

# S&P Dow Jones Indices

Global Resource for Index-Based Concepts, Data & Research

## Innovative Benchmarks Across Industries, Asset Classes, and Geographies

As one of the largest global providers of financial market indices with a long-standing tradition of providing investable and benchmark indices, S&P Dow Jones Indices' mission is to:

- Provide benchmarks that gauge the markets and help institutions and individuals make well-informed decisions
- Create transparent indices that serve as the engine behind a broad array of index-based solutions to help investors meet the challenge of achieving their financial goals
- Collaborate with major exchanges and financial professionals who trust S&P Dow Jones Indices to create innovative local, regional, and global index solutions that provide the basis for a range of investment vehicles, including ETFs, ETNs, options, listed derivatives, and structured products
- Give investors the tools they need to measure and monitor the world's markets across a platform of more than 1,000,000 indices

[www.spdji.com](http://www.spdji.com)

*More than \$6 trillion\* was benchmarked to S&P Dow Jones Indices' family of indices*

\*S&P Dow Jones Indices' estimate as of 12/31/2012

### How S&P Dow Jones Indices Generates Revenue

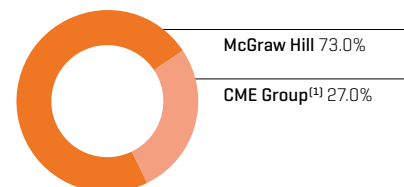
**Investment vehicles** such as ETFs and mutual funds, which are based on indices from S&P Dow Jones Indices and generate revenue through fees based on assets in underlying funds

**Listed derivatives**, which generate royalties based on trading volumes of derivatives contracts listed on the Chicago Mercantile Exchange, Chicago Board Options Exchange, Australian Securities Exchange, Montreal Exchange [subsidiary of TMX], BSE, BM&FBOVESPA, and Osaka Securities Exchange [subsidiary of JPX]

**Index-related licensing fees**, which are either fixed or variable annual and per-issue fees for over-the-counter (OTC) derivatives and retail-structured products

**Data subscriptions**, which support index fund management, portfolio analytics, and research

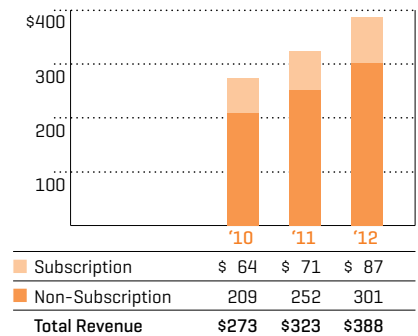
### Ownership of S&P Dow Jones Indices Joint Venture



(1) Ownership through its affiliates. In April 2013, CME Group acquired Dow Jones Company's 2.6% share in the joint venture

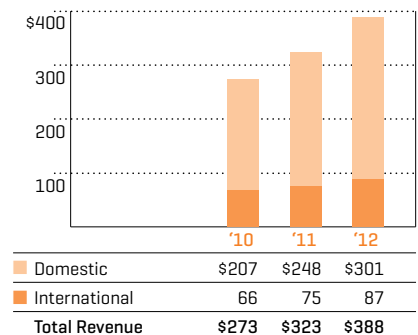
### Revenue: Subscription/Non-Subscription

(dollars in millions)



### Revenue: Domestic/International

(dollars in millions)



S&P Dow Jones Indices is targeting growth through international and asset-class expansion, new product development, enhanced market data offerings, and cross-selling opportunities.

