

# S&P Dow Jones Indices

## Index-Based Solutions.

As the world's leading provider of index solutions across geographies and asset classes, we innovate trusted solutions that unleash the potential of capital markets for everyone, everywhere. Our vision is to give every person the power to determine their own financial destiny.

## Our Focus Forward

Defend and expand share in core products & solutions

Grow and strengthen our position of innovative offerings

Drive client centricity

*Since Charles Dow invented the first index in 1884, S&P Dow Jones Indices has been developing indices to help investors measure and trade the markets*

## How S&P Dow Jones Indices Generates Revenue

### ETFs & Mutual Funds

**Licensing fees on assets invested in products linked to S&P Dow Jones Indices**

(asset-linked fee revenue)

### OTC Derivatives & Structured Products

**Fixed or variable annual and per-issue fees or blanket fees for OTC derivatives and structured products**

(asset-linked fee revenue)

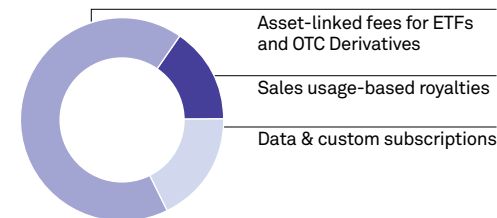
### Data & Custom Indices

**Customized index solutions and data subscriptions that support index fund management, portfolio analytics, and research** (subscription revenue)

### Exchange-Traded Derivatives

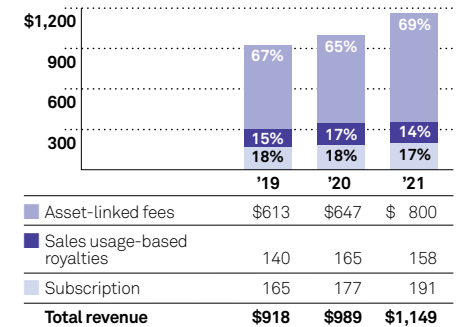
**Royalties based on trading volumes of derivatives contracts listed on global exchanges<sup>(1)</sup>** (sales usage-based royalties revenue)

### Revenue Mix



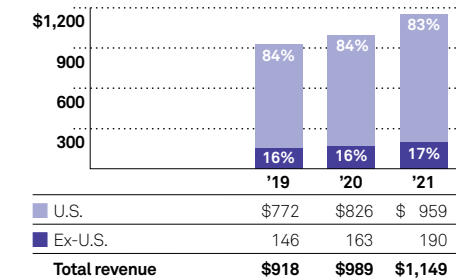
### Revenue by Type

(dollars in millions)



### Revenue by Geography

(dollars in millions)



#### Notes:

Ownership of S&P Dow Jones Indices LLC joint venture (established in June 2012):

- S&P Global: 73%
- CME Group: 27%

(1) See map on page 50 for exchanges with a Listing Agreement

# S&P Dow Jones Indices



## Dow Jones Industrial Average Celebrating 125 years

In Since May 26, 1896, the Dow Jones Industrial Average has been determining the performance of the market for 125 years. Created as a simple gauge of stock market performance, this financial and cultural icon has weathered recessions, depressions, bubbles, and expansions through 23 U.S. presidencies, two world wars, and two global pandemics. Through it all The Dow has steadfastly tracked the ups and downs of the U.S. market, and by extension, served as a leading indicator of U.S. and global economic health. Quoted far and wide from Wall Street to Main Street, The Dow is still the number that most investors cite when asked how the market is doing.

