



INDEX RULE BOOK

NYSE[®] Diversified High Income Index

Version 1-1

Effective from 31 July 2013

www.nyx.com/indices

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1. INDEX SUMMARY

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|--------------------------------|--|
| Factsheet | NYSE® Diversified High Income Index |
| Index Name | NYSE® Diversified High Income Index |
| Index description | <p>The NYSE® Diversified High Income Index (the “Index”) measures the performance of a broad, diversified basket of 138 publicly-traded securities (the “Index constituents”) that typically pay high dividends or distributions (referred to herein as “dividends”). The Index constituents must satisfy certain dividend yield and frequency criteria, liquidity criteria and other eligibility requirements. The Index’s features and construction seek to highlight yield while the diversity of the Index constituent sectors seeks to minimize volatility. Index constituents, values, yield and announcements regarding reviews and rebalances can be found at http://indices.nyx.com and http://www.amex.com/amextrader/dailylist/indexes.jsp.</p> |
| Index type | Price return; Gross total return and net total return versions are also available. |
| Index governance | The NYSE Arca® Index Committee (the “Index Committee”) is responsible for the day-to-day management of the Index. The Index Committee reviews all rule book modifications and Index constituent changes to ensure that they are made objectively and without bias. |
| Index Sponsor | NYSE Group, Inc. |
| Index Calculation Agent | NYSE Arca® |
| Eligible securities | <p>A. Business Development Companies (“BDCs”), Master Limited Partnerships in the Energy industry (“Energy MLPs”), Mortgage Real Estate Investment Trusts (“Mortgage REITs”), Real Estate Investment Trusts (“REITs”) and U.S.-listed Equities, all of which have a primary listing on the NYSE, NYSE MKT, NYSE Arca®, NASDAQ Global Select, NASDAQ Global Market and NASDAQ Capital Market exchanges and which satisfy the eligibility criteria described herein; and</p> <p>B. Exchange-Traded Funds (“ETFs”) representing international equities, municipal bonds, high yield bonds, emerging markets bonds and preferred stock.</p> <p>We refer to BDCs, Energy MLPs, Mortgage REITs, REITs, ETFs, U.S. listed equities, international equities, municipal bonds, high-yield bonds, emerging markets bonds and preferred stock as “sectors”. The sectors included in “A” above are referred to as the “Non-ETF Sectors” and the sectors included in “B” above are referred to as the “ETF Sectors”.</p> <p>We refer to all units of ownership of Index constituents, such as shares and units, as “shares”.</p> |

| | |
|---|---|
| <p>Index classes, sectors and weightings</p> | <p>The Index consists of the following asset classes and sectors, reviewed and rebalanced quarterly as per their specified weightings:</p> <p>Asset Class: Equities (60% weighting)</p> <p>Sectors (Sector Weightings)</p> <p>BDCs (15%)</p> <p>Energy MLPs (15%)</p> <p>Mortgage REITs (7.5%)</p> <p>REITs (7.5%)</p> <p>U.S.-listed Equities (7.5%)</p> <p>ETFs representing International Equities (7.5%)</p> <p>Asset Class: Fixed Income, Bonds and Related Assets (40%)</p> <p>Sectors (Sector Weightings)</p> <p>ETFs representing Municipal Bonds (10%)</p> <p>ETFs representing High Yield Bonds (10%)</p> <p>ETFs representing Emerging Markets Bonds (10%)</p> <p>ETFs representing Preferred Stock (10%)</p> |
| <p>Number of Index constituents</p> | <p>138</p> |
| <p>Index Constituent Weighting</p> | <p>Index constituents within each Non-ETF Sector are proportionally weighted by their unadjusted market capitalizations within their respective Non-ETF Sectors. Index constituents that are ETFS</p> |
| <p>Capping</p> | <p>None</p> |
| <p>Review and rebalance of Index</p> | <p>Quarterly, effective after the close of trading on the last trading day of February, May, August, and November.</p> |
| <p>Base Currency</p> | <p>USD</p> |