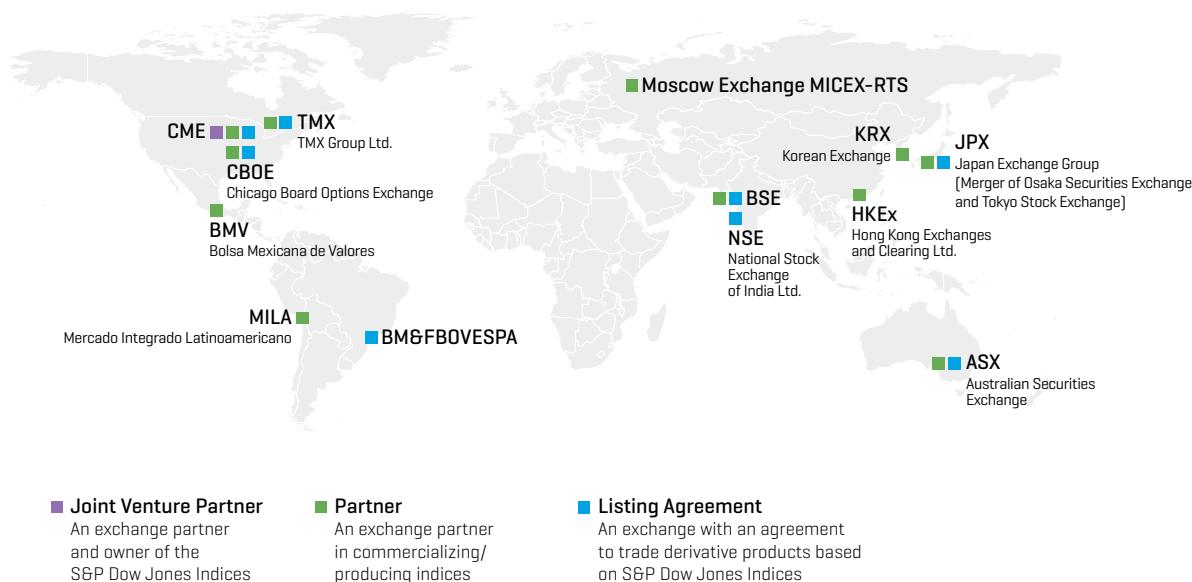
## Leveraging Strategic Partnerships

### Enhanced Platform for Growth and Innovation

The S&P Dow Jones Indices joint venture was formed in June 2012. It completed the integration of the two businesses in early 2013 and is furthering growth by establishing three types of relationships—joint venture partner, partner exchange, and listing agreement—with various exchanges in order to provide global distribution

and linkage to fast-growing emerging markets. The joint venture helps advance international growth by building on relationships already established by the CME Group with some of the largest derivative exchanges throughout the world.

### Exchange Relationships Around the World



### Indices:

#### New Exchange Alliance in India with BSE

In early 2013, S&P Dow Jones Indices announced a strategic partnership with BSE (formerly known as Bombay Stock Exchange) to calculate, disseminate, and license the widely followed suite of BSE indices.

BSE currently maintains 30 stock market indices measuring the Indian market, including the S&P BSE Index

The partnership adds India as a fourth major operational hub, along with Beijing, London, and New York, to support clients globally

### Derivatives:

#### New Profit-Sharing Model with CME Group

S&P Dow Jones Indices and the CME Group, a leader in the derivatives marketplace, have a profit-sharing model tied to the financial performance of CME's overall trading and clearing business for equity-based futures, swaps, and options on futures.

The CME Group has a long-term, ownership-linked, exclusive license to list futures and options based on certain S&P Dow Jones Indices

### Options:

#### Extended License Agreement with CBOE

S&P Dow Jones Indices amended its license agreement with the Chicago Board Options Exchange (CBOE).

Agreement extends exclusive rights to certain index options contracts through 2032

## Investable & Benchmark Indices

S&P Dow Jones Indices, the world's leading index provider, maintains a wide variety of investable and benchmark indices to meet an array of investor needs. Its family of indices includes the S&P 500; the Dow Jones Industrial Average; the S&P/Case-Shiller<sup>®</sup> [1] Home Price Indices, the leading measure of U.S. home prices; the S&P Global BMI, an index tracking 10,000 stocks from 26 developed and 20 emerging markets; the S&P GSCI<sup>®</sup> and the DJ-UBS Commodity Index, two of the industry's leading commodities measures; and the S&P National AMT-Free Municipal Bond Index, the premier investable index for U.S. municipal bonds.

