



# JANUS HENDERSON INDICES

Janus Henderson Guidance Index Methodology  
July 2018

---

## Table of Contents

Index Sponsor and Index Calculation Agent.....	3
Index Overview .....	4
Intra-Day Index Calculation .....	8
Index Maintenance .....	9
Index Committee .....	12
Contact Information .....	14
Disclosures and Disclaimers .....	15
Appendix I: Reference Index Adjustments .....	16
Appendix II: Dividends, Stock Splits and Rights Issues .....	18
Appendix III: Eligible Universes and Reference Funds .....	24
Appendix IV: Holiday Schedule .....	24

---

## Introduction

This document describes the Janus Henderson Guidance Index Methodology. The Index is designed to replicate a portfolio consisting of stocks selected from an associated Reference Index (Solactive US Large Cap Index, the “Reference Index”). The percentage weight of each stock within each Index is determined in accordance with the Guidance Index methodology described below.

The index is rebalanced quarterly. Every third month (March, June, September, December, collectively “Calculation Days”) the weights are recalculated. On each quarterly Calculation Day, the stocks are reselected by reference to the stocks in the associated Reference Index at the time and the percentage weight of each stock to be included in each Index is determined in accordance with the Guidance Index methodology. These new stocks are given effect in their respective weights as of the related Rebalancing Day.

The Index is designed to be investible – an investor holding the reference securities associated with the Index at the same weights adjusted daily should realize returns similar to that of the Index. The reference securities are US listed equities. The Index inception date is \*\*\*\*. All data prior to this date is pre-inception index performance (PIP).

## Index Sponsor and Index Calculation Agent

The index sponsor is Janus Index & Calculation Services LLC (the “Index Sponsor”). The Index Sponsor’s determinations in respect of each Index shall be final.

---

## Index Overview

The Index is a notional rules-based proprietary index sponsored by the Index Sponsor, described below.

### Reference Index

Solactive US Large Cap Index (Bloomberg Ticker: SOLUSLCP Index)

### Scheduled Index Business Days

Weekdays in which the New York Stock Exchange is open for trading.

### Index Business Days

Weekdays in which the New York Stock Exchange is open for trading on which no Index Disruption Event exists.

### Index Calculation Days

The last Index Business Day of each quarter (March, June, September, and December), starting with the last Index Business Day of December 2002.

### Rebalance Days

The close of the 5th Index Business Day after an Index Calculation Day; provided, however, that if such date is an Index Disruption Day, the rebalancing scheduled for such date will be postponed until the first Calculation Day which is not an Index Disruption Day.

### Eligible Universe

At Index inception, the Eligible Universe comprises the  $N$  constituents of the Reference Index that satisfy the Turnover Constraint defined below.

### Turnover Constraint

Each Constituent must have a 90-day average daily trading volume (ADV) of at least \$15M multiplied by the value of the Reference Index on the Calculation Day divided by the value of the Reference Index on the Index Inception Date, April 24<sup>th</sup>, 2018.

---

<sup>1</sup> Subject to adjustment in accordance with Adjustments in the Appendix.

---

## Index Calculations

The Index Level on the Index Base Date, February 28<sup>th</sup>, 2003, shall be 1,000. For the Index Start Date, define the initial weights:

$W_{i,t}$  as described in the section “Weights” below. Define the initial share count for each stock in the index,  $i$ , as

$$S_{i,0} = \frac{W_{i,0} \times 1000}{P_{i,0}}$$

where

$P_{i,t}$  = Constituent Closing Level of Constituent  $i$  on Index Business Day  $t$

and

$S_{i,t}$  = Index Share Count of Constituent  $i$  on Index Business Day  $t$

and

$i = 1 \dots N$

where  $N$  is the number of constituents in the eligible universe.

The Index Level on each Index Business Day  $t$  shall be an amount determined by the Index Calculation Agent in accordance with the formula set out below. The formula aggregates the product of each Constituent’s Constituent Closing Level and its prevailing share count:

$$I_t = \sum_1^N S_{i,t} P_{i,t}$$

adjusted for corporate actions where necessary.