Reference Data

| Index name | Isincode | Mnemo | Bloomberg Code | Reuters code | Base date | Base value | Publication since |
|--|----------|---------|----------------|--------------|-----------|------------|-------------------|
| NYSE® Diversified High Income Index (Price Return) | N/A | NYDVHI | NYDVHI | .NYDVHI | 07-31-13 | 1000.00 | 08-20-13 |
| NYSE® Diversified High Income Index (Gross Total Return) | N/A | NYDVHIG | NYDVHIG | .NYDVHIG | 07-31-13 | 1000.00 | 08-20-13 |
| NYSE® Diversified High Income Index (Net Total Return) | N/A | NYDVHIN | NYDVHIN | .NYDVHIN | 07-31-13 | 1000.00 | 08-20-13 |

2. GOVERNANCE AND DISCLAIMER

2.1 INDICES

This rule book applies to the following versions of the Index:

- Price return version (NYDVHI)
- Gross total return version (NYDVHIG)
- Net total return (NYDVHIN)

2.2 INDEX GOVERNANCE

The **NYSE Arca® Index Committee** (the “Index Committee”) is responsible for the day-to-day management of the Index. The Index Committee reviews all rule book modifications and Index constituent changes to ensure that they are made objectively and without bias. NYSE Arca® believes that information regarding rule book modifications and Index constituent changes is material and can have an impact on the market. Consequently, all Index Committee discussions and decisions are confidential. The NYSE Arca® Index Committee will be comprised of a selected group of NYSE Euronext employees.

2.3 INDEX SPONSOR AND INDEX CALCULATION AGENT

NYSE Group, Inc. is the Index Sponsor. NYSE Arca® is the Index Calculation Agent on behalf of NYSE Group, Inc.

2.4 CASES NOT COVERED IN RULES

In cases which are not expressly covered in these rules, operational adjustments to the Index may be made in accordance with the Index’s objective of measuring the performance of a broad, diversified basket of securities that typically pay high dividends. Operational adjustments may also take place if, in the opinion of the Index Calculation Agent, it is desirable to do so to maintain a fair and orderly market in derivatives on this Index and/or the adjustment is in the best interests of the investors in products based on the Index and/or the proper functioning of the markets.

2.5 RULE BOOK CHANGES

These rules may be supplemented, amended in whole or in part, revised or withdrawn at any time. Supplements, amendments, revisions and withdrawals may also lead to changes in the way the Index is compiled or calculated or affect the Index in another way. The Index Calculation Agent will submit all decisions regarding supplementing, amending, revising or withdrawing these rules to affected parties such as index licensee(s) for recommendations and feedback. Changes will be reflected to the rule book and will be published at <http://indices.nyx.com> and <http://www.amex.com/amextrader/dailylist/indexes.jsp>.

2.6 LIABILITY

NYSE Euronext and any partnership or joint venture of which NYSE Euronext is a part, or any subsidiary, parent, subsidiary of a parent (in each case, direct or indirect) or affiliated corporation of NYSE Euronext, including NYSE Arca® and NYSE Group, Inc. (hereinafter referred to collectively as “NYSE Euronext”), the Index Calculation Agent and the Index Sponsor are not liable for any losses resulting from supplementing, amending, revising or withdrawing the rules for the Index.

The Index Calculation Agent will do everything within its power to ensure the accuracy of the composition, calculation, publication and adjustment of the Index in accordance with relevant rules. However, neither NYSE Euronext nor the Index Calculation Agent are liable for any inaccuracy in share prices, calculations and the publication of the Index, the information used for making adjustments to the Index and the actual adjustments. Furthermore, NYSE Euronext and the Index Calculation Agent of the Index do not guarantee the continuity of the composition of the Index, the continuity of the method of calculation of the Index, the continuity of the dissemination of the Index levels, and the continuity of the calculation of the Index.

2.7 OWNERSHIP AND TRADEMARKS

NYSE Euronext owns all intellectual and other property rights to the Index, including the name, the composition and the calculation of the Index. NYSE®, NYSE Arca® and NYSE Group, Inc. are registered trademarks of NYSE Euronext’s subsidiaries.

3. PUBLICATION

3.1 DISSEMINATION OF INDEX VALUES

3.1.1 Opening

The opening level of the Index is calculated using the last known price of each traded Index constituent as reported on the Consolidated Tape. In the case of Index constituents that have either not traded or are halted/suspended, the previous day's reference prices, or, for IPOs, buyouts and swap offers, estimated prices, shall be utilized.

3.1.2 Deviating opening threshold

For this Index, the minimum percentage of Index constituents that are trading is set at 0%.