[1] Case-Shiller<sup>®</sup> and Case-Shiller Indexes<sup>®</sup> are registered trademarks of CoreLogic

## S&P Dow Jones Indices Span Asset Classes, Investment Strategies, and Geographic Markets

Equity	Fixed Income	Commodities	Real Estate	Specialty	Strategy	Volatility	Theme-Based	Custom
Families of indices for global and local markets, covering approximately 11,000 securities in more than 80 countries with over 20 years of uninterrupted history	Broad market benchmarks measuring exposure to liquid fixed income asset classes as well as less observable segments of the credit market	The S&P GSCI and DJ-UBS Commodity Index are widely recognized as leading commodity measures	Leading measure of U.S. residential real estate prices and the investable universe of publicly traded property companies	Measures that track changes in specialty indicators including healthcare costs, default rates in consumer credit, and the performance of multi-asset-class portfolios	S&P Dow Jones Strategy Indices apply a quantitative framework or a theme to an asset class or combination of classes	Leading measures of implied volatility, as well as indices that contain frameworks that attempt to address risk exposure from volatility via weighting or constituent	Equity-based exposure to alternative asset classes and popular investment themes	More than 50,000 custom indices calculated and maintained by S&P Dow Jones Indices for derivative and structured product providers, ETF providers, exchanges, asset managers, and pension plans, including:
U.S.	Global	S&P GSCI	S&P/Case-Shiller	Healthcare Economic Cost	Factor-Based Strategies [Low Volatility, High Beta, Intrinsic Value]	Risk Control	Infrastructure	BNP Paribas
Global	Regional	DJ-UBS Commodity Index	Property & REIT [Equity]	Consumer Credit Default	Dividend Income	VIX	Natural Resources	BNY Mellon
Developed	Money Market	S&P WCI		Target Date	Asset Allocation		Consumers	Credit Suisse
Emerging	U.S. Treasury	Strategic Futures		Target Risk	Quantitative Strategies		Clean/Alternative Energy	First Trust
Frontier	U.S. Municipal	Equity Based						Goldman Sachs
Environmental, Social & Governance	Corporate	Risk Control						Lyxor
Property & REIT	Credit Default Swap							S&I
Shariah	Senior Loan							
	Preferred & Convertible							

*The S&P 500<sup>®</sup> is the world's most followed stock market index with \$1.7 trillion\* directly indexed to it*

\* Data as of 12/31/2012

## Innovative Indices

S&P Dow Jones Indices has a long history of creating innovative indices that measure constantly evolving financial markets around the globe.

### Dividend Indices

S&P Dow Jones Indices has a comprehensive family of dividend indices with leading indices in all regions (U.S. domestic, developed, emerging, and global) and major countries.

S&P Dow Jones Indices' dividend indices have the longest live track record among peer indices and span the widely followed and earliest dividend indices — from the Dow Jones U.S. Select Index and S&P High Yield Dividend Aristocrats to innovative strategies like the S&P Low Volatility High Dividend Index

Another income alternative is the S&P U.S. Preferred Stock Index, which is tracked by the largest ETF in this space

With the popularity of floating rate instruments, the S&P/LSTA U.S. Leveraged Loan Index is tracked by the most successful ETF in this space

### Volatility Indices

Volatility has been at the forefront of investing since the financial crisis of 2007–2008. S&P Dow Jones Indices' family of low volatility indices targets the low volatility anomaly by providing exposure to low volatility stocks within a geography as well as to strategies that attempt to control risk exposure in an index.