### Index Rebalance

On a given Calculation Day ( $t = Calc$ ), new share counts are calculated for the rebalance. Define the Rebalance Share Counts for each stock  $i$  as:

$$\tilde{S}_{i,t} = S_{i,Calc} = \frac{W_{i,Calc} I_{Calc}}{P_{i,Calc}}$$

Let

$$\tilde{I}_t = \sum_{i=1}^N \tilde{S}_{i,t} P_{i,t}$$

On a Rebalance Day,

$$S_{i,Rebal} = \tilde{S}_{i,Rebal} \times \frac{I_{Rebal}}{\tilde{I}_{Rebal}}$$

and thus,

$$I_{Rebal} = \sum_1^N S_{i,Rebal} P_{i,Rebal}$$

Share Counts are subject to change as a result of Additional Rebalancing Event, Dividend Adjustment Event, Stock Split Adjustment Event, Rights Issue Adjustment Event or other Adjustment Events, as described below. Unless adjusted by one of these events or a rebalance,

$$S_{i,t} = S_{i,t-1}$$

and

$$\tilde{S}_{i,t} = \tilde{S}_{i,t-1}$$

Subject to the occurrence or existence of a Disrupted Day, the Index Level is calculated by the Index Calculation Agent at 6:30PM Eastern Time (the “Index Valuation Time”) on each Index Business Day. The Index Level is the closing level of the Index for the relevant Index Business Day. The Index Calculation Agent may also, but is not obliged to, calculate the level of the Index in respect of any other valuation time on any Index Business Day or any other day with the consent of the Index Sponsor.

The detailed procedures for the calculation of the Index Level in respect of each Index Business Day are set out below.

### Selection and Weighting Methodology

Each stock in the Eligible Universe will receive a weight on each Index Calculation Day. The score is calculated as follows:

On each Index Calculation Day, a Guidance Inclusion variable is assigned to each constituent in the Eligible Universe:

$$G_{i,calc} = \begin{cases} 1 & \text{if Earnings Guidance has been provided} \\ 0 & \text{if Earnings Guidance has not been provided} \end{cases}$$

Guidance Inclusion considers EPS guidance offered since the Index Calculation Day two periods prior, and up to and including the current Index Calculation Day. For initialization purposes, the two prior periods used on the Index Start date were June 28, 2002 and September 30, 2002. EPS Guidance data comes from Bloomberg and FactSet<sup>1</sup>.

The volatility ( $V_{i,calc}$ ) of each Eligible Universe Index Constituent is calculated as the annualized standard deviation of the trailing 63 Index Business Day daily returns based on dividend-adjusted closing prices as of the Index Calculation Day. If the volatility is not available for the entire time period, it is set to zero.

Constituents are scored ( $Score_{i,calc}$ ) according to the ratio of Guidance Inclusion to volatility:

$$Score_{i,calc} = \frac{G_{i,calc}}{V_{i,calc}}$$

<sup>1</sup> FactSet data is used from 2006 onward.

---

If  $V_{i,Calc}$  is unavailable (and set to zero), the score is set to zero.

The weight of the constituents is calculated pro-rata based on score, and is as follows:

$$w_{i,calc} = \frac{Score_{i,calc}}{\sum_{j=1}^N Score_{j,calc}}$$

Weights are capped at 5%. Any residual weight is redistributed proportionally across all uncapped constituents. If the redistribution of residual weights causes another constituent's weight to increase above 5%, the additional constituent's weight will be capped at 5% and the redistribution will be repeated.

Weights are fixed as of the Index Calculation Day and converted to shares of each constituent. The shares (potentially adjusted for corporate actions) form the basis for the rebalance of the portfolio on the Index Rebalance Day. That is, the weights may evolve over that time due to market movements, etc., but the share counts (potentially adjusted for corporate actions) remain fixed and scaled according to the index value of the rebalanced portfolio relative to the Index each day between Index Calculation Day and Index Rebalance Day.

The Index is a gross total return index, with notional reinvestment of dividends. The Index is described as replicating notional positions in the Constituents because there is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest. The Index simply references certain investment positions the performances of which are used as reference points for the purpose of calculating Index Levels.

#### **Constituent Prices**

The closing price for each Constituent on an Index Business Day is the price of the security, expressed in US dollars, at the regular close of the principal trading session on the primary exchange on which the security is listed as published by the Consolidated Tape for that Index Business Day and reported by FactSet.

#### **Changes in the Eligible Universe**

Whenever a stock that is a Constituent of the Index is removed from the Reference Index (e.g., due to a Delisting or Merger), the Constituent (the "Removed Constituent") will be removed from the Index and its weight will be redistributed across the remaining Constituents in the Index on the same day (an "Additional Rebalancing Day"), except in the event where a Constituent is acquired by another Constituent, in which case the stock portion (if any) of the acquisition is transferred to the acquirer and the cash portion is redistributed across the remaining Constituents in the Index. The introduction of a new stock into the Reference Index will not result in an adjustment to the Index until the next Rebalancing Day. Changes to the composition of the Reference Index are normally announced by the sponsor of the Eligible Universe in advance of the effective date of such changes.

