

## Description

The S&P/TSX North American Preferred Stock Index is designed to measure the preferred share markets in Canada and the U.S. Preferred stocks pay dividends at a specified rate and receive preference over common stocks in terms of dividend payments and liquidation of assets.

## Methodology Construction

- **Universe.** The S&P/TSX North American Preferred Stock Index consists of a 50% weighting in the S&P/TSX Preferred Share Index [CAD] and a 50% weighting in the S&P U.S. Preferred Stock Index at each quarterly index rebalancing.
- **Types of Issuance.**
  - > Eligible preferred shares within the S&P/TSX Preferred Share Index [CAD] include floating and fixed-rate preferreds, cumulative and non-cumulative preferreds, preferred shares with a callable or conversion feature, and trust preferreds. Split preferreds, which are packaged securities linked to baskets of shares, are not included.
  - > Eligible preferred stocks within the S&P U.S. Preferred Stock Index include floating, variable and fixed-rate preferreds, cumulative and non-cumulative preferreds, preferred stocks with a callable or conversion feature, and trust preferreds. Trust preferreds that are issued by a company to meet its capital requirements and that carry a brand name or moniker are also included.
- **Eligibility Market Cap.** Preferred shares are eligible for the S&P/TSX Preferred Share Index [CAD] if they have a total market cap of more than CAD 100 million as of the rebalancing reference date [based on the volume-weighted average price [VWAP] over the last three trading days of the month-end prior to the quarterly review] are eligible. For the S&P U.S. Preferred Stock Index, preferred stocks with a market cap greater than USD 100 million are eligible.
- **Currency Hedging.** Within the S&P/TSX North American Preferred Stock Index, to eliminate U.S. dollar currency exposure from the S&P U.S. Preferred Stock Index, the U.S. dollar is hedged back to Canadian dollars using beginning-of-the-period balances and rolling one-month forward contracts.
- **Maturity or Conversion Schedule.** Preferred stocks that do not have a mandatory conversion or scheduled maturity within the next 12 months are eligible.
- **Maximum Weight Per Issuer.** The S&P/TSX Preferred Share Index [CAD] and the S&P U.S. Preferred Stock Index do not limit the number of preferred stocks issued by a single company, but there is a maximum weight of 10% per issuer for each index. All eligible securities for an issuer are included in each of these indices, with the aggregate weight capped on a pro rata basis to a maximum of 10% of each index's market cap.

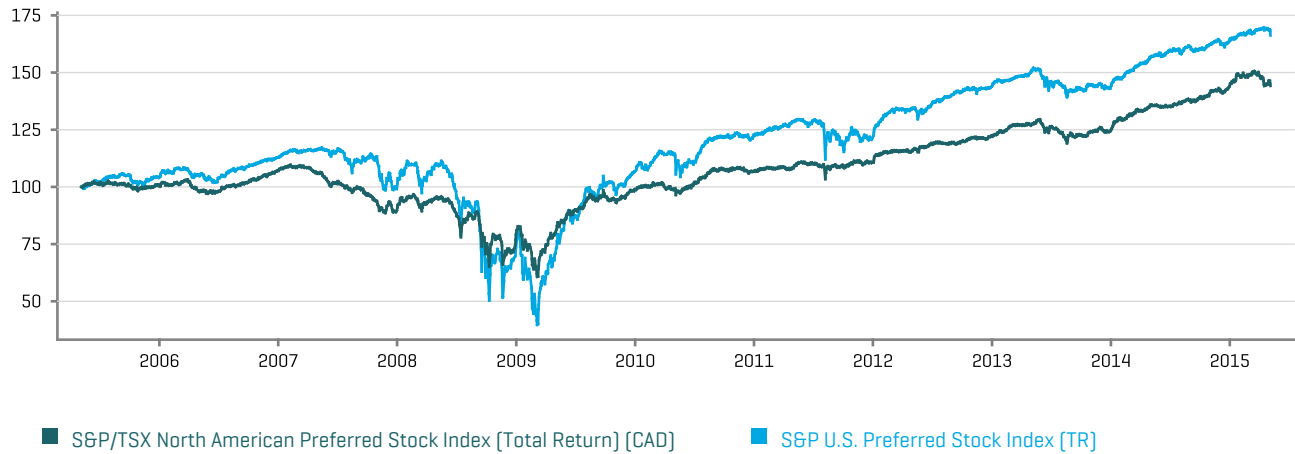
## Quick Facts

WEIGHTING METHOD	Capped
REBALANCING FREQUENCY	Quarterly, after the close on the third Friday of January, April, July and October
CALCULATION FREQUENCY	Real time
CALCULATION CURRENCIES	CAD
LAUNCH DATE	August 16, 2010

For more information, including the complete methodology document, please visit [www.spdji.com](http://www.spdji.com).

