S&P/ASX Index Series

Bringing Leading Indicators to the Local Australian Market

Since its debut in April 2000, the S&P/ASX index series has helped define the Australian local market. These indices, covering equity, fixed interest, and volatility, are transparent, easy to replicate, and serve as the basis for index products and trading tools like ETFs (exchange-traded funds), index futures, and index options. The S&P/ASX 200, the index that started it all, is highly regarded as the primary gauge for the Australian equity market. This flagship index and leading indicator is ideal for both portfolio management and index replication, as it's designed to broadly represent the local Australian market while maintaining the liquidity characteristics of narrower indices. The investible S&P/ASX 200 covers approximately 90% of Australian equity market capitalization. These leading domestic indices are brought to you by S&P Dow Jones Indices (S&P DJI), home to iconic financial market indicators, and the Australian Securities Exchange (ASX), one of the world's leading securities exchanges.

S&P Dow Jones Indices

A Division of S&P Global

Indices at the Forefront of the Global Market

Equity Indices

The S&P/ASX equity index series includes the S&P/ASX 200, the S&P/ASX 300, the S&P/ASX 20, the S&P/ASX 50, and the S&P/ASX 100. This series also contains component indices that represent the Australian market capitalization hierarchy, and tax-aware indices that account for franking credits. The component indices include the S&P/ASX Small Ordinaries and the S&P/ASX MidCap 50.

S&P/ASX 200, Franking Credit Adjusted, and Sector Indices

- The S&P/ASX 200 is a representative index that measures the performance of the 200 largest, index-eligible stocks listed on the ASX by float-adjusted market capitalization with liquidity and tradability requirements for constituent selection.
- The S&P/ASX sector indices follow the GICS® classification, incorporating 11 sectors, with 24 industry groups, 68 industries, and 157 subindustries. The GICS system allows Australian investors to compare the performance of its major industries with other international markets.
- The S&P/ASX Franking Credit Adjusted Indices provide ameasure of Australian equities' after-tax performance, which can help gauge the tax-effectiveness of tax-exempt investor and superannuation portfolios.

Fixed Interest Indices

The S&P/ASX Australian Fixed Interest series is a comprehensive package of benchmarking tools for fixed interest investments in Australia. The series provides a complete offering across key asset classes—bank bills, inflation linked, fixed interest—and complements the S&P/ASX equity index series.

S&P/ASX Australian Fixed Interest 0+ and 1+ Index Series

- The S&P/ASX Australian Fixed Interest 0+ and 1+ Index Series are broad benchmark index series measuring the performance of the Australian dollar-denominated bonds issued in the local Australian market. The 0+ series denotes bonds maturing in the index, while the 1+ series denotes bonds with maturities greater than one year.
- The index series provides yield premiums over Europe and U.S. markets and is one of the few sovereigns around the world with a 'AAA' rating from Standard & Poor's Ratings Services, Fitch, and Moody's.[1]
- Exhibits 1 and 2 further illustrate the outperformance of the fixed interest market over the equity market in the long term.

Exhibit 1 - 1-Year Rolling Total Return Comparison Between the S&P/ASX 200 and S&P/ASX Fixed Interest Indices

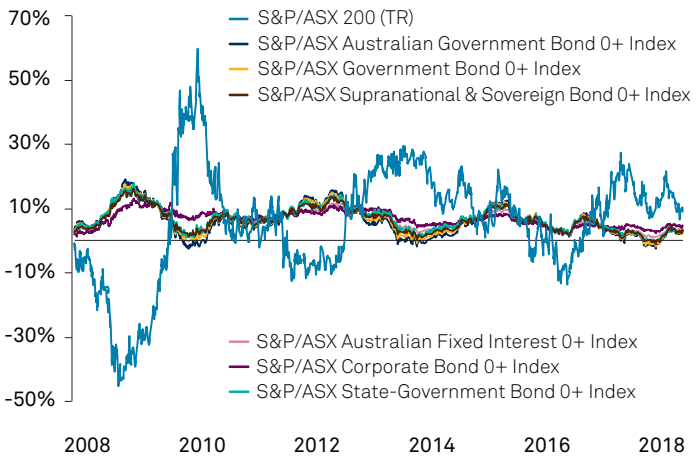

Exhibit 2 - Australian Fixed Interest Versus Equity: Annualized Risk-Adjusted Returns

	S&P/ASX Australian Fixed Interest 0+ Index	S&P/ASX 200 (TR)
3-Year	0.90	0.47
5-Year	1.54	0.72
10-Year	2.09	0.39

Source: S&P Dow Jones Indices LLC. Data as of Feb. 28, 2018. Past performance is no guarantee of future results. Charts and tables are provided for illustrative purposes and may reflect hypothetical historical performance. Please see the Performance Disclosures at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

1 Australia Sovereigns was rated 'AAA' by Standard & Poor's Ratings Services since Feb. 2, 2003, by Fitch since Nov. 28, 2011, and by Moody's since Oct. 20, 2002 (Foreign long-term rating).