If, due to any applicable law or regulation or policy, the Index Sponsor or the Index Calculation Agent is not permitted (or there is a reasonable likelihood that, within the next 30 Index Business Days, it will not be permitted) to continue to sponsor or calculate, as applicable, an index that includes a stock which is a Constituent of the Index, then the Removed Constituent will be removed from the Index on the Additional Rebalancing Day designated by the Index Calculation Agent or the Index Sponsor (in which case the Index Sponsor will notify the relevant date to the Index Calculation Agent).

Upon the removal of one or more Removed Constituents from the Index on an Additional Rebalancing Day, the Percentage Weights of the remaining Constituents are scaled up such that the Percentage Weight of the Removed Constituent(s) is proportionally redistributed to the remaining Constituents. In the event that any such Percentage Weight as a result would be greater than 5%, then the Index Calculation Agent shall determine the Percentage Weights to be applied to each remaining Constituent upon the removal of the relevant Removed Constituent(s) by distributing the excess pro rata across the remaining

---

Constituents. If the resulting redistribution causes another Constituent to exceed a 5% weight, the process is repeated until the 5% cap on each Constituent is satisfied.

## **Intra-Day Index Calculation**

The value of each Index will be calculated intra-day by applying the then current adjusted market prices of the selected Constituents as if they were the end of day prices and following the end-of-day calculations described above.



---

## Index Maintenance

### Index Base Date Level

Each Index has a level of 1000 on the Index Base Date, and on each Index Business Day thereafter the Index Level is equal to the Index Level at the beginning of the period times one plus the Index Return (R) for the period.

### Corporate Actions

The Index Committee, as described further below, will be solely responsible for the determination and calculation of any adjustments to the price of any instrument underlying an Index and of any related determinations and calculations with respect to any corporate action and its determinations and calculations will be conclusive absent manifest error.

Complex corporate actions: should any corporate action exist which the Index Committee deems requires a price adjustment, it will be solely responsible for determining the method and timing for any necessary price adjustments. In the case of simultaneous corporate actions, the Index Committee will determine the application of the above price adjustments which is the most accurate reflection of the impact of the corporate actions.

For most routine corporate actions the Index Committee delegates the implementation of standard corporate action procedures as outlined in this document to the Index Calculation Agent.

---

## Index Policy

### Announcements

Announcements regarding changes to any of the Indices will be made publicly available prior to the effective date of the change. All announcements will be published on the Index website: <https://indices.janushenderson.com/indices>.

### Holiday Schedule

Each Index will be calculated on days when (a) the New York Stock Exchange is open for trading and (b) the primary exchange for the reference securities is open for trading. (Please see the Appendix.)

### Force Majeure

Calculation of an Index may not be possible or feasible under certain events or circumstances, including, without limitation, market disruptions, a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance, that is beyond the reasonable control of the Index Sponsor and that the Index Calculation Agent and/or the Index Sponsor determines affects an Index or underlying markets. Upon the occurrence of any such force majeure event, the Index Sponsor may, in its discretion, elect one (or more) of the following options:

- Make such determinations and/or adjustments to the terms of an Index as it considers appropriate to determine any closing level on any such appropriate Index Business Day; and/or
- Defer publication of the information relating to an Index until the next Index Business Day on which it determines that no force majeure event exists; and/or
- Permanently cancel the publication of the information relating to an Index.

The Index Sponsor employs the methodology described above and its application of the methodology shall be conclusive and binding.

### Market Disruption

“Disrupted Day” shall mean, in respect of a Share, any Scheduled Trading Day for such Share on which any of the events set out below occurs:

- (a) any relevant Exchange or any relevant Related Exchange fails to open for trading during its regular trading session; or
- (b) the occurrence or existence at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on (i) any relevant Exchange of such Share; or (ii) any relevant Related Exchange of futures contracts or options contracts relating to such Share; or
- (c) the occurrence or existence at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in Sub-paragraph (d) or Sub-paragraph (e) of this definition) which disrupts or impairs the ability of market participants in general (i) (on any relevant Exchange) to effect transactions in or to obtain market values for such Share; or (ii) (on any relevant Related Exchange) to effect transactions in or to obtain market values for any futures contracts or options contracts relating to such Share; or

- 
- (d) the closure on any Exchange Business Day of any relevant Exchange prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Exchange system for execution at the relevant Valuation Time on such Exchange Business Day); or
  - (e) the closure on any Exchange Business Day of any relevant Related Exchange in respect of futures contracts or options contracts relating to such Share prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Related Exchange on such Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Related Exchange system for execution at the Valuation Time on such Exchange Business Day).

