

Description

The S&P/Drucker Institute Corporate Effectiveness Index is designed to track stocks in the S&P 500® that consistently rank highly on proprietary management criteria. These companies create value through excellence in employee engagement and development, customer satisfaction, social responsibility, innovation, and high-quality earnings.

Index Attributes

The S&P/Drucker Institute Corporate Effectiveness Index selects and weights companies from the S&P 500 based on dimensions from the Drucker Institute Company Ranking. The index combines the scores of four Drucker dimensions of corporate performance (Customer Satisfaction, Employee Engagement and Development, Innovation, and Social Responsibility) with S&P Quality scores and then applies a measure of consistency for the Drucker components and S&P Quality score to determine the index constituents.

Methodology Construction

- **Universe.** To qualify for index membership, a stock must be a member of the S&P 500 and have been trading for at least 12 months as of the rebalancing reference date. A stock must also have computed Drucker and S&P Quality scores.
- **Score Definitions.** The following scores are used in the selection process.
 - **Drucker Score:** The Drucker Institute computes the Drucker score, which is the average of the z-scores for the four Drucker components: Customer Satisfaction, Employee Engagement, Innovation, and Social Responsibility.
 - **S&P Quality Score:** S&P Dow Jones Indices computes the S&P Quality score. The S&P Quality scores are transformed into z-scores for consistency.
 - **Combined Score:** The combined score is calculated by weighting the average of the scores of the four Drucker components at 67% and the S&P Quality score at 33%.
 - **Consistency Score:** The consistency score represents the average of the percent ranks for the four Drucker components and the S&P Quality score.
- **Constituent Selection.** At each rebalancing, the selection of index constituents is completed as follows.
 - Stocks are ranked by their combined score in descending order.
 - The top 200 stocks by combined score are then ranked by consistency score. The top 100 stocks are selected and form the index.
- **Buffer Rule.** A 20% buffer is applied to stocks already in the index in order to reduce portfolio turnover and is implemented as follows.
 - Stocks are ranked based on consistency score, and those ranked within the top 80% of the target stock count are automatically chosen for index inclusion.
 - Current constituents within the top 120% of the target stock count are then chosen for index inclusion in order of their consistency score until the target count is reached.
 - At this point, if the target stock count has still not been met, the remaining stocks are chosen based on their consistency score.
- **Constituent Weighting.** At each rebalancing, all constituents are weighted by combined score.
- **Rebalancing.** The index is rebalanced semiannually after the close on the third Friday of June and December.

Quick Facts

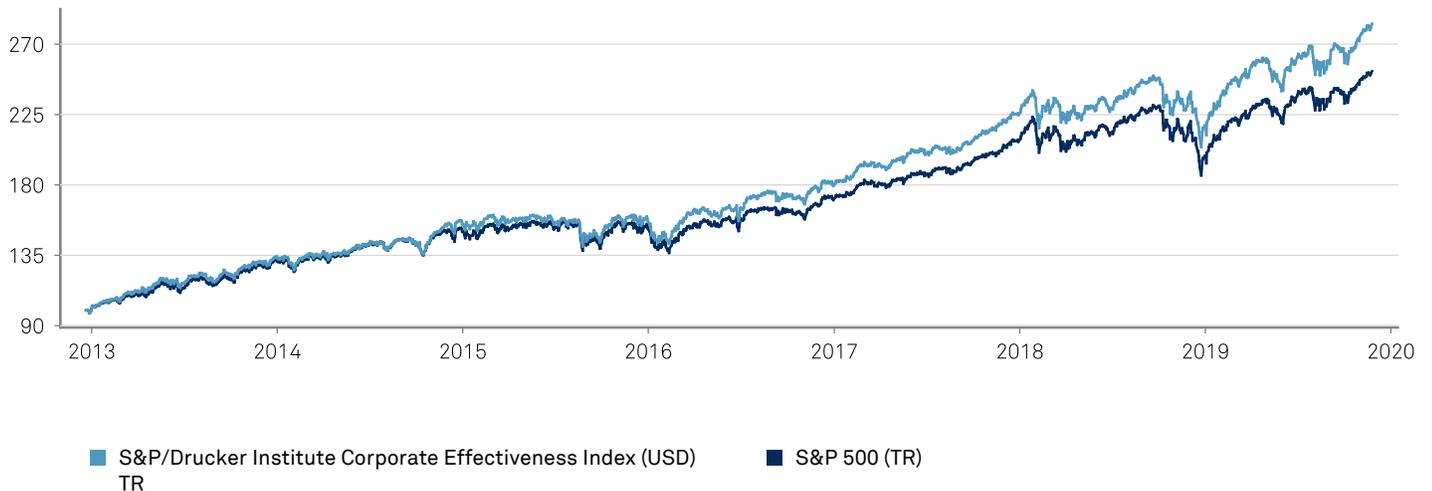
WEIGHTING METHOD	Score Weighted
REBALANCING FREQUENCY	Semi-Annual
CALCULATION FREQUENCY	End of day
CALCULATION CURRENCIES	USD
LAUNCH DATE	February 4, 2019
FIRST VALUE DATE	December 21, 2012