3.1.3 Calculation and dissemination

The Index is calculated intraday based on the most recent Index constituent prices of each Index Constituent as reported on the Consolidated Tape. The level of the Index is in principle published every 15 seconds. The Index is calculated every 5 seconds from 09:30 AM (Eastern Time) until the Constituent Exchanges, as defined below, cease regular daytime trading on the days when the Constituent Exchanges are open for trading.

3.1.4 Closing level

The closing level of the Index is calculated using the published price or the published official closing price, as applicable, of each Index constituent on its primary exchange.

3.2 EXCEPTIONAL MARKET CONDITIONS AND CORRECTIONS

The Index Calculation Agent retains the right to delay the publication of the opening level of the Index. Furthermore, the Index Calculation Agent retains the right to suspend the publication of the level of the Index or to mark the level of the Index indicative if it believes that circumstances prevent the proper calculation of the Index.

If trades are cancelled, the Index will not be recalculated unless the Index Calculation Agent decides otherwise.

3.3 ANNOUNCEMENT POLICY

3.3.1 Announcement policy

Changes to the Index, its components or its rules will be made public by an Index announcement which will be published electronically at <http://indices.nyx.com> and <http://www.amex.com/amextrader/dailylist/indexes.jsp>.

As a rule, the announcement periods that are mentioned below will apply. However, urgent treatments or late notices may require the Index Calculation Agent to deviate from the standard timing.

3.3.2 Inclusion of new Index constituents

The inclusion of new Index constituents will take place at quarterly reviews and rebalances only. See "Index Reviews" herein.

3.3.3 Removal of Index constituents

Announcements detailing the removal of an Index constituent shall be made before 3 PM ET on the trading day preceding the effective date of its removal.

3.3.4 Corporate actions

In case of an event that could affect one or more Index constituents, the Index Calculation Agent will inform the market about the intended treatment of the event in the Index before 3 PM ET on the trading day preceding the effective date of such treatment. Once the corporate action has been effectuated, the Index Calculation Agent will confirm the changes in a separate announcement on the morning of such effective date.

3.3.5 Rule changes

Barring exception, a period of at least two months shall pass between the date a proposed rule change is published and the date it comes into effect. Exceptions can be made only if the rule change is not in conflict with the interests of an affected party.

3.3.6 Announcement of new Index constituents and their weightings

The quarterly reviews and rebalances become effective after the close of trading on the last trading day of February, May, August, and November (each an “Effective Date”). Such quarterly reviews and rebalances occur at the close of trading on the 3rd trading day prior to the Effective Date (the “Review Date”) using market data available at the close of trading on the Review Date.

The Index constituents and weightings resulting from the quarterly review and rebalance will be announced at least two trading days prior to the Effective Date.

For example, if February 28th is an Effective Date, the corresponding Review Date is February 25th, 2013 and the resulting Index constituents and weightings will be announced no later than February 26th.

In the event of a takeover or other exceptional corporate actions, the Index Calculation Agent has the right to revise the Index constituent selection from the time the announcement is published up to the close of trading on the trading day preceding the Effective Date.

4. CALCULATION

4.1 CURRENCY CONVERSION

The base currency of the Index is USD (“Base Currency”).

Index constituent prices that are quoted in currencies other than the Base Currency will be converted to the Base Currency using the Bloomberg L160 Currency Fix, taken as of 16:00 London time and utilizing the midpoint of the bid and ask provided.

4.2 CALCULATION OF THE PRICE RETURN VERSION OF THE INDEX

The Index is calculated on a price return basis, in accordance with the calculation formula described in “Index Calculation Formulas” herein.

The divisor was determined based on the initial capitalization base of the Index and the base level. The divisor is adjusted as a result of corporate actions and Index changes in order to maintain the Index level relative to changes in Index market capitalization.

4.3 CALCULATION OF THE TOTAL RETURN VERSION OF THE INDEX

4.3.1 Net and Gross Total Return indices

A net total return version of the Index, as well as a gross total return version of the Index, are also available. The total return versions of the Index are calculated and disseminated on an end-of-day basis, as compared to the intraday-updating level of the price return version of the Index. The net total return version of the Index and the gross total return version of the Index reflect the reinvestment of the net and gross dividends, respectively.