## S&P Dow Jones Indices Annual Survey of Assets

Asset values as of December 31, 2020 (dollars in millions)	Non-ETP Assets <sup>(3)</sup>	ETP Assets <sup>(4)</sup>	Total Indexed Assets	Benchmarked <sup>(2)</sup> Assets	Total Asset Value
<b>Headline Equity Indices</b>					
S&P 500	\$ 4,479,770	\$ 946,692	\$ 5,426,461	\$ 8,058,544	<b>\$ 13,485,005</b>
S&P MidCap 400®	133,010	74,166	207,176	90,880	298,056
S&P SmallCap 600®	35,641	63,647	99,288	13,036	112,323
Completion/Total Market	658,585	51,640	710,225	108,255	818,480
Dow Jones Industrial Average®	3,638	28,321	31,959	4,619	36,578
Strategy – Non VIX®	9,133	318,305	327,437	116,272	443,710
Strategy – VIX	–	3,989	3,989	1,601	5,590
<b>Asset value</b>	<b>\$5,319,776</b>	<b>\$ 1,486,758</b>	<b>\$ 6,806,535</b>	<b>\$ 8,393,207</b>	<b>\$15,199,741</b>
<b>All Other Indices</b>					
Sector/Industry	\$ 1,467	\$ 248,546	\$ 250,013	\$ 28,521	\$ 278,534
Target Date	–	–	–	616,802	616,802
S&P Global BMI & Global Indices	67,936	91,387	159,323	826,325	985,648
ESG	6,136	5,575	11,711	54,058	65,769
Fixed Income	34,753	46,787	81,540	1,362,464	1,444,004
S&P GSCI	53	7,121	7,174	2,908	10,082
Total Real Estate	18,619	22,972	41,591	91,436	133,027
Infrastructure	–	–	–	723	723
Other U.S.	19,152	97,958	117,110	10,292	127,402
<b>Asset value</b>	<b>\$ 148,115</b>	<b>\$ 520,346</b>	<b>\$ 668,461</b>	<b>\$ 2,993,529</b>	<b>\$ 3,661,990</b>
<b>Total asset value</b>	<b>\$5,467,892</b>	<b>\$2,007,104</b>	<b>\$7,474,996</b>	<b>\$11,386,736</b>	<b>\$ 18,861,732</b>

**Note:** Indexed and benchmarked asset numbers are indicative only. Not all companies respond or choose to be included in S&P Dow Jones Indices' annual survey, and not all funds report assets. S&P Dow Jones Indices does not guarantee the accuracy of these data. These numbers reflect indexed assets directly linked to the respective S&P Dow Jones Indices index. Numbers included in the table above include assets in active funds that are benchmarked to S&P DJI indices for performance measurement. Synthetically replicated index-based products, such as derivatives and certain over-the-counter structures, are not included.

Details may not sum to total due to rounding

(1) Indexed assets represent assets in institutional funds, ETFs, retail mutual funds, and other investable products that seek to replicate or match the performance of the respective index

(2) Benchmarked assets represent assets in actively managed funds where the performance of the active manager is measured against the respective index

(3) Non-ETP assets include mutual funds, institutional funds, separately managed accounts, and insurance products

(4) Exchange-Traded Products (ETP) include Exchange-Traded Funds (ETFs), Exchange-Traded Notes (ETNs), and Exchange-Traded Commodities (ETCs)

**Sources:** S&P Dow Jones Indices client-reported data, eVestment, and Morningstar Inc. Asset values as of 12/31/2020. Table is provided for illustrative purposes

## S&P 500®

The S&P 500 is the world's most-tracked index by assets under management

## The Dow®

The Dow Jones Industrial Average is the world's most cited market measure

## \$13.5 trillion in assets

benchmarked or indexed to the S&P 500

## \$18.9 trillion in assets

benchmarked or indexed to all S&P Dow Jones Indices

# Exchange Relationships Expand Global Reach

S&P Dow Jones Indices has cultivated many long-term relationships with global exchanges to create innovative, market-leading index solutions for the global investor community. Combining the various exchanges' local market expertise and benchmarks with S&P Dow Jones Indices' internationally recognized brand and world-class indexing capabilities facilitates greater investor access and exposure to local capital markets.