The **S&P 500<sup>®</sup> Low Volatility Index** measures the performance of the 100 least volatile stocks in the S&P 500

The **S&P GIVI<sup>™</sup>** (S&P Global Intrinsic Value Index) provides investors with an alternatively weighted, low-volatility exposure to global equity markets

**CBOE Volatility Index (VIX)** is a key measure of market expectations of near-term S&P 500<sup>®</sup> volatility. It is the basis for the leading options and futures contracts available to hedge market volatility

## Award-Winning Indices

S&P Dow Jones Indices has been recognized with multiple industry awards in 2012 and 2013, including:

“Best Islamic Index Provider”  
—*Islamic Business and Finance*

“Indexing Product of the Year” for the  
S&P 500 Low Volatility Index  
—William F. Sharpe

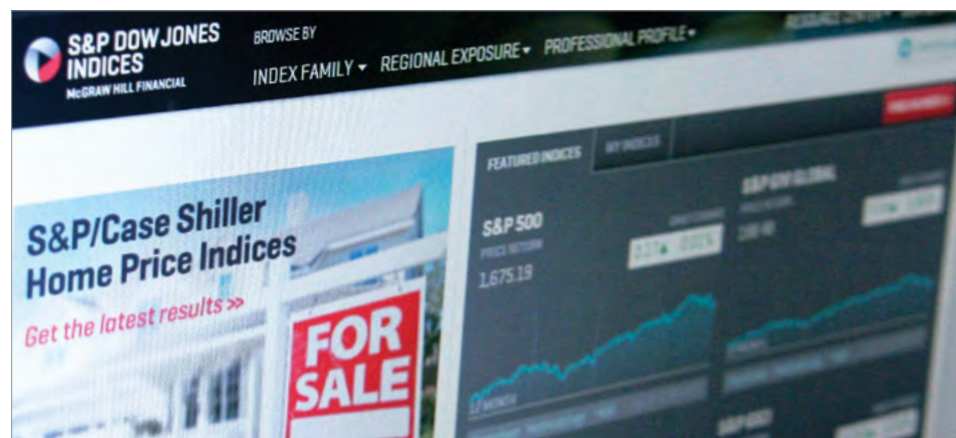
“Lifetime Achievement Award” to  
Dr. David Blitzler, Managing Director  
and Chairman of the S&P Dow Jones  
Index Committee  
—William F. Sharpe

“Index Innovator of the Year, Europe”  
—*Structured Products Magazine*

“Best Index Provider”  
—*The Asset Magazine's Triple A  
Investment Awards*

“Best Index Provider”  
—StructuredRetailProducts.com  
Americas Awards Poll

“Best Index Provider”  
—MENA Fund Manager Fund  
Services Awards



*S&P Dow Jones Indices has a long history of creating innovative indices*

# Index Solutions

Basis for a Range of Investment Vehicles

## Record-Level ETFs Linked to S&P Dow Jones Indices

S&P Dow Jones Indices serves as the basis for ETFs, futures, options, and other investable products around the world. S&P Dow Jones Indices was at the forefront of ETF development when the very first ETF—the S&P 500 SPDR (Standard & Poor’s Depository Receipts)—launched in 1993. Exchange-traded funds (ETFs)—which represent share ownership of an index fund but trade like shares of stocks—have become some of the most actively traded securities on stock markets around the world.

### S&P Dow Jones Indices

Calculates more than 1,000,000 indices

Publishes benchmarks that provide the basis for 625 ETFs globally

#### Growth in ETF Assets Based on S&P Indices

(assets under management, dollars in billions)	2001	2012
ETFs based on S&P 500	\$34	\$184
ETFs based on other S&P Indices	15	217
Total ETFs based on all S&P Indices	\$49	\$402