4.3.2 Withholding tax rate

The net dividend is calculated as the gross dividend minus the applicable withholding tax. A table detailing the withholding tax percentages that are applied is available at <http://indices.nyx.com>.

NYSE Euronext reserves the right to assign withholding tax percentages for countries not covered in the withholding tax table described above.

4.3.3 Ordinary dividends in shares

If a dividend is distributed in the form of shares only and if this is regarded as an ordinary dividend, the total return versions of the Index will be calculated based upon the reinvestment of a cash equivalent of the dividend. If shareholders may choose between cash or shares, the amount which is reinvested will be based on the cash option.

4.3.4 Conversion of dividends declared in other currencies

For both the gross total return and net total return versions of the Index, if a dividend for an Index constituent is declared in a currency other than the Base Currency of the Index, then the Index Calculation Agent will in the first instance use the Base Currency amount if investors have the option to be paid in that currency. If the dividend amount is available only in currencies that deviate from the Base Currency, the Index Calculation Agent will convert the dividend amount using the reference rate for the cum-day (the business day prior to the ex-date). In principle, the reference rate will be based on the Bloomberg L160 Currency Fix, taken as of 16:00 London time and utilizing the midpoint of the bid and ask provided.

5. INDEX REVIEWS

5.1 GENERAL AIM AND FREQUENCY OF REVIEWS

5.1.1 General aim of the quarterly reviews and rebalances

The general aim of the quarterly review of the Index is to ensure that the selection and weighting of the Index constituents continue to reflect the intended asset allocations of this rule book.

5.1.2 Quarterly reviews and rebalances

Quarterly reviews and rebalances become effective after the close of trading on the Effective Date. Such quarterly reviews and rebalances occur at the close of trading on the Review Date using market data available at the close of trading on the Review Date.

5.2 INDEX UNIVERSE AND SELECTION PRINCIPLE

5.2.1 Index universe

The universe of eligible securities for the Index includes the following:

- I. Business Development Companies (“**BDCs**”)
- II. Master Limited Partnerships in the Energy Industry (“**Energy MLPs**”)
- III. Mortgage Real Estate Investment Trusts (“**Mortgage REITs**”)
- IV. Real Estate Investment Trusts (“**REITs**”) (excludes Mortgage REITs)
- V. U.S.-listed Equities (includes ADRs)
- VI. Exchange-Traded Funds (“**ETFs**”) **representing the sectors** listed in the parentheses below. Each ETF listed below, as well as any replacement ETF, can be replaced at quarterly reviews and rebalances by one or more ETFs that, in the opinion of the Index Committee, are in the same sector as that of the replaced ETF. Such replacements will only be made when an ETF in the Index has delisted.
 - SPDR S&P International Dividend ETF (NYSE Arca®: DWX) (International Equities)
 - SPDR S&P Emerging Markets Dividend ETF (NYSE Arca®: EDIV) (International Equities)
 - Global X SuperDividend ETF (NYSE Arca®: SDIV) (International Equities)
 - iShares Dow Jones International Select Dividend Index Fund (NYSE Arca®: IDV) (International Equities)
 - Market Vectors High Yield Municipal Index ETF (NYSE Arca®: HYD) (Municipal Bonds)
 - SPDR Nuveen S&P High Yield Municipal Bond ETF (NYSE Arca®: HYMB) (Municipal Bonds)
 - PowerShares Insured National Municipal Bond Portfolio NYSE Arca®: PZA) (Municipal Bonds)
 - iShares iBoxx \$ High Yield Corporate Bond Fund (NYSE Arca®: HYG) (High Yield Bonds)
 - PowerShares Emerging Markets Sovereign Debt Portfolio (NYSE Arca®: PCY) (Emerging Markets Bonds)
 - iShares S&P US Preferred Stock Index Fund (NYSE Arca®: PFF) (Preferred Stock)
 - PowerShares Preferred Portfolio (NYSE Arca®: PGX) (Preferred Stock)
 - PowerShares Financial Preferred Portfolio (NYSE Arca®: PGF) (Preferred Stock)
 - SPDR Wells Fargo Preferred Stock ETF (NYSE Arca®: PSK) (Preferred Stock)

5.2.2 Exclusion of certain securities

The following securities are excluded from the Index:

- a. Securities that are not primary-listed on the NYSE, NYSE MKT, NYSE Arca®, NASDAQ Global Select, NASDAQ Global Market or NASDAQ Capital Market exchanges (referred to collectively as the “Constituent Exchanges”)