---

## **Index Committee**

The Index Committee is responsible for reviewing the design, composition, and calculation of the Indices, the development of new indices, and to determine changes, if any, to the Index Methodology (including rules for selecting companies, share counts or other matters), and the treatment of corporate actions.

Decisions made by the Index Committee include all matters related to Index Policy and Maintenance. The Index Committee meets periodically to review market conditions and Index performance, or on an as-needed basis to address major market developments.

The Index Committee reserves the right to exercise its discretion in making decisions with respect to any Index Policy or action. Index Committee internal procedures and discussions are confidential.

---

## Index Dissemination

### Index Tickers

The Indices are calculated in real-time and disseminated by the Consolidated Tape Association (CTA) every 15 seconds during the U.S. trading day. Official closing Index Levels are published on each Index Business Day at approximately 6:30 p.m. Eastern Time and are made available on <https://indices.janushenderson.com/indices>.

### FTP

Daily Index Level information is available via FTP. Please contact [indexgroup@janushenderson.com](mailto:indexgroup@janushenderson.com) for subscription information.

---

## Contact Information

[indexgroup@janushenderson.com](mailto:indexgroup@janushenderson.com)

<https://indices.janushenderson.com/indices>

17 Old Kings Highway South  
Suite 100  
Darien, CT 06820

+1 203 992 4301

---

## Disclosures and Disclaimers

Janus Henderson and Janus are trademarks or registered trademarks of Janus Henderson Investors. © Janus Henderson Investors. The name Janus Henderson Investors includes HGI Group Limited, Henderson Global Investors (Brand Management) Sarl and Janus International Holding LLC.

Janus Index & Calculation Services LLC (“Janus Henderson Index”) is the licensor of certain trademarks, service marks and trade names of Janus Henderson Investors and of certain Indices, which are determined, composed and calculated by Janus Henderson Index without regard to the issuer of any securities which may be linked to such indices.

This document does not constitute an offer of services in jurisdictions where Janus Henderson or its affiliates do not have the necessary licenses. Janus Henderson Index receives compensation in connection with licensing its indices to third parties. All information provided by Janus Henderson Index is impersonal and not tailored to the needs of any person, entity or group of persons and is subject to change. Janus Henderson Index and its affiliates make no representation regarding the advisability of investing in any investment product that is offered by third parties and that seeks to provide an investment return based on the returns of any Janus Henderson index. A decision to invest in any such product should not be made in reliance on any of the statements set forth in this document. Prospective investors are advised to make an investment in any such product only after carefully considering the risks associated with investing in such products, as detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the product. Inclusion of a security within an index is not a recommendation by Janus Henderson Index to buy, sell, or hold such security, nor is it considered to be investment advice. Janus Henderson Index does not guarantee the accuracy and/or completeness of any Janus Henderson index, any data included therein, or any data from which it is based, and shall have no liability for any errors, omissions, or interruptions therein. Janus Henderson Index makes no warranties, express or implied, as to results to be obtained from use of information provided by Janus Henderson Index and used in this service, and expressly disclaims all warranties of suitability with respect thereto. While Janus Henderson Index has obtained information believed to be reliable, Janus Henderson Index shall not be liable for any claims or losses of any nature in connection with information contained in this document, including but not limited to, lost profits or punitive or consequential damages, even if it is advised of the possibility of same.

---

## Appendix I: Reference Index Adjustments

“Reference Index” refers to the Eligible Universe Index.

“Reference Index Sponsor” means, in respect of a Reference Index, the corporation or other entity which (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Reference Index and (b) announces (directly or through an agent) the level of such Reference Index.

### Successor Reference Index and Successor Reference Index Sponsor

If a Reference Index is (i) not calculated and announced by the relevant Reference Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Index Sponsor, or (ii) replaced by a successor index using, in the determination of the Index Sponsor, the same or a substantially similar formula for and method of calculation as used in the calculation of that Reference Index, then in each case that index (the “Successor Reference Index”) will be deemed to be the relevant Reference Index with effect from the date determined by the Index Sponsor who may make such adjustment(s) to the Index Conditions as it determines appropriate to account for such change.

