The demographics of the United States are shifting right now in record numbers, with over 76 million baby boomers transitioning to retirement. Every day, 10,000* individuals leave the workforce and bring their spending power and evolving priorities to the broader economy.

The S&P U.S. Retiree Spending Index is made up of 50% equities and 50% U.S. Treasuries. It is designed to measure the performance of sectors determined by the U.S. Bureau of Labor Statistics to be impacted by retiree spending, and the performance of a balanced exposure to short- and long-term treasuries.

** WHAT’S INSIDE THE S&P U.S. RETIREE SPENDING INDEX? **

- **2-Year U.S. Treasury Note Futures (25%)**
- **10-Year U.S. Treasury Note Futures (25%)**
- **S&P 500®**
- **S&P MidCap 400®**
- **S&P SmallCap 600®**

<table>
<thead>
<tr>
<th>FIXED INCOME</th>
<th>EQUITY</th>
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<tbody>
<tr>
<td>Balanced exposure to short- and long-term treasuries. Typically held by retirees for stable income.</td>
<td>S&amp;P U.S. Retiree Spending Index</td>
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- **FEDERAL RESERVE POLICIES**
- **ECONOMIC INDICATORS**
- **CORE PRICING DATA**
- **INDEX CONSTRUCTION**
- **INDEX PERFORMANCE**

**KEY INDEX BENEFITS**

1. Balanced Construction
2. Sector Diversification
3. Stock Diversification
4. Two-Step Volatility Reduction

**WHAT’S INSIDE THE S&P U.S. RETIREE SPENDING INDEX?**

- **80% Retiree Spending Sectors**
- **20% Remaining Sectors**

**FIXED INCOME**

- 50% U.S. Treasuries

**EQUITIES**

- 50% Stocks

Return Performance of the S&P 500 vs. the S&P U.S. Retiree Spending Index


** To form the Retiree Spending Sectors, S&P Dow Jones Indices maps consumer expenditure data for persons 65 and over from the BLS to the Global Industry Classification Standard (GICS®) sector framework. Select subindustries from these sectors are excluded. For full details of screening criteria, refer to the index methodology.

*** The risk control framework helps to reduce portfolio volatility towards the 5% target by moving a portion of the portfolio allocation from the index to cash in volatile markets and from cash to the index in less volatile markets.

**** Source: S&P Dow Jones Indices LLC. Data from July 1995 to December 2016. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance. The index level of the S&P 500 has been rebased to 100 starting on July 17, 1995.
The S&P U.S. Retiree Spending Index (TR) was launched on Sept. 26, 2016. All information presented prior to an index’s Launch Date is hypothetical (back-tested), not actual performance. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. Past performance is not an indication or guarantee of future results. It is not possible to invest directly in an index. Please see the Performance Disclosure at http://www.spindices.com/regulatory-affairs-disclaimers/ for more information regarding the inherent limitations associated with back-tested performance. Copyright © 2017 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

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