

# Methodology

## Introduction

The Dow Jones Global Titans 50 Index<sup>SM</sup> represents 50 of the world's leading multinational companies whose blue-chip stocks are traded on the major exchanges of countries covered by the Dow Jones Global Indexes<sup>SM</sup> (DJGI) family.

## Index Universe

The index universe is defined as all stocks in the Dow Jones Global Index<sup>SM</sup>, subject to the following eligibility screens:

- If a company has more than one class of shares in the index universe, then only the most liquid class is eligible.
- If a company does not generate revenue from foreign markets, it is ineligible.
- For countries with significant barriers to direct foreign investment, Dow Jones Indexes may opt to include Depository Receipts (DRs) or other types of offshore listings in the index.

## Selection List

The 50 current component companies and the 50 largest noncomponent companies in the index universe by float-adjusted market capitalization are added to the index selection list. The selection list suggests possible additions or deletions at the next annual review. The selection list is also used to determine a replacement company in the event of a merger or if a component becomes ineligible for inclusion.

## Stock Selection

- 1 All companies on the selection list are ranked by each of the following:
  - Float-adjusted market capitalization
  - Revenue
  - Net profit
- 2 For each company, a final rank is calculated by weighting the float-adjusted market capitalization rank at 60%, the revenue rank at 20% and the net profit rank at 20%.
- 3 The top 50 stocks by final rank were selected as index components for the initial component selection.
- 4 During subsequent reviews, selections are subject to buffers that aim to limit index turnover by favoring current components:
  - If a noncomponent is ranked among the top 30 stocks in the final ranking, then it replaces the lowest-ranked index component.
  - If a component is not ranked among the top 70 stocks in the final ranking, then it is replaced by the highest-ranked noncomponent.

5 Index components are also subject to the following early exit rules:

- If a component stock has a market capitalization rank greater than 120 on the monthly selection list for two consecutive months, it will be removed and replaced by the highest-ranking noncomponent at the next quarterly review in March, June, September or December.
- If a component has a market capitalization rank greater than 200 on the monthly selection list, it will be removed from the index and replaced with the highest-ranking noncomponent with a minimum of two business days notice.

## Review Frequency

The index's composition is reviewed annually in June.

The index is reviewed on an ongoing basis for unusual events such as delistings, bankruptcies, mergers and takeovers. Changes to the index composition and related weight adjustments are made as soon as they are effective. These changes are typically announced two business days prior to the implementation date. Selection lists are provided monthly based on end-of-month data.

## Weighting

The index is weighted by float-adjusted market capitalization. Each component's weight is capped at 10% of the index's total float-adjusted market capitalization on a quarterly basis.

## Data Availability

Calculation of the Dow Jones Global Titans 50 Index<sup>SM</sup> began on July 14, 1999. Real index history is available daily from this date forward. Back-tested historical data have been calculated daily back to December 31, 1991, the date at which the index base value is set at 100.

Estimated back-tested historical data represents calculations of how the index might have performed in the past if it had existed. Back-tested performance information is purely hypothetical and is solely for informational purposes. Back-tested performance does not represent actual performance, and should not be interpreted as an indication of actual performance. Past performance is not indicative of future results. Index performance is not the same as fund performance as it does not reflect management and other fees.

For more information on the **Dow Jones Global Titans 50 Index<sup>SM</sup>**, email [djindexsupport@djindexes.com](mailto:djindexsupport@djindexes.com) or call U.S. +1.609.520.7249; Asia +86.10.5737.2634; Europe +49.69.29.725.180. Learn more at [www.djindexes.com](http://www.djindexes.com).

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