

S&P BRIC 40

Frequently Asked Questions

1. What does BRIC stand for and how did it originate?

BRIC has become the well-known acronym for Brazil, Russia, India and China. Economists have determined that these countries could rank among the world's dominant economies by mid century based on gross domestic product. Some important growth factors in these countries are the huge reserves of natural resources and a large and well-qualified work force with relatively low wage levels. A growing consumer demand stimulated by increases in income across broad categories of the large BRIC population is also an important factor.

2. What is the Index?

The S&P BRIC 40 index is a basket of 40 leading securities, representing the largest and most liquid companies in Brazil, Russia, India and China (BRIC). All constituent companies are members of the S&P/IFC Investable index series that meet minimum market capitalization and liquidity requirements. The index uses a modified market capitalization weighting scheme, with modifications being to market cap weights, if required, to reflect available float, reduce single stock concentration and enhance index basket liquidity. All stocks in the S&P BRIC 40 index must trade in developed market exchanges (Hong Kong Stock Exchange, London Stock Exchange, NASDAQ and NYSE).

3. What is the S&P/IFC Investable Index?

The S&P/IFC Investable (S&P/IFCI) indices represent the investable subset of the S&P/IFC Global (S&P/IFCG) indices, measuring the returns of emerging market stocks that are legally and practically available to foreign investors. As a member of the S&P Emerging Markets Indices, it is constructed from equities included in the Emerging Markets Database (EMDB). For more information on the S&P/IFCI index and other emerging market indices, please visit the Web site:

www.indices.standardandpoors.com.

4. What is the ticker symbol for the S&P BRIC 40 index?

U.S. dollar version	Bloomberg	Reuters
S&P BRIC 40 (Price Return)	SBR	.SPBRIC
S&P BRIC 40 (Total Return)	SPTRBRIC	.SPBRICNTR
Euro version		
S&P BRIC 40 (Price Return)	SBE	.SPBRICE
S&P BRIC 40 (Total Return)	SPTRBRIE	.SPBRICENTR

5. What are the constituents for this index?

For a complete list of constituents please click [here](#).

6. How is this index calculated/What is the methodology?

The index is calculated by means of the divisor method used in most Standard & Poor's indices. It is rebalanced annually with a semi-annual review and treats corporate actions in a transparent procedure similar to other Standard & Poor's indices.

7. What are criteria for additions and deletions?

The index is reviewed and rebalanced once a year, at which time new constituents may be added or deleted. In addition, a mid-year review is carried out to ensure the index's representation is current and up to date. A full rebalance will be effective only if 3 of the biggest 30 stocks from the eligible universe are not in the index at the mid-year review. Through the year, companies may be deleted due to corporate events such as mergers, acquisitions, takeovers, or delistings.

8. How is the index created?

There are basically two steps in the creation of the BRIC 40 index. The first is the selection of the 40 companies and the second is the weighting of these components.

Selection Process

All S&P/IFCI index constituents of Brazil, Russia, India and China with developed market listings comprise the universe.

Of this universe, all securities with a float adjusted market capitalization of US\$ 1 billion and a minimum US\$ 5 million average 3 month daily value traded prior to the selection date make the cut off.

Finally, the remaining securities are sorted in decreasing order of their float adjusted market cap and the top 40 become index members.

Weighting Process

The current methodology stipulates that at rebalancing no stock can have a weight of more than 10% in the index and respectively, the minimum initial portfolio size for 1-day trade (based on recent trading volumes) cannot be lower than US\$ 600 million.

According to the methodology, these parameters (portfolio size and maximum weight) can be changed during the annual rebalancing period depending upon market circumstances.

9. Can you explain a little bit on the "basket liquidity" concept?

“Basket liquidity” is a common term used by traders and risk managers involved in writing and pricing products based on an index. It denotes the maximum portfolio size that can be turned over in a single day if recent trading patterns hold and 100% of the market is captured for the basket trade. Standard & Poor’s arrived at the US\$ 600 million number for the current year based on consultations with market participants, and this factor may remain the same or change from year to year depending on the overall market liquidity status at each annual reconstitution.

10. How is this index maintained and rebalanced?

The index is rebalanced annually on the third Friday of December using mid-November prices and shares. The index is also reviewed in June, using mid-May prices and shares. A full rebalance, if necessary, will take place on the third Friday of June only if 3 of the biggest 30 stocks from the eligible universe are not in the index at the mid-year review. There will not be a semi-annual rebalance in years when the above condition is not satisfied. An announcement with the rebalancing results, listing new constituents and index weights will be made two weeks prior to any implementation.

The Liquidity Threshold, Market Cap Threshold, Basket Liquidity and Maximum Weight are only reviewed at the year rebalancing to reflect evolving market conditions. In case of any changes to these thresholds an announcement will be made followed by the immediate revision of the methodology document. In the rare event of less than 40 stocks qualifying, Standard & Poor's may modify the criteria to include multiple share classes or reduce the market cap limit, in that order.

11. What currencies is the index calculated in?

The index is currently calculated in U.S. dollars, and Euros.

12. During what times is the index calculated?

The index is calculated between the hours of 02:00 GMT and 21:00 GMT. These times coincide with the opening of the Hong Kong Stock Exchange and the close of the New York Stock Exchange respectively.

13. How do you arrive at the daily closing index levels?

The price of each stock used in the daily index level computation is the closing price from its respective exchange. After the close of New York trading these closing prices are used in conjunction with Reuters/WM London fix closing exchange rates to arrive at the daily index closing levels.

14. How much historical data is available for this index? How often is current data published?

S&P BRIC 40 index has historical data back to February 2, 2001, which includes, price returns, total returns and net returns. Data is published daily.

15. Are there a minimum number of stocks from the respective four countries that have to be included in the index?

There is no minimum number of stocks from the respective four countries.

16. Can we get a custom index calculation?

Like all other Standard & Poor's indices, the S&P BRIC 40 index can be custom calculated for alternative currencies, weighting schemes and hedging programs.

17. How can I get additional information and information on licensing or data purchase?

Contact Index Client Services by email at index_services@standardandpoors.com or by phone at +1.212.438.2046.