### Reference Index Modification and Reference Index Cancellation

If a Reference Index Sponsor announces that it will make a material change in the formula for or method of calculating a Reference Index or in any other way materially modifies that Reference Index (other than a modification prescribed in that formula or method to maintain that Reference Index in the event of changes in constituent stock and capitalization and other routine events) (a “Reference Index Modification”) or permanently cancels that Reference Index and no Successor Reference Index exists (a “Reference Index Cancellation” and, together with a Reference Index Modification, each a “Reference Index Adjustment Event”), then:

- (i) the Index Sponsor may suspend the calculation, publication and dissemination of the respective Index and Index Level until the first succeeding Index Business Day on which such event does not occur or continue to occur; and/or
- (ii) the Index Sponsor may select a replacement Reference Index that has substantially similar characteristics to the Reference Index that is being replaced, having regard to the manner in which such Reference Index is used in the calculation of the Index, in which case the Index Sponsor will (a) determine the effective date of such replacement, and (b) make such adjustment(s) to the Index Conditions as it determines appropriate to account for the effect on the Index of such replacement; and/or
- (iii) the Index Sponsor may discontinue and cancel the Index.

### Cancellation of Reference Index License

If, in respect of a Reference Index, a license granted (if required) to the Index Sponsor and/or the Index Calculation Agent and/or any of their respective affiliates, to use such Reference Index in connection with the Index is terminated, or any such entity’s right to use such Reference Index in connection with calculating the Index is otherwise disputed, impaired or ceases for any reason, then:

- (i) the Index Sponsor may suspend the calculation, publication and dissemination of the Index and the Index Level until the first succeeding Index Business Day on which such event does not occur or continue to occur; and/or



- 
- (ii) the Index Sponsor may select a replacement Reference Index that has substantially similar characteristics to the Reference Index that is being replaced, having regard to the manner in which such Reference Index is used in the calculation of the Index, in which case the Index Sponsor will (a) determine the effective date of such replacement, and (b) make such adjustment(s) to the Index Conditions as it determines appropriate to account for the effect on the Index of such replacement; and/or
  - (iii) the Index Sponsor may discontinue and cancel the Index.

**Corrections of published levels, prices, rates or values in respect of a Reference Index**

If, in respect of a Reference Index, any level, price, rate or value (as applicable) in respect of such Reference Index or any related derivative or other related instrument, for any time on any day, which is announced by or on behalf of the person or entity responsible for such publication or announcement and which is used for any calculation or determination in respect of the Index, is subsequently corrected, and such correction (the “Corrected Level”) is published by or on behalf of such person or entity within two Index Business Days after the original publication, then such Corrected Level shall be deemed to be the level, price, rate or value (as applicable) for such Reference Index, related derivative or other related instrument (as the case may be) for the relevant time on the relevant day and the Index Sponsor may, but shall not be obliged to, make appropriate adjustments to the Index and the Index Level for the relevant Index Business Day(s).

---

## Appendix II: Dividends, Stock Splits and Rights Issues

Upon the occurrence of a Dividend Adjustment Event, a Stock Split Adjustment Event or a Rights Issue Adjustment Event (each as defined below), the Index Calculation Agent will make the appropriate adjustments to the composition of an Index including, in particular, the Share Counts of the Constituents. For the avoidance of doubt, Dividend Adjustment Events, Stock Split Adjustment Events and Rights Issue Adjustment Events shall not constitute Adjustment Events for the purpose of the Index Conditions. Between Calculation Days and Rebalance Days the Share Counts calculated for an upcoming rebalance are also adjusted in the manner described below.

### Dividend Adjustments (Regular Dividends: Cash and/or Stock Dividends)

Following the declaration by the issuer of any Constituent of a Dividend (as defined below) (a “Dividend Adjustment Event”), the Index Calculation Agent shall adjust the Weight of such Constituent on the Index Business Day of the Ex-Dividend Date (as defined below) in relation to such Dividend in accordance with the formula set out below.

The Share Count of the relevant Constituent shall be adjusted such that:

$$S_{i,ex} = S_{i,ex-1} \times \left( \frac{\text{Dividend Percentage}_i \times \text{Dividend Amount}_i}{P_{i,ex-1} - \text{Dividend Amount}_i} \right)$$

$S_{i,ex}$  = Share Count of Constituent i on the first Index Business Day that the Constituent trades Ex-Dividend.

$S_{i,ex-1}$  = Share Count of Constituent i on the Index Business Day immediately preceding the Ex-Dividend Date.

$\text{Dividend Percentage}_i$  = The applicable Dividend Percentage (as defined below).

$\text{Dividend Amount}_i$  = The applicable Dividend Amount (as defined below).

$P_{i,ex-1}$  = Constituent Closing Level of Constituent i on the Index Business Day immediately preceding the applicable Ex-Dividend Date.

