Description
The S&P/B3 SmallCap Select Index is designed to measure the performance of small-cap securities with positive earnings domiciled in Brazil and listed on B3.

Index Attributes
Prior research has demonstrated that profitability matters for small-cap companies in the U.S. This concept has been extended to the Brazilian equity market, where we found that a similar effect exists. Simply put, small-cap companies without a track record of generating earnings have underperformed their more profitable peers and have thus been a drag on broad small-cap indices. The S&P/B3 SmallCap Select Index has been developed to address this opportunity for the Brazilian market.

Methodology Construction
• **Universe.** Constituents must be actively trading on B3 as a local listing and a member of the S&P Brazil SmallCap.
• **Constituent Selection.** Constituents must meet minimum liquidity and float-adjusted market capitalization requirements. Companies below these thresholds are removed or excluded. Companies must post two consecutive years of positive earnings per share to be included. Constituents are dropped from the index after posting two consecutive years of negative earnings.
• **Weighting.** The index is weighted by float-adjusted market cap.
• **Rebalancing.** The index is rebalanced on a semiannual basis, in June and December. Additional share updates take place in March and September. Investable weight factors to determine free float are updated annually in September.

Quick Facts

<table>
<thead>
<tr>
<th>WEIGHTING METHOD</th>
<th>Float-adjusted market capitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>REBALANCING FREQUENCY</td>
<td>Semi-annually in June and December</td>
</tr>
<tr>
<td>CALCULATION FREQUENCY</td>
<td>End of day</td>
</tr>
<tr>
<td>CALCULATION CURRENCIES</td>
<td>USD, BRL</td>
</tr>
<tr>
<td>LAUNCH DATE</td>
<td>January 20, 2020</td>
</tr>
<tr>
<td>FIRST VALUE DATE</td>
<td>December 17, 1999</td>
</tr>
</tbody>
</table>

For more information, including the complete methodology document, please visit: https://www.spindices.com/indices/equity/sp-b3-smallcap-select-index-usd

All information for an index prior to its Launch Date is back-tested, based on the methodology that was in effect on the Launch Date. Back-tested performance, which is hypothetical and not actual performance, is subject to inherent limitations because it reflects application of an Index methodology and selection of index constituents in hindsight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, back-tested returns.
Historical Performance

![Graph showing historical performance of the S&P/B3 SmallCap Select Index (USD)]

Performance

<table>
<thead>
<tr>
<th>INDEX LEVEL</th>
<th>1 MO</th>
<th>3 MOS</th>
<th>YTD</th>
<th>1 YR</th>
<th>3 YRS</th>
<th>5 YRS</th>
<th>10 YRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL RETURNS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>927.07</td>
<td>-37.24%</td>
<td>-47.3%</td>
<td>-29.14%</td>
<td>-3.97%</td>
<td>3.08%</td>
<td>-1.15%</td>
</tr>
<tr>
<td>PRICE RETURNS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>438.66</td>
<td>-37.66%</td>
<td>-47.74%</td>
<td>-30.81%</td>
<td>-7.02%</td>
<td>-0.4%</td>
<td>-4.09%</td>
</tr>
</tbody>
</table>

Calendar Year Performance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL RETURNS</td>
<td>51.54%</td>
<td>-7.01%</td>
<td>38.06%</td>
<td>58.35%</td>
<td>-40.26%</td>
<td>-14.77%</td>
<td>-21.69%</td>
<td>23.69%</td>
<td>-21.85%</td>
<td>25.03%</td>
</tr>
<tr>
<td>PRICE RETURNS</td>
<td>46.66%</td>
<td>-10.68%</td>
<td>33.69%</td>
<td>52.09%</td>
<td>-42.39%</td>
<td>-17.33%</td>
<td>-23.25%</td>
<td>20.87%</td>
<td>-23.94%</td>
<td>21.92%</td>
</tr>
</tbody>
</table>

AS OF MAY 29, 2020
Risk

<table>
<thead>
<tr>
<th>ANNUALIZED RISK</th>
<th>ANNUALIZED RISK-ADJUSTED RETURNS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3 YRS</td>
</tr>
<tr>
<td>STD DEV</td>
<td></td>
</tr>
<tr>
<td></td>
<td>38.52%</td>
</tr>
</tbody>
</table>

Risk is defined as standard deviation calculated based on total returns using monthly values.

Fundamentals

<table>
<thead>
<tr>
<th>P/E (TRAILING)</th>
<th>P/E (PROJECTED)</th>
<th>P/B</th>
<th>INDICATED DIV YIELD</th>
<th>P/SALES</th>
<th>P/CASH FLOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.65</td>
<td>15.09</td>
<td>1.6</td>
<td>3.62%</td>
<td>1.12</td>
<td>11.94</td>
</tr>
</tbody>
</table>

As of May 29, 2020. Fundamentals are updated on approximately the fifth business day of each month.

