

Crown William H  
Form 4  
November 09, 2004

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Crown William H

2. Issuer Name and Ticker or Trading Symbol  
ALLTEL CORP [AT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
222 N. LASALLE ST., SUITE 2000  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
11/05/2004

Director  10% Owner  
 Officer (give title below)  Other (specify below)

CHICAGO, IL 60601

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock					492	D	
Common Stock					203,700	I	See note (1)
Common Stock	11/05/2004		S		107,800	D	\$ 55.5691 973,001 I See note (2)
Common Stock	11/08/2004		S		192,800	D	\$ 55.4908 780,201 I See note (2)
Common Stock	11/05/2004		S		22,600	D	\$ 55.5691 3,320,997 I See note (3)
	11/08/2004		S		40,400	D	3,280,597 I

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Common Stock					\$ 55.4908			See note (3)	
Common Stock	11/05/2004		S	3,600	D	\$ 55.5691	86,400	I	See note (4)
Common Stock	11/08/2004		S	6,400	D	\$ 55.4908	80,000	I	See note (4)
Common Stock							1,004,094	I	See note (5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 3 and 4)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Crown William H 222 N. LASALLE ST. SUITE 2000 CHICAGO, IL 60601		X		

## Signatures

/s/ William H.  
Crown 11/09/2004

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Owned by a partnership, Areljay, L.P., a partner of which is a corporation of which the Reporting Person is a shareholder, officer and director, and another partner of which is a partnership of which the Reporting Person is a partner
- (2) Owned by a partnership, the Crown Fund, of which the Reporting Person and trusts for his benefit, are partners
- (3) Owned by a partnership, Independent Cellular Network Partners, a partner of which is a partnership of which the Reporting Person, and trusts for his benefit, are partners
- (4) Owned by a partnership, Pines Trailer Limited Partnership, a partner of which is a partnership of which the Reporting Person, and trusts for his benefit, are partners
- (5) Owned by a corporation, Henry Crown and Company, of which the Reporting Person is and officer and a director, and of which the Reporting Person and trusts for his benefit, are shareholders

### Remarks:

The Reporting Person disclaims beneficial ownership of the shares of Common Stock reported herein, except to the extent of

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. 1; font-size: 10pt; font-weight: normal; font-style: normal; text-transform: none; font-variant: normal; ">Calculated on a per annum percentage basis.

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Calculated on the same basis as realized volatility used in calculating the index.

\*\*\*

Calculated by dividing the annualized performance by the annualized realized volatility since August 29, 2008.

\*\*\*\*

The largest percentage decline experienced in the relevant measure from a previously occurring maximum level.

While reviewing the charts and related information that follow, you should consider the following:

On any given day, we expect that the index will have exposure to only a limited subset of the 15 underlying assets. For example, on the rebalancing conducted on June 14, 2016, only 12 eligible underlying assets (11 of which were ETFs) were selected for the upcoming day. Thus, the index did not target any exposure upon such rebalancing to 3 of the eligible underlying assets.

The index will not necessarily allocate the maximum weight or any weight to eligible underlying assets with relatively high historical returns on an index business day due to the limitation imposed by the 5% volatility target (which volatility is measured on a basket basis and is not determined based on the realized volatility of each eligible underlying asset standing alone). To illustrate, even an underlying asset with the highest average historical returns over the applicable 22-day weight averaging period may have less than its maximum weight on any index business day due the 5% volatility target limitations.

Asset class maximum weight limitations may prevent an eligible underlying asset from being allocated its maximum weight in the index despite relatively high historical returns on an index business day. This result could, in part, be due to each of the other assets in that asset class being allocated their respective maximum weights.

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Positive returns during the period used to calculate the historical returns do not ensure that an underlying asset will provide positive returns after a daily rebalancing if selected as an index underlying asset. To illustrate, an underlying asset that had a positive historical return on a base index rebalancing day could have a negative return for the day immediately following such base index rebalancing day.

You should not take the historical information above as an indication of the future performance of the index.

The following chart sets forth the daily allocation on each index business day between each asset class from August 29, 2008 to February 12, 2019, using the historical index information and hypothetical index data previously supplied above. (In the chart, this historical information can be found to the right of the vertical solid line marker.) You should not take the historical information or hypothetical data as an indication of the future performance of the index.

The following chart sets forth the number of index underlying assets included in the index on each index business day during the period from August 29, 2008 to February 12, 2019 based on the historical index information and hypothetical index data previously supplied above. You should not take the historical information or hypothetical data as an indication of the future performance of the index.

Number of Index Underlying Assets	Percent of Days Included
0	0.00%
1	0.00%
2	0.00%
3	0.00%
4	0.00%
5	0.00%
6	0.00%
7	0.00%
8	1.03%
9	2.58%
10	8.59%
11 or more	87.80%

The following chart sets forth the percentage of index business days during the period from August 29, 2008 to February 12, 2019 on which the asset class maximum weight restrictions reduced the weighting of one or more index underlying assets or prevented one or more eligible underlying assets from becoming an index underlying asset due to its affect on some or all of the weight averaging period with respect to the relevant index business day. These percentages are based on the historical

index information and hypothetical index data previously supplied above. You should not take the historical information or hypothetical data as an indication of the future performance of the index.

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Percent of Index Business Days That Asset Class Maximum Weight Restriction Reduced an Index Underlying Asset Weighting or Prevented an Eligible Underlying Asset From Becoming an Index Underlying Asset Due to its Affect on Some or All of the Weight Averaging Period With Respect to the Relevant Index Business Day

Asset Class

Broad-Based Equities	3.12%
Fixed Income	25.28%
Emerging Markets	0.91%
Alternatives	20.94%
Commodities	0.91%
Inflation	36.30%
Cash Equivalent	22.46%

The following chart sets forth the percentage of index business days during the period from August 29, 2008 to February 12, 2019 on which the underlying asset maximum weight restrictions reduced the weighting of the applicable index underlying assets due to its affect on some or all of the weight averaging period with respect to the relevant index business day.

These percentages are based on the historical index information and hypothetical index data previously supplied above. You should not take the historical information or hypothetical data as an indication of the future performance of the index.

Percent of Index Business Days That Underlying Asset Maximum Weight Restriction Reduced an Index Underlying Asset Weighting or Prevented an Eligible Underlying Asset From Becoming an Index Underlying Asset Due to its Affect on Some or All of the Weight Averaging Period With Respect to the Relevant Index Business Day

Eligible Underlying Asset

SPDR® S&P 500® ETF Trust	24.48%
iShares® MSCI EAFE ETF	10.41%
iShares® MSCI Japan ETF	9.16%
iShares® 20+ Year Treasury Bond ETF	24.52%
iShares® iBoxx \$ Investment Grade Corporate Bond ETF	22.54%
iShares® iBoxx \$ High Yield Corporate Bond ETF	20.56%
	34.70%

Explanation of Responses:

iShares® 7-10 Year Treasury Bond ETF	
iShares® MSCI Emerging Markets ETF	0.91%
iShares® U.S. Real Estate ETF	2.77%
iShares® Preferred and Income Securities ETF	45.80%
iShares® Nasdaq Biotechnology ETF	24.67%
SPDR® S&P® Oil & Gas Exploration & Production ETF	0.00%
SPDR® Gold Trust	5.21%
iShares® TIPS Bond ETF	36.30%
Money Market Position	22.46%

The index ratably rebalanced some or all of the exposure to the index ETFs into the money market position on 23.34% of the total return index rebalancing days during the period from August 29, 2008 to February 12, 2019, based on the historical index information and hypothetical index data previously supplied above. Daily total return index rebalancing occurs on some daily base index rebalancing days because daily base index rebalancing is based on realized volatility over the three realized volatility look-back periods (the prior six months, three months and one month for the nine-month, six-month and three-month return look-back periods, respectively) and the daily total return index rebalancing mechanic is based on the realized volatility of the base index for the applicable volatility cap period, which is the prior one month. You should not take the historical information or hypothetical data as an indication of the future performance of the index.