“Dividend” means, in respect of a Constituent, any regular dividend (in the form of a cash dividend and/or a scrip (stock) dividend) declared by the issuer of such Constituent for which the Ex-Dividend Date falls on any day after the Index Base Date (excluding any Extraordinary Dividend).

“Dividend Amount” means, in respect of a Dividend:

- (i) if such Dividend is a cash dividend, 100% of the gross cash dividend per one stock as declared by the issuer of the relevant Constituent, before the withholding or deduction of taxes at source by or on behalf of any applicable authority having power to tax in respect of such a dividend (an “Applicable Authority”), and shall exclude (a) any imputation or other credits, refunds or deductions granted by an Applicable Authority (together, the “Credits”), and (b) any taxes, credits, refunds or benefits imposed, withheld, assessed or levied on the Credits referred to in (a) above (converted, if necessary, at the applicable FX Rate for the

---

conversion of the currency in which the relevant Dividend Amount is denominated into the currency in which the Constituent Closing Level of the relevant Constituent is published).

- (ii) if such Dividend is a non-cash dividend, an amount per one stock equal to the cash value declared by the issuer of the relevant Constituent (whether or not such non-cash dividend includes stock that are the Constituent) or, if no cash value is declared by the issuer of the relevant Constituent, the cash value of such non-cash dividend as determined by the Index Sponsor, calculated by reference, where available, to the closing price of any stocks or the Constituent Closing Level (as the case may be) comprising such non-cash dividend on the last trading day immediately preceding the relevant Ex-Dividend Date, taking into account (where such non-cash dividend consists of the stock of the Constituent) any diluting effect on the theoretical value of the Constituent stock resulting from such non-cash dividend. The cash value of a non-cash dividend shall be converted, if necessary, at the applicable FX Rate for the conversion of the currency in which the relevant Dividend Amount is denominated into the currency in which the Constituent Closing Level of the relevant Constituent is published.

“Dividend Percentage” means, in respect of a Dividend Amount, the Dividend Percentage specified by the Index Sponsor from time to time in respect of the country or jurisdiction in which the issuer of the relevant Constituent is domiciled for tax purposes. As of the date of this Index Methodology, the Dividend Percentage is set to 100%. The Index Sponsor shall notify the Index Calculation Agent of any change in the Dividend Percentage applicable to any country or jurisdiction, in which case the current Dividend Percentage will be available from the Index Sponsor.

“Ex-Dividend Date” means, in respect of a stock and a dividend payment which has been announced by the issuer of such stock, the first day on which a purchaser of such stock will not be entitled to receive the relevant dividend payment, as fixed by the issuer of such stock and/or the primary exchange on which such stock is traded.

“Extraordinary Dividend” has the meaning given to such term in the Index General Conditions and will generally include any dividend which is described as “special,” “extra,” “irregular” or a “return of capital”.

“FX Rate” means, in respect of the notional exchange of one currency to another currency, the applicable WM/Reuters “Closing Spot Rate” as published by The World Markets Company plc in conjunction Reuters at approximately 4.00 p.m. (London Time) on the Ex-Dividend Date or, if such rate is discontinued or unavailable on the relevant day for any reason, such other exchange rate for the relevant currency conversion as the Index Sponsor shall determine appropriate by reference to an alternative foreign exchange rate service.

#### **Dividend Adjustments (Extraordinary Dividends, Bonus Shares)**

Following the declaration by the issuer of any Constituent of an Extraordinary Dividend (as defined below) (a “Dividend Adjustment Event”), the Index Calculation Agent shall adjust the Share Count of such Constituent on the Ex-Dividend Date (as defined below) in relation to such Extraordinary Dividend in accordance with the formula set out below. If such Ex-Dividend Date is not an Index Business Day, the adjustment shall be made on the next following Index Business Day.

The Share Count of the relevant Constituent shall be adjusted such that:

$$S_{i,ex} = S_{i,ex-1} \times \left( \frac{\text{Dividend Percentage}_i \times \text{Extra Dividend Amount}_i}{P_{i,ex-1} - \text{Extra Dividend Amount}_i} + 1 \right)$$

where:

---

$S_{i,ex}$	=	Share Count of Constituent i on the applicable Ex-Dividend Date (or, if such day is not an Index Business Day, on the immediately following Index Business Day).
$S_{i,ex-1}$	=	Share Count of Constituent i on the Index Business Day immediately preceding the applicable Ex-Dividend Date.
<i>Dividend Percentage<sub>i</sub></i>	=	The applicable Dividend Percentage (as defined below).
<i>Extra Dividend Amount<sub>i</sub></i>	=	The applicable Extraordinary Dividend Amount (as defined below).
$P_{i,ex-1}$	=	Constituent Closing Level of Constituent i on the Index Business Day immediately preceding the applicable Ex-Dividend Date.

