

S&P/TSX Composite High Beta Index *Methodology*

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Table of Contents

| | |
|---|-----------|
| Introduction | 3 |
| Partnership | 3 |
| Highlights | 3 |
| Eligibility Criteria | 4 |
| Index Eligibility | 4 |
| Timing of Changes | 4 |
| Index Construction | 5 |
| Approaches | 5 |
| Constituent Selection | 5 |
| Index Construction | 5 |
| Multiple Classes of Stock | 5 |
| Index Maintenance | 6 |
| Index Governance | 7 |
| Index Committee | 7 |
| Advisory Panel | 8 |
| Index Policy | 9 |
| Announcements | 9 |
| Holiday Schedule | 9 |
| Unscheduled Market Closures | 9 |
| Treatment of Corporate Actions in the Event of Unscheduled Market Closures | 10 |
| Recalculation Policy | 10 |
| Index Dissemination | 11 |
| Tickers | 11 |
| FTP | 11 |

| | |
|--|-----------|
| Appendix | 12 |
| Methodology Changes | 12 |
| S&P Dow Jones Indices' Contact Information | 13 |
| Index Management | 13 |
| Business Development | 13 |
| Media Relations | 13 |
| Client Services | 13 |
| Disclaimer | 14 |

Introduction

The S&P/TSX Composite High Beta Index[®] is designed to measure the performance of the 50 constituents in the S&P/TSX Composite that are most sensitive to changes in market returns. For this index, the market is represented by the performance of the S&P/TSX Composite. Sensitivity is measured by the beta of an individual stock. Beta is the slope of the regression line of a security's trailing 12-months' daily price changes versus the daily changes of the S&P/TSX Composite over the same period.

This methodology was created by S&P Dow Jones Indices to achieve the aforementioned objective of measuring the underlying interest of each index governed by this methodology document. Any changes to or deviations from this methodology are made in the sole judgment and discretion of S&P Dow Jones Indices so that the index continues to achieve its objective.

Partnership

The S&P/TSX indices are calculated and managed by S&P Dow Jones Indices. The TMX Group Inc. (TMX) is the owner and distributor of all S&P/TSX equity index data.

Highlights

Constituent are weighted relative to their level of market sensitivity, with each stock assigned a weight proportional to its beta.

For more information on the S&P/TSX Composite, please refer to the S&P/TSX Canadian Indices Methodology available on our Web site, www.spdji.com.

Eligibility Criteria

Index Eligibility

To be included in the S&P/TSX Composite High Beta Index, a stock must be a member of the S&P/TSX Composite and must have traded on all trading days in the prior 12 months leading up to the rebalancing reference date.

For information on stock eligibility criteria and index management rules of the S&P/TSX Composite, please refer to the S&P/TSX Canadian Indices Methodology available at www.spdji.com.

Timing of Changes

Additions. Additions are made to the index only during its quarterly rebalancings.

Deletions. Constituents removed from the S&P/TSX Composite are removed from the High Beta Index simultaneously. Other deletions may occur during the rebalancings.

Index Construction

Approaches

The methodology employs a beta driven weighting scheme, using the divisor methodology used in all of S&P Dow Jones equity indices.

There are two steps in the creation of the indices. The first is the selection of the companies; the second is the weighting of the index constituents.

Constituent Selection

To be eligible for inclusion into the S&P/TSX Composite High Beta Index, stocks must first be constituents of the S&P/TSX Composite.

The selection of index constituents is done as follows:

1. Using available price return data for the trailing 12 months leading up to each index rebalancing reference date, the betas of the constituents are calculated.
2. Constituents are, then, ranked in order based on the beta. The top 50 securities with the highest betas form the index.

Index Construction

At each rebalancing, the weight, w , for each index constituent, i , is set proportional to its beta.

$$w_i = \frac{Beta_i}{\sum_{i=1}^{50} Beta_i}$$

Additions are made at the quarterly rebalancing, using the current constituents of the S&P/TSX Composite. Stocks are deleted either at the quarterly rebalancing or when a stock is removed from the S&P/TSX Composite between rebalancings.

