe

All companies in the index universe are then analyzed using the S&P Global Market Intelligence database for specific terms related to consumer lending in their business description. These are further reviewed for business and industry details, and companies are assigned Exposure Scores.

Exposure Scores are assigned based on GICS[®] classification, business descriptions and other publicly available information, such as annual reports.

- **Exposure Score 1:** Companies with a GICS classification of Consumer Finance, Mortgage REITs, Specialized Finance, or Thrifts & Mortgage Finance and a primary business in consumer lending and financing. In addition, companies with a GICS classification of Data Processing & Outsourced Services specialized in the consumer lending industry.
- **Exposure Score 0.5:** Companies with a GICS classification of Diversified Banks, Other Diversified Financial Services, or Regional Banks and engaged in various forms of consumer lending, as well as other financial services.

Companies in the index universe with an Exposure Score of 1 or 0.5 form the Selection Universe for the index.

Investable Universe Eligibility Factors

At each rebalancing the below eligibility factors are applied to the Selection Universe to derive an Investable Universe:

Market Capitalization. Companies must have a total market capitalization above US\$ 500 million.

Liquidity. Stocks must have a three-month average daily trading value above US\$ 2 million.

Multiple Class Shares. Multiple share class lines are eligible for inclusion. Market capitalization eligibility is based on the entire company by combining multiple share classes, while liquidity eligibility is based on the individual share class.

¹ The Global Industry Classification Standard (GICS[®]) was developed by and is the exclusive property and trademark of S&P Global and MSCI.

Index Construction

Approaches

There are two steps in the creation of the index. The first is the selection of the 50 index constituents; the second is the weighting of the index constituents.

Constituent Selection

The selection of index constituents is done as follows:

1. The 50 largest companies with an Exposure Score of 1 are chosen from the Investable Universe.
2. If fewer than 50 companies qualify with an Exposure Score of 1, then the largest companies from the Investable Universe with an Exposure Score of 0.5 are added until the count reaches 50.
3. If fewer than 50 companies qualify after step 2, the market capitalization requirement may be relaxed by 20%. If the universe of eligible companies is still less than 50 based on the relaxed market cap rules, then the index will use all eligible companies.

S&P Dow Jones Indices believes turnover in index membership should be avoided when possible. At times a company may appear to temporarily violate one or more of the addition criteria. However, the addition criteria are for addition to an index, not for continued membership. As a result, an index constituent that appears to violate criteria for addition to that index will not be deleted unless ongoing conditions warrant an index change.

Constituent Weightings

The index employs a modified market capitalization weighted scheme based on the following procedures:

1. The rebalancing reference date is the last business day of August.
2. With prices and shares outstanding reflected on the rebalancing reference date, and membership as of the rebalancing effective date, each company is weighted by market capitalization.
3. Companies with an Exposure Score of 1 are capped at 5%. Companies with an Exposure Score of 0.5 are capped at 2.5%.
4. All excess weight is proportionally redistributed to all uncapped companies within the index.
5. After redistribution, if the weight of any company breaches the weight caps outlined in step 3, the process is repeated iteratively until no company breaches any respective weight cap.

Multiple Share Classes

Companies may be represented in the index by multiple share class lines. Maximum weight capping is based on company market capitalization, with the weight of multiple class companies allocated proportionally to each share class line based on its market capitalization as of the rebalancing reference date. If no capping is required, both share classes remain in the index at their natural market capitalization.

Index Calculations

Each index is calculated by means of the divisor methodology used for all S&P Dow Jones Indices equity indices.

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

Index Maintenance

Rebalancing

Frequency. Rebalancings occur annually, after the close on the third Friday of September. The rebalancing reference date is after the close of the last business day of August.

Additions. Except for major corporate actions, such as mergers and spin-offs, companies can only be added to the index at the time of the annual rebalancing.

Deletions. Deletions can occur due to acquisitions, mergers and spin-offs or due to bankruptcies or suspension.