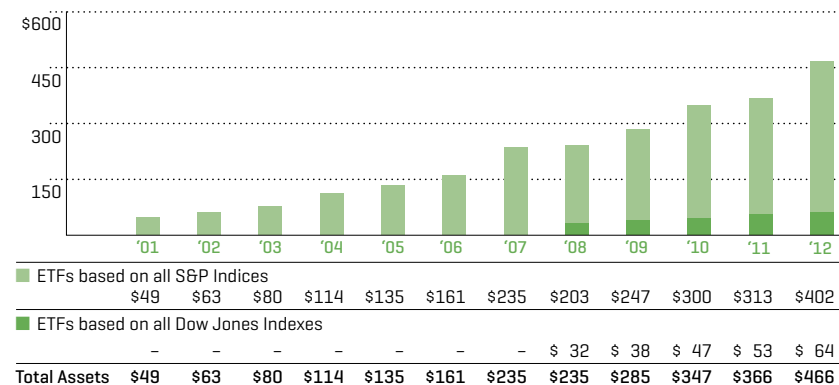
*The SPDR S&P 500 (Symbol: SPY) celebrates its 20th anniversary as the world’s largest and most traded ETF with more than \$130 billion\* in assets*

\* Data as of 6/28/2013

## Exchange-Traded Funds

### S&P Dow Jones Index-Based Global ETF Assets<sup>(1)</sup>

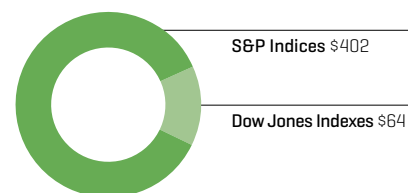
(dollars in billions)



### ETFs Based on S&P Dow Jones Indices

(as of December 31, 2012)

Assets Under Management: \$466 billion  
(in billions)



Number of ETFs	12/31/11	12/31/12
S&P Indices	378	456
Dow Jones Indexes	164	169
<b>Total S&amp;P Dow Jones Indices</b>	<b>542</b>	<b>625</b>

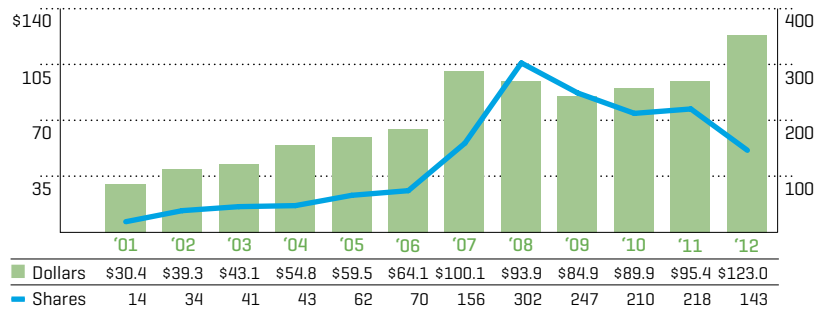
#### Notes for pages 34 and 35:

- (1) Sources for S&P Indices: Standard & Poor’s (2001-2005); Bloomberg (2006-2012)  
Sources for Dow Jones Indexes: Standard & Poor’s (2001-2005); Bloomberg (2006-2012)  
Historical figures from S&P Indices and Dow Jones Indexes for 2008-2011 have been combined for illustration purposes only. The joint venture was launched in June 2012
- (2) Sources: American Stock Exchange (2001-2008); Bloomberg (2009-2012)
- (3) Sources: American Stock Exchange (2001-2008); Bloomberg (2009-2012)  
Select Sector SPDRs started trading in December 1998

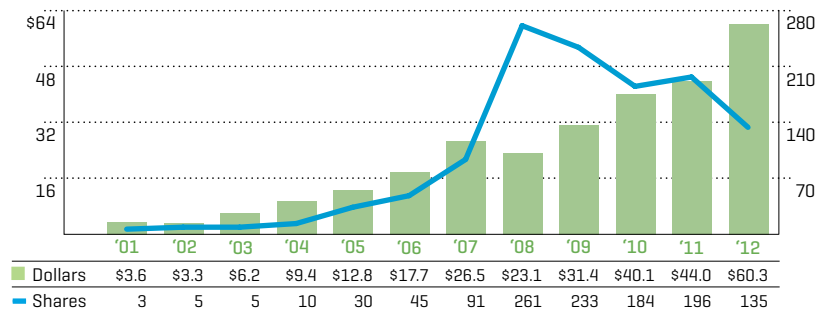
- (4) Source: Bloomberg
- (5) Source: Chicago Mercantile Exchange  
E-mini 500 contracts started trading in September 1997
- (6) Source: Chicago Board Options Exchange
- (7) Source: Chicago Board Options Exchange  
VIX option contracts started trading in February 2006  
Contract volume may be based on preliminary reported volume, rather than cleared volume