## Global Exchange Highlights:

### CME Group

Partner since 1982

CME Group, part owner of S&P Dow Jones Indices through a joint venture with S&P Global, offers futures and options on a range of S&P Dow Jones Indices

### Cboe

Partner since 1983

Cboe lists options on S&P Dow Jones Indices, including options on the S&P 500, which it uses to create VIX®

### TMX Group

Partner since 1998

S&P Dow Jones Indices and TMX Group together offer Canada's premier market benchmarks

S&P/TSX 60

Equity and strategy indices

### ASX

Partner since 1999

S&P Dow Jones Indices and ASX offer leading measures of the Australian markets, including equity indices and fixed interest indices

S&P/ASX 200

Equity, fixed income, and strategy indices

### BSE

Partner since 2013

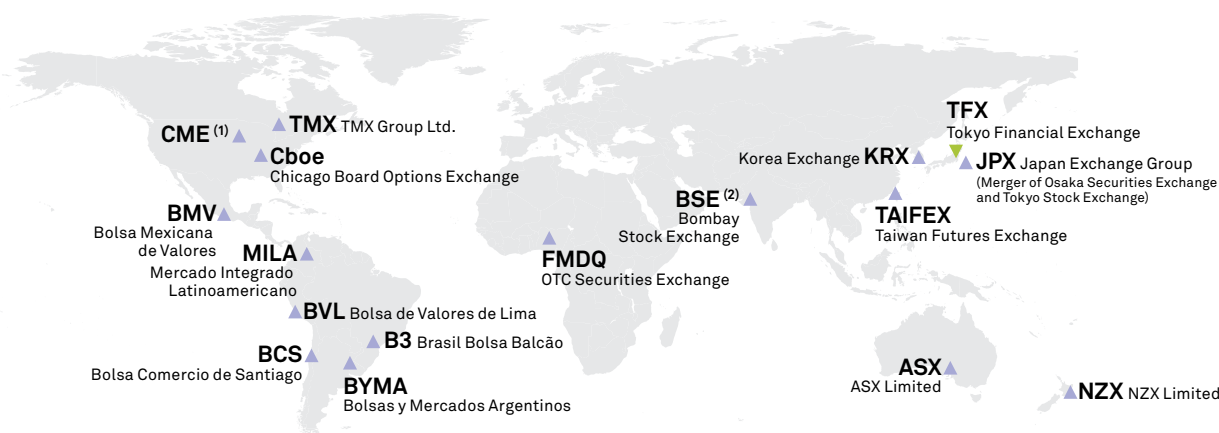
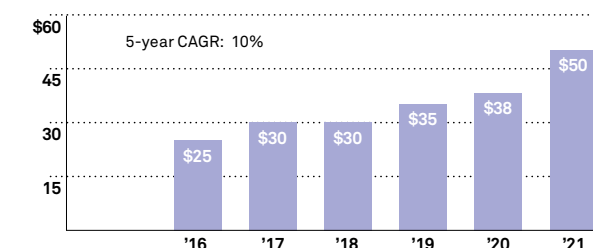
S&P Dow Jones and BSE are 50-50 partners in Asia Index Private Limited (AIPL) joint venture providing South Asian indices

S&P/BSE SENSEX

Equity, fixed income, and strategy indices

## Non-U.S. Exchange Partnerships Deliver Steady Revenue Growth

(dollars in millions)



### ▲ Exchange Relationship

An exchange partner in commercializing/producing indices

### ▼ Listing Agreement

An exchange with an agreement to trade derivative products based on S&P Dow Jones Indices

(1) CME Group owns 27% of the S&P Dow Jones Indices LLC joint venture

(2) Asia Index Private Limited is a 50-50 joint venture partnership between BSE and S&P Dow Jones Indices

