

S&P Consumer Finance Index *Methodology*

June 2018

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Introduction

Index Objective and Highlights

The S&P Consumer Finance Index measures the performance of U.S companies engaging in consumer lending and consumer finance related activities. Constituents are weighted by total market capitalization, subject to the stock caps as outlined in the *Constituent Weightings* section. The index is composed of 50 of the largest companies trading on U.S. stock exchanges whose primary business is related to consumer finance.

Constituents include mortgage REITs, thrifts and mortgage finance companies, diversified banks, regional banks and consumer finance, or data processing services companies that meet minimum market capitalization and liquidity requirements.

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
S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology	GICS 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 Universe

The index universe is drawn from the S&P Total Market Index (TMI). The index universe is then limited to companies with the following GICS® classifications:

GICS Sub-Industries	GICS Code
Consumer Finance	40202010
Mortgage REITs	40402030
Thriffs & Mortgage Finance	40102010
Specialized Finance	40201040
Data Processing & Outsourced Services	45102020
Diversified Banks	40101010
Other Diversified Financial Services	40201020
Regional Banks	40101015

Selection Universe

All companies in the index universe are analyzed, using the S&P Global Market Intelligence database, for specific terms related to consumer lending in their business description. These companies are then further reviewed for business and industry details, and companies are assigned Exposure Scores.

Exposure Scores are assigned based on GICS® classification, business descriptions and other publicly available information, such as annual reports.

- **Exposure Score 1:** Companies with a GICS classification of Consumer Finance, Mortgage REITs, Specialized Finance, or Thriffs & Mortgage Finance and a primary business in consumer lending and financing. In addition, companies with a GICS classification of Data Processing & Outsourced Services specialized in the consumer lending industry.
- **Exposure Score 0.5:** Companies with a GICS classification of Diversified Banks, Other Diversified Financial Services, or Regional Banks and engaged in various forms of consumer lending, as well as other financial services.

Companies in the index universe with an Exposure Score of 1 or 0.5 form the Selection Universe for the index.

Investable Universe Eligibility Factors

At each rebalancing the below eligibility factors are applied to the Selection Universe to derive an Investable Universe:

Market Capitalization. Companies must have a total market capitalization above US\$ 500 million.

Liquidity. Stocks must have a three-month average daily trading value above US\$ 2 million.

Index Construction

Approaches

There are two steps in the creation of the index. The first is the selection of the 50 index constituents; the second is the weighting of the index constituents.

Constituent Selection

The selection of index constituents is done as follows:

1. The 50 largest companies with an Exposure Score of 1 are chosen from the Investable Universe.
2. If fewer than 50 companies qualify with an Exposure Score of 1, then the largest companies from the Investable Universe with an Exposure Score of 0.5 are added until the count reaches 50.
3. If fewer than 50 companies qualify after step 2, the market capitalization requirement may be relaxed by 20%. If the universe of eligible companies is still less than 50 based on the relaxed market cap rules, then the index will use all eligible companies.

S&P Dow Jones Indices believes turnover in index membership should be avoided when possible. At times a company may appear to temporarily violate one or more of the addition criteria. However, the addition criteria are for addition to an index, not for continued membership. As a result, an index constituent that appears to violate criteria for addition to that index will not be deleted unless ongoing conditions warrant an index change.

Constituent Weightings

The index employs a weighting scheme based on the following procedures:

1. The rebalancing reference date is the last business day of August.
2. With prices and shares outstanding reflected on the rebalancing reference date, and membership as of the rebalancing effective date, each company is weighted by total market capitalization.
3. Companies with an Exposure Score of 1 are capped at 5%. Companies with an Exposure Score of 0.5 are capped at 2.5%.
4. All excess weight is proportionally redistributed to all uncapped companies within the index.
5. After redistribution, if the weight of any company breaches the weight caps outlined in step 3, the process is repeated iteratively until no company breaches any respective weight cap.

Multiple Share Classes

All publicly listed multiple share class lines are eligible for index inclusion, subject to meeting the eligibility criteria. For more information regarding the treatment of multiple share classes, please refer to Approach A within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Maximum weight capping is based on company market capitalization, with the weight of multiple class companies allocated proportionally to each share class line based on its market capitalization as of the rebalancing reference date. If no capping is required, both share classes remain in the index at their natural market capitalization.

Index Calculations

Each index is calculated by means of the divisor methodology used for all S&P Dow Jones Indices equity indices.

For more information on the Index calculation methodology, please refer to the Capped Market Capitalization Weighted Indices section of S&P Dow Jones Indices' Index Mathematics Methodology.

Index Maintenance

Rebalancing

Frequency. Rebalancings occur annually, after the close on the third Friday of September. The rebalancing reference date is after the close of the last business day of August.