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The following chart displays the percentage of index exposure to the index underlying assets during the period from August 29, 2008 to February 12, 2019 based on the historical index information and hypothetical index data previously supplied above. (In the chart, this historical information can be found to the right of the vertical solid line marker.) A percentage less than 100% means that a daily total return index rebalancing has occurred, reducing exposure in the existing ETFs and increasing exposure to the money market position. You should not take the historical information or hypothetical data as an indication of the future performance of the index.

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Examples of Index Return Calculations

The following examples are provided to illustrate how the return on the index is calculated on an index business day given the key assumptions specified below. The examples assume the specified index underlying assets specified below. The return of the index underlying assets will be calculated as the sum of the products, as calculated for each index underlying asset, of the return for each index underlying asset multiplied by its weighting, expressed as a percentage. The examples are based on a range of final levels for the specified index underlying assets that are entirely hypothetical; no one can predict which eligible underlying assets will be chosen as index underlying assets on any day, the weightings of the index underlying assets or what the returns will be for any index underlying assets. The actual performance of the index on any index business day may bear little relation to the hypothetical examples shown below or to the historical index performance information and hypothetical performance data shown elsewhere in this prospectus supplement. These examples should not be taken as an indication or prediction of future performance of the index and investment results. The numbers in the examples below have been rounded for ease for analysis.

Key Assumptions

Index underlying assets during hypothetical period and percentage weighting	EEM 20%
	LQD 5%
	IYR 20%
	PFF 5%
	Money Market Position 50%
Notional interest rate	6% per annum

Neither an index market disruption event nor a non-index business day occurs.  
 No change in or affecting any of the index underlying assets, index stocks or the policies of the applicable investment advisor or the method by which the underlying indices are calculated.  
 No dividends are paid on any index ETF.

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Example 1: Each index underlying asset appreciates. The sum of the weighted returns of each index underlying asset is greater than the sum of the notional interest rate plus the accrued portion of the 0.65% per annum for the day. The volatility cap is never breached.

	Column A	Column B	Column C	Column D	Column E
Index Underlying Asset (Ticker)	Hypothetical Initial Level	Hypothetical Final Level	Return of Index Underlying Asset (Column B / Column A)-1	Weighting	Column C x Column D
EEM	100.000	100.500	0.500%	20.000%	0.100%
LQD	100.000	100.750	0.750%	5.000%	0.038%
IYR	100.000	101.000	1.000%	20.000%	0.200%
PFF	100.000	101.250	1.250%	5.000%	0.063%
Money Market Position	100.000	100.017	0.017%	50.000%	0.008%
				Return of Index Underlying Assets:	0.408%
				Return of Notional Cash Investment in the Notional Interest Rate:	0.017%
				Accrued Portion of the 0.65% Per Annum:	0.002%
				Index Return:	0.390%

In this example, the index underlying assets all had positive returns. The return of the index underlying assets prior to adjustment for the notional interest rate and the accrued portion of the 0.65% per annum for the day equals 0.408% for the day and, once the notional interest rate for the day and accrued portion of the 0.65% per annum for the day are subtracted, the return of the index for the day equals 0.390%.

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Example 2: Each index underlying asset appreciates. The sum of the weighted returns of each index underlying asset is less than the sum of the notional interest rate plus the accrued portion of the 0.65% per annum for the day. The volatility cap is never breached.

	Column A	Column B	Column C	Column D	Column E
Index Underlying Asset (Ticker)	Hypothetical Initial Level	Hypothetical Final Level	Return of Index Underlying Asset (Column B / Column A)-1	Weighting	Column C x Column D
EEM	100.000	100.010	0.010%	20.000%	0.002%
LQD	100.000	100.010	0.010%	5.000%	0.001%
IYR	100.000	100.010	0.010%	20.000%	0.002%
PFF	100.000	100.010	0.010%	5.000%	0.001%
Money Market Position	100.000	100.017	0.017%	50.000%	0.008%
				Return of Index Underlying Assets:	0.013%
				Return of Notional Cash Investment in the Notional Interest Rate:	0.017%
				Accrued Portion of the 0.65% Per Annum:	0.002%
				Index Return:	-0.005%

In this example, the index underlying assets all had positive returns. The return of the index underlying assets prior to adjustment for the notional interest rate equals 0.013% for the day and, since the sum of the notional interest rate plus the accrued portion of the 0.65% per annum for the day is greater than such return, once the notional interest rate for the day and accrued portion of the 0.65% per annum for the day are subtracted, the return of the index for the day is negative and equals -0.005%.

Example 3: Each index underlying asset depreciates. The volatility cap is never breached.

	Column A	Column B	Column C	Column D	Column E
Index Underlying Asset (Ticker)	Hypothetical Initial Level	Hypothetical Final Level	Return of Index Underlying Asset (Column B / Column A)-1	Weighting	Column C x Column D
EEM	100.000	99.500	-0.500%	20.000%	-0.100%
LQD	100.000	99.250	-0.750%	5.000%	-0.038%
IYR	100.000	99.000	-1.000%	20.000%	-0.200%
PFF	100.000	98.750	-1.250%	5.000%	-0.063%
Money Market Position	100.000	100.017	0.017%	50.000%	0.008%

Return of Index Underlying Assets:

-0.392%

Return of Notional Cash Investment in the Notional Interest Rate:

0.017%

Accrued Portion of the 0.65% Per Annum:

0.002%

Index Return:

-0.410%

In this example, the index underlying assets all had negative returns. The return of the index underlying assets prior to adjustment for the notional interest rate and the accrued portion of the 0.65% per annum for the day equals -0.392% for the day and once the notional interest rate for the day and accrued portion of the 0.65% per annum for the day are subtracted the return of the index for the day is further reduced and equals -0.410%.

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Example 4: The index underlying assets have mixed returns. The volatility cap is never breached.

	Column A	Column B	Column C	Column D	Column E
Index Underlying Asset (Ticker)	Hypothetical Initial Level	Hypothetical Final Level	Return of Index Underlying Asset (Column B / Column A)-1	Weighting	Column C x Column D
EEM	100.000	100.500	0.500%	20.000%	0.100%
LQD	100.000	100.750	0.750%	5.000%	0.038%
IYR	100.000	99.000	-1.000%	20.000%	-0.200%
PFF	100.000	98.750	-1.250%	5.000%	-0.063%
Money Market Position	100.000	100.017	0.017%	50.000%	0.008%

Return of Index Underlying Assets:

-0.117%

Return of Notional Cash Investment in the Notional Interest Rate:

0.017%

Accrued Portion of the 0.65% Per Annum:

0.002%

Index Return:

-0.135%

In this example, three of the index underlying assets had a negative return and two had positive returns. The return of the index underlying assets prior to adjustment for the notional interest rate and the accrued portion of the 0.65% per annum for the day equals -0.117% for the day and, once the notional interest rate for the day and accrued portion of the 0.65% per annum for the day are subtracted, the return of the index for the day is further reduced and equals -0.135%.

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Example 5: As a result of daily total return index rebalancing, the index ratably rebalances into the money market position on an index business day.