- b. For the U.S.-listed Equities sector, securities of companies that have less than \$2 billion in free float market capitalization
- c. For the BDC, Energy MLP, Mortgage REIT, REIT and U.S.-listed Equities sectors (referred to collectively as the “Non-ETF Sectors”), any security that does not pay dividends on a monthly or quarterly frequency
 - For the avoidance of doubt, securities paying annual, semi-annual, irregular or no dividends will be excluded from the Index
- d. Royalty Trusts
- e. Exchange-Traded Notes
- f. For the Non-ETF Sectors, ETFs
- g. Unit Investment Trusts
- h. Closed-End Funds

5.2.3 Selection of Index constituents at the quarterly reviews and rebalances

Index constituents are selected and added to the Index on each Review Date based on the allocations and weightings specified in the table below. *Please note that each sector is mutually exclusive and a security can only be considered for inclusion in the Index in one sector. In addition, each ETF listed below, as well as any replacement ETF, can be replaced at quarterly reviews and rebalances by one or more ETFs that, in the opinion of the Index Committee, are in the same sector as that of the replaced ETF. Such replacements will only be made when an ETF in the Index has delisted:*

| Asset Class | Asset Class Weighting | Sector | Sector Securities | Number of Constituents | Sector Weighting |
|---|-----------------------|------------------------|-----------------------------|------------------------|------------------|
| Equities | 60.00% | BDCs | BDCs | 15 | 15.00% |
| | | Energy MLPs | Energy MLPs | 25 | 15.00% |
| | | Mortgage REITs | Mortgage REITs | 15 | 7.50% |
| | | REITs | REITs | 20 | 7.50% |
| | | U.S.-listed Equities | U.S.-listed Equities | 50 | 7.50% |
| | | International Equities | International Equities ETFs | 4 | 7.50% |
| Fixed Income, Bonds and Related Assets | 40.00% | Municipal Bonds | Municipal Bond ETFs | 3 | 10.00% |
| | | High Yield Bonds | High Yield Bond ETF | 1 | 10.00% |
| | | Emerging Markets Bonds | Emerging Markets Bond ETF | 1 | 10.00% |
| | | Preferred Stock | Preferred Stock ETFs | 4 | 10.00% |

5.2.4 Filters for eligible securities in the Non-ETF Sectors

Filter #1

All securities eligible for the Non-ETF Sectors must first pass a “Liquidity Test”, which requires that each security’s **Liquidity** be *greater than or equal* to its **Sector Liquidity Threshold**, where:

Liquidity (for each security) = a security’s average daily traded value for last 60 Trading Days

Sector Liquidity Threshold = (\$50,000,000 x Sector Weighting) / (Number of Constituents) / Liquidity Multiplier, where:

Sector Weighting, for each sector, is specified in the table above

Number of Constituents, for each sector, is specified in the table above

Liquidity Multiplier = 0.20

Only those securities whose Liquidity passes the Liquidity Test move on to Filter #2.

Filter #2

The securities that meet the Liquidity Test above are further screened based on a “Yield Test”, which requires that each security’s **Dividend Yield** be *less than or equal* to its **Sector Yield Cap**, where:

Dividend Yield (for each security) = the sum of a security’s gross dividends that have gone ex- over the prior 12 months, divided by that security’s closing price on the Review Date.

Sector Yield Cap (for each sector) = Average Sector Dividend Yield x Yield Multiplier, where:

Average Sector Dividend Yield = the average of the Dividend Yields of the securities in each sector

Yield Multiplier = 2

5.2.5 Selection of securities in the Non-ETF Sectors

Following the application of Filters #1 and #2, the remaining securities within each sector are ranked by their Dividend Yields (from highest to lowest). For each sector, the N highest-ranking securities are chosen for inclusion in the Index, where:

N = the “Number of Constituents” in each sector as specified in the table above.

5.2.6 Selection of securities in the ETF Sectors

On the Index Base date, the securities in the ETF Sectors will consist of those listed in the table above. However, each such ETF, as well as any replacement ETF, can be replaced at quarterly reviews and rebalances by one or more ETFs that, in the opinion of the Index Committee, are in the same sector as that of the replaced ETF. Such replacements will only be made when an ETF in the Index has delisted.

