

SSGA Gender Diversity Index (SSGAGDI)

Index Methodology

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1. Index summary

Factsheet	
<i>Full name</i>	SSGA Gender Diversity Index
<i>Index Type</i>	Price Return (SSGAGDI) Gross Total Return (SSGAGDIT)
<i>Eligible stocks</i>	Common stocks of the largest 1000 U.S. companies by market capitalization that are listed on U.S. national securities exchanges
<i>Number of constituents</i>	Not predefined
<i>Weighting</i>	Float-adjusted market capitalization
<i>Index rebalance determination date</i>	Annually between ten (10) days prior to the Publication Date of the rebalance and the Publication Date itself
<i>Publication Date of the rebalance</i>	Annually five (5) business days prior to the Index rebalance effective date
<i>Index rebalance effective date</i>	Annually after the close of July 15 th or after the close of next business day following July 15 th if July 15 th is not a business day
<i>Calculation frequency</i>	Price Return: Every 15 seconds between 09:30 & 18:00 ET Gross Total Return: Once a day between 18:15 & 19:00 ET
<i>Base date</i>	February 11, 2016
<i>Base level</i>	100.00
<i>Historic (back-tested) data available since</i>	June 30, 2010
<i>Proposed Derivatives and Linked products</i>	SPDR SSGA Gender Diversity Index ETF
<i>Bloomberg code</i>	SSGAGDI INDEX / SSGAGDIT INDEX
<i>Reuters code</i>	.SSGAGDI / .SSGAGDIT
<i>Launch date</i>	February 12, 2016

2. Governance and disclaimer

Index methodology changes

State Street Global Advisors is the index provider. The index methodology may be supplemented, amended in whole or in part, revised or withdrawn at any time by the index provider. Supplements, amendments, revisions and withdrawals may lead to changes to the composition of the index.

Index calculation agent

Solactive AG is the index calculation agent of the index. The index calculation agent is responsible for the day-to-day management, calculation, and distribution of the index.

Ownership and trademarks

State Street Global Advisors is the owner of all intellectual and other property rights to the index, including the name and methodology of the index.

3. Publication

3.1 The opening, intraday and closing or daily publication of index values.

Opening

The first index level is calculated and published around 9:30 EST, when equities open for regular session trading in the U.S. The calculation of that level utilizes the most updated trade prices and currency rates available at that moment. In the case of constituents that have a non-traded, halted or suspended status, or have not opened for the current day, the previous day's reference prices (primary exchange official closes) or estimated prices (for IPOs, buyouts and swap offers) are used.

Dissemination frequency

The level of the price return index is published every 15 seconds via the price marketing services of Boerse Stuttgart GmbH. The calculated index levels incorporate the latest traded price of each constituent from within the regular trading session, normally 09:30 to 16:00 EST. The index only holds equities listed and traded in the U.S., and thus, intraday calculations of the index would use real-time feeds from the official primary exchange for each constituent.

The price and gross total return indices are calculated from 09:30 until 18:00 EST on those days specified as index business days. Index business days will be classified as days on which the U.S. national securities exchanges are open for trading.

Closing level

The closing level is the last level disseminated on the trading day and uses the official close prices from the primary listing market for each constituent. For constituents that have not traded or opened for the current day, the previous day's reference prices (primary exchange official closes) or estimated prices (for IPOs, buyouts and swap offers) are used instead. For securities that are halted or suspended on a given day, the last traded prices are used. In the case of exceptional market conditions, the index may utilize other prices in the calculation of the official closing level, as provided in Section 3.2.

Sources of Data

The Intercontinental Exchange (ICE) is the primary market data source for U.S. equity real-time and closing prices. Additional sources of data less commonly used include market data vendors, company announcements, exchange announcements, and other official sources.

3.2 Exceptional market conditions and corrections

The publication of the opening level of the index may be delayed or suspended in the event the index calculation agent believes that circumstances prevent the proper calculation of the index.

If index constituent prices are cancelled, the index will not be recalculated unless the index calculation agent decides otherwise.

