

S&P Dow Jones Indices

A Division of **S&P Global**

S&P Europe 350 Index Family *Benchmark Statement*

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Introduction

S&P DJI Netherlands B.V. (S&P DJI), a wholly owned subsidiary of S&P Dow Jones Indices LLC, is the administrator of the S&P DJI Europe 350 Index Family. This benchmark statement should be read in conjunction with the methodology document for the S&P Europe 350 Indices, which can be found on our Web site at www.spdji.com. This benchmark statement covers non-significant benchmarks as defined by Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016.

Objective of Indices

The S&P Europe 350 Index Family is comprised of equity indices intended to measure the market performance of large capitalization companies trading in the 16 major developed European markets. The flagship index, the S&P Europe 350, is one of seven headline indices that make up the S&P Global 1200. All indices in the family are derived from the S&P Europe 350.

The index family is comprised of the S&P Europe 350 and its sub-indices, which include the S&P Euro, the S&P Euro Plus, and the S&P United Kingdom. Index constituents are 350 leading companies, analyzed for size and liquidity, from the 11 Global Industry Classification Standard (GICS®) Sectors and 16 major developed European markets, with a focus on ensuring appropriate sector and country representation.

Methodology & Index Design Guidelines and Reviews

S&P DJI's approach to index construction uses transparent and rules-based methodologies. The methodology for the indices is documented and available on our Web site, www.spdji.com.

All indices in the S&P Europe 350 Index family are overseen by an Index Committee. The Index Committee serves as the index governance body tasked with ensuring that:

- The index objective is clearly stated and the index is expected to achieve its objective.
- The procedures documented in the methodology are transparent and clearly described.
- The eligible universe, selection criteria and weighting method for constituents are fully detailed and described.
- All aspects of an index – data, calculation, maintenance, presentation and governance – are consistent with S&P DJI practices and any exceptions are explicitly discussed and decided upon by the Index Committee.

S&P DJI indices are rebalanced on a regular schedule ranging from daily to annually. A rebalancing may also be triggered by conditions specified in the relevant methodology.

Index methodologies are reviewed by the Index Committee as part of the regular index rebalancing process, as well as on at least an annual basis, to ensure that the methodology is being applied consistently and allows the index to achieve its stated objective. These reviews may highlight situations where changes in the methodology are necessary to reflect changes in the underlying market. Please see the section on Consultations below for more information on Index Committee reviews and the external consultation process.

Index Governance

The S&P Europe 350 Index Family is maintained by the S&P DJI Europe 350 Index Committee (“Index Committee”), which provides oversight to ensure that S&P DJI policies and procedures are followed. At each meeting, the Index Committee may review pending corporate actions that may affect index constituents, statistics comparing the composition of the index 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.

The Index Committee is comprised of full-time professional members of S&P DJI’s staff. S&P DJI’s voting members on the Index Committee are senior employees from the Index Management & Production Group and the Index Governance group. Individuals from these functions have no commercial responsibilities.

Questions of interpretation or possible exceptions to index rules are considered by the Index Committee.

S&P DJI considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee meetings are confidential.

Discretion

S&P DJI has established a documented rules-based approach for the calculation and maintenance of its indices; rules are stated in the methodology and supplementary documents. This approach seeks to minimize the need for judgement and discretion. In certain circumstances, including complex corporate actions, market disruptions, or where the methodology does not describe, or does not adequately describe an event, the Index Committee may use discretion to make decisions that differ from what is stated in the index methodology.

Internal Oversight

The S&P DJI Internal Oversight Committee (“IOC”) is comprised of representatives from the Compliance, Legal, and Risk functions. The IOC’s mission is to oversee S&P DJI’s compliance with its benchmark governance, quality, and operational standards. Among other responsibilities, the IOC reviews S&P DJI’s adherence with its policies, monitors applicable regulatory developments, and serves as an escalation body for S&P DJI’s Index Governance function.

Index Calculation

Input Data

The S&P Europe 350 Index Family is calculated using official prices sourced via vendors from the eligible stock exchanges. The indices do not use contributed input data.