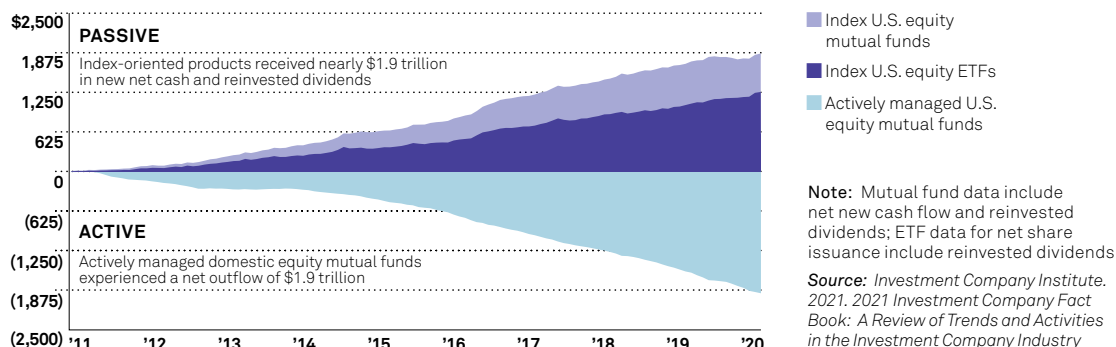
*S&P Dow Jones Indices' relationships with local exchanges facilitate greater investor access and exposure to local capital markets*

# Industry Trends: Rising Popularity of Index Investing

## Some of the Outflows from Domestic Equity Mutual Funds Have Gone to ETFs

### Cumulative flows to domestic equity funds

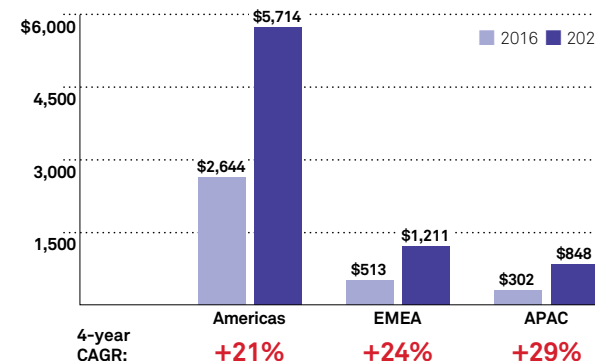
(dollars in billions) (January 2011–December 2020)



## Passive Investing: 21% CAGR Globally

### ETF & ETN Growth Across Regions

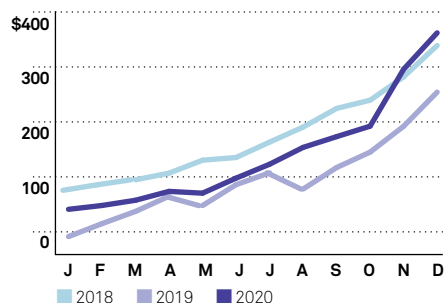
AUM by Listing Region (dollars in billions)



## Equity Flows Exceeded Prior Year Levels

### Equity ETP Flows

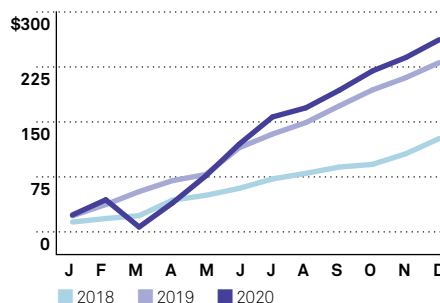
Global Cumulative Flows (dollars in billions)



## Record Inflows Continued into Fixed-Income Funds

### Fixed-Income ETP Flows

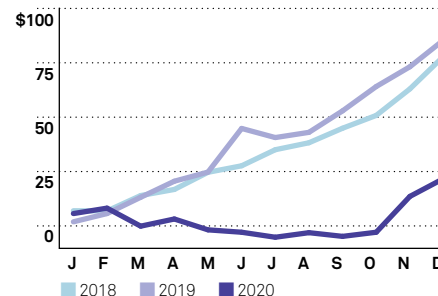
Global Cumulative Flows (dollars in billions)