If an incorrect price or corporate action data materially affects index daily highs, lows, or closes, it is corrected retroactively as soon as possible and all revisions are communicated out to the public and market data vendors.

There is the possibility of an exchange or market-wide event resulting in the normal closing auction not going off or official closing prices not being available. In those situations, the index will take guidance from the respective exchange(s) and address on an event-by-event basis. Exchange or market-wide events include, but are not limited to, the following:

- Volatility Halts
 - LULD (Limit Up / Limit Down)
 - Circuit Breaker
- Technological Problems / Failures
- Natural Disaster or Other BCP-Related Event

3.3 Announcement policy

Announcement policy

Changes to the index methodology will be announced and distributed by SSGA. The current index methodology can be found on www.ssga.com.

Changes to the index as a result day-to-day management of the index, including index rebalances will be announced and distributed by Solactive AG via www.solactive.com.

As a general rule, the announcement periods that are mentioned below will be applied. However, urgently required corporate action treatments, often resulting from late notices from the relevant company or exchange, may require the index calculation agent to deviate from the standard timing.

Inclusion of new constituents (Special Circumstances Not Pertaining to Index Rebalances)

The inclusion of new companies in the index will typically only occur during the index rebalances, although there could be exceptions based on a specific corporate action affecting a current constituent or index methodology changes made by the index provider. When possible, the inclusion of the new company will be announced at least three trading days before the effective date of the actual inclusion.

Removal of constituents (Special Circumstances Not Pertaining to Index Rebalances)

Components will typically be removed from the index as a result of periodic corporate actions, index rebalances, and index methodology changes made by the index provider, as applicable. When possible, all removals will be announced at least three trading days before the effective date of the removal. It should be noted that in the case of mergers and acquisitions, every effort will be made to remove the company at some reasonable time ahead of the last day of trading in the acquired company. There will be certain situations and corporate actions that would require a removal of a company with less than three trading days of notice. In those cases, the removal would be announced no later than 15:00 ET on the trading day preceding the market open of effective date of removal.

Corporate actions

In case of a corporate action event that could affect one or more constituents, the index calculation agent will inform the market about the intended treatment of the event in the index shortly after the firm details have become available and have been confirmed. When possible, the corporate action will be announced, even if not all information is known, at least three trading days before the effective date of the action. Once the corporate action has been effectuated, the index calculation agent will confirm the changes in a separate announcement.

Index rebalances and index proformas: publication of new selection

The new composition of the index, including the companies to be a part of the index and their corresponding shares, will be announced five (5) business days prior to the effective date on www.solactive.com.

4. Calculation

4.1 Calculation of the price index

The index is calculated on a Price Return and Gross Total Return basis. The current index level would be calculated by dividing the current modified index market capitalization based on security weights as determined by the construction methodology outlined in section 5.2 by the index divisor. The divisor was determined off of the initial capitalization base of the index and the base level. The divisor is updated as a result of corporate actions and composition changes.

The Gross Total Return calculation incorporates regular cash dividends paid in the underlying constituents and reinvests those distributions into the index at the open of the dividend ex-date.

4.2 Currency Conversion

The index is calculated and published in USD, and it may be calculated and published in other currencies.

5. Index rebalances

5.1 General aim of index rebalances and frequency

General aim of the periodical index rebalances

Index Objective: The SSGA Gender Diversity Index is designed to track the performance of U.S. large-capitalization companies that are leaders within their respective industry sectors in advancing women through gender diversity on their boards of directors and in senior leadership positions.

The general aim of the periodical index rebalances is to ensure that the selection of the constituents continues to reflect the underlying index objective. The index is rebalanced annually to ensure that the index components continue to meet the continued inclusion requirements.

Frequency

The reviews become effective after the close of trading on July 15, if July 15 is a business day, or after the close of the next business day, if July 15 is not a business day.

The announcement will be made five (5) trading days before the effective date of the rebalance.