For more information, including the complete methodology document, please visit:
<https://www.spindices.com/indices/equity/sp-drucker-institute-corporate-effectiveness-index-usd>

All information for an index prior to its Launch Date is back-tested, based on the methodology that was in effect on the Launch Date. Back-tested performance, which is hypothetical and not actual performance, is subject to inherent limitations because it reflects application of an Index methodology and selection of index constituents in hindsight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, back-tested returns.

Historical Performance

* Data has been re-based at 100



Performance

INDEX LEVEL	RETURNS			ANNUALIZED RETURNS			
	1 MO	3 MOS	YTD	1 YR	3 YRS	5 YRS	10 YRS
TOTAL RETURNS							
272.1	1.84%	2.68%	24.86%	18.1%	16.67%	13.09%	N/A
PRICE RETURNS							
233.62	1.69%	2.11%	22.7%	15.54%	14.17%	10.61%	N/A
NET TOTAL RETURNS							
259.94	1.8%	2.51%	24.2%	17.33%	15.91%	12.34%	N/A
BENCHMARK* TOTAL RETURNS							
6,138.73	2.17%	2.43%	23.16%	14.33%	14.91%	10.78%	13.7%
BENCHMARK* PRICE RETURNS							
3,037.56	2.04%	1.92%	21.17%	12.02%	12.63%	8.52%	11.35%
BENCHMARK* NET TOTAL RETURNS							
5,443.77	2.13%	2.28%	22.56%	13.63%	14.22%	10.1%	12.99%

* The index benchmark is the S&P 500

Calendar Year Performance

2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
TOTAL RETURNS									
-3.02%	25.19%	14.44%	1.27%	15.35%	34.86%	N/A	N/A	N/A	N/A
PRICE RETURNS									
-5.15%	22.59%	11.76%	-1.01%	12.83%	31.78%	N/A	N/A	N/A	N/A
NET TOTAL RETURNS									
-3.66%	24.4%	13.63%	0.58%	14.58%	33.93%	N/A	N/A	N/A	N/A
BENCHMARK* TOTAL RETURNS									
-4.38%	21.83%	11.96%	1.38%	13.69%	32.39%	16%	2.11%	15.06%	26.46%
BENCHMARK* PRICE RETURNS									
-6.24%	19.42%	9.54%	-0.73%	11.39%	29.6%	13.41%	0%	12.78%	23.45%
BENCHMARK* NET TOTAL RETURNS									
-4.94%	21.1%	11.23%	0.75%	12.99%	31.55%	15.22%	1.47%	14.37%	25.55%

* The index benchmark is the S&P 500

Risk

	ANNUALIZED RISK			ANNUALIZED RISK-ADJUSTED RETURNS		
	3 YRS	5 YRS	10 YRS	3 YRS	5 YRS	10 YRS
STD DEV	12.5%	12.31%	N/A	1.33	1.06	N/A
BENCHMARK* STD DEV	12.07%	11.92%	12.51%	1.24	0.9	1.09

Risk is defined as standard deviation calculated based on total returns using monthly values.

* The index benchmark is the S&P 500

Fundamentals

P/E (TRAILING)	P/E (PROJECTED)	P/B	INDICATED DIV YIELD	P/SALES	P/CASH FLOW
18.9	17.39	3.76	2.15%	1.96	11.98

As of October 31, 2019. Fundamentals are updated on approximately the fifth business day of each month.