## The Strategic Beta ETP Market Is Maturing

### Strategic Beta Equity ETP Flows

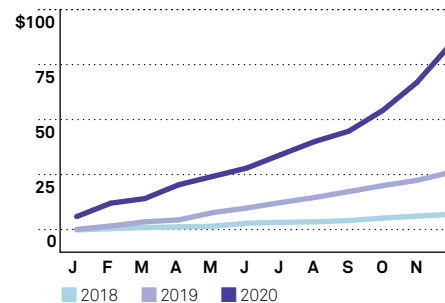
Global Cumulative Flows (dollars in billions)



## New ESG Assets Tripled 2019 Flows

### ESG ETP Flows

Global Cumulative Flows (dollars in billions)

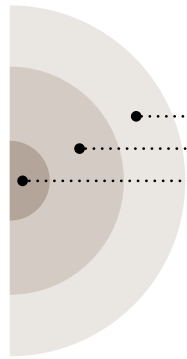


Indices can be used as the basis for liquid, investable products and as benchmarks for actively managed fund performance

Sources: Morningstar and S&P Dow Jones Indices

Note: The ETP (or exchange-traded product) category encompasses any portfolio exposure security that trades intra-day on an exchange

# The S&P Dow Jones Indices Index Ecosystem



## Expanding Ecosystem

S&P Dow Jones Indices brings independent, transparent, and cost-effective index solutions to the global investment community

### Our Index Solutions

#### Core

Equities  
Fixed Income  
Commodities  
Multi-Asset  
Custom

#### Innovation

ESG  
Factors  
Strategy  
Thematics  
Indicators  
Digital Assets

### Investable Products & Data

**Asset managers, investment bankers, exchanges, and others:**

#### Create investable products based on our Indices

Exchange-Traded Funds (ETFs), Mutual Funds & Institutional Funds, Exchange-Traded Derivatives (ETDs), Structured Products, Futures & Options

#### Perform benchmarking and analysis based on our Index data

### Intermediaries & End Users

Wealth Managers  
Investment Management Consultants  
Insurance  
Retail Investors  
Institutional Investors

## Index Ecosystem Examples

### ESG / Climate

#### S&P ESG Eurozone 60 Bund-SV Index

In May of 2021, the Federal Government of Germany selected S&P Dow Jones Indices to develop an EU climate-transition index which will serve as a performance benchmark for four of the government's Federal Special Pension Funds. The index—the S&P ESG Eurozone 60 Bund-SV Index—will utilize S&P Global's ESG Scores to determine eligibility and target climate-focused objectives, including collectively achieving decarbonization compatible with a 1.5°C global-warming climate scenario.

### Multi-Factor

#### S&P Quality Value & Momentum Top 90% Indices

Invesco launched the new multi-factor ETF suite tracking the S&P Quality Value & Momentum (QVM) Top 90% Indices. The newly launched suite has generated over \$1 billion in inflows from Municipal Employees Retirement System of Michigan (MERS) and other investors. The S&P QVM Top 90% Multi-factor Indices measure the performance of stocks after excluding those with the lowest quality, value, and momentum multi-factor score.

# Core and Innovative Index Solutions

## Core Index Solutions

Iconic, innovative benchmarks with breadth and depth across asset classes and geographies. This wide offering provides the building blocks to create further index solutions.