		Column A	Column B	Column C	Column D	Column E
	Index Underlying Asset (Ticker)	Hypothetical Initial Level	Hypothetical Final Level	Return of Index Underlying Asset (Column B / Column A)-1	Weighting	Column C x Column D
With Initial Exposure to the Money Market Position (prior to daily total return index rebalancing)	EEM	100.000	100.500	0.500%	20.000%	0.100%
	LQD	100.000	100.750	0.750%	5.000%	0.038%
	IYR	100.000	101.000	1.000%	20.000%	0.200%
	PFF	100.000	101.250	1.250%	5.000%	0.063%
	Money Market Position	100.000	100.017	0.017%	50.000%	0.008%

Return of Index Underlying Assets:

0.408%

Return of Notional Cash Investment in the Notional Interest Rate:

0.017%

Accrued Portion of the 0.65% Per Annum:

0.002%

Index Return:

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	Column A	Column B	Column C	Column D	Column E	
Index Underlying Asset (Ticker)	Hypothetical Initial Level	Hypothetical Final Level	Return of Index Underlying Asset (Column B / Column A)-1	Weighting	Column C x Column D	
With Additional Exposure to the Money Market Position (after daily total return index rebalancing)	EEM	100.000	100.500	0.500%	16.000%	0.080%
	LQD	100.000	100.750	0.750%	4.000%	0.030%
	IYR	100.000	101.000	1.000%	16.000%	0.160%
	PFF	100.000	101.250	1.250%	4.000%	0.050%
	Money Market Position	100.000	100.017	0.017%	60.000%	0.010%

Return of Index Underlying Assets:

0.330%

Return of Notional Cash Investment in the Notional Interest Rate:

0.017%

Accrued Portion of the 0.65% Per Annum:

0.002%

Index Return:

0.312%

In this example, in order to highlight the effect of rebalancing into the money market position as a result of daily total return index rebalancing, we have assumed that the realized volatility for the applicable cap period exceeds the volatility cap by 1.5%, thereby reducing the exposure to the base index (and, consequently, each index underlying

asset) by 20%. We have shown what the index underlying assets' returns would have been for the index business day both without and with the daily total return index rebalancing. Since the returns on EEM, LQD, IYR and PFF were higher than the money market position, the increased weighting to the money market position for the index business day caused the return of the index to be lower than it would have been without the daily total return index rebalancing feature.

We cannot predict which eligible underlying assets will be chosen as index underlying assets on any day, the weights of the index underlying assets or what the final levels will be for any index underlying assets or the notional interest rate. The actual amount that you will receive maturity and the rate of return on the offered notes will depend on the performance of the index which will be determined by the index underlying assets chosen and their weightings.

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## THE ELIGIBLE UNDERLYING ASSETS

The defined terms provided in the description of each eligible underlying asset apply only in the description in which they are used. Unless otherwise indicated, these definitions are not intended to be used in other sections of this prospectus supplement.

The eligible underlying asset descriptions below are provided in the following order:

ASSET CLASS	ELIGIBLE UNDERLYING ASSET	TICKER
Broad-Based Equities	SPDR <sup>®</sup> S&P 500 <sup>®</sup> ETF Trust	SPY
	iShares <sup>®</sup> MSCI EAFE ETF	EFA
	iShares <sup>®</sup> MSCI Japan ETF	EWJ
Fixed Income	iShares <sup>®</sup> 20+ Year Treasury Bond ETF	TLT
	iShares <sup>®</sup> iBoxx \$ Investment Grade Corporate Bond ETF	LQD
	iShares <sup>®</sup> iBoxx \$ High Yield Corporate Bond ETF	HYG
Emerging Markets	iShares <sup>®</sup> 7-10 Year Treasury Bond ETF	IEF
	iShares <sup>®</sup> MSCI Emerging Markets ETF	EEM
Alternatives	iShares <sup>®</sup> U.S. Real Estate ETF	IYR
	iShares <sup>®</sup> Preferred and Income Securities ETF	PFF
Commodities	iShares <sup>®</sup> Nasdaq Biotechnology ETF	IBB
	SPDR <sup>®</sup> S&P <sup>®</sup> Oil & Gas Exploration & Production ETF	XOP
Inflation	SPDR <sup>®</sup> Gold Trust	GLD
	iShares <sup>®</sup> TIPS Bond ETF	TIP
Cash Equivalent	Money Market Position	N/A

### Some Common Concepts

Each of the eligible ETFs may be an exchange-traded fund, a unit investment trust, a commodity pool or another entity. Each description of an eligible ETF provides information about the particular structure (type of entity) of that eligible ETF. Each of the eligible ETFs files information with the SEC. Information provided to or filed with the SEC can be inspected and copied at the public reference facilities maintained by the SEC or through the SEC's website at [sec.gov](http://sec.gov). The descriptions below will provide the "CIK number" for each of the eligible ETFs, which is an identifying number that will assist you in finding information about the eligible ETFs filed with the SEC.

Each of the eligible ETFs also has certain concepts in common with most or all of the other eligible ETFs. We have described some of these common concepts below.

### Investment Objective

The investment objective of most eligible ETFs is to achieve investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index. That type of eligible ETF, sometimes called a "tracking ETF," uses a passive or indexing approach to try to achieve the ETF's investment objective. The investment advisor to the ETF does not try to beat the index; the ETF tracks and does not seek temporary defensive positions when markets decline or appear overvalued. This means, among other things, that a tracking ETF typically will not sell a particular holding just because it is performing poorly. Instead, the ETF seeks to track the index regardless of whether the index level is increasing or decreasing. The descriptions below will indicate the investment objective of each ETF and will indicate which index a particular ETF tracks if it is a tracking ETF. The description also will state how much of the ETF's assets generally will be invested in the securities in the index and what else the ETF may

### Explanation of Responses:

invest in. The descriptions also will state the strategy the investment advisor uses to track the index.

The eligible ETFs that track an equity index seek to track the performance of the “total return” version of such index. A total return index represents the total return earned in a portfolio that tracks the price return index and reinvests dividend income in the overall index, not in the specific stock paying the dividend. The difference between the price return calculation and the total return calculation of an index is that, with respect to the price return calculation, changes in the index level reflect changes in stock prices, whereas with respect to the total return calculation of the index, changes in the index level reflect both movements in stock prices and the reinvestment of dividend income. In addition, some of the

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eligible ETFs track an index that is calculated on a net daily total return basis, which tracks the price return index and reinvests dividend income in the overall index, except that the dividend income is reinvested net of certain withholding taxes. Notwithstanding an eligible ETF's investment objective to track the performance of the total return version of an index, the return on your notes will not reflect any dividends paid on the ETF shares, on the securities purchased by the ETF or on the securities that comprise the index such ETF tracks. See "Additional Risk Factors Specific to Your Notes — You Have No Shareholder Rights or Rights to Receive Any Shares or Units of Any Eligible ETF, or Any Assets Held by Any Eligible ETF or the Money Market Position" on page S-21 of this prospectus supplement.

#### Tracking Error

In the case of a tracking ETF, as described above, the difference between the performance of the ETF over a period of time and the performance of the index over such period of time is called the "tracking error" over that period of time. This is typically measured as the difference between the ETF's returns and the index returns over the same period of time. This is also sometimes referred to as the "correlation" between the index and the tracking ETF. An index and ETF are perfectly correlated if the correlation is 1.00 (i.e., the tracking error is 0.00%). Tracking errors can result for a variety of reasons, but one of the common reasons is that an index is a theoretical financial calculation of the performance of certain assets, but an eligible ETF holds an actual investment portfolio. The descriptions below will discuss some of the additional reasons for tracking errors in the eligible ETFs. The eligible ETFs provide information about the performance of the index and the performance of the eligible ETF for the same period. In some cases, the eligible ETFs assume reinvestment of share distributions when calculating the performance of the market price of the shares.

#### Creation Units

Prior to trading in the secondary market, shares of an eligible ETF are issued at net asset value to certain institutional investors (typically market makers or other broker-dealers) only in large block-size units, known as creation units. As a practical matter, only institutions, market makers or large investors purchase or redeem creation units. Except when aggregated in creation units (or upon the liquidation of the ETF), shares of an eligible ETF are not redeemable securities. The descriptions below will describe the size of the creation units for each eligible ETF. For most investors, the important thing to know is that redemptions of creation units may cause temporary dislocations in tracking errors for tracking ETFs.

#### Investment Advisor

Each of the eligible ETFs has an investment advisor. Depending on the structure of the eligible ETF, there may be other key roles with respect to that eligible ETF. Those roles and the entities that perform them will be described below.