For more information on the index calculation methodology, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

Multiple Classes of Stock

Some companies may have more than one share class line in the respective benchmark index. In the S&P/TSX High Beta Index, each company is represented once by the primary listing, which is generally the most liquid share line.

Index Maintenance

All index adjustments and corporate action treatments follow the S&P/TSX Composite.

For more information, please refer to *S&P Dow Jones Indices' Equity Indices Policies & Practices* document located on our Web site, www.spdji.com.

Index Governance

Index Committee

The S&P/TSX Canadian indices are maintained by the S&P/TSX Canadian Index Committee. The Index Committee is comprised of four members representing S&P Dow Jones Indices and three members representing the Toronto Stock Exchange (“TSX”). The Index Committee is chaired by a member designated by S&P Dow Jones Indices. Meetings are held monthly, and from time to time, as needed.

The Index Committee is responsible for setting rules and policies for the S&P/TSX Canadian Indices, determining the composition of the Indices and administering the methodology. In fulfilling its responsibilities, the Index Committee has full and complete discretion to amend, apply or exempt the application of the methodology and other index policies as circumstances may require, and add, remove or by-pass any security in determining the composition of any of the indices.

The Index Committee may rely on any information or documentation submitted to or gathered by it that the Index Committee believes to be accurate. Where a public document used by the Index Committee is available in both official languages, the Index Committee shall assume that the contents of both versions are identical. The Index Committee reserves the right to reinterpret publicly available information and to make changes to the index based on a new interpretation of that information at its sole and absolute discretion.

Index corrections and changes to index composition will be implemented at such time and in such manner, as the Index Committee deems appropriate. The timing of any index change made in response to a correction shall be at the sole and absolute discretion of the Index Committee.

Stock prices, VWAPs, and prices used to calculate QMV shall be prices determined by trading on the TSX. Trading volume shall be determined by trading on the TSX, Aequitas (Lit and Neo), Alpha, Chi-X, CSE (Pure Trading), CX2, Lynx, TMX Select (Excluded after September 2016 review) and Omega.

S&P Dow Jones Indices considers information about changes to its Canadian indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

Advisory Panel

S&P Dow Jones Indices maintains an Index Advisory Panel to provide advice to the Index Committee, to S&P Dow Jones Indices and to the TSX on index related matters. The Advisory Panel meets at the request of the Index Committee to discuss matters related to the use of equity indices in Canada; typically the Advisory Panel meets annually. The Index Committee designates members of the Advisory Panel to provide representation of major financial market entities including leading institutional investors, investment banks, brokerage firms and others with an interest in the development of the equity markets in Canada. Meetings of the Advisory Panel are not open to the public or the press; however, the proceedings are not confidential and members are free to discuss them publicly.

For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

Index Policy

Announcements

Whenever possible, announcements of additions or deletions of stocks or other index adjustments are made five trading days before the adjustments are implemented. In those cases when it is not possible to trade a stock five days after an announcement, the announcement period may be shortened. However, the implementation of an index adjustment will never be earlier than the market close of the day following the announcement.

Announcements of additions and deletions for the S&P/TSX Canadian indices are generally made at 05:15 PM Eastern Time. Press releases are released to major news services.

In addition, TMX Datalinx offers a fee-based subscription to Index Notices. The Index Notices provide the most detailed and comprehensive coverage of index changes. Complete data for index replication (including share counts, tickers and data on index levels and returns) are also available through TMX Datalinx. In order to subscribe, contact TMX Datalinx by phone at +1.416.947.4778 or by email at marketdata@tmx.com.

Holiday Schedule

The S&P/TSX Canadian indices are calculated when the Canadian equity market is open.

A complete holiday schedule for the year is available on the TMX Web site at www.tmx.com.

