

Dow Jones Asia/Pacific Select Dividend 30 IndexSM

Methodology

Introduction

The Dow Jones Asia/Pacific Select Dividend 30 IndexSM represents the stock performance of high dividend paying companies in Australia, Hong Kong, Japan, New Zealand and Singapore.

Index Universe

The index universe is defined as all companies in the Dow Jones Global Indexes (DJGI) country indexes* for the represented markets that pass the following screens for dividend quality:

- The company must have paid dividends in each of the previous three years.
- The company's previous-year dividend-per-share must be greater than or equal to its three-year average annual dividend per-share ratio.
- The company's five-year average payout ratio must be less than 1.5 times the five-year average payout ratio of the corresponding DJGI country index, or less than 85%, whichever is smaller.
- The company must have an average daily trading volume of at least USD 3 million over the past three months.

Current index components are included in the index universe regardless of their dividend payout ratio or trading volume.

Stock Selection

The top 30 stocks by dividend yield are selected to the index, subject to buffers designed to limit turnover by favoring current index components:

- 1 Stocks in the index universe are ranked in descending order by indicated annual dividend yield, defined as a stock's unadjusted indicated annual dividend (not including any special dividends) divided by its unadjusted price.
- 2 All current component stocks that are among the top 60 stocks are included in the index.
- 3 Noncomponent stocks are added to the index based on their rankings until the component count reaches 30.

Review Frequency

The index composition is reviewed annually in December.

Historical Data Availability

Historical index values are available daily back to December 31, 1998. The base value of the index is set at 100 as of that date.

Weighting

Within each represented country, component weightings are assigned based on indicated annual dividend. The represented countries are then weighted within the index based on dividend yield. The weights of individual securities are capped at 15%.

Extraordinary Deletions

Under the following circumstances, a component stock is immediately removed from the index, independent of the annual review:

- The component company is affected by a corporate action such as a delisting or bankruptcy.
- The component company eliminates its dividend.
- The component company lowers but does not eliminate its dividend, and its new yield is less than that of the lowest yielding noncomponent on the latest monthly selection list.

A component stock that is removed from the index as the result of an extraordinary deletion is immediately replaced by the next-highest ranked stock by indicated annual yield as of the most recent monthly selection list. The new stock is added at the weight of the departing company.

A component company that is removed from the index universe during the course of the year because of a reduction in market capitalization remains in the index until the next annual review.

For more information on the Dow Jones Asia/Pacific Select Dividend 30 IndexSM,
email djindexsupport@dowjones.com or call 609-520-7249. Learn more at www.djindexes.com.

*DJGI indexes aim to provide 95% market capitalization coverage at either the country or regional level. The indexes exclude the very smallest and least-liquid stocks.

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