Index Characteristics

<table>
<thead>
<tr>
<th>NUMBER OF CONSTITUENTS</th>
<th>67</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSTITUENT MARKET [USD MILLION]</td>
<td></td>
</tr>
<tr>
<td>MEAN TOTAL MARKET CAP</td>
<td>993.59</td>
</tr>
<tr>
<td>LARGEST TOTAL MARKET CAP</td>
<td>3,254.92</td>
</tr>
<tr>
<td>SMALLEST TOTAL MARKET CAP</td>
<td>142.95</td>
</tr>
<tr>
<td>MEDIAN TOTAL MARKET CAP</td>
<td>972.58</td>
</tr>
<tr>
<td>WEIGHT LARGEST CONSTITUENT [%]</td>
<td>5.9</td>
</tr>
<tr>
<td>WEIGHT TOP 10 CONSTITUENTS [%]</td>
<td>38.8</td>
</tr>
</tbody>
</table>

ESG Carbon Characteristics

| CARBON TO VALUE INVESTED (METRIC TONS CO₂e/$1M INVESTED)* | 347.69 |
| CARBON TO REVENUE (METRIC TONS CO₂e/$1M REVENUES)* | 415.61 |
| WEIGHTED AVERAGE CARBON INTENSITY (METRIC TONS CO₂e/$1M REVENUES)* | 514.05 |
| FOSSIL FUEL RESERVE EMISSIONS (METRIC TONS CO₂/$1M INVESTED) | 478.29 |

*Operational and first-tier supply chain greenhouse gas emissions. For more information, please visit: www.spdji.com/esg-carbon-metrics.
Top 10 Constituents By Index Weight

<table>
<thead>
<tr>
<th>CONSTITUENT</th>
<th>SYMBOL</th>
<th>SECTOR*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sul America SA Units</td>
<td>SULA11</td>
<td>Financials</td>
</tr>
<tr>
<td>Transmissora Alianca de Energia Eletrica Units</td>
<td>TAAE11</td>
<td>Utilities</td>
</tr>
<tr>
<td>Eneva SA</td>
<td>ENEV3</td>
<td>Utilities</td>
</tr>
<tr>
<td>Totvs SA</td>
<td>TOTS3</td>
<td>Information Technology</td>
</tr>
<tr>
<td>BR Malls Participacoes S.A.</td>
<td>BRML3</td>
<td>Real Estate</td>
</tr>
<tr>
<td>Bradespar SA Pref</td>
<td>BRAP4</td>
<td>Materials</td>
</tr>
<tr>
<td>Estacio Participacoes S.A.</td>
<td>YDUQ3</td>
<td>Consumer Discretionary</td>
</tr>
<tr>
<td>Companhia Paranaense de Energia Pref B</td>
<td>CPLE6</td>
<td>Utilities</td>
</tr>
<tr>
<td>Marfrig Global Foods S.A.</td>
<td>MRFG3</td>
<td>Consumer Staples</td>
</tr>
<tr>
<td>Qualicorp S.A.</td>
<td>QUAL3</td>
<td>Health Care</td>
</tr>
</tbody>
</table>

*Based on GICS® sectors

Sector* Breakdown

- Utilities 23.2%
- Consumer Discretionary 19.5%
- Financials 10.5%
- Industrials 10%
- Materials 9.4%
- Real Estate 7.8%
- Health Care 6.7%
- Information Technology 5.8%
- Consumer Staples 5.2%
- Energy 1.4%
- Communication Services 0.6%

*Based on GICS® sectors

The weightings for each sector of the index are rounded to the nearest tenth of a percent; therefore, the aggregate weights for the index may not equal 100%.

Country Breakdown

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>NUMBER OF CONSTITUENTS</th>
<th>TOTAL MARKET CAP [USD MILLION]</th>
<th>INDEX WEIGHT [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>67</td>
<td>66,570.71</td>
<td>100</td>
</tr>
</tbody>
</table>

Based on index constituents’ country of domicile.
S&P Dow Jones Indices
A Division of S&P Global

S&P/B3 SMALLCAP SELECT INDEX (USD)

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index_services@spglobal.com

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customindices@spglobal.com

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1 877 325 5415

Dubai
971 (0)4 371 7131

Mexico City
52 (55) 1037 5290

Mumbai
91-22-2272-5312

London
44 207 176 8888

Beijing
86.10.6569.2770

Tokyo
81 3 4550 8564

Hong Kong
852 2532 8000

Sydney
61 2 9255 9802

DISCLAIMER

Source: S&P Dow Jones Indices LLC.

The launch date of the S&P/B3 SmallCap Select Index (USD) was January 20, 2020.

All information presented prior to the index launch date is back-tested. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. Past performance is not an indication or guarantee of future results. Please see the Performance Disclosure at http://www.spindices.com/regulatory-affairs-disclaimers/ for more information regarding the inherent limitations associated with back-tested performance.

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