

S&P Dow Jones Indices

A Division of **S&P Global**

S&P 500 Inverse Carry-Free Daily Index Information

- i. **Does the S&P 500 Inverse Carry-Free Daily Index reference 25 or more component securities (whether or not the security is an underlying security)?**

The S&P 500 Inverse Daily index is designed to provide the inverse performance of the S&P 500, and therefore does not directly reference individual securities. As of Jan. 2, 2018, the S&P 500 consisted of securities from 500 companies.

- ii. **Does the S&P 500 Inverse Carry-Free Daily Index reference long positions only?**

The S&P 500 Inverse Carry-Free Daily Index provides the inverse of the price returns (positive or negative) of the S&P 500 by taking a short position in the index. The S&P Carry-Free Inverse Indices are designed to generate an inverse of the underlying index return, without taking into account the proceeds from lending capital to generate the short index exposure.

- iii. **Does the S&P 500 Inverse Carry-Free Daily Index include any component underlying securities that represent more than 15% of the weight of the component securities in the index?**

The S&P 500 Inverse Carry-Free Daily index is designed to provide the inverse performance of the S&P 500 and therefore does not directly reference individual securities. As of Jan. 2, 2018, the S&P 500 did not include any individual component security that represented more than 15% of the weight of the overall index.

- iv. **Does the S&P 500 Inverse Carry-Free Daily Index include five or fewer component underlying securities that together represent more than 40% of the weight of the component securities in the index?**

The S&P 500 Inverse Daily index is designed to provide the inverse performance of the S&P 500, and therefore does not directly reference individual securities. As of Jan. 2, 2018, the S&P 500 consisted of securities from 500 companies.

- v. **Is the S&P 500 Inverse Carry-Free Daily Index modified or rebalanced only according to publicly stated, predefined criteria, which may require interpretation by the index provider or a board or committee responsible for maintaining the index?**

The S&P 500 Inverse Carry-Free Daily Index methodology is described in the Index Mathematics Methodology document, which describes the calculation of the index and the criteria for managing the index and includes rebalancing rules. The S&P U.S. Indices methodology document describes the criteria for managing the underlying S&P 500 Index and includes rebalancing rules and the rules for adding or dropping securities, as well as the manner in which corporate actions on such securities are handled.

- vi. **Is the S&P 500 Inverse Carry-Free Daily Index referenced by futures contracts or options contracts that trade on a national securities exchange that is registered with the Securities and Exchange Commission or a domestic board of trade that is designed as a contract market by the Commodity Futures Trading Commission (regardless of whether the contracts provide price only or total return exposure to the index or provide for dividend reinvestment in the index)?**

As of Jan. 2, 2018, the S&P 500 Inverse Carry-Free Daily index was not referenced by futures contracts or options contracts.

S&P Dow Jones Indices does not provide tax, legal, or accounting advice. This content is provided as of January 22, 2018, and has been prepared for informational purposes only. An appropriate advisor should be consulted to evaluate the impact of any tax consequences of making any particular investment decision. All information provided by S&P Dow Jones Indices is impersonal and not tailored to the needs of any person, entity, or group of persons. It is not intended to be, and should not be relied upon as, tax, legal, or accounting advice and you should consult your own advisors before engaging in any transaction. Neither S&P Dow Jones Indices LLC nor any of its affiliates shall have any liability for any errors or omissions in the data included therein.