Additions. Except for major corporate actions, such as mergers and spin-offs, companies can only be added to the index at the time of the annual rebalancing.

Deletions. Deletions can occur due to acquisitions, mergers and spin-offs or due to bankruptcies or suspension.

Corporate Actions

Corporate Action	Adjustment Made to Index	Divisor Adjustment?
Spin-off	See below.	
Rights Offering	The price is adjusted to the Price of the Parent Company minus (the Price of the Rights Offering/Rights Ratio). Index Shares change so that the company's weight remains the same as its weight before the rights offering.	No
Stock dividend, Stock Split, Reverse Stock Split	Index Shares are multiplied by and price is divided by the split factor.	No
Share Issuance, Share Repurchase, Equity Offering or Warrant Conversion	None.	No
Special Dividends	Price of the stock making the special dividend payment is reduced by the per share special dividend amount after the close of trading on the day before the dividend ex-date.	Yes
Constituent Change	There are no intra-rebalancing additions.	-
	Deletions due to delistings, acquisition or any other corporate event resulting in the deletion of the stock from the index will cause the weights of the rest of the stocks in the index to change. Relative weights will stay the same.	Yes

Spin-offs. The spun-off company is added to the index at a zero price after the market close of the day before the ex-date (with no divisor adjustment).

If the spun-off company is added to the parent index (S&P Total Market Index), both the parent and the spun-off companies will remain in the index until the next index rebalancing, at which time each will be evaluated for continued membership.

If the spin-off is not added to the parent index (S&P Total Market Index), the spun-off company will be removed from the index after the close of its first day of regular way trading (with a divisor adjustment).

For further information on spin-offs, please refer to the Treatment of Spin-offs in S&P Dow Jones Indices' Equity Indices Policies & Practices document.

For more information on Corporate Actions, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Currency, Currency Hedged, and Risk Control Indices

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 Date and History Availability

Index history availability, base date and base value are shown in the table below.

Index	Launch Date	First Value Date	Base Date	Base Value
S&P Consumer Finance Index	07/12/2010	09/17/1999	09/17/1999	1000

Index Data

Calculation Return Types

S&P Dow Jones Indices calculates multiple return types which vary based on the treatment of regular cash dividends. The classification of regular cash dividends is determined by S&P Dow Jones Indices.

- Price Return (PR) versions are calculated without adjustments for regular cash dividends.
- Gross Total Return (TR) versions reinvest regular cash dividends at the close on the ex-date without consideration for withholding taxes.
- Net Total Return (NTR) versions, if available, reinvest regular cash dividends at the close on the ex-date after the deduction of applicable withholding taxes.

In the event there are no regular cash dividends on the ex-date, the daily performance of all three indices will be identical.

For a complete list of indices available, please refer to the daily index levels file (“SDL”).

For more information on the classification of regular versus special cash dividends as well as the tax rates used in the calculation of net return, please refer to S&P Dow Jones Indices’ Equity Indices Policies & Practices document.

For more information on the calculation of return types, please refer to S&P Dow Jones Indices’ Index Mathematics Methodology.

Index Governance

Index Committee

The index is maintained by S&P Dow Jones Indices' Americas Thematic & Strategy Index Committee. The Committee meets regularly. At each meeting, the Committee reviews pending corporate actions that may affect index constituents, statistics comparing the composition of the indices 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.

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 the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the 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

Announcements

All index constituents are evaluated daily for data needed to calculate index levels and returns. All events affecting the daily index calculation are typically announced in advance via the Index Corporate Actions report (.SDE), delivered daily via ftp to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

For more information on S&P Dow Jones Indices' announcements, please refer to the [Announcement Policy](#).

Pro-forma Files

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the indices rebalance. The pro-forma file is typically provided daily in advance of the rebalancing date and contains all constituents and their corresponding weights and index shares effective for the upcoming rebalancing. Since index shares are assigned based on prices five business days prior to the rebalancing, the actual weight of each stock at the rebalancing differs from these weights due to market movements.

Please visit www.spdji.com for a complete schedule of rebalancing timelines and pro-forma delivery times.

Holiday Schedule

The index is calculated when the U.S. equity markets are open.

A complete holiday schedule for the year is available on the Web site 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.

Real-Time Calculation

Real-time, intra-day, index calculations are executed for certain indices whenever any of their primary exchanges are open. Real-time indices are not restated.

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.

Contact Information

For questions regarding an index, please contact: index_services@spglobal.com.

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	Return Type	Bloomberg
S&P Consumer Finance Index	Price Return	SPCULFUP
	Total Return	SPCULFUT
	Net Total Return	SPCULFUN

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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