### Equity

Families of indices for global and local markets, covering more than 20,000 securities in more than 83 countries with over 20 years of uninterrupted history

U.S. Equity

- Style
- Sector
- Industries

Global Equity

Developed Equity

Emerging Equity

Frontier Equity

Property & REIT

Shariah

Option Strategies

VIX<sup>(1)</sup>

### Fixed Income

Broad market benchmarks measuring exposure to liquid fixed-income asset classes as well as less observable segments of the credit market

Composite / Global

Treasury / Sovereign /  
Quasi-Government

Inflation-Linked

U.S. Municipal

Money Market

Corporates

Thematics (Infrastructure,  
Faith-Based)

Collateralized

Preferred and Convertible

Senior Loan

Sukuk

### Commodities

Includes the S&P GSCI, the first major investable commodity index

Broad Market

Sector & Single Commodity

Quantitative Strategies

Equity-based

Real Asset

### Multi-Asset

Indices where the exposure to the multiple constituent asset classes is determined by specific outcomes or investment goals

Target Date

Target Risk

S&P STRIDE

Defined Outcome / Target  
Outcome

Dynamic Equity Assets

Managed Volatility

Risk Parity

MARC 5

### Custom Solutions

S&P Dow Jones Indices' custom services give clients the ability to create or tailor an index to reflect their unique needs

Custom index options include:

- Custom Slice & Dice
- Client Proprietary
- Custom Hybrid

Services include:

- Benchmark Administration
- Index Calculation
- Index Distribution
- Support

## Innovative Index Solutions

New and emerging index solutions allow investors to identify and align with specific objectives and areas of focus, including sustainable investing, new asset classes and thematics, market indicators, and factor solutions.

### ESG

A spectrum of Environmental, Social, and Governance (ESG) indices to help individuals and institutions align their investments with their values and achieve sustainable returns

Core ESG

ESG Climate

Thematic ESG

Fixed Income ESG

### Factors

Indices measuring investment characteristics that have demonstrated historical return premiums and low intra-factor correlation, thereby enabling enhanced portfolio diversification, above-market returns, and risk management

Dynamic Beta

ESG Factor

Multi-Factor

Optimized Single Factor

Single Factor

Dividend Income

Quantitative Strategies

Alternative Risk Premia

### Thematics / Kensho

Indices that measure macro-level trends and the underlying investments that stand to benefit from the materialization of those trends

New Economies

Commodity Producers

Infrastructure

Natural Resources

Corporate Clusters

Innovation Factors

### Indicators

Indices that track changes in specialty indicators

S&P CoreLogic Case-Shiller<sup>(2)</sup>

S&P LinkUp Jobs<sup>(3)</sup>

Consumer Credit Default

Risk Indicators

### Digital Assets

Indices tracking the performance of cryptocurrencies including Bitcoin and Ethereum

Cryptocurrency

#### Notes:

(1) VIX<sup>®</sup> is a trademark of Cboe Exchange, Inc.

(2) Case-Shiller<sup>™</sup> and Case-Shiller Indexes<sup>™</sup> are registered trademarks of CoreLogic

(3) LinkUp<sup>®</sup> is a trademark of JobDig, Inc.