5.2 Index universe and selection principle

Index Universe

The eligible universe from which index constituents will be selected comprises the common stocks of the largest 1000 U.S. companies by full company market capitalization that are listed on U.S. national securities exchanges and have an average monthly trading volume over six months of at least 250,000 shares, as of the index rebalance determination date. Master Limited Partnerships or Business Development Companies are excluded.

For each of the stocks within the index universe, the stock is assigned one proprietary sector classification among the following 11 sectors:

1. Energy
2. Information Technology
3. Health Care
4. Industrials
5. Financials
6. Consumer Staples
7. Communication Services
8. Consumer Discretionary
9. Materials

- 10. Utilities
- 11. Real Estate

Selection of constituents

1. On the index rebalance determination date, the securities in the eligible universe are categorized to one of the 11 proprietary sectors shown above.

The eligible universe is ranked by gender diversity within each sector according to the following ratio-based criteria, based on an analysis by an independent third party of information included in regulatory filings such as annual reports, press releases and the corporate website of a company (“company communications”), as of the most recent practicable date.

- (i) ratio of female executives and female members of the board of directors to all executives and members of the board of directors;
- (ii) ratio of female executives to all executives; and
- (iii) ratio of female executives excluding executives who are members of the board of directors to all executives excluding executives who are members of the board of directors.

“Executives” comprise each employee disclosed in company communications that holds the position of Vice President and above in the organizational structure of a company, except that “executives” of companies classified to the Financials sector comprise each employee disclosed in company communications that holds the position of Managing Director or above in the organizational structure of such company.

2. For each ratio-based criteria and each sector, the highest ranked companies (by ratio) within each sector are selected until 10% of the sector’s market capitalization is reached. This includes the first company that brings the combined sector market capitalization above 10%. All companies with market cap larger than 10% of its sector’s market capitalization are excluded and not eligible for inclusion in the index (to avoid over concentration).
3. If an existing security does not rank in the top 10% within its sector, as long as the security’s ratio does not decrease from the previous index rebalance determination date, it will stay in the index. At the next index rebalance determination date (the following year), the security will be removed from the index if the security still does not make it in top 10% of its sector. The same treatment is repeated for each of the three gender ratios.
4. The Index is comprised of all companies that are eligible for inclusion based on the ratio-based criteria and which have at least one female in one of the following positions in the company as of the most recent index rebalance determination date: Chief Executive Officer, chairperson, or member of the board of directors.

5. The index weight of each security is set to be proportional to its free float market capitalization. The maximum security weight is capped at 5% to avoid over concentration.
6. In the final step, the active sector weights of the index are neutralized. Sector weights are calculated by aggregating the weight of all securities in the final constituent list within each sector. In a similar way, benchmark sector weights are calculated by aggregating the weight of all securities within the underlying universe. If the active sector weight is greater than zero, the weight will be distributed pro rata to securities in the sectors whose active weights are lower than zero, while keeping the maximum security weight below 5%.

5.3 Index Share Determination

The number of shares included in the index for each constituent at each index rebalance effective date is determined based on the weights determined in section 5.2, as well as the prices on the Index Determination Date.

5.4 Periodic update of Index Shares

The share quantity of each component stock in the index may change between index rebalance effective dates as a result of corporate events as detailed in Section 6.

6. Corporate Actions

6.1 General

The index may be adjusted in order to maintain the continuity of the index level and the composition. The underlying aim is that the index continues to reflect as closely as possible the value of the underlying portfolio and index objective.

Adjustments take place in reaction to events that occur with constituents in order to mitigate or eliminate the effect of that event on the performance of the index.

Changes related to specific corporate action events in which share positions need to be adjusted in the index will be reflected as soon as practicably possible.

6.2. Removal of constituents

Any stock deleted from the index as a result of a corporate action such as a merger, acquisition, spin-off, delisting or bankruptcy is not replaced by any new stock until the next index rebalancing date. In certain circumstances, the index calculation agent may decide to add another company into the index as a result of the pending removal of a current constituent. This action would be taken while considering the interests of affected parties and would typically only be a result of a certain type of corporate action, such as an acquisition where part of the merger proceeds is paid in the stock of another company.

