

INFORMATION ABOUT US IRS 871(M) REGULATIONS



SECTION 871(M)

STOXX Ltd. ("STOXX") is providing the following information regarding the STOXX indices listed in Exhibit I below to assist our clients in determining whether such indices may be considered a "Qualified Index" under Section 871(m) of the United States Internal Revenue Code and relevant Treasury Regulations. Please note that STOXX does not make any assessments as to whether an index qualifies as "Qualified Index" for the purposes of Section 1.871-15 (l) (3) of the US Code of Federal Regulations.

Generally, the United States (U.S.) Treasury imposes a 30% withholding tax on U.S source investment income earned by non-U.S. residents. This withholding tax is imposed on a broad range of earnings, including dividends. Section 871(m) and the related regulations treat certain "dividend equivalent" amounts paid (or deemed paid) under certain types of contracts as U.S. source dividends that are subject to this withholding requirement.

QUALIFIED INDEX TEST

The Section 871(m) regulations also provide that, in certain instances, a non-U.S. resident may be exempt from withholding tax on dividend equivalent payments if such payments are made with respect to a "Qualified Index." To be considered a Qualified Index, an index must be a passive index based on a diverse basket of publicly traded securities that are widely used by numerous market participants.

In addition, a Qualified Index is an index that:

1. References 25 or more component securities (whether or not these securities are U.S. securities);
2. References only long positions in these component securities;
3. Does not contain an individual U.S. equity position that represents more than 15% of the weighting of the index;
4. Does not have a group of five or fewer U.S. equities that combined represent more than 40% of its weighting;
5. Is modified or rebalanced only according to publicly stated, predefined criteria;
6. In the immediately preceding calendar year, had a dividend yield from the U.S. equities in the index that did not exceed 150% of the annual dividend yield reported on the S&P 500 index for that same year; and
7. Is traded through futures or options contracts on:
 - a. A U.S. securities exchange that is registered with the SEC, a U.S. board of trade designated as a contract market by the CFTC; or
 - b. A foreign exchange or board of trade that is a qualified board or exchange as determined by the Secretary pursuant to section 1256(g)(7)(C) or that has a staff no action letter from the CFTC permitting direct access from the United States that is effective on the applicable testing date, provided that the referenced component underlying securities, in the aggregate, comprise less than 50 percent of the weighting of the component securities in the index.

In lieu of meeting the seven criteria listed above, an index can also be a Qualified Index if it is widely traded, U.S. equities represent 10% or less of the weighting of the index, and the index was not created with the principal purpose of avoiding U.S. withholding tax.

The determination if an index is a Qualified Index is done on an annual basis, on the first business day of the calendar year. For indices created after the first business day of the calendar year, the requirements above are tested on the first business day the index is created and the dividend yield is determined by using the dividend yield that the index would have had in the prior year if it had the same securities throughout that year that it has on the day it is created.

TREATMENT OF TRANSACTIONS THAT REFERENCE A QUALIFIED INDEX

When a financial contract that references a Qualified Index is created, any resulting dividend equivalent payments to non-U.S. investors generally will not be subject to withholding taxes for the duration of the contract. In the absence of certain significant modifications to a financial contract, the exemption from withholding would remain in place regardless of whether the index being referenced is no longer a Qualified Index in subsequent years. Similarly, should a financial contract be created that references an index that is not a Qualified Index, the dividend equivalent payments would be subject to withholding taxes for the duration of the contract, regardless of whether the index being referenced becomes a Qualified Index in subsequent years.

If a STOXX index is not listed in Exhibit I below, it does not mean that the index is not eligible to be a "Qualified Index" under the rules outlined above. Additional STOXX indices may be added to this document based on client demand and as STOXX management sees fit. STOXX intends to update this document on an annual basis or more frequently should STOXX management deem it necessary to do so.

Please note this document and information provided herein are for informational purposes only, provided as of June 20, 2020 and might change. Nothing contained herein constitutes a legal, tax or accounting advice or a recommendation to use any STOXX indices or any financial products. STOXX and its affiliates provide no warranty and exclude any liability in connection to the information provided herein, any usage of STOXX indices or any eligibility requirements for a "Qualified Index".

Exhibit 1

STOXX® Index	# of Component Securities ¹	Index References Short Positions?	Weighting of Largest U.S. Equity Held ¹	Aggregate Weighting of Top 5 U.S. Equities ¹	Modification or Rebalancing Criteria ²	Annual Dividend Yield ^{1,3}	Futures or Options Contracts Listings	Aggregate Weighting of All U.S. Securities ¹
SU5LESGX	475	No	7.0%	21.5%	Ref. STOXX Index Guide	1.1%	Eurex	100.0%
IXBRHLTK	191	No	1.4%	6.5%	Ref. STOXX Index Guide	0.2%	Eurex	70.7%
IXDIGITK	208	No	2.3%	9.3%	Ref. STOXX Index Guide	0.4%	Eurex	71.2%
STXTDSL	122	No	2.2%	9.4%	Ref. STOXX Index Guide	0.8%	Eurex	66.1%

1. Observation Date = December 31, 2021.

2. STOXX index methodology guide can be found at: https://www.stoxx.com/document/Indices/Common/Indexguide/stoxx_index_guide.pdf

3. Annual dividend yield reflects the net dividend yield of the index

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Although the information herein is believed to be reliable and has been obtained from sources believed to be reliable, we make no representation or warranty, expressed or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such information.

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Exposure to an asset class, a sector, a geography or a strategy represented by an index can be achieved either through a replication of the list of constituents and their respective weightings or through investable instruments based on that index. STOXX Ltd. does not sponsor, endorse, sell, promote or manage any investment product that seeks to provide an investment return based on the performance of any index. STOXX Ltd. makes no assurance that investment products based on any STOXX index will accurately track the performance of the index itself or return positive performance.

About STOXX

STOXX Ltd. is Qontigo's global index provider, currently calculating a global, comprehensive index family of about 13,000 strictly rules-based and transparent indices. Best known for the leading European equity indices EURO STOXX 50, STOXX Europe 50 and STOXX Europe 600, STOXX Ltd. maintains and calculates the STOXX Global index family which consists of total market, broad and blue-chip indices for the regions Americas, Europe, Asia/Pacific and sub-regions Latin America and BRIC (Brazil, Russia, India and China) as well as global markets.

STOXX is the administrator of the STOXX® and DAX® indices under the European Benchmark Regulation and exercises control over all benchmark administration processes within Qontigo.

STOXX indices are licensed to more than 600 companies around the world as underlyings for exchange-traded funds (ETFs), futures and options, structured products and passively managed investment funds.