Index Characteristics

NUMBER OF CONSTITUENTS	99
CONSTITUENT MARKET [USD MILLION]	
MEAN TOTAL MARKET CAP	108,533.92
LARGEST TOTAL MARKET CAP	1,124,191.22
SMALLEST TOTAL MARKET CAP	5,561.45
MEDIAN TOTAL MARKET CAP	49,575.65
WEIGHT LARGEST CONSTITUENT [%]	3
WEIGHT TOP 10 CONSTITUENTS [%]	20.2

ESG Carbon Characteristics

CARBON TO VALUE INVESTED (METRIC TONS CO ₂ e/\$1M INVESTED)*	84.11
CARBON TO REVENUE (METRIC TONS CO ₂ e/\$1M REVENUES)*	220.76
WEIGHTED AVERAGE CARBON INTENSITY (METRIC TONS CO ₂ e/\$1M REVENUES)*	178.91
FOSSIL FUEL RESERVE EMISSIONS (METRIC TONS CO ₂ /\$1M INVESTED)	476.19

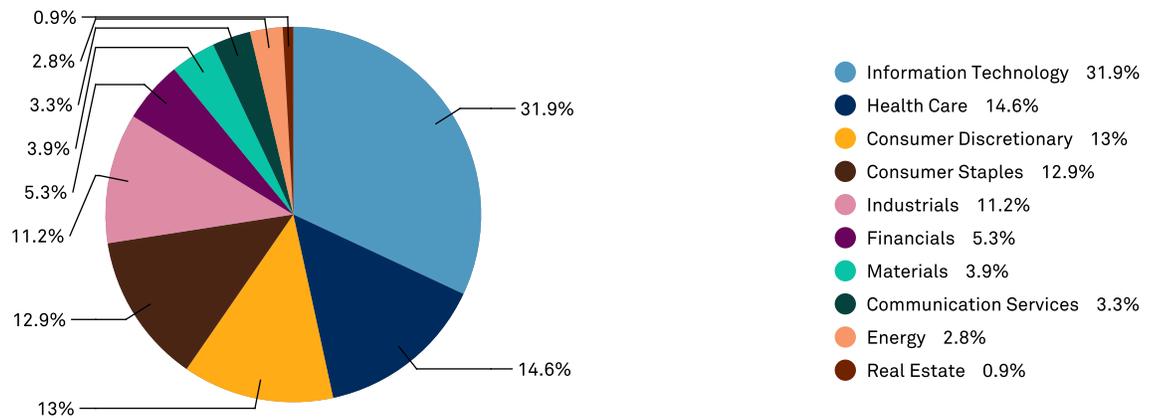
*Operational and first-tier supply chain greenhouse gas emissions.
For more information, please visit: www.spdji.com/esg-carbon-metrics.

Top 10 Constituents By Index Weight

CONSTITUENT	SYMBOL	SECTOR*
Apple Inc.	AAPL	Information Technology
Microsoft Corp	MSFT	Information Technology
Intel Corp	INTC	Information Technology
Alphabet Inc C	GOOG	Communication Services
Accenture plc A	ACN	Information Technology
NIKE Inc B	NKE	Consumer Discretionary
Procter & Gamble	PG	Consumer Staples
Johnson & Johnson	JNJ	Health Care
PepsiCo Inc	PEP	Consumer Staples
Cisco Systems Inc	CSCO	Information Technology

*Based on GICS® sectors

Sector* Breakdown



*Based on GICS® sectors

The weightings for each sector of the index are rounded to the nearest tenth of a percent; therefore, the aggregate weights for the index may not equal 100%.

Country Breakdown

COUNTRY	NUMBER OF CONSTITUENTS	TOTAL MARKET CAP [USD MILLION]	INDEX WEIGHT [%]
United States	99	10,744,858.16	100

Based on index constituents' country of domicile.

Tickers

	TICKER	REUTERS
NET TOTAL RETURNS	SPDICEUN	N/A
TOTAL RETURNS	SPDICEUT	.SPDICEUT

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Beijing

86.10.6569.2770

Hong Kong

852 2532 8000

Tokyo

81 3 4550 8564

Sydney

61 2 9255 9802

DISCLAIMER

Source: S&P Dow Jones Indices LLC.

The launch date of the S&P/Drucker Institute Corporate Effectiveness Index (USD) was February 4, 2019. The launch date of the S&P 500 was March 4, 1957.

All information presented prior to the index launch date is back-tested. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. Past performance is not an indication or guarantee of future results. Please see the Performance Disclosure at <http://www.spindices.com/regulatory-affairs-disclaimers/> for more information regarding the inherent limitations associated with back-tested performance.

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