If a company is removed from the index, the divisor will be adjusted to maintain the index level.

6.2.1. Mergers and acquisitions

Merger or acquisition between members of the index: In the event a merger or acquisition occurs between members of the index, the acquired company is deleted from the index and its market capitalization moves to the acquiring company's stock, according to the merger terms and depending on the portion of proceeds paid in the stock of the acquirer.

Merger or acquisition between a member and a non-member of the index: A non-member is defined as a company that is not a current constituent of the index. A merger or acquisition between one member of the index and one non-member is adjusted if it takes the below form:

The acquiring company is not a member, but the acquired company is a member. The acquired company is removed from the index and the acquiring company may be considered for inclusion at the next rebalance, if it meets the initial inclusion criteria. As in any other addition, these actions would be announced at least three trading days ahead of effectiveness.

6.2.2 Suspensions and company distress

Immediately upon a company filing for bankruptcy, an announcement will be made to remove the stock from the index effective for the next business day following the bankruptcy. If the stock is trading on an over-the-counter (OTC) market, the last trade or price on that market is utilized as the deletion price on that day.

If the stock does not trade on the relevant exchange between the bankruptcy announcement and the deletion effective date, the stock may be removed from the index at a price of \$0.0001.

6.2.3 Price sources

In the event that the trading in shares is suspended or halted, the last known price established during regular daytime trading on the primary exchange will be used. Depending on the particular situation, the index may value the security at a price of \$0.0001 for purposes of index calculation and/or index corporate action. This would be applicable for certain extreme cases such as a company bankruptcy or severe distress where the security is non-transactable.

6.3 *Split-up /spin-off*

Spun-off companies will be added to the index at the time of the event. The parent company will not be removed from the index at the time of the event. However, if the spun-off company is incorporated in a country that is not part of the index universe, it will not be included in the index.

6.4. *Dividends*

6.4.1. Distinction ordinary and special dividend

The price return index will be adjusted for dividends that are special in nature, typically through a price adjustment and corresponding divisor change.

To decide whether a dividend should be considered a special dividend the index calculation agent will use the following criteria:

- a) the declaration of a company of a dividend additional to those dividends declared as part of the company's normal results and dividend reporting cycle; merely an adjustment to the timing of the declaration of a company's expected dividend would not be considered as a special dividend circumstance; or
- b) the identification of an element of a dividend paid in line with a company's normal results and dividend reporting cycle as an element that is unambiguously additional to the company's normal payment.

For the purpose of clarification, adjustments will not be made for the following situations, specifically in the Price Return Index:

1. Payment of ordinary dividends, irrespective of how they are financed;
2. Issue 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. *Rights issues and other rights*

In the event of a rights issue, the price is adjusted for the value of the right before the open on the ex-date, and the shares are increased according to the terms of the offering. The adjustment assumes that the rights offering is fully subscribed. The amount of the price adjustment is determined from the terms of the rights issue, including the subscription price, and the price of the underlying security. Adjustments are made only if the rights represent a positive value, or are in-the-money, or alternatively, represent or can be converted into a tangible cash value.

6.6 *Bonus issues, stock splits and reverse stock splits*

For bonus issues, stock splits and reverse stock splits, the number of shares included in the index will be adjusted in accordance with the ratio given in the corporate action. Since the event will not change the value of the company included in the index, the index divisor will not be changed because of such event.

6.7 *Changes in number of shares*

No adjustments will be made to the index for share issuances and share repurchases between index rebalances.

7. Formulas and procedures

7.1 *Index calculation formula*

The index is calculated using the following formula:

$$I_t = \frac{\sum_i^N Q_{i,t} M_{i,t} C_{i,t}}{DIV}$$

Where:

t day of calculation
N number of constituent equities in index
 $Q_{i,t}$ number of shares outstanding of equity i on day t (unadjusted)
 $M_{i,t}$ multiplier of equity i on day t (reflecting float factor)
 $C_{i,t}$ price of equity i on day t
DIV current index divisor on day t