

# Methodology

## Introduction

The Dow Jones U.S. Broad Stock Market Index<sup>SM</sup> is designed to provide a comprehensive measure of large-cap and small-cap U.S. equity securities.

## Index Universe

To be included in the index, an issue must be all of the following:

- An equity issue: a common stock or REIT.
- The security of a U.S. company. (For U.S. company definition, see the *Guide to the Dow Jones U.S. Total Stock Market Indexes* at [www.djindexes.com](http://www.djindexes.com))
- Bulletin-board issues are not added to the indexes because they generally do not have consistently readily available prices. The company's primary issue for index valuation is determined based on the following criteria:
  - Market capitalization
  - Trading volume
  - Institutional holdings
  - Conversion rules (for companies with multiple share classes)

## Stock Selection

The index universe is ranked by full market capitalization and stocks are assigned to the index as follows:

- 1 Stocks ranked 600 or larger are automatically assigned to the Dow Jones U.S. Large-Cap Total Stock Market Index<sup>SM</sup>. Current components ranked 900 or higher are selected, in descending market capitalization order, until the index contains 750 stocks. Stocks ranked below 900 are removed from the index. If the index does not contain 750 stocks after applying the buffer, the largest noncomponent stocks are added in descending market cap order until the index contains 750 stocks.
- 2 All Dow Jones U.S. Total Stock Market Index<sup>SM</sup> components not selected for the large-cap index ranked 2,000 or higher are automatically assigned to the small-cap index. Current small-cap components ranked 3,000 or higher are selected, in descending market capitalization order, until the index contains 1,750 stocks. If the index does not contain 1,750 stocks after applying the buffer, the largest noncomponent stocks are added until the index contains 1,750 stocks.
- 3 The 2,500 stocks selected for the large-cap and small-cap indexes comprise the Dow Jones U.S. Broad Stock Market Index<sup>SM</sup>.

## Review Frequency

The index composition is rebalanced semiannually after the close of trading on the third Friday of the month in March and September. Stocks are added and/or deleted monthly as the Dow Jones U.S. Total Stock Market Index<sup>SM</sup> is updated.

## Weighting

The index is weighted based on float-adjusted market capitalization.

## Data Availability

Calculation of the Dow Jones U.S. Broad Stock Market Index<sup>SM</sup> began on February 28, 2005. 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 1000.

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.

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For more information on the **Dow Jones U.S. Broad Stock Market Index<sup>SM</sup>**,  
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Europe +49.69.29.725.180. Learn more at [www.djindexes.com](http://www.djindexes.com).

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All information as of April 2010.

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