## SPDR ETFs

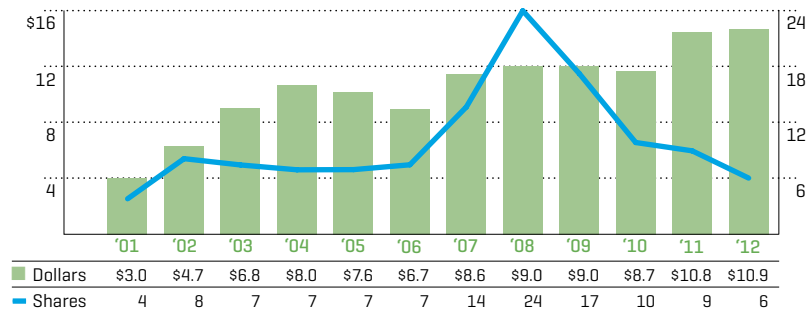
**SPDR (Trust Value/Average Daily Trading Volume)<sup>[2]</sup>**  
(dollars in billions) (shares in millions)



**Select Sector SPDRs (Trust Value/Average Daily Trading Volume)<sup>[3]</sup>**  
(dollars in billions) (shares in millions)

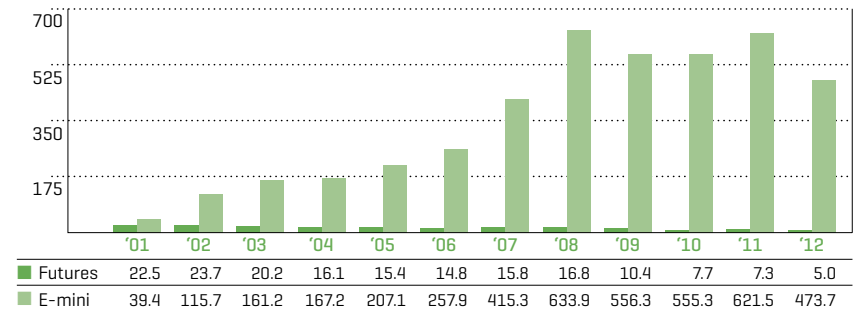


**SPDR Dow Jones Industrial Average ETF (Trust Value/Average Daily Trading Volume)<sup>[4]</sup>**  
(dollars in billions) (shares in millions)

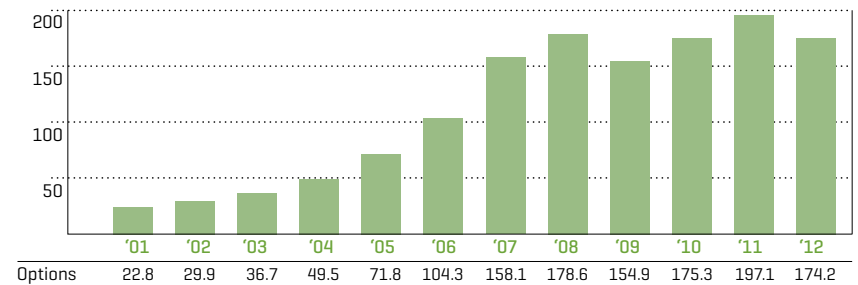


## Listed Derivatives

**S&P 500 Futures and "E-mini 500" Contracts Traded on the CME<sup>[5]</sup>**  
(contracts in millions)



**S&P 500 Option Contracts Traded on the CBOE<sup>[6]</sup>**  
(contracts in millions)



**VIX Options Contracts Traded on the CBOE<sup>[7]</sup>**  
(contracts in millions)