“Extraordinary Dividend” means (i) an “Extraordinary Dividend,” as such term is defined in the Index General Conditions and will generally include any dividend (in the form of a cash dividend and/or a scrip (stock) dividend) which is described as “special,” “extra,” “irregular” or a “return of capital”; or (ii) a free distribution or dividend of stock of such Constituent to existing holders by way of bonus, capitalization or similar issue, for which in each case the applicable Ex-Dividend Date falls on any day after the Index Base Date.

“Extraordinary Dividend Amount” means, in respect of an Extraordinary Dividend:

- (i) if such Dividend is a cash dividend, 100% of the gross cash dividend per one stock as declared by the issuer of the relevant Constituent, before the withholding or deduction of taxes at source by or on behalf of any applicable authority having power to tax in respect of such a dividend (an “Applicable Authority”), and shall exclude (a) any imputation or other credits, refunds or deductions granted by an Applicable Authority (together, the “Credits”), and (b) any taxes, credits, refunds or benefits imposed, withheld, assessed or levied on the Credits referred to in (a) above (converted, if necessary, at the applicable FX Rate for the conversion of the currency in which the relevant Extraordinary Dividend Amount is denominated into the currency in which the Constituent Closing Level of the relevant Constituent is published).
- (ii) if such Extraordinary Dividend is a non-cash dividend, an amount per one stock equal to the cash value declared by the issuer of the relevant Constituent (whether or not such non-cash dividend includes stock that are the Constituent) or, if no cash value is declared by the issuer of the relevant Constituent, the cash value of such non-cash dividend as determined by the Index Sponsor, calculated by reference, where available, to the closing price of any stocks or the Constituent Closing Level (as the case may be) comprising such non-cash dividend on the last trading day immediately preceding the relevant Ex-Dividend Date, taking into account (where such non-cash dividend consists of the stock of the Constituent) any diluting effect on the theoretical value of the Constituent stock resulting from such non-cash dividend. The cash value of a non-cash dividend shall be converted, if necessary, at the applicable FX Rate for the conversion of the currency in which the relevant Extraordinary Dividend Amount is denominated into the currency in which the Constituent Closing Level of the relevant Constituent is published.

“Dividend Percentage” means, in respect of an Extraordinary Dividend Amount, the Dividend Percentage specified by the Index Sponsor from time to time in respect of the country or jurisdiction in which the issuer of the relevant Constituent is domiciled for tax purposes. As of the date of this Index Methodology, the Dividend Percentage is set to 100%. The Index Sponsor shall notify the Index Calculation Agent of any

---

change in the Dividend Percentage applicable to any country or jurisdiction, in which case the current Dividend Percentage will be available from the Index Sponsor.

“Ex-Dividend Date” means, in respect of a stock and an Extraordinary Dividend, the first day on which a purchaser of such stock will not be entitled to receive the relevant Extraordinary Dividend Amount, as fixed by the issuer of such stock and/or the primary exchange on which such stock is traded.

“FX Rate” means, in respect of the notional exchange of one currency to another currency, the applicable WM/Reuters “Closing Spot Rate” as published by The World Markets Company plc in conjunction Reuters at approximately 4.00 p.m. (London Time) on the Ex-Dividend Date or, if such rate is discontinued or unavailable on the relevant day for any reason, such other exchange rate for the relevant currency conversion as the Index Sponsor shall determine appropriate by reference to an alternative foreign exchange rate service.

### **Dividend Recovery**

If, in respect of a Dividend or an Extraordinary Dividend, (a) the gross cash or non-cash dividend declared or estimated by the issuer of the relevant Constituent (a “Declared Dividend”) to holders of record of the stock in the Constituent is not equal to the gross amount deemed to be paid by the issuer of such Constituent (notwithstanding that such payment is made to either any relevant taxing authority or holders of record) in respect of such Dividend (a “Dividend Mismatch Event”) or (b) the issuer of the relevant Constituent fails to make any payment or delivery in respect of that Declared Dividend by the third Index Business Day following the relevant due date, then in either case the Index Sponsor may (but shall not be obliged to) determine:

- (i) any appropriate adjustment to be made to the Index, including the Weight of any Constituent, to account for that Dividend Mismatch Event or non-payment or non-delivery, as the case may be; and
- (ii) the effective date of any such adjustment.

