

**S&P/BMV Mexico Target Risk
Index Series
*Methodology***

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Introduction

Index Objective and Highlights

Each of the four S&P/BMV Mexico Target Risk Index Series tracks a group of indices selected so that the group achieves a target risk level.

The S&P/BMV Mexico Target Risk Index Series is comprised of four multi-asset class indices, each corresponding to a particular risk level. These indices are intended to represent stock-bond allocations across a risk spectrum from conservative to aggressive, while considering the constraints of local pension funds dictated by CONSAR, the pension system regulator in Mexico.

- **S&P/BMV Mexico Target Risk Conservative Index.** The index seeks to emphasize exposure to domestic short-term fixed income in order to avoid excessive volatility of returns.
- **S&P/BMV Mexico Target Risk Moderate Index.** The index offers significant exposure to short- to mid-term fixed income, while also increasing opportunities for higher portfolio returns by increasing exposure to equities.
- **S&P/BMV Mexico Target Risk Growth Index.** The index increases the exposure to equities and also provides fixed income mid- to long-term exposure.
- **S&P/BMV Mexico Target Risk Aggressive Index.** The index emphasizes the exposure to equities within regulator limits, maximizing opportunities for long-term capital accumulation. It provides exposure to fixed income, with allocations placed in longer term maturity bonds.

Please refer to Index Construction for details on each index's allocation to equity and fixed income.

Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein. References throughout the methodology direct the reader to the relevant supporting document for further information on a specific topic. The list of the main supplemental documents for this methodology and the hyperlinks to those documents is as follows:

Supporting Document	URL
S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology	Equity Indices Policies & Practices
S&P Dow Jones Indices' Index Mathematics Methodology	Index Mathematics Methodology

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 Eligibility

The universe of eligible asset classes and the indices used to represent them are detailed below.

Asset Class	Sub-Asset Class	Component Index (Total Return)
Equity	Domestic	S&P/BMV IPC ¹
	International	S&P Global 1200 (MXN) ²
Fixed Income	Cash	S&P/BMV Government CETES Bond Index ³
	Nominal	S&P/BMV Government MBONOS 1-5 Year Bond Index ³
		S&P/BMV Government MBONOS 5-10 Year Bond Index ³
		S&P/BMV Sovereign MBONOS 10-20 Year Bond Index ³
		S&P/BMV Sovereign MBONOS 20+ Year Bond Index ³
	Inflation-Linked	S&P/BMV Sovereign UDIBONOS 1-3 Year Bond Index ³
		S&P/BMV Sovereign UDIBONOS 3-5 Year Bond Index ³
		S&P/BMV Sovereign UDIBONOS 5-10 Year Bond Index ³
		S&P/BMV Sovereign UDIBONOS 10-20 Year Bond Index ³
	Corporate	S&P/BMV CORPOTRAC Index ⁴

Timing of Changes

Index constituents are not expected to change between rebalancing periods. If, for any reason beyond S&P Dow Jones Indices' control, a constituent is discontinued, the Index Committee may elect to discontinue representation of the affected asset class within the index or designate a successor index.

¹ The total return version of the S&P/BMV IPC is also known as the S&P/BMV IRT. For further information on the index, please refer to the S&P/BMV Indices Methodology available at www.spdji.com.

² For further information on the index, please refer to the S&P Global 1200 Methodology available at www.spdji.com.

³ For further information on the index, please refer to the S&P/BMV Fixed Income Indices Methodology available at www.spdji.com.

⁴ For further information on the index, please refer to the S&P/BMV CORPOTRAC Index Methodology available at www.spdji.com.

Index Construction

Allocations

- The Index Committee determines the weights of each component asset class in a given index, considering the applicable regulatory investment limits published by CONSAR for the Siefore Básicas in determining those weights.
- At each rebalancing, each index's component asset class allocations are reset to the weights set forth in the tables below. Although the index asset class allocation limits currently fall within the guidelines published by CONSAR, the index limits do differ from the maximum allocations published by CONSAR. The CONSAR's published limits can be found at http://www.consar.gob.mx/gobmx/Aplicativo/Limites_Inversion/?lang=en.
- If the CONSAR revises its published investment limits prior to the rebalancing of the index series, the Index Committee will consider such revisions. However, the index weights at the rebalancing will be determined in accordance with this published index methodology unless otherwise announced by S&P Dow Jones Indices.

At each rebalancing, the weights of the various asset and sub-asset classes within each index are determined as follows:

- The equity, fixed income, and cash weights for each index are indicated in the table below.

