

**S&P Europe 350
Dividend Aristocrats
*Methodology***

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Introduction

Index Objective

The S&P Europe 350 Dividend Aristocrats Index is designed to measure the performance of companies within the S&P Europe 350 (the “underlying index”) that have followed a managed-dividends policy of consistently increasing dividends every year for at least 10 years. Index constituents are equally weighted.

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' Float Adjustment Methodology	Float Adjustment 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 Eligibility

To qualify for membership in the index, a stock must satisfy the following criteria:

1. Be a member of the underlying index.
2. Have increased dividends every year for at least 10 consecutive years.
3. Have a float-adjusted market capitalization of at least US\$ 3 billion as of the rebalancing reference date.
4. Have an average daily trading volume of at least US\$ 5 million for the six-months prior to the rebalancing reference date.

Calendar years and ex-dates are used for the dividend analysis, with the data being reviewed every January. New members are added after the close of trading on the last business day of January based on a review of the dividend payments of all underlying index constituents.

A dividend initiation or re-initiation does not count as a dividend increase. Only regular dividend payments are considered.

Stocks in the underlying index that satisfy the eligibility criteria form the selection universe.

For spin-offs occurring after January 1, 2013, the yearly dividend increase history of the parent company is assigned to both the parent and spun-off company on the spin-off effective date. To determine annual dividend payments, the dividends of the parent and spun-off companies are combined until a full annual cycle of dividend payments is available for both post-spin-off companies. Subsequent dividend comparisons are based on the annual dividend amounts of each respective company.

Index Construction

Approaches

There are two steps in the creation of the index. First is the selection of index constituents, and the second is the weighting of index constituents.

Constituent Selection

At each rebalancing, index constituents are drawn from the selection universe, subject to the following Stock and Sector Diversification Criteria:

Stock Diversification Criteria – At each rebalancing, the minimum number of constituent stocks should be 40. If the number of constituent stocks is fewer than 40, then:

- The underlying index constituent stocks with history of increased dividends of more than seven consecutive years, also satisfying the criteria on market capitalization and liquidity above, are added in decreasing order of dividend yield until the Stock Diversification Criteria is satisfied.
- If the Stock Diversification Criteria is still not satisfied, the remaining constituents of the underlying index satisfying the criteria on market capitalization and liquidity are added, in decreasing order of dividend yield, until the Stock Diversification Criteria is satisfied. Dividend yield is defined as the total dividends paid during the 12 months preceding the reference date divided by the price on the reference date. Underlying index constituents that reduced dividends in the 12 months preceding the reference date, as determined by S&P Dow Jones Indices, are not eligible for inclusion.

Sector Diversification Criteria – Constituent stocks are classified according to GICS. Such classification should not result in constituent stocks in a particular GICS sector accounting for more than a 30% weight in the index.

If the Sector Diversification Criteria is not satisfied following the selection of constituent stocks as detailed above, the following additional steps are taken:

- The underlying index constituent stocks with history of increased dividends of more than seven consecutive years, also satisfying the primary criteria on market capitalization and liquidity above, are added, in decreasing order of dividend yield, until the Sector Diversification Criteria is satisfied.
- If the Sector Diversification Criteria is still not satisfied, the remaining constituents of the underlying index, from alternative sectors satisfying the criteria on market capitalization and liquidity, are added, in decreasing order of dividend yield, until the Sector Diversification Criteria is satisfied. Underlying index constituents that reduced dividends in the 12 months preceding the reference date, as determined by S&P Dow Jones Indices, are not eligible for inclusion.

Constituent Weightings

Index constituents are equally weighted.

For more information on the index weighting scheme, please refer to the Equal Weighted Indices section of S&P Dow Jones Indices' Index Mathematics Methodology.

Multiple Share Classes. Each company is represented once by the Designated Listing. For more information regarding the treatment of multiple share classes, please refer to Approach B within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Dividend Payment Types. S&P Dow Jones Indices only considers cash dividend payments declared as regular by the paying company for index eligibility, selection, and weighting purposes. Cash dividend payments declared as special by the paying company, including recurring special cash dividends, are not considered. Dividend amounts are before application of withholding taxes.

Index Calculations

The index is calculated by means of the divisor method used for S&P Dow Jones Indices' equal weight indices.

For more information on the Index calculation methodology, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

Index Maintenance

Reconstitution

The index is reconstituted annually, effective after the close of the last business day of January. The reconstitution reference date is after the close of the last business day of December.

Rebalancing. Index constituent weights are rebalanced to equal weights quarterly, after the close of the last business day of January, April, July, and October.