Measuring Volatility

The S&P/ASX 200 VIX® (A-VIX) is a real-time index that provides market participants with insight into investor sentiment and expected levels of market volatility.

S&P/ASX 200 VIX

Responding to the need for a VIX-type index reflecting Australian equity market uncertainty, S&P DJI launched the S&P/ASX 200 VIX in 2010. The index reflects expected equity market volatility over the next 30 days by using mid prices for S&P/ASX 200 put and call options to calculate a weighted average of the implied volatility of the options.

The index applies the VIX methodology to S&P/ASX 200 options. Derivatives tracking the VIX index are widely used to hedge broad market risk in the U.S. However, since the Australian equity market is only slightly correlated to the U.S. market, the S&P/ASX 200 VIX can be used to more accurately gauge equity market volatility in the local Australian market.

The full suite of equity, fixed interest and volatility indices included in the S&P/ASX family is publicly available at www.spdji.com.

A Sampling of Our Offerings Covering the Australian Market

Index Name	Exchange Traded Product Name	ETF Ticker
S&P/ASX 50	SPDR S&P/ASX 50 Fund	SFY AU
S&P/ASX 200	SPDR S&P/ASX 200 Fund	STW AU
S&P/ASX 200 A-REIT Index	SPDR S&P/ASX 200 Listed Property Fund	SLF AU
S&P/ASX 200 Financials EX A-REIT Index	SPDR S&P/ASX 200 Financials EX A-REIT Fund	OZF AU
S&P/ASX 200 Resources Index	SPDR S&P/ASX 200 Resources Fund	OZR AU
S&P/ASX Small Ordinaries Index	SPDR S&P/ASX Small Ordinaries Fund	SSO AU
S&P/ASX Government Bond Index	SPDR S&P/ASX Australian Government Bond Fund	GOVT AU
S&P/ASX Australian Fixed Interest Index	SPDR S&P/ASX Australian Bond Fund	BOND AU
S&P/ASX Bank Bill Index	iShares Core Cash	BILL
	iShares Enhanced Cash	ISEC
S&P/ASX Dividend Opportunities Index	iShares S&P/ASX High Dividend	IHD AU
	SmartShares Australian Dividend Fund	ASD
S&P/ASX Franked Dividend	VanEck Vectors S&P/ASX Franked Dividend ETF	FDIV
S&P/ASX 200	iShares Core S&P/ASX 200 ETF	IOZ AU
S&P/ASX 20	iShares S&P/ASX 20	ILC AU
S&P/ASX Small Ordinaries	iShares S&P/ASX Small Ordinaries	ISO AU
S&P/ASX 300	Vanguard Australia Shares Index ETF	VAS AU
S&P/ASX 300 A-REIT Index	Vanguard Australia Property Securities Index ETF	VAP AU
S&P/ASX 300 Shareholder Yield Index	ETFS S&P/ASX 300 High Yield Plus ETF	ZYAU
S&P/ASX 200 Financials Sector Index	BetaShares S&P/ASX 200 Financials Sector ETF	QFN AU
S&P/ASX 200 Resources Sector Index	BetaShares S&P/ASX 200 Resources Sector ETF	QRE AU
S&P/ASX 200 Index	Betashares Australian Equities Bear Hedge Fund	BEAR AU

Source: S&P Dow Jones Indices LLC. Data as of Feb. 28, 2018. Complete index methodology details are available at www.spdji.com.

About S&P Dow Jones Indices

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has become home to over 1,000,000 indices across the spectrum of asset classes that have helped define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit www.spdji.com.

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Performance disclosure

The respective launch dates of the following indices are as noted: The S&P/ASX (TR) was launched on April 3, 2000, the S&P/ASX Australian Fixed Interest 0+ Index, the S&P/ASX Corporate Bond 0+ Index, the S&P/ASX State-Government Bond 0+ Index, the S&P/ASX Australian Government Bond 0+ Index, the S&P/ASX Government Bond 0+ Index, the S&P/ASX Supranational & Sovereign Bond 0+ Index were launched on Sept. 5, 2014. All information presented for an index prior to its launch date is back-tested. Back-tested performance in not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect on the launch date. Complete index methodologies are available at www.spdji.com. It is not possible to invest directly in an index.

Past performance of the Index is not an indication of future results. Prospective application of the methodology used to construct the Index may not result in performance commensurate with the back-test returns shown. The back-test period does not necessarily correspond to the entire available history of the Index. Please refer to the methodology paper for the Index, available at www.spdji.com 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. Another limitation of using back-tested information is that the back-tested calculation is generally prepared with the benefit of hindsight. Back-tested information reflects the application of the index methodology and selection of index constituents in hindsight. No hypothetical record can completely account for the impact of financial risk in actual trading. For example, there are numerous factors related to the equities, fixed income, or commodities markets in general which cannot be, and have not been accounted for in the preparation of the index information set forth, all of which can affect actual performance. The Index returns shown do not represent the results of actual trading of investable assets/securities. S&P Dow Jones Indices LLC maintains the Index and calculates the Index levels and performance shown or discussed, but does not manage actual 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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