Index	Allocation			
	Domestic Equity	International Equity	Fixed Income	Cash
S&P/BMV Mexico Target Risk Conservative Index	1%	3%	86%	10%
S&P/BMV Mexico Target Risk Moderate Index	8%	12%	77%	3%
S&P/BMV Mexico Target Risk Growth Index	10%	15%	72%	3%
S&P/BMV Mexico Target Risk Aggressive Index	20%	15%	62%	3%

- The weights of the underlying indices within each asset class for each index are indicated in the table below.

Asset Class	Sub-Asset Class	Component Index (Total Return)	Allocation			
			Conservative	Moderate	Growth	Aggressive
Equity	Domestic	S&P/BMV IPC	1.0%	8.0%	10.0%	20.0%
	International	S&P Global 1200 (MXN)	3.0%	12.0%	15.0%	15.0%
Fixed Income	Cash	S&P/BMV Government CETES Bond Index	10.0%	3.0%	3.0%	3.0%
	Nominal	S&P/BMV Government MBONOS 1-5 Year Bond Index	9.6%	7.6%	6.8%	-
		S&P/BMV Government MBONOS 5-10 Year Bond Index	6.4%	22.8%	6.8%	6.0%
		S&P/BMV Sovereign MBONOS 10-20 Year Bond Index	-	7.6%	20.4%	6.0%
		S&P/BMV Sovereign MBONOS 20+ Year Bond Index	-	-	-	18.0%
	Inflation-Linked	S&P/BMV Sovereign UDIBONOS 1-3 Year Bond Index	33.0%	5.3%	-	-
		S&P/BMV Sovereign UDIBONOS 3-5 Year Bond Index	22.0%	15.9%	5.1%	-
		S&P/BMV Sovereign UDIBONOS 5-10 Year Bond Index	-	5.3%	5.1%	4.4%
		S&P/BMV Sovereign UDIBONOS 10-20 Year Bond Index	-	-	15.3%	4.4%
		S&P/BMV Sovereign UDIBONOS 20+ Year Bond Index	-	-	-	13.2%
	Corporate	S&P/BMV CORPOTRAC Index	15%	12.5%	12.5%	10%

Index Maintenance

Rebalancing

Each index is rebalanced semi-annually, effective after the market close on the last business day of June and December. As part of the rebalancing process, the index allocation weights are reset, based on the process described in *Index Construction*.

Currency, Currency Hedged, and Risk Control Indices

The indices are calculated in Mexican pesos.

Additional currency, currency hedged, and risk control versions of the indices may be available. For a list of available currency, currency hedged, and risk control indices, please contact Client Services at index_services@spglobal.com.

For more information on currency, currency hedged, and risk control indices, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

Base Dates and History Availability

Index history availability, base dates and base values are shown in the table below.

Index	Launch Date	First Value Date	Base Date	Base Value
S&P/BMV Mexico Target Risk Conservative Index	11/01/2016	12/31/2008	12/31/2008	1000
S&P/BMV Mexico Target Risk Moderate Index	11/01/2016	12/31/2008	12/31/2008	1000
S&P/BMV Mexico Target Risk Growth Index	11/01/2016	12/31/2008	12/31/2008	1000
S&P/BMV Mexico Target Risk Aggressive Index	11/01/2016	12/31/2008	12/31/2008	1000

Index Governance

Index Committee

The S&P/BMV Index Committee maintains the S&P/BMV Mexico Target Risk Index Series. The Index Committee is composed of full-time employees of S&P Dow Jones Indices and the Bolsa Mexicana de Valores. The Index Committee meets regularly. At each meeting, the Index Committee reviews matters that may affect index constituents, statistics comparing the composition of the indices to the market, and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting constituents, 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.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to its daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews this methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Index Policy

Holiday Schedule

The S&P/BMV Mexico Target Risk Index Series is calculated on all Mexican equity market business days.

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.

Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

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.

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

The table below lists headline indices covered by this document. All currency, currency hedged, risk control, and return type versions of the below indices that may exist are also covered by this document. Please contact index_services@spglobal.com for a complete list of indices covered by this document.

Index (Price Return)	Bloomberg
S&P/BMV Mexico Target Risk Conservative Index	SPBMTRC
S&P/BMV Mexico Target Risk Moderate Index	SPBMTRM
S&P/BMV Mexico Target Risk Growth Index	SPBMTRG
S&P/BMV Mexico Target Risk Aggressive Index	SPBMTRA

FTP

Daily constituent and index level 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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