At each rebalancing, stocks are weighted and assigned index shares using the closing prices from five business days prior to the last business day of the rebalancing month as the reference price. Since index shares are assigned based on prices prior to the rebalancing, the actual weight of each stock at the rebalancing differs from the target weights due to market movements.

Additions. Except for spin-offs, additions only occur during the annual reconstitution.

Deletions. Index constituents may be deleted from the index between rebalancings if the stock is removed from the underlying index.

Monthly Dividend Review

S&P Dow Jones Indices reviews index constituents on a monthly basis. If S&P Dow Jones Indices determines an index constituent has eliminated, suspended its dividend or omitted a payment, it will be removed from the index effective prior to the open of the first business day of the following month.

In addition, constituent stocks are reviewed on a monthly basis for dividend cuts. Constituent stocks may, at the discretion of the Index Committee, be removed effective prior to the open of the first business day of the following month if the constituent company lowers but does not eliminate its dividend, its new yield is significantly lower than the lowest yielding constituent, and the index committee can determine based on current information that the company will not qualify for inclusion at the next rebalancing.

The determination of qualifying for the index at the subsequent annual reconstitution is done at the discretion of the Index Committee. The decision to remove an index constituent due to dividend elimination, suspension, omission, or reduction is based on information publicly announced by the company as of five business days prior to month-end. The index constituents removed as part of the monthly dividend review process are not replaced until the following annual reconstitution.

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.

Index Adjustments

Corporate Action	Adjustment Made to the Index	Divisor Adjustment?
Constituent change to the S&P Europe 350	If the constituent being deleted is a member of the Aristocrats, then it is removed from the Aristocrats index.	Yes
Spin-Off	Spin-offs are added to the index on the ex-date. If the spin-off remains in the underlying index (S&P Europe 350), both the parent company and spinoff remain in the index until the next index rebalancing, provided that each gives an indication it will continue and/or initiate a consistent dividend paying policy. If the spinoff does not indicate it will continue and/or initiate a consistent dividend paying policy, it is removed from the index after the first day of regular way trading, with the proceeds being reinvested back into the parent.	No
Rights Offering	No weight change. The price is adjusted to Price of Parent Company minus (Price of Rights Subscription/Rights Ratio).	No
Stock Split	Index Shares are multiplied by and price is divided by the split factor.	No
Share Issuance or Share Repurchase	None.	No
Special Dividends	Follows the procedure for the S&P Europe 350. The 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 ex-date.	Yes

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

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 Europe 350 Dividend Aristocrats Index	05/02/2005	12/23/2002	12/20/2002	100

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

S&P Dow Jones Indices' Europe (EMEA) Indices Index Committee maintains the index. The members of the Index Committee are full-time professional members of S&P Dow Jones Indices' staff. The Index Committee meets quarterly. At each meeting, the Index 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 European 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

Announcements of the annual reconstitution for the index in January are made after the European markets close on the last business day of the month. There are no separate corporate action announcements other than the annual reconstitution. For regular corporate action activity on S&P Europe 350 constituents, please refer to S&P Europe 350 announcements.

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

Holiday Schedule

The index is calculated when European equity markets are open.

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.

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	Bloomberg	Reuters
S&P Europe 350 Dividend Aristocrats Index PR	SPDAEEP	.SPDAAEP
S&P Europe 350 Dividend Aristocrats Index TR	SPDAEET	.SPDAAET

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.

Appendix

Methodology Changes

Methodology changes since January 1, 2015 are as follows:

Change	Effective Date (After Close)	Previous	Methodology Updated
Monthly Dividend Review	31-Jul-2018	--	<p>S&P Dow Jones Indices reviews index constituents on a monthly basis. If S&P Dow Jones Indices determines an index constituent has eliminated, suspended its dividend or omitted a payment, it will be removed from the Index effective prior to the open of the first business day of the following month.</p> <p>In addition, constituent stocks are reviewed on a monthly basis for dividend cuts. Constituent stocks may, at the discretion of the Index Committee, be removed effective prior to the open of the first business day of the following month if the constituent company lowers but does not eliminate its dividend, its new yield is significantly lower than the lowest yielding constituent, and the index committee can determine based on current information that the company will not qualify for inclusion at the next rebalancing.</p> <p>The determination of qualifying for the index at the subsequent annual reconstitution is done at the discretion of the Index Committee. The decision to remove an index constituent due to dividend elimination, suspension, omission, or reduction is based on information publicly announced by the company as of five business days prior to month-end. The index constituents removed as part of the monthly dividend review process are not replaced until the following annual reconstitution.</p>

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