5.2.7 Determining weightings of Index constituents

Index constituents within each Non-ETF Sector are proportionally weighted by their unadjusted market capitalizations within their respective Non-ETF Sectors. ETFs are proportionally weighted by their assets under management within their respective ETF sectors (i.e., the International Equities, Municipal Bond, High Yield Bond, Emerging Markets Bond and Preferred Stock sectors).

5.2.8 Selected line

Only one listing is permitted per issuer. Generally, the most active listing (by volume) is utilized in situations where more than one listing exists.

5.3 PERIODIC UPDATE OF INDEX CONSTITUENTS

5.3.1 Updating the number of shares for each Index constituent

At quarterly reviews and rebalances, the number of shares to be included in the Index for each new or existing Index constituent will be updated to reflect their respective weights as determined in accordance with section 5.2.7 above.

5.3.2 Free float market capitalization

Although free float market capitalization is utilized in some aspects of the initial Index universe determination, there will be no direct application on the Index weightings.

5.3.3 Capping

There will be no direct capping of Index constituent weightings in the Index. Sectors weightings will be capped in accordance with the table above.

6. CORPORATE ACTIONS

6.1 GENERAL

The Index may be adjusted in order to maintain the continuity of the Index level and the intended composition. The underlying aim of any adjustment is that the Index continues to reflect as closely as possible the Index's objective of measuring the performance of a broad, diversified basket of securities that typically pay high dividends.

Adjustments are made in response to events involving Index constituents in order to mitigate or eliminate the effect of such event on the Index.

6.2 REMOVAL OF INDEX CONSTITUENTS

An Index constituent will be removed from the Index if its trading liquidity will be significantly affected due to a takeover, merger, bankruptcy or similar situation. In the case of a takeover that is paid primarily in shares, the Index constituent may be replaced by the acquiring company.

If an Index constituent is removed from the Index, the divisor will be decreased to maintain the Index level relative to the lower Index market capitalization.

6.2.1 Mergers and acquisitions

If a takeover offer, merger, acquisition, liquidation, bankruptcy filing or similar situation will significantly affect the Index constituent's trading liquidity, the Index constituent will be removed from the Index. Such removal would result in a divisor decrease. In the case of a takeover that is paid primarily in shares, the Index constituent may be replaced by the acquiring company. Such change would result in a divisor decrease. In rare circumstances where an Index constituent has, in the opinion of the Index Calculation Agent, ceased to be a viable Index constituent, the Index constituent in question will either be removed or will be replaced by the acquiring company (if applicable).

Index constituents, including ETFs, that are removed intra-quarter will not be replaced until the next quarterly review and rebalancing.

The Index Calculation Agent retains the right to impose additional conditions for removal, if applicable.

6.2.2 De-listings, suspensions and issuer distress

If trading in an Index constituent is suspended or if it is subject to a special listing regime, the Index Calculation Agent will consider whether the Index constituent should be removed on the understanding that a transitional period with a maximum of three months may be observed. When an Index constituent is removed following suspension, it will be removed at its suspension price unless otherwise decided by the Index Calculation Agent.

- In the event that the trading in an Index constituent is suspended, the last known price established during regular daytime trading on its primary exchange will be used.
- If an Index constituent is to be delisted from an exchange, it will be removed from the Index as soon as possible and on a day announced by the Index Calculation Agent.
- The Index constituent will be deleted from the Index based on either the last known price established during regular daytime trading or a non-zero price determined by the Index Calculation Agent, resulting in a divisor decrease. In the latter case, the Index constituent may also be deleted at USD 0, resulting in no change to the divisor.

6.2.3 Pricing sources

In the event that the trading in an Index constituent is suspended, the last known price established during regular daytime trading on its primary exchange will be used.

6.3 CORPORATE SPIN-OFFS

In the event that the issuer of an Index constituent undergoes a corporate spin-off, the securities of the issuer(s) resulting from the spin-off, as well as those of the original issuer, will continue to be Index constituents, provided that such securities meet Index eligibility requirements. In such cases, the Index may

temporarily consist of fewer than or more than 138 Index constituents until the next quarterly review and rebalance occurs.

For the purpose of these rules, a corporate spin-off is taken to mean a legal de-merger, a split-up or other situation which the Index Calculation Agent deems to be similar.