Index Varieties

S&P DJI's index calculation and corporate action treatments vary according to the categorization of the indices. At a broad level, indices are defined into two categorizations: Market Capitalization Weighted and Non-Market Capitalization Weighted Indices.

A majority of S&P DJI's equity indices are market capitalization weighted and float-adjusted, where each stock's weight in the index is proportional to its float-adjusted market value. S&P DJI also offers capped versions of a market capitalization weighted index where single index constituents or defined groups of index constituents, such as sector or geographical groups, are confined to a maximum weight.

Non-market capitalization weighted indices include those that are not weighted by float-adjusted market capitalization. Examples include indices that apply equal weighting, factor weighting such as dividend yield or volatility, strategic tilts, thematic weighting or other alternative weighting schemes.

Index Divisor

To ensure that an index's value, or level, does not change when stocks are added or deleted, a divisor is adjusted to offset the change in market value of the index. Thus, the divisor plays a critical role in the index's ability to provide a continuous measure of market valuation when faced with changes to the stocks included in the index. In a similar manner, some corporate actions that cause changes in the market value of the stocks in an index should not be reflected in the index level. Adjustments are made to the divisor to eliminate the impact of these corporate actions.

As an example, increasing a company's shares outstanding increases the market capitalization of a market capitalization weighted index. The change to the index market capitalization causes a divisor adjustment in order to maintain the index's level. However, a share change made in an equal weighted index has no divisor adjustment because the shares outstanding changes are offset by an adjustment factor, meaning that there is no change to the index market capitalization.

Special Index Variations

S&P DJI may calculate separate versions of S&P or Dow Jones-branded indices which may be tailored in a variety of ways such as the exclusion of certain constituents or sectors, different rebalancing schedules, weighting schemes, currencies of calculation, or tax rates. In such cases, the index follows the methodology of the parent index except where otherwise noted in the methodology.

Unexpected Exchange Closures

An unexpected market/exchange closure is when a market/exchange fully or partially fails to open or trading is temporarily halted. This can apply to a single exchange or to a market as a whole, when all of the primary exchanges are closed and/or not trading. Unexpected market/exchange closures are usually due to unforeseen circumstances, such as natural disasters, inclement weather, outages, or other events.

In the event of an unexpected exchange closure, S&P DJI uses the following guidelines:

- (i) If an unexpected exchange closure occurs prior to the open of trading and it is indicated that trading will not open for a given day, S&P DJI will treat the day as an unscheduled market holiday.

- (ii) If a market disruption occurs intraday, S&P DJI will wait for the impacted exchange to publish a list of closing prices, which will then be used to calculate the closing index values. If no list is published, the last trade for each security before the interruption is used to calculate the index closing value. If no trades were reported for a security, the previous closing price, adjusted for corporate actions, is used for index calculation.

Index Corrections

S&P DJI reserves the right to recalculate an index at its discretion in the event one of the following issues has occurred:

1. Incorrect or revised closing price of one or more constituent securities;
2. Missed corporate event;
3. Incorrect application of corporate action or index methodology;
4. Late announcement of a corporate event;
5. Incorrect calculation or data entry error.

A general description of how these events are handled can be found in the Recalculation Policy section of the S&P Equity Indices Policies and Practices document, located on our Web site, www.spdji.com.

Consultations

Communication with Stakeholders and Consultations

S&P DJI communicates and consults with market participants through various channels such as press releases, index announcements, emails and the distribution of data files. In addition, S&P DJI has a designated client service team available to respond to inquiries.