## 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
<b>TOTAL RETURNS</b>							
1,545.76	-2.38%	-1.87%	1.48%	7.96%	8.07%	8.07%	3.82%
<b>PRICE RETURNS</b>							
755.75	-2.72%	-3.25%	-0.28%	2.05%	2.01%	1.80%	-2.41%
<b>BENCHMARK* TOTAL RETURNS</b>							
1,890.32	-0.03%	1.31%	2.93%	7.80%	7.96%	8.12%	5.35%
<b>BENCHMARK* PRICE RETURNS</b>							
825.91	-0.33%	-0.29%	1.02%	1.07%	1.00%	0.85%	-1.98%

\* The index benchmark is the S&P U.S. Preferred Stock Index

## Calendar Year Performance

2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>TOTAL RETURNS</b>									
15.43%	1.81%	10.65%	3.54%	8.00%	25.03%	-11.63%	-16.35%	6.33%	0.57%
<b>PRICE RETURNS</b>									
8.99%	-3.91%	4.31%	-2.61%	1.13%	15.82%	-17.80%	-21.01%	0.62%	-4.88%
<b>BENCHMARK* TOTAL RETURNS</b>									
14.07%	-0.17%	18.64%	-1.16%	14.99%	45.01%	-25.76%	-12.17%	8.49%	0.34%
<b>BENCHMARK* PRICE RETURNS</b>									
6.86%	-6.75%	10.81%	-7.93%	6.37%	32.12%	-32.02%	-17.69%	1.92%	-5.55%

\* The index benchmark is the S&P U.S. Preferred Stock Index

## Risk

	ANNUALIZED RISK			ANNUALIZED RISK-ADJUSTED RETURNS		
	3 YRS	5 YRS	10 YRS	3 YRS	5 YRS	10 YRS
<b>STD DEV</b>						
	4.51%	4.50%	10.75%	1.79	1.79	0.36
<b>BENCHMARK* STD DEV</b>						
	4.00%	6.87%	19.21%	1.99	1.18	0.28

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

\* The index benchmark is the S&P U.S. Preferred Stock Index

## Index Characteristics

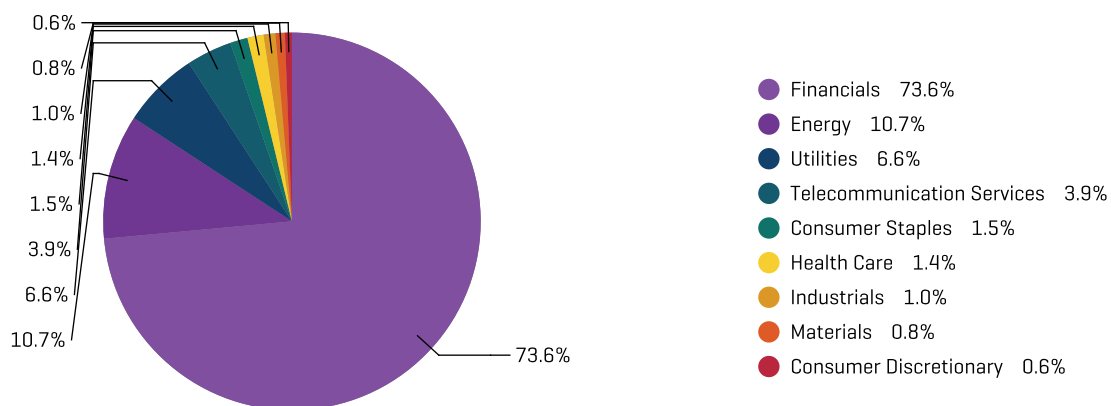
NUMBER OF CONSTITUENTS	496
CONSTITUENT MARKET CAP [ CAD MILLION ]	
MEAN TOTAL MARKET CAP	526.61
LARGEST TOTAL MARKET CAP	6,132.97
SMALLEST TOTAL MARKET CAP	94.48
MEDIAN TOTAL MARKET CAP	304.39
WEIGHT LARGEST CONSTITUENT [%]	1.4
WEIGHT TOP 10 CONSTITUENTS [%]	7.9

## Top 10 Constituents By Index Weight

CONSTITUENT	SYMBOL	SECTOR*
Actavis PLC Cum.Conv.Pref.Shs Series A	ACT PR A	Health Care
HSBC Holdings 8.0%'B'Dep Pfd	HSEB	Financials
GMAC CAP TR I GTD TR PFD-2	ALLY PR A	Financials
Barclays Bank Plc Adr Pfd Sr 5	BCS PR D	Financials
Wells Fargo & Co Dep Shs Ser 8% Ser 'J'	WFC PR J	Financials
Citigroup Cap XIII 7.875% TruPS	C PR N	Financials
HSBC Holdings 8.125% Subord Ca	HSEA	Financials
Royal Bank of Canada 3.60% Non-Cumulative 5-Year Rate Reset First Preferred Series BD	RY.PR.J	Financials
Fortis Inc. Cumulative Redeemable Fixed Rate Reset First Preferred Series M	FTS.PR.M	Utilities
Deutsche Bk Con CapTR III 7.6%	DTK	Financials

\*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 [CAD MILLION]	INDEX WEIGHT [%]
Canada	192	47,472.34	51.0
United States	304	213,727.14	49.0

## Tickers

	TICKER	REUTERS
TOTAL RETURNS	STNCT	N/A
PRICE RETURNS	STNC	.GSPSTNC

## Related Products

This is a complete list of all ETFs and ETNs currently linked to this selection of indices. While we have tried to include all ETFs and ETNs, we do not guarantee the completeness of such list. S&P Dow Jones Indices does not sponsor, endorse, sell, promote or manage any product linked to our indices.

PRODUCT NAME	PRODUCT TYPE	EXCHANGE	TICKER
iShares S&P/TSX North American Preferred Stock	ETF	Toronto	XPF CN

## Disclaimer

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Source: S&P Dow Jones Indices LLC.

The launch date of the S&P/TSX North American Preferred Stock Index [Price Return] [CAD] was August 16, 2010. The launch date of the S&P U.S. Preferred Stock Index was November 24, 2014.

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 a 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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