#### Indicative Values, Net Asset Value and Share Prices

Each of the eligible ETFs calculates a net asset value, or NAV, at the end of each trading day. This value represents the value of the eligible ETF's assets less any applicable fees and expenses. The actual trading price of an eligible ETF's shares or units in the secondary market generally differs (and may deviate significantly during periods of market volatility) from the eligible ETF's daily net asset value. This is because the trading price is affected by market forces such as supply and demand, economic conditions and other factors.

The eligible ETFs are required for regulatory reasons to disseminate an approximate net asset value, often called an "indicative value," every fifteen seconds throughout the trading day. These indicative values are disseminated by

information providers or market data vendors. These approximate or indicative values should not be viewed as a “real-time” update of the net asset value of the ETF, because the approximate value may not be calculated in the same manner as the net asset value, which is computed once a day. The approximate value is generally based on quotes and closing prices from the securities’ local market and may not reflect events that occur subsequent to the local market’s close. In most cases, the approximate value is not calculated by the eligible ETF and may not be calculated using the same methodology. In any event, for purposes of your notes and the index, the trading prices of the shares or units of the eligible ETFs included in the calculation of the index will be based on the trading prices alone and not the NAV or these approximate values.

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## SPDR® S&P 500® ETF Trust

The units of the SPDR® S&P 500® ETF Trust (the “units”) are issued by SPDR® S&P 500® ETF Trust (the “trust”), a unit investment trust that is a registered investment company.

- The trust is like a tracking ETF in that it seeks investment results which correspond generally to the price and yield performance, before fees and expenses, of the index.
- The index it tracks is the S&P 500® Index (the “index”).
- The trust does not have an investment advisor. Its investments are adjusted by the trustee.
- Trustee: State Street Global Advisors Trust Company.
- Trust sponsor: PDR Services, LLC.
- The units trade on the NYSE Arca under the ticker symbol “SPY”.
- The trust’s SEC CIK Number is 0000884394.
- The inception date for purposes of the units was January 22, 1993.
- The trust’s units are issued or redeemed only in creation units of 50,000 units.

We obtained the following fee information from the trust’s publicly available information without independent verification. The Trustee is entitled to receive a fee for services performed for the trust corresponding to the net asset value of the trust, at an annual rate of 0.10% per annum for the first \$499,999,999 of assets, 0.08% per annum for assets over \$499,999,999 and up to \$2,499,999,999 and 0.06% per annum for assets of \$2,500,000,000 or more (in each case reduced or increased by an adjustment amount for transaction fees, creation and redemption expenses and interest earned on cash). As of December 31, 2018, the trust’s gross expense ratio is 0.0945% per annum. The trustee has agreed to waive a portion of its fee until February 1, 2018 to the extent operating expenses exceed 0.0945% after earnings credits are applied. After February 1, 2018, the trustee may discontinue this fee waiver.

For additional information regarding SPDR® S&P 500® ETF Trust, please consult the reports (including the Annual Report to Shareholders on Form N30-D for the fiscal year ended September 30, 2018) and other information the trust files with the SEC. Additional information regarding the trust, including its top portfolio holdings, may be obtained from other sources including, but not limited to, press releases, newspaper articles, other publicly available documents, and the SPDR® S&P 500® ETF Trust website at [spdrs.com/product/fund.seam?ticker=SPY](http://spdrs.com/product/fund.seam?ticker=SPY). We are not incorporating by reference the website, the sources listed above or any material they include in this prospectus supplement.

## Investment Objective and Strategy

The trust seeks investment results that, before expenses, correspond generally to the price and yield performance of the index. The trust strives to achieve its investment objective by holding a portfolio of the common stocks that are included in the index, with the weight of each stock in the trust’s portfolio substantially corresponding to the weight of such stock in the index. Although the trust may fail to own certain securities included in the index at any particular time, the trust generally will be substantially invested in index securities.

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To maintain the correspondence between the composition and weightings of the common stocks that are actually held by the trust and the common stocks that are included in the index, the trustee adjusts the trust portfolio from time to time to conform to periodic changes made by the index sponsor to the identity and/or relative weightings of the common stocks that are included in the index. The trustee aggregates certain of these adjustments and makes changes to the trust's portfolio at least monthly, or more frequently in the case of significant changes to the index. The trust does not hold or trade futures or swaps and is not a commodity pool.

The following table displays the top ten holdings and weightings by industry sector of the trust and index. (Sector designations are determined by the trust sponsor using criteria it has selected or developed. Index and trust sponsors may use very different standards for determining sector designations. In addition, many companies operate in a number of sectors, but are listed in only one sector and the basis on which that sector is selected may also differ. As a result, sector comparisons between indices or trusts with different sponsors may reflect differences in methodology as well as actual differences in the sector composition of the indices or trusts.) We obtained the information in the tables below from the trust website without independent verification.

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## Top Ten Holdings of Trust and Index as of February 12, 2019

Trust Issuer	Percentage of Trust (%)	Index Issuer	Percentage of Index (%)
MICROSOFT CORPORATION	3.58%	MICROSOFT CORPORATION	3.58%
APPLE INC.	3.34%	APPLE INC.	3.34%
AMAZON.COM INC.	2.92%	AMAZON.COM INC.	2.92%
BERKSHIRE HATHAWAY INC. CLASS B	1.74%	BERKSHIRE HATHAWAY INC. CLASS B	1.74%
FACEBOOK INC. CLASS A	1.72%	FACEBOOK INC. CLASS A	1.72%
JOHNSON & JOHNSON	1.56%	JOHNSON & JOHNSON	1.56%
ALPHABET INC. CLASS C	1.50%	ALPHABET INC. CLASS C	1.50%
JPMORGAN CHASE & CO.	1.48%	JPMORGAN CHASE & CO.	1.48%
ALPHABET INC. CLASS A	1.46%	ALPHABET INC. CLASS A	1.46%
EXXON MOBIL CORPORATION	1.39%	EXXON MOBIL CORPORATION	1.39%

## Weighting by Sector of Trust and Index as of February 12, 2019\*

Sector	Percentage of Trust (%)	Percentage of Index (%)
Information Technology	20.37%	20.36%
Financials	13.38%	13.36%
Health Care	14.95%	14.96%
Consumer Discretionary	9.98%	9.97%
Consumer Staples	7.24%	7.24%
Industrials	9.70%	9.71%
Energy	5.39%	5.39%
Utilities	3.18%	3.19%
Real Estate	2.99%	3.00%
Materials	2.66%	2.67%
Communication Services	10.15%	10.15%

\* The Global Industry Classification Structure, which S&P Dow Jones Indices LLC utilizes to classify the constituents of the index, was updated in September 2018. Please see “ The S&P 500 Index” below for additional information about these updates.

## Correlation

Although the trust intends to track the performance of the index as closely as possible, the trust’s return may not match or achieve a high degree of correlation with the return of the index due to expenses and transaction costs incurred in adjusting the portfolio. In addition, it is possible that the trust may not always fully replicate the performance of the index due to unavailability of certain index securities in the secondary market or due to other extraordinary circumstances (e.g., if trading in a security has been halted).

For the period ended January 31, 2019, the SPDR® website gave the following performance figures for market price of a unit and the index: unit —1 year on an annualized basis, -2.46%; 3 years on an annualized basis, 13.89%; 5 years on an annualized basis, 10.83%; 10 years on an annualized basis, 14.83%; since inception on an annualized basis, 9.28%;



index—1 year on an annualized basis, -2.31%; 3 years on an annualized basis, 14.02%; 5 years on an annualized basis, 10.96%; 10 years on an annualized basis, 15.00%; since inception on an annualized basis, 9.42%.

#### Unit Dividends

Holders of units receive dividends on the last business day of each April, July, October and January in an amount corresponding to the amount of any cash dividends declared on the common stocks held by the trust, net of the fees and expenses associated with the operation of the trust, and taxes, if applicable. Because of the fees and expenses, the dividend yield for units is ordinarily less than the hypothetical dividend yield of the index. The unit dividends will be reflected in the calculation of the index as described under “—Calculation of the Total Return of the Index” on page S-76 below.