# Index Solutions: Basis for a Range of Investment Vehicles

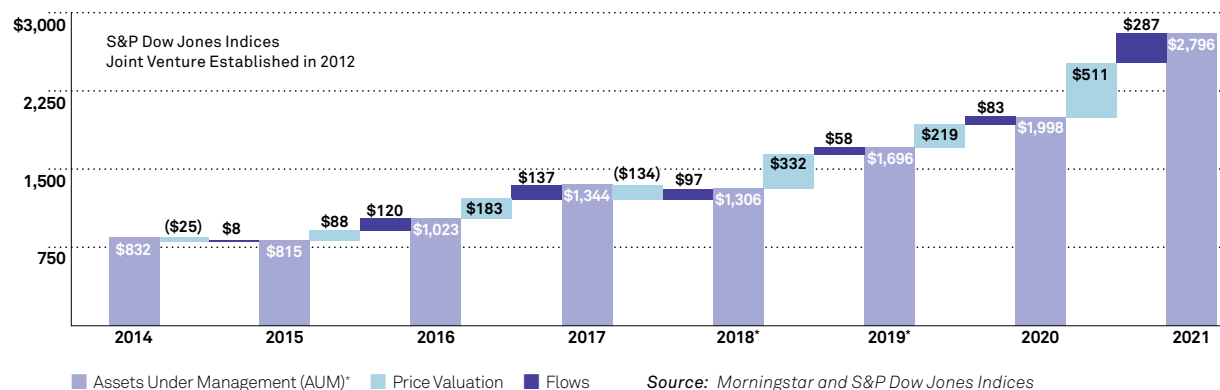
## ETFs Linked to S&P Dow Jones Indices

Exchange-traded funds (ETFs)—which represent share ownership of an index fund but trade like shares of stock—have become some of the most actively traded securities on stock markets around the world.

## 19% 7-year CAGR in ETF AUM based on S&P Dow Jones Indices

### AUM: A Mix of Flows and Price Valuation

(dollars in billions) (years ended December 31)

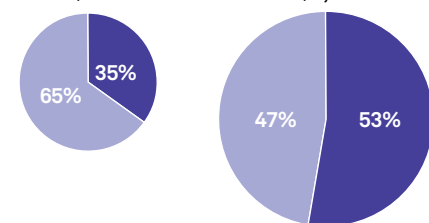


Source: Morningstar and S&P Dow Jones Indices

\*2018-2019 AUM is updated to exclude Custom ETFs that were previously included (currently these ETFs are reflected under the Custom channel)

### Growing and Diversifying ETF Assets Based on S&P Dow Jones Indices <sup>(1)</sup>

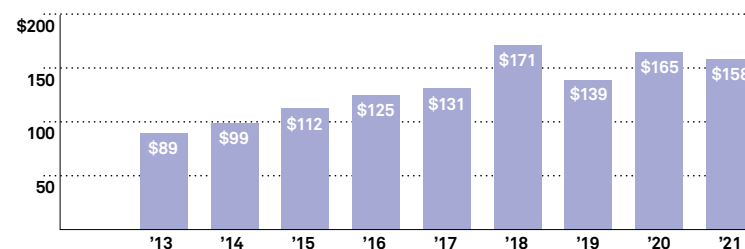
2003: \$79 billion 2021: \$2,796 billion



Legend: ETF AUM based on S&P 500 (excludes sector and style ETFs), ETF AUM based on other S&P Dow Jones Indices

### Exchange-traded Derivatives Revenue has an 8-year CAGR of 7% Since Joint Venture Formation

(dollars in millions)



Notes for pages 54 and 55:

Sources:

- (1) Bloomberg (2003, 2014–2015), Morningstar (2016–2021). The joint venture was established in June 2012. Flows calculated as point-in-time
- (2) Bloomberg (2014–2015), Morningstar (2016–2021)
- (3) Chicago Mercantile Exchange
- (4) Cboe Global Markets
- (5) Cboe Global Markets. Contract volume may be based on preliminary reported volume rather than cleared volume

*S&P Dow Jones Indices offerings serve as the basis for ETFs, futures, options, and other investable products around the world*



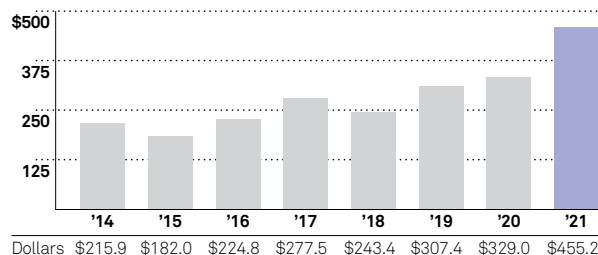
# ETFs

The launch of the SPDR S&P 500 ETF (Symbol: SPY) put S&P Dow Jones Indices at the forefront of ETF development. Launched in January 1993, SPY was the very first exchange-traded fund listed in the U.S.