Corporate Actions

Corporate Action	Adjustment Made to Index	Divisor Adjustment?
Spin-off	See below.	
Rights Offering	The price is adjusted to the Price of the Parent Company minus (the Price of the Rights Offering/Rights Ratio). Index Shares change so that the company's weight remains the same as its weight before the rights offering.	No
Stock dividend, Stock Split, Reverse Stock Split	Index Shares are multiplied by and price is divided by the split factor.	No
Share Issuance, Share Repurchase, Equity Offering or Warrant Conversion	None.	No
Special Dividends	Price of the stock making the special dividend payment is reduced by the per share special dividend amount after the close of trading on the day before the dividend ex-date.	Yes
Constituent Change	There are no intra-rebalancing additions.	-
	Deletions due to delistings, acquisition or any other corporate event resulting in the deletion of the stock from the index will cause the weights of the rest of the stocks in the index to change. Relative weights will stay the same.	Yes

Spin-offs. The spun-off company is added to the index at a zero price after the market close of the day before the ex-date (with no divisor adjustment).

If the spun-off company is added to the parent index (S&P Total Market Index), both the parent and the spun-off companies will remain in the index until the next index rebalancing, at which time each will be evaluated for continued membership.

If the spin-off is not added to the parent index (S&P Total Market Index), the spun-off company will be removed from the index after the close of its first day of regular way trading (with a divisor adjustment).

For further information on spin-offs, please refer to the Treatment of Spin-offs in S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web Site, www.spdji.com.

For more information on Corporate Actions, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

Base Date and History Availability

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

Index	Launch Date	First Value Date	Base Date	Base Value
S&P Consumer Finance Index	07/12/2010	09/17/1999	09/17/1999	1000

Index Data

Total Return and Net Return Indices

Each index has a total return counterpart, which assumes dividends are reinvested in the index after the close on the ex-date.

S&P Dow Jones Indices calculates daily return series using both gross and net cash dividends reinvested. Net return reinvested is reflective of the return to an investor where dividends are reinvested after the deduction of withholding tax. The tax rate applied is the rate to non-resident institutions that do not benefit from double taxation treaties.

For more information on the tax rates used in the calculation of net return indices, please refer to S&P Dow Jones Indices Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

For details on total and net return calculations, please refer to the S&P Dow Jones Indices Index Mathematics Methodology.

Index Governance

Index Committee

The index is maintained by S&P Dow Jones Indices' Americas Thematic & Strategy Index Committee. The Committee meets regularly. At each meeting, the 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.

For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

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 Actions report (.SDE), delivered daily via ftp to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

Index methodology is constantly under review for best practices, and any changes are announced well ahead of time via the Web site and email to all clients.

For more information on S&P Dow Jones Indices' announcements, please refer to the Announcement Policy located on our Web site, www.spdji.com.

Pro-forma Files

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the 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 prices five business days prior to the rebalancing, the actual weight of each stock at the rebalancing differs from these weights due to market movements.

Please visit www.spdji.com for a complete schedule of rebalancing timelines and pro-forma delivery times.

Holiday Schedule

The index is calculated daily, throughout the calendar year. The only days the index is not calculated are on days when all exchanges where the index's constituents are listed are officially closed.

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

Rebalancing

The index committee may change the date of a given rebalancing for reasons including market holidays occurring on or around the scheduled rebalancing date. Any such change will be announced with proper advance notice where possible.

Unexpected Exchange Closures

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

Real-Time Calculation

Real-time, intra-day, index calculations are executed for certain indices whenever any of their primary exchanges are open. Real-time indices are not restated.

For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at www.spdji.com, major quote vendors (see codes below), numerous investment-oriented Web sites, and various print and electronic media.

Tickers

Index	Return Type	Bloomberg
S&P Consumer Finance Index	Price Return	SPCULFUP
	Total Return	SPCULFUT
	Net Total Return	SPCULFUN

FTP

Daily stock level and index data are available via FTP subscription.

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

Web site

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

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