#### The S&P 500® Index

The index includes a representative sample of 500 companies in leading industries of the U.S. economy. The 500 companies are not the 500 largest companies listed on the NYSE and not all 500 companies are listed on the NYSE. S&P chooses companies for inclusion in the index with an aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the U.S. equity market. Although the index contains 500 constituent companies, at any one time it may contain greater than 500 constituent trading lines since some companies included in the index prior to July 31, 2017 may be represented by multiple share class lines in the index. The index is calculated, maintained and published by S&P Dow Jones Indices LLC (the “S&P”). In addition, information may be obtained from other sources including, but not limited to, press releases, newspaper articles, other publicly available documents, and on the following websites: [us.spindices.com/indices/equity/SP-500](http://us.spindices.com/indices/equity/SP-500) and [spji.com](http://spji.com). We are not incorporating by reference the websites, the sources listed above or any material they include in this prospectus supplement.

S&P intends for the index to provide a performance benchmark for the large-cap U.S. equity markets. Constituent changes are made on an as-needed basis and there is no schedule for constituent reviews. Constituent changes are generally announced one to five business days prior to the change. Relevant criteria for additions to the index that are employed by S&P include: the company proposed for addition should have an unadjusted company market capitalization of \$6.1 billion or more (for spin-offs, eligibility is determined using when-issued prices, if available); using composite pricing and volume, the ratio of annual dollar value traded in the proposed constituent to float-adjusted market capitalization of that company should be 1.00 or greater and the stock should trade a minimum of 250,000 shares in each of the six months leading up to the evaluation date; the company must be a U.S. company (characterized as a Form 10-K filer whose U.S. portion of fixed assets and revenues constitutes a plurality of the total and with a primary listing of the common stock on the NYSE, NYSE Arca, NYSE American (formerly NYSE MKT), NASDAQ Global Select Market, NASDAQ Select Market, NASDAQ Capital Market, Bats BZX, Bats BYX, Bats EDGA, Bats EDGX or IEX (each, an “eligible exchange”)); the proposed constituent has a public float of 50% or more of its stock; the inclusion of the company will contribute to sector balance in the index relative to sector balance in the market in the relevant market capitalization range; financial viability (the sum of the most recent four consecutive quarters’ Generally Accepted Accounting Principles (GAAP) earnings (net income excluding discontinued operations) should be positive as should the most recent quarter); and, for IPOs, the company must be traded on an eligible exchange for at least twelve months. In addition, constituents of the S&P MidCap 400® Index and the S&P SmallCap 600® Index can be added to the index without meeting the financial viability, public float and/or liquidity eligibility criteria if the S&P Index Committee decides that such an addition will enhance the representativeness of the index as a market benchmark. Certain types of organizational structures and securities are always excluded, including business development companies (BDCs), limited partnerships, master limited partnerships, limited liability companies (LLCs), OTC bulletin board issues, closed-end funds, ETFs, ETNs, royalty trusts, tracking stocks, preferred stock and convertible preferred stock, unit trusts, equity warrants, convertible bonds, investment trusts, rights and American

depository receipts (ADRs). Stocks are deleted from index when they are involved in mergers, acquisitions or significant restructurings such that they no longer meet the inclusion criteria, and when they substantially violate one or more of the addition criteria. Stocks that are delisted or moved to the pink sheets or the bulletin board are removed, and those that experience a trading halt may be retained or removed in S&P's discretion. S&P evaluates additions and deletions with a view to maintaining index continuity.

For constituents included in the index prior to July 31, 2017, all publicly listed multiple share class lines are included separately in the index, subject to, in the case of any such share class line, that share class line satisfying the liquidity and float criteria discussed above and subject to certain exceptions. It is possible that one listed share class line of a company may be included in the index while a second listed share class line of the same company is excluded. For companies that issue a second publicly traded share class to index share class holders, the newly issued share class line is considered for inclusion if the event is mandatory and the market capitalization of the distributed class is not considered to be de minimis.

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As of July 31, 2017, companies with multiple share class lines are no longer eligible for inclusion in the index. Constituents of the index prior to July 31, 2015 with multiple share class lines will be grandfathered in and continue to be included in the index. If an index constituent reorganizes into a multiple share class line structure, that company will be reviewed for continued inclusion in the index at the discretion of the S&P Index Committee.

S&P divides the 500 companies included in the index into eleven Global Industry Classification Sectors: Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Real Estate, Telecommunication Services and Utilities. As of the close of business on September 21, 2018, S&P and MSCI, Inc. updated the Global Industry Classification Sector structure. Among other things, the update broadened the Telecommunications Services sector and renamed it the Communication Services sector. The renamed sector includes the previously existing Telecommunication Services Industry group, as well as the Media Industry group, which was moved from the Consumer Discretionary sector and renamed the Media & Entertainment Industry group. The Media & Entertainment Industry group contains three industries: Media, Entertainment and Interactive Media & Services. The Media industry continues to consist of the Advertising, Broadcasting, Cable & Satellite and Publishing sub-industries. The Entertainment industry contains the Movies & Entertainment sub-industry (which includes online entertainment streaming companies in addition to companies previously classified in such industry prior to September 21, 2018) and the Interactive Home Entertainment sub-industry (which includes companies previously classified in the Home Entertainment Software sub-industry prior to September 21, 2018 (when the Home Entertainment Software sub-industry was a sub-industry in the Information Technology sector)), as well as producers of interactive gaming products, including mobile gaming applications). The Interactive Media & Services industry and sub-industry includes companies engaged in content and information creation or distribution through proprietary platforms, where revenues are derived primarily through pay-per-click advertisements, and includes search engines, social media and networking platforms, online classifieds and online review companies. The Global Industry Classification Sector structure changes are effective for the S&P 500<sup>®</sup> Index as of the open of business on September 24, 2018 to coincide with the September 2018 quarterly rebalancing.

#### Calculation of the Total Return of the Index

The trust tracks the performance of the total return version of the index and the index is calculated using a base-weighted aggregative methodology. The total return calculation begins with the price return of the index. The value of the price return index on any day for which an index value is published is determined by a fraction, the numerator of which is the aggregate of the market price of each stock in the index times the number of shares of such stock included in the index, and the denominator of which is the divisor, which is described more fully below. The “market value” of any underlier stock is the product of the market price per share of that stock times the number of the then-outstanding shares of such underlier stock that are then included in the index.

The index is also sometimes called a “base-weighted aggregative index” because of its use of a divisor. The “divisor” is a value calculated by S&P that is intended to maintain conformity in index values over time and is adjusted for all changes in the underlier stocks’ share capital after the “base date” as described below. The level of the index reflects the total market value of all underlier stocks relative to the index’s base date of 1941-43.

In addition, the index is float-adjusted, meaning that the share counts used in calculating the index reflect only those shares available to investors rather than all of a company’s outstanding shares. S&P seeks to exclude shares held by certain shareholders concerned with the control of a company, a group that generally includes the following: officers and directors and related individuals whose holdings are publicly disclosed, private equity, venture capital, special equity firms, publicly traded companies that hold shares for control in another company, strategic partners, holders of restricted shares, employee stock ownership plans, employee and family trusts, foundations associated with the company, holders of unlisted share classes of stock, government entities at all levels (except government retirement or pension funds) and any individual person listed as a 5% or greater shareholder in a company as reported in regulatory

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filings (collectively, “control holders”). To this end, S&P excludes all share-holdings (other than depository banks, pension funds, mutual funds, exchange traded fund providers, 401(k) plans of the company, government retirement and pension funds, investment funds of insurance companies, asset managers and investment funds, independent foundations, savings plans and investment plans) with a position greater than 5% of the outstanding shares of a company from the float-adjusted share count to be used in index calculations.