Unscheduled Market Closures

In situations where an exchange is forced to close early due to unforeseen events, such as computer or electric power failures, weather conditions or other events, S&P Dow Jones Indices will calculate the closing price of the indices based on (1) the closing prices published by the exchange, or (2) if no closing price is available, the last regular trade reported for each security before the exchange closed. If an exchange fails to open due to unforeseen circumstances, S&P Dow Jones Indices treats this closure as a standard market holiday. The index will use the prior day's closing prices and shifts any corporate actions to the following business day. If all exchanges fail to open or in other extreme circumstances, S&P Dow Jones Indices may determine not to publish the index for that day.

For further information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

Treatment of Corporate Actions in the Event of Unscheduled Market Closures

Full-day closure occurs on the corporate action effective date: All market driven actions (splits, bonuses, rights, cash dividends, spinoffs, etc.) are moved to the next trading date. This involves the reposting of all affected files of each index to which each stock belongs. However, we follow the exchange's lead in such situations. If the exchange moves the corporate action ex-date, S&P Dow Jones Indices does the same. Adds and drops to the index and share/IWF updates remain unchanged, as trading was completed at the close before the effective date.

Partial closure occurs on the corporate action effective date: All market driven actions (splits, bonuses, rights, cash dividends, spin-offs, etc.) take place at the opening of the ex-date. Adds and drops to the index and share/IWF updates remain unchanged, as trading was completed at the close of the day before the effective date.

Full-day or partial closure occurs on the day before the corporate action effective date: Adds and drops to the index, share/IWF updates and quarterly rebalancing would be moved to the close of the next trading date and use the closing prices of that day. All market driven actions scheduled for the opening of the next day are unaffected by an exchange closure on the day before the ex-date.

Recalculation Policy

S&P Dow Jones Indices reserves the right to recalculate an index under certain limited circumstances. S&P Dow Jones Indices may choose to recalculate and republish an index if it is found to be incorrect or inconsistent within two trading days of the publication of the index level in question for one of the following reasons:

1. Incorrect or revised closing price
2. Missed corporate event
3. Late announcement of a corporate event
4. Incorrect application of corporate action or index methodology

Any other restatement or recalculation of an index is only done under extraordinary circumstances to reduce or avoid possible market impact or disruption as solely determined by the Index Committee.

For more information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

Index Dissemination

The TMX Group Inc. (TMX) serves as the distributor of both real-time and historical index data. In addition, index levels are available on S&P Dow Jones Indices' Web site at www.spdji.com, through major quote vendors, through numerous investment oriented Web sites and various print and electronic media.

Tickers

| Index | Bloomberg | Reuters | Thomson |
|---------------------------------|------------------|----------------|----------------|
| S&P/TSX Composite High Beta, PR | SPTXHBPR | .GSPTXHB | T.XHB |
| S&P/TSX Composite High Beta, TR | SPTXHBTR | .TRGSPTXHB | TR.XHB |

FTP

Daily stock level and index data is available from the Toronto Stock Exchange on subscription. Please contact Market Data at 416-947-4778 or, by email, at marketdata@tmx.com.

For further information, please refer to the TMX Web site at www.tmx.com.

Appendix

Methodology Changes

Methodology changes since January 1, 2015 are as follows:

| Change | Effective Date (After Close) | Methodology | |
|-----------------------------|---------------------------------|--|--|
| | | Previous | Updated |
| Multiple Share Class Lines | 20-Aug-15 | Companies that have more than one class of common stock outstanding were represented only once in the index. The stock price was based on one class, and the share count was based on the total shares outstanding of all classes. | Each company is represented once by the primary listing, which is generally the most liquid share line. |
| Trading Volume Marketplaces | 20-Aug-15 | TSX and other Canadian trading venues which make the data available in a timely fashion. | TSX, Aequitas (Lit and Neo), Alpha, Chi-X, CSE (Pure Trading), CX2, Lynx, TMX Select (Excluded after September 2016 review) and Omega. |

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