The removal of securities of any non-qualifying issuer resulting from a spin-off will take place after the close of trading on the first day of trading in the securities of that issuer. If all issuers resulting from the spin-off are to be removed, the removal will take place at the close of trading on the last trading day before the spin-off. Either scenario results in a divisor decrease.

6.4 INCLUSION OF NEWLY LISTED SECURITIES

As a rule, newly listed securities are considered for inclusion in the Index at the next available quarterly review and rebalance. This results in either a divisor increase or decrease, depending on whether the market cap of the new Index composition is greater or less than that of the old Index composition. Where the market cap of the new Index composition is greater than the old Index composition, the divisor will be increased. Where the market cap of the new Index composition is less than the old Index composition, the divisor will be decreased.

6.5 DIVIDENDS

6.5.1 Distinction between ordinary and special dividends

The price return version of the Index will be adjusted for dividends that are considered special dividends.

The following criteria will be applied to decide whether a dividend should be considered a special dividend:

- a) The declaration by an issuer of a dividend that is additional to those dividends declared as part of both the issuer's normal results and normal dividend reporting cycle (for the avoidance of doubt, a mere adjustment in the timing of the declaration of an issuer's expected dividend will not be considered a special dividend); or
- b) The identification of an element of a dividend paid in line with both an issuer's normal results and normal dividend reporting cycle as an element that is unambiguously additional to the issuer's normal payment (e.g., the issuer includes a designated special cash dividend as part of an ordinary dividend during its normal dividend reporting cycle)

For the purpose of clarification, no adjustment will be made for the following situations:

1. Payment of ordinary dividends, irrespective of how they are financed;
2. Issuance of redeemable shares or any other entitlement in lieu of an ordinary dividend; or
3. Unexpected increase or decrease, resumption or cessation, or change in frequency to an ordinary dividend.

6.5.2 Adjustment for special dividend

The adjustment of the Index takes place by a reduction of the closing price of the Index constituent in question. Subsequently the divisor will be decreased in order to maintain the Index level. The adjustments will be based on net dividend amounts.

6.6 RIGHTS ISSUES AND OTHER RIGHTS

In the event of a rights issue, the new shares of the affected Index constituent will be included in the Index on the ex-date of the rights issue and an adjusted closing price will be applied, as calculated by the Index Calculation Agent. The adjustment will be made based on the number of shares of the affected Index constituent currently in the Index. The divisor will be increased or decreased in such a way that the level of the Index remains the same.

The new shares are added only if (i) less than 0.4 new shares are issued for every share currently held; and (ii) the new shares are fungible with the existing line of shares (e.g. no dividend disadvantage). Otherwise the Index is adjusted based on the value of the rights only.

The Index will be adjusted only if the rights represent a positive value. Such adjustment results in a decreased divisor.

The Index will also be adjusted, and the divisor decreased, if a value can be attributed to a subscription right for convertible bonds, bonds with warrants or warrants with preferential rights for shareholders or similar situations.

6.7 BONUS ISSUES, STOCK SPLITS AND REVERSE STOCK SPLITS

For bonus issues, stock splits and reverse stock splits, the number of shares of the affected Index constituent in the Index will be adjusted in accordance with the ratio given in the corporate action. The divisor will not be adjusted because of this. The Index Calculation Agent may regard a bonus issue as the issue of an entitlement in lieu of an ordinary dividend and therefore treat this in accordance with 6.5.1.

6.8 CHANGES IN NUMBER OF SHARES

In between the quarterly reviews and rebalances the number of shares of an Index constituent will remain unchanged outside of the effects of corporate actions.

7. INDEX CALCULATION FORMULAS

The general formula for the **price return version of the Index** is:

$$\text{Index}_t = \frac{1}{D_t} \times \sum_i P_{i,t} Q_{i,t} \quad D_0 = 10,000.00 \quad \text{Index}_0 = 1000.00$$

Where:

t means Index Calculation Date t

D_t means the divisor of the Index on Index Calculation Date t

$P_{i,t}$ means the price of Index constituent i on Index Calculation Date t

$Q_{i,t}$ means the number of shares of Index constituent i on Index Calculation Date t

Index Calculation Date means a U.S. Business Day where all of the Constituent Exchanges are open.

For the total return version of the Index, the Index divisor is adjusted on the morning of each Index constituent's ex-date to take into account the reinvestment of the related dividend.