The exclusion is accomplished by calculating an Investable Weight Factor (“IWF”) for each stock that is part of the numerator of the float-adjusted index fraction described above:

$$\text{IWF} = (\text{available float shares}) / (\text{total shares outstanding})$$

where available float shares is defined as total shares outstanding less shares held by control holders. In most cases, an IWF is reported to the nearest one percentage point. For companies with multiple share class lines, a separate IWF is calculated for each share class line.

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Once the price return index has been calculated, the total return index is calculated. First, the total daily dividend for each stock in the index is calculated by multiplying the per share dividend by the number of shares included in the index. Then the index dividend is calculated by aggregating the total daily dividends for each of the index stocks (which may be zero for some stocks) and dividing by the divisor for that day. Next the daily total return of the index is calculated as a fraction minus 1, the numerator of which is the sum of the index level plus the index dividend and the denominator of which is the index level on the previous day. Finally, the total return index for that day is calculated as the product of the value of the total return index on the previous day times the sum of 1 plus the index daily total return for that day.

#### Maintenance of the Index

In order to keep the index comparable over time S&P engages in an index maintenance process. The maintenance process involves changing the constituents as discussed above, and also involves maintaining quality assurance processes and procedures, adjusting the number of shares used to calculate the index, monitoring and completing the adjustments for company additions and deletions, adjusting for stock splits and stock dividends and adjusting for other corporate actions. In addition to its daily governance of indices and maintenance of the index methodology, at least once within any 12 month period, the S&P Index Committee reviews the index methodology to ensure the index continues to achieve the stated objective, and that the data and methodology remain effective. The S&P Index Committee may at times consult with investors, market participants, security issuers included or potentially included in the index, or investment and financial experts.

#### Divisor Adjustments

The two types of adjustments primarily used by S&P are divisor adjustments and adjustments to the number of shares (including float adjustments) used to calculate the index. Set forth below under "Adjustments for Corporate Actions" is a table of certain corporate events and their resulting effect on the divisor and the share count. If a corporate event requires an adjustment to the divisor, that event has the effect of altering the market value of the affected underlier stock and consequently of altering the aggregate market value of the underlier stocks following the event. In order that the level of the index not be affected by the altered market value (which could be an increase or decrease) of the affected underlier stock, S&P generally derives a new divisor by dividing the post-event market value of the underlier stocks by the pre-event index value, which has the effect of reducing the index's post-event value to the pre-event level.

#### Changes to the Number of Shares of a Constituent

The index maintenance process also involves tracking the changes in the number of shares included for each of the index companies. The timing of adjustments to the number of shares depends on the type of event causing the change, and whether the change represents 5% or more of the total share count (for companies with multiple share class lines, the 5% threshold is based on each individual share class line rather than total company shares). Changes as a result of mergers or acquisitions are implemented when the transaction occurs. At S&P's discretion, however, de minimis merger and acquisition changes may be accumulated and implemented with the updates made at the quarterly share updates as described below. Changes in a constituent's total shares of 5% or more due to public offerings (which must be underwritten, have a publicly available prospectus or prospectus summary filed with the Securities and Exchange Commission and include a public confirmation that the offering has been completed) are implemented as soon as reasonably possible. Other changes of 5% or more are made weekly and are announced on Fridays for implementation after the close of trading on the following Friday. For changes of less than 5%, on the third Friday of the last month in each calendar quarter, S&P updates the share totals of companies in the index as required by any changes in the number of shares outstanding. S&P implements a share / IWF freeze beginning after the market close on the Tuesday preceding the second Friday of each quarterly rebalancing month and ending after the market close on the third Friday

of the quarterly rebalancing month. During this frozen period, shares and IWFs are not changed except for certain corporate action events (merger activity, stock splits and rights offerings).

#### Adjustments for Corporate Actions

There is a large range of corporate actions that may affect companies included in the index. Certain corporate actions require S&P to recalculate the share count or the float adjustment or to make an adjustment to the divisor to prevent the value of the index from changing as a result of the corporate action. This helps ensure that the movement of the index does not reflect the corporate actions of individual companies in the index.

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## Spin-Offs

As a general policy, a spin-off security is added to the index at a zero price at the market close of the day before the ex-date (with no divisor adjustment). The spin-off security will remain in the index if it meets all eligibility criteria. If the spin-off security is determined ineligible to remain in the index, it will generally be removed after at least one day of regular way trading (with a divisor adjustment). If there is a gap between the ex-date and distribution date (or payable date), or if the spin-off security does not trade regular way on the ex-date, the spin-off security is kept in the index until the spin-off security begins trading regular way.

Corporate Action	Share Count Revision	
	Required?	Divisor Adjustment Required?
Stock split	Yes – share count is revised to reflect new count.	No – share count and price changes are off-setting
Change in shares outstanding (secondary issuance, share repurchase and/or share buy-back)	Yes – share count is revised to reflect new count.	Yes
Special dividends	No	Yes – calculation assumes that share price drops by the amount of the dividend; divisor adjustment reflects this change in index market value
Change in IWF	No	Yes – divisor change reflects the change in market value caused by the change to an IWF
Company added to or deleted from the S&P 500 <sup>®</sup> Index	No	Yes – divisor is adjusted by the net change in market value, calculated as the shares issued multiplied by the price paid
Rights Offering	No	Yes – divisor adjustment reflects increase in market capitalization (calculation assumes that offering is fully subscribed)

## Recalculation Policy

S&P reserves the right to recalculate and republish the index at its discretion in the event one of the following issues has occurred: (1) incorrect or revised closing price of one or more constituent securities; (2) missed corporate event; (3) incorrect application of corporate action or index methodology; (4) late announcement of a corporate event; or (5) incorrect calculation or data entry error. The decision to recalculate the index is made at the discretion of the index manager and/or index committee, as further discussed below. The potential market impact or disruption resulting from the potential recalculation is considered when making any such decision. In the event of an incorrect closing price, a missed corporate event or a misapplied corporate action, a late announcement of a corporate event, or an incorrect calculation or data entry error that is discovered within two trading days of its occurrence, the index manager may, at his or her discretion, recalculate the index without involving the index committee. In the event any such event is discovered beyond the two trading day period, the index committee shall decide whether the index should be recalculated. In the event of an incorrect application of the methodology that results in the incorrect composition and/or weighting of index constituents, the index committee shall determine whether or not to recalculate the index following specified guidelines. In the event that the index is recalculated, it shall be done within a reasonable timeframe following the detection and review of the issue.

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## Calculations and Pricing Disruptions

Closing levels for the index are calculated by S&P based on the closing price of the individual constituents of the index as set by their primary exchange. Closing prices are received by S&P from one of its third party vendors and verified by comparing them with prices from an alternative vendor. The vendors receive the closing price from the primary exchanges. Real-time intraday prices are calculated similarly without a second verification. Prices used for the calculation of real time index values are based on the "Consolidated Tape". The Consolidated Tape is an aggregation of trades for each constituent over all regional exchanges and trading venues and includes the primary exchange. If there is a failure or interruption on one or more exchanges, real-time calculations will continue as long as the "Consolidated Tape" is operational.

If an interruption is not resolved prior to the market close, official closing prices will be determined by following the hierarchy set out in NYSE Rule 123C. A notice is published on the S&P website at [spdji.com](http://spdji.com) indicating any changes to the prices used in index calculations. In extreme circumstances, S&P may decide to delay index adjustments or not publish the index. Real-time indices are not restated.

## Unexpected Exchange Closures

An unexpected market/exchange closure occurs when a market/exchange fully or partially fails to open or trading is temporarily halted. This can apply to a single exchange or to a market as a whole, when all of the primary exchanges are closed and/or not trading. Unexpected market/exchange closures are usually due to unforeseen circumstances, such as natural disasters, inclement weather, outages, or other events.