When a material change to the index methodology is considered, S&P DJI publishes a consultation inviting comments from market participants. A material change alters the index objective or changes the methodology in a way that affects the likelihood that the index will achieve its objective. Examples of methodology changes that could impact the index objective include altering rules determining the index universe, the selection of its constituents, or the weighting of its constituents. Consultations are announced through a number of channels, including the S&P DJI Web site, and by email directly to S&P DJI clients. Feedback is accepted only during the posted timeframe. Under normal circumstances, the consultation period is open for a minimum of 30 days from publication. In instances where a material change is deemed to be time sensitive, the Index Committee may determine that a shorter consultation period is required. Time sensitive changes are those that may require consideration or implementation within a shorter timeframe, and where the full consultation time period is not possible. Prior to finalizing its decision, the Index Committee will consider the issues and may request clarifications from respondents as part of this process. All feedback from consultations is reviewed and considered before a final decision is made by the Index Committee. Any changes to an index methodology are announced on the Web site together with the effective date of the change. A summary of the consultation feedback is made available upon request after announcement of the results, with the exception of responses requesting confidentiality. Individual and company names are not provided.

Internal Reviews of Methodology

Annual Review Process. In addition to its daily governance of indices and maintenance of index methodologies, the Index Committee reviews, at least once within any 12 month period, the index methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. The annual review process includes the gathering of information on the appropriateness, representativeness, and effectiveness of the index methodology from colleagues responsible for commercializing the indices. In the case that an index methodology is reviewed off cycle from the annual review, the Index Committee reserves the right to cancel the annual review if the requested review covers all the relevant issues.

Index Terminations

S&P DJI may determine that an index should be discontinued. Reasons for an index termination could include:

- Fewer than the required number of securities are available for inclusion in an index, such as with size or GICS market segment based indices
- An index duplicates other S&P DJI indices
- Data required for an index is no longer available or no longer reliable
- Market conditions, regulations or potential index constituents have changed, making it unlikely that the index can achieve its objective
- Declining investor use or interest

All proposals to discontinue an index are assessed to determine any potential impact on the market. S&P DJI may, at its option, consult with market participants regarding the index termination.

If the data on a discontinued index is provided to clients at the time of termination, S&P DJI may suggest possible appropriate alternative S&P DJI indices. Index terminations will be announced in advance, and vendors will be notified. Index levels and related data on a discontinued index are retained by S&P DJI.

If financial product issuers or investment managers choose to use an S&P DJI index, regardless of index family, as the basis of an index-linked financial product or an investment fund, they should consider the potential need to terminate or modify the terms of a financial product resulting from the termination of the calculation of the index.

Indices discontinued due to size or GICS segment may resume calculation if enough securities become eligible in the future.

Index Usage

S&P DJI is a provider of market indices used worldwide by asset managers, investment consultants, exchanges, investment banks and various other financial institutions. S&P DJI licenses indices and data for use as:

- The basis of an index-linked financial product or investment fund
- Portfolio construction and asset allocation decisions
- Research and analysis, such as performance attribution
- Benchmarking the performance of actively managed funds and institutional portfolios for reporting to regulators, clients and pension plan participants

S&P DJI is not an investment advisor. Not all uses of an index are appropriate for all users. Market participants should make their own assessment and judgment when selecting an index for their purpose.

An S&P DJI index and its methodology can be affected by a number of factors, some of which are beyond S&P DJI's control. These may include, but are not limited to, structural changes to the underlying market including decreases in the size and liquidity of the relevant market segment, infrastructure changes, geopolitical events, and regulatory changes. These circumstances may result in a material change to the methodology, or in exceptional circumstances, the termination of an index.

S&P DJI assumes no responsibility for potential use of its indices, regardless of index family, for particular purpose by users, whether that use is for research, benchmarking, the basis for an index-linked financial product or investment fund, or some other use. The effective representation of a market or strategy is the primary aim for S&P DJI.

S&P DJI also licenses real-time values of indices to the media for display on television, websites, and mobile apps.

Additional Information

Information regarding rebalancing and other relevant details for the S&P Europe 350 Index Family can be found in the methodology document available on www.spdji.com. The index methodology should be read in conjunction with supporting documents, which detail corporate action treatment, policies and procedures, float adjustment methodology, index calculations, and other pertinent information. These documents can be found on the Governance page of www.spdji.com.

Index ISINs, if available, can be obtained [here](#).

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