The world's largest and most traded ETF with \$455 billion in assets for the year ending 2021

## SPDR S&P 500 (Symbol: SPY) <sup>(2)</sup>

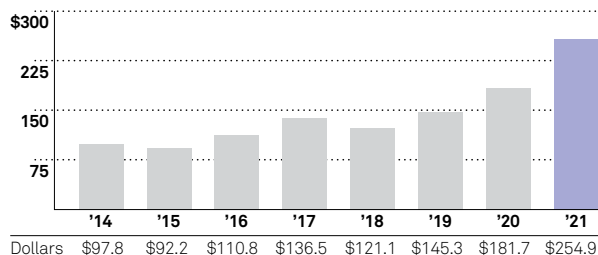
(ending AUM; dollars in billions)



ETFs based on indices that consist of companies in the S&P 500 as classified by sector according to the Global Industry Classification Standard (GICS®)

## Select Sector SPDRs (Symbols: XLY, XLP, XLE, XLF, XLV, XLI, XLB, XLK, XLU, XLRE, XLC) <sup>(2)</sup>

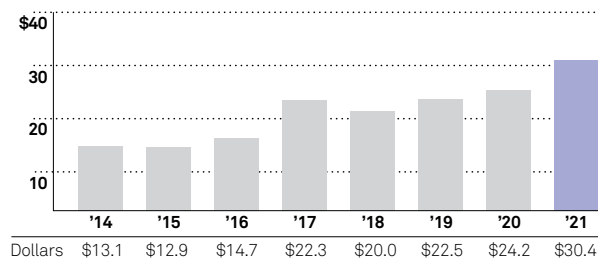
(ending AUM; dollars in billions)



ETF based on the DJIA, a price-weighted index and the oldest continuous barometer of the U.S. stock market

## SPDR Dow Jones Industrial Average ETF

(Symbol: DIA) <sup>(2)</sup> (ending AUM; dollars in billions)



See footnotes on page 54

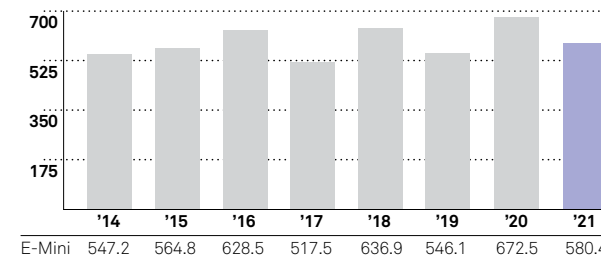
# Exchange-Traded Derivatives

S&P Dow Jones Indices has been an important contributor to the exchange-traded derivatives market since the introduction of the S&P 500 futures contracts by CME in 1982 and the S&P 100 and S&P 500 options by Cboe in 1983.

Represents a fraction of the value of a corresponding standard futures contract

## S&P 500 E-mini Contracts Traded on the CME <sup>(3)</sup>

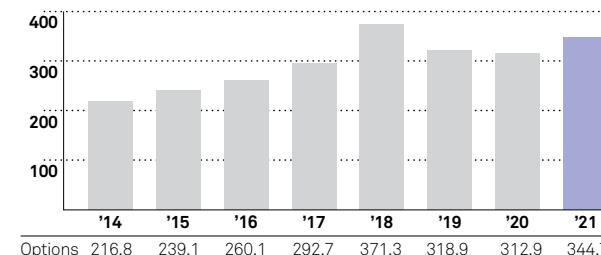
(contracts in millions; includes futures, options, and options on futures)



Gives the right to buy or sell the value of the S&P 500 at the stated exercise price

## S&P 500 Option Contracts Traded on the Cboe <sup>(4)</sup>

(contracts in millions; includes futures, options, and options on futures)



Based on the Cboe Volatility Index (VIX®), the leading measure of the stock market's expectation of volatility, as implied by S&P 500 options

## VIX® Contracts Traded on the Cboe <sup>(5)</sup>

(contracts in millions; includes futures, options, and options on futures)