To a large degree, S&P is dependent on the exchanges to provide guidance in the event of an unexpected exchange closure. S&P's decision making is dependent on exchange guidance regarding pricing and mandatory corporate actions.

NYSE Rule 123C provides closing contingency procedures for determining an official closing price for listed securities if the exchange is unable to conduct a closing transaction in one or more securities due to a system or technical issue.

3:00 PM ET is the deadline for an exchange to determine its plan of action regarding an outage scenario. As such, S&P also uses 3:00 PM ET as the cutoff.

If all major exchanges fail to open or unexpectedly halt trading intraday due to unforeseen circumstances, S&P will take the following actions:

### Market Disruption Prior to Open of Trading:

(i) If all exchanges indicate that trading will not open for a given day, S&P will treat the day as an unscheduled market holiday. The decision will be communicated to clients as soon as possible through the normal channels. Indices containing multiple markets will be calculated as normal, provided that at least one market is open that day. Indices which only contain closed markets will not be calculated.

(ii) If exchanges indicate that trading, although delayed, will open for a given day, S&P will begin index calculation when the exchanges open.

### Market Disruption Intraday:

## Explanation of Responses:

(i) If exchanges indicate that trading will not resume for a given day, the index level will be calculated using prices determined by the exchanges based on NYSE Rule 123C. Intraday index values will continue to use the last traded composite price until the primary exchange publishes official closing prices.

#### Historical Closing Prices of the Units

The closing price of the units has fluctuated in the past and may, in the future, experience significant fluctuations. Any historical upward or downward trend in the closing price of the shares during the period shown below is not an indication that the units are more or less likely to increase or decrease at any time during the life of your notes. The period shown below will be approximately ten years, but may be shorter if Bloomberg Financial Services does not provide historical closing prices for the entirety of such period (whether due to the applicable inception date occurring less than ten years from the date hereof or otherwise).

You should not take the historical closing prices of the units as an indication of the future performance of the units. We cannot give you any assurance that the future performance of the units will result in your receiving an amount greater than the outstanding face amount of your notes on the stated maturity date. Neither we nor any of our affiliates

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make any representation to you as to the performance of the units. Before investing in the offered notes, you should consult publicly available information to determine the relevant units closing prices between the date of this prospectus supplement and the date of your purchase of the offered notes. The actual performance of the units over the life of the offered notes, as well as the cash settlement amount at maturity may bear little relation to the historical prices shown below.

The graph below shows the daily historical prices of the units from March 13, 2009 through March 13, 2019. We obtained the closing prices shown in the graph below from Bloomberg Financial Services without independent verification.

#### Historical Performance of SPDR<sup>®</sup> S&P 500<sup>®</sup> ETF Trust

“SPDR<sup>®</sup>” is a registered trademark of Standard & Poor's Financial Services LLC (“S&P”) and Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”) and have been licensed for use by S&P Dow Jones Indices LLC. The index is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P or their respective affiliates, and neither S&P Dow Jones Indices LLC, Dow Jones, S&P or their respective affiliates make any representation regarding the advisability of investing in the index.

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## iShares® MSCI EAFE ETF

The shares of the iShares® MSCI EAFE ETF (the “ETF”) are issued by iShares® Trust, a registered investment company.

•The ETF is a tracking ETF that seeks investment results which correspond generally to the price and yield performance, before fees and expenses, of the index.

•The index it tracks is the MSCI EAFE Index (the “index”).

•Investment Advisor: BlackRock Fund Advisors (“BFA”).

•The ETF’s shares trade on the NYSE Arca under the ticker symbol “EFA”.

•The iShares® Trust’s SEC CIK Number is 0001100663.

•The ETF’s inception date was August 14, 2001.

•The ETF’s shares are issued or redeemed only in creation units of 600,000 shares or multiples thereof.

We obtained the following fee information from the iShares® website without independent verification. The investment advisor is paid a management fee from the ETF based on the ETF’s allocable portion of an aggregate management fee based on the aggregate average daily net assets of the ETF and a set of other specified iShares® funds (the “funds”) as follows: 0.35% per annum of the aggregate net assets of the funds less than or equal to \$30.0 billion, plus 0.32% per annum of the aggregate net assets of the funds on amounts in excess of \$30.0 billion, up to and including \$60.0 billion, plus 0.28% per annum of the aggregate net assets of the funds on amounts in excess of \$60.0 billion, up to and including \$90.0 billion, plus 0.252% per annum of the aggregate net assets of the funds on amounts in excess of \$90.0 billion, up to and including \$120.0 billion, plus 0.227% per annum of the aggregate net assets of the funds on amounts in excess of \$120.0 billion, up to and including \$150.0 billion, plus 0.204% per annum of the aggregate net assets of the funds on amounts in excess of \$150.00 billion. As of December 31, 2018, the aggregate expense ratio of the ETF was 0.31% per annum.

For additional information regarding iShares® Trust or BFA, please consult the reports (including the Annual Report to Shareholders on Form N-CSR for the fiscal year ended July 31, 2018) and other information iShares® Trust files with the SEC. In addition, information regarding the ETF, including its top portfolio holdings, may be obtained from other sources including, but not limited to, press releases, newspaper articles, other publicly available documents, and the iShares® website at [us.ishares.com/product\\_info/fund/overview/EFA.htm](http://us.ishares.com/product_info/fund/overview/EFA.htm). We are not incorporating by reference the website, the sources listed above or any material they include in this prospectus supplement.

### Investment Objective

The ETF seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the index. The ETF’s investment objective and the index may be changed without the approval of BFA’s shareholders.

The following table displays the top holdings and weightings by industry sector of the ETF. (Sector designations are determined by the ETF sponsor using criteria it has selected or developed. Index and ETF sponsors may use very different standards for determining sector designations. In addition, many companies operate in a number of sectors, but are listed in only one sector and the basis on which that sector is selected may also differ. As a result, sector comparisons between indices or ETFs with different sponsors may reflect differences in methodology as well as actual

differences in the sector composition of the indices or ETFs.) We obtained the information in the tables below from the ETF website without independent verification.

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## iShares® MSCI EAFE ETF Top Ten Holdings as of February 12, 2019

ETF Stock Issuer	Percentage (%)
NESTLE SA	1.97%
NOVARTIS AG	1.44%
ROCHE HOLDING PAR AG	1.43%
HSBC HOLDINGS PLC	1.26%
ROYAL DUTCH SHELL PLC	1.08%
BP PLC	1.05%
TOYOTA MOTOR CORP	1.02%
TOTAL SA	0.99%
ROYAL DUTCH SHELL PLC CLASS B	0.90%
AIA GROUP LTD	0.84%
Total	11.98%

## iShares® MSCI EAFE ETF Weighting by Sector as of February 12, 2019\*

Sector	Percentage (%)
Financials	19.24%
Consumer Discretionary	11.07%
Industrials	14.23%
Consumer Staples	11.41%
Health Care	11.11%
Materials	7.39%
Information Technology	6.18%
Communication	5.43%
Energy	5.91%
Real Estate	3.79%
Utilities	3.74%
Cash and/or Derivatives	0.51%
Total	100.01%

\* Percentages may not sum to 100% due to rounding.

The Global Industry Classification Structure, which MSCI utilizes to classify the constituents of the index, was updated in September 2018. Please see “ The MSCI EAFE Index” below for additional information about these updates.

## iShares® MSCI EAFE ETF Weighting by Country as of February 12, 2019\*

Country	Percentage (%)
Japan	24.27%
United Kingdom	16.97%
France	10.95%
Switzerland	8.62%
Germany	8.61%
Australia	6.99%
Hong Kong	4.02%
Netherlands	3.51%
Spain	3.02%
Sweden	2.68%



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Italy	2.25%
Denmark	1.75%
Singapore	1.36%
Finland	1.07%
Cash and/or Derivatives	0.51%
Other	3.42%
Total	100.00%

\* Percentages may not sum to 100% due to rounding.

