

**S&P/TOPIX 150 Revenue
Exposure Indices
*Methodology***

February 2019

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Introduction

Index Objective

The S&P/TOPIX 150 Revenue Exposure Indices measure the performance of companies in the S&P/TOPIX 150 with higher than average revenue exposure to Japan and the U.S., respectively.

Highlights and Index Family

The indices consist of the S&P/TOPIX 150 Japan Revenue Exposure Index and the S&P/TOPIX 150 U.S. Revenue Exposure Index, employing the FactSet Geographic Revenue Exposure (GeoRev™) database to obtain the geographical revenue breakdown of companies in each applicable index universe.

The S&P/TOPIX 150 Revenue Exposure Indices are part of the S&P Global Revenue Exposure Index Series. Other indices in the series include the following:

- S&P 500 U.S. Revenue Exposure Index
- S&P/TSX 60 U.S. Revenue Exposure Index
- S&P Europe 350 Foreign Revenue Exposure Index

For information on the other indices in this series, please refer to their respective methodologies, available at www.spdji.com.

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

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

Each index is constructed from the constituents of the S&P/TOPIX 150 (the “underlying universe index”).

For information on the S&P/TOPIX 150, please refer to the S&P/TOPIX 150 Methodology available at www.spdji.com.

Eligibility Factors

In order to be eligible for index consideration, the following must be met:

Underlying Universe Index Membership. The security must, on the rebalancing reference date be an existing member of the underlying universe index.

Revenue Region. The company must be included in the FactSet GeoRev database. Revenue from unspecified sources is not eligible. If 100% of a company’s revenue is from unspecified sources, then that company is not eligible for index inclusion.

Please refer to www.factset.com/data/company_data/geo_revenue for information on FactSet GeoRev.

Securities satisfying these criteria form the selection universe.

Index Construction

Constituent Selection

The constituent selection process for each index is as follows:

- The average exposure percentage of the selection universe to the targeted country is calculated as of the rebalancing reference date. In calculating the average exposure percentage, revenue from unspecified sources is excluded.
- Securities in the selection universe are included in the index if their revenue exposure is greater than or equal to the selection universe average.

Weights Computation

The indices employ a non-market capitalization weighting scheme. At each rebalancing, all the securities selected for inclusion in the indices are weighted by the product of their company's float-adjusted market capitalization in the selection universe and their revenue exposure percentage to the targeted region or country, subject to a maximum security weight of 10%.

Please refer to S&P Dow Jones Indices' Index Mathematics Methodology for further details on the modified market cap methodology.

Index Calculations

The indices are calculated using the divisor methodology used in all S&P Dow Jones Indices' equity indices.

Please refer to S&P Dow Jones Indices' Index Mathematics Methodology for further details on the index calculation methodology.

Index Maintenance

Rebalancing

The indices are rebalanced semi-annually after the close on the third Friday of May and November. As part of the rebalancing process, constituent stock weights are updated. The rebalancing reference dates are the last business day of April and October, respectively. Weights calculated as a result of the reference date data are implemented in the indices using closing prices as of the Wednesday prior to the second Friday of May and November.

Additions and Deletions

Additions. With the exception of qualifying spin-offs, no additions are made to the indices between semi-annual rebalancings.

Deletions. Constituents removed from the underlying universe index are also removed from the S&P/TOPIX 150 Revenue Exposure Indices simultaneously.

Corporate Actions

Spin-Offs. Spin-offs are added to the indices on the ex-date. Spin-off treatment follows the underlying universe index. If the spin-off remains in the underlying universe index, it will remain in the indices and is evaluated for continued index inclusion at the subsequent rebalancing.

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

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

Currency, Currency Hedged, and Risk Control Indices

The indices are calculated in U.S. dollars and Japanese yen.

WM/Reuters foreign exchange rates are taken daily at 04:00 PM London time and used in the calculation of the indices. These mid-market fixings are calculated by the WM Company based on Reuters' data and appear on Reuters pages WMRA.

Additional currency, currency hedged, decrement, fair value, and risk control versions of the indices may be available. Please note that this list of versions may not be complete, and that other index variations may exist. For a list of available indices, please refer to [S&P DJI's All Indices by Methodology Report](#).

For more information on these types of indices, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

Other Adjustments

In cases where there is no achievable market price for a stock being deleted, it can be removed at a zero or minimal price at the Index Committee's discretion, in recognition of the constraints faced by investors in trading bankrupt or suspended stocks.

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/TOPIX 150 Japan Revenue Exposure Index	01/11/2017	11/21/2008	11/21/2008	100
S&P/TOPIX 150 U.S. Revenue Exposure Index	01/11/2017	11/21/2008	11/21/2008	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 Methodology.

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' Asia Index Committee maintains the index. The Index Committee meets regularly. At each meeting, the Index Committee may review 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 Methodology.

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 Events report (.SDE), delivered daily 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, please refer to the Announcements section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

Pro-forma Files

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the index rebalances. 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 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 indices are calculated on all business days of the year when at least one of the underlying exchanges of the respective index is 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 Methodology.

Recalculation Policy

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

For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

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 versions of the below indices that may exist are also covered by this document. Please refer to [S&P DJI's All Indices by Methodology Report](#) for a complete list of indices covered by this document.

Net Total Return Index (Currency)	Bloomberg
S&P/TOPIX 150 Japan Revenue Exposure Index (JPY)	SPTOJRJN
S&P/TOPIX 150 U.S. Revenue Exposure Index (JPY)	SPTOURJN

Index Data

Daily index level data is available via 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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