In the event that an issuer of a Constituent makes a payment or delivery in respect of a Dividend or an Extraordinary Dividend that has already been the subject of an adjustment in accordance with this paragraph 3 (Dividend Recovery), the Index Sponsor shall determine any appropriate adjustment(s) to be made in respect of the Index in order to account for the economic effect of such subsequent payment or delivery.

### **Stock Split Adjustments**

Following the declaration by the issuer of a Constituent of a Stock Split (as defined below) (a “Stock Split Adjustment Event”), the Index Calculation Agent shall adjust the Weight of such Constituent on the Ex-Date (as defined below) in relation to such Stock Split in accordance with the formula set out below. If such Ex-Date is not an Index Business Day, the adjustment shall be made on the next following Index Business Day.

---

The Share Count of the relevant Constituent shall be adjusted such that:

$$S_{i,ex} = S_{i,ex-1} \times Split\ Ratio_i$$

where:

$S_{i,ex}$	=	Share Count of Constituent i on the applicable Ex-Date (or, if such day is not an Index Business Day, on the immediately following Index Business Day).
$S_{i,ex-1}$	=	Share Count of Constituent i on the Index Business Day immediately preceding the applicable Ex-Date.
$Split\ Ratio_i$	=	In respect of the applicable Stock Split, the ratio of the new total number of shares (B) for the old total number of shares (A) (e.g., split ratio=B/A) in respect of the Constituent i.

“Ex-Date” means, in respect of a Stock Split in respect of a Constituent, the effective date of such Stock Split, as fixed by the issuer of such Constituent and/or the primary exchange on which such Constituent is traded.

“Stock Split” means, in respect of a Constituent, a stock split, subdivision, reverse stock split, consolidation or similar reclassification of the stock of such Constituent, for which the Ex-Date falls on any day after the Index Base Date.

### **Rights Issue Adjustments**

Following the declaration by the issuer of a Constituent of a Rights Issue (as defined below) (a “Rights Issue Adjustment Event”), the Index Calculation Agent shall adjust the Weight of such Constituent on the Ex-Rights Date (as defined below) in relation to such Rights Issue in accordance with the formula set out below. If such Ex-Rights Date is not an Index Business Day, the adjustment shall be made on the following Index Business Day.

---

The Share Count of the relevant Constituent shall be adjusted such that:

$$S_{i,ex} = S_{i,ex-1} \times \frac{1 + N_i}{1 + \left(\frac{SP_i}{P_{i,ex-1}}\right) \times N_i}$$

where:

$S_{i,ex}$	=	Share Count of Constituent i on the applicable Ex-Rights Date (or, if such day is not an Index Business Day, on the immediately following Index Business Day).
$S_{i,ex-1}$	=	Share Count of Constituent i on the Index Business Day immediately preceding the applicable Ex-Rights Date.
$N_i$	=	In respect of the applicable Rights Issue, the rights ratio in respect of such Rights Issue of Constituent i, $N = B/A$ where A is the number of existing stocks and B is the number of new stocks entitlement.
$SP_i$	=	In respect of the applicable Rights Issue, the subscription price per stock in Constituent i.
$P_{i,ex-1}$	=	Constituent Closing Level of Constituent i on the Index Business Day for Constituent i immediately preceding the Ex-Rights Date.

“Ex-Rights Date” means, in respect of a Rights Issue in respect of a Constituent, the first day on which a purchaser of such stock would not be entitled to participate in such Rights Issue, as fixed by the issuer of such Constituent and/or the primary exchange on which such Constituent is traded.

“Rights Issue” means, in respect of a Constituent, a distribution to existing holders of stock in such Constituent of any securities, rights, warrants or other assets, in any case for payment (whether in cash or otherwise) at less than their prevailing market price or any other similar event as determined by the Index Sponsor and for which the Ex-Rights Date falls on any day after the Index Base Date.

---

## Appendix III: Eligible Universes and Reference Funds

Index	Eligible Universe
Janus Henderson Guidance Index	Solactive US Large Cap Index (Bloomberg: SOLUSLCP Index)

## Appendix IV: Holiday Schedule

### NYSE Holiday Schedule

2018	2019	2020
January 1	January 1	January 1
January 15	January 21	January 20
February 19	February 18	February 17
March 30	April 19	April 10
May 28	May 27	May 25
July 4	July 4	July 3
September 3	September 2	September 7
November 22	November 28	November 26
December 25	December 25	December 25

C-0118-15166 12-30-19