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### Representative Sampling

BFA uses a representative sampling indexing strategy to manage the ETF. This strategy involves investing in a representative sample of securities that collectively has an investment profile similar to that of the index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market capitalization and industry weightings), fundamental characteristics (such as return variability and yield) and liquidity measures similar to those of the index.

The ETF generally invests at least 90% of its assets in the securities of the index and in depositary receipts representing securities of the index. The ETF may invest the remainder of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the index, but which BFA believes will help the ETF track the index. Also, the ETF may lend securities representing up to one-third of the value of the ETF's total assets (including the value of the collateral received).

### Tracking Error

The performance of the ETF and the index may vary due to a variety of factors, including differences between the securities and other instruments held in the ETF's portfolio and those included in the index, pricing differences (including differences between a security's price at the local market close and the ETF's valuation of a security at the time of calculation of the ETF's net asset value), differences in transaction costs, the ETF's holding of uninvested cash, differences in timing of the accrual of or the valuation of dividends or interest, the requirements to maintain pass-through tax treatment, portfolio transactions carried out to minimize the distribution of capital gains to shareholders, changes to the index or the costs to the ETF of complying with various new or existing regulatory requirements. Tracking error also may result because the ETF incurs fees and expenses, while the index does not. BFA expects that, over time, the ETF's tracking error will not exceed 5%. The ETF's use of a representative sampling indexing strategy can be expected to produce a larger tracking error than would result if the ETF used a replication indexing strategy in which an ETF invests in substantially all of the securities in its index in approximately the same proportions as in the index.

As of January 31, 2019, iShares® reported the following average annual returns on the market price of the ETF's shares and the index. The market price of the ETF's shares takes into account distributions on the shares and the returns shown account for changes in the mid-point of the bid and ask prices at 4:00 p.m., Eastern time on the relevant date. ETF shares: 1 year, -12.46%; 3 years, 7.26%; 5 years, 2.68%; 10 years, 8.10%; since inception, 4.86%; index: 1 year, 12.51%; 3 years, 7.74%; 5 years, 2.66%; 10 years, 8.11%; since ETF inception, 4.93%.

### Industry Concentration Policy

The ETF will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the index is concentrated.

### The MSCI® EAFE Index

The MSCI EAFE Index (the "index") is a stock index calculated, published and disseminated daily by MSCI Inc. ("MSCI") through numerous data vendors, on the MSCI website and in real time on Bloomberg Financial Markets and Reuters Limited.

The index is a free float-adjusted market capitalization index and is one of the MSCI Global Investable Market Indices (the "MSCI Indices"). The index is considered a "standard" index, which means it consists of all eligible large

capitalization and mid-capitalization stocks, as determined by MSCI, in the relevant market. Additional information about the MSCI Indices is available on the following website: [msci.com/index-methodology](http://msci.com/index-methodology). Daily closing price information for the index is available on the following website: [msci.com](http://msci.com). We are not incorporating by reference the website, the sources listed above or any material they include in this prospectus supplement.

The index is intended to provide performance benchmarks for the developed equity markets in Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The constituent stocks of the index are derived from the constituent stocks in the 21 MSCI standard single country indices for the developed market countries listed above. The index is calculated in U.S. dollars on a total return net basis. The index was launched on December 31, 1969 at an initial value of 100.

MSCI divides the companies included in the index into eleven Global Industry Classification Sectors: Communication Services, Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Real Estate and Utilities. As of the close of business on September 21, 2018, MSCI and S&P Dow Jones Indices LLC updated the Global Industry Classification Sector structure. Among other things, the update broadened

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the Telecommunications Services sector and renamed it the Communication Services sector. The renamed sector includes the previously existing Telecommunication Services Industry group, as well as the Media Industry group, which was moved from the Consumer Discretionary sector and renamed the Media & Entertainment Industry group. The Media & Entertainment Industry group contains three industries: Media, Entertainment and Interactive Media & Services. The Media industry continues to consist of the Advertising, Broadcasting, Cable & Satellite and Publishing sub-industries. The Entertainment industry contains the Movies & Entertainment sub-industry (which includes online entertainment streaming companies in addition to companies previously classified in such industry prior to September 21, 2018) and the Interactive Home Entertainment sub-industry (which includes companies previously classified in the Home Entertainment Software sub-industry prior to September 21, 2018 (when the Home Entertainment Software sub-industry was a sub-industry in the Information Technology sector)), as well as producers of interactive gaming products, including mobile gaming applications). The Interactive Media & Services industry and sub-industry includes companies engaged in content and information creation or distribution through proprietary platforms, where revenues are derived primarily through pay-per-click advertisements, and includes search engines, social media and networking platforms, online classifieds and online review companies. The Global Classification Sector structure changes are effective for the MSCI EAFE Index as of the open of business on December 3, 2018 to coincide with the November 2018 semi-annual index review.

#### Construction of the MSCI Indices

MSCI undertakes an index construction process, which involves: (i) defining the equity universe; (ii) determining the market investable equity universe for each market; (iii) determining market capitalization size segments for each market; (iv) applying index continuity rules for the standard index; (v) creating style segments within each size segment within each market; and (vi) classifying securities under the Global Industry Classification Standard. The index construction methodology differs in some cases depending on whether the relevant market is considered a developed market or an emerging market. All of the MSCI Indices are standard indices, meaning that only securities that would qualify for inclusion in a large cap index or a mid cap index will be included as described below.

#### Defining the Equity Universe

**Identifying Eligible Equity Securities:** The equity universe initially looks at securities listed in any of the countries in the MSCI Global Index series, which will be classified as either “developed markets” or “emerging markets”. All listed equity securities, including real estate investment trusts and certain income trusts in Canada are eligible for inclusion in the equity universe. Limited partnerships, limited liability companies and business trusts, which are listed in the U.S. and are not structured to be taxed as limited partnerships, are likewise eligible for inclusion in the equity universe. Conversely, mutual funds, exchange traded funds, equity derivatives and most investment trusts are not eligible for inclusion in the equity universe. Preferred shares that exhibit characteristics of equity securities are eligible. Securities for which the Hong Kong Securities and Futures Commission has issued high shareholding concentration notices are not eligible.

**Country Classification of Eligible Securities:** Each company and its securities (i.e., share classes) are classified in one and only one country, which allows for a distinctive sorting of each company by its respective country.

#### Determining the Market Investable Equity Universes

A market investable equity universe for a market is derived by (i) identifying eligible listings for each security in the equity universe; and (ii) applying investability screens to individual companies and securities in the equity universe that are classified in that market. A market is generally equivalent to a single country. The global investable equity universe is the aggregation of all market investable equity universes.

(i) Identifying Eligible Listings: A security may have a listing in the country where it is classified (a “local listing”) and/or in a different country (a “foreign listing”). A security may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe. A security may be represented by a foreign listing only if the security is classified in a country that meets the foreign listing materiality requirement (as described below), and the security’s foreign listing is traded on an eligible stock exchange of a developed market country if the security is classified in a developed market country or, if the security is classified in an emerging market country, an eligible stock exchange of a developed market country or an emerging market country.

In order for a country to meet the foreign listing materiality requirement, the following is determined: all securities represented by a foreign listing that would be included in the country’s MSCI Country Investable Market Index if foreign listings were eligible from that country. The aggregate free-float adjusted market capitalization for all such securities should represent at least (i) 5% of the free float-adjusted market capitalization of the relevant MSCI Country Investable Market Index and (ii) 0.05% of the free-float adjusted market capitalization of the MSCI ACWI Investable Market Index. If a country does not meet the foreign listing materiality requirement, then securities in that country may not be represented by a foreign listing in the global investable equity universe.

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(ii) Applying Investability Screens: The investability screens used to determine the investable equity universe in each market are:

**Equity Universe Minimum Size Requirement:** This investability screen is applied at the company level. In order to be included in a market investable equity universe, a company must have the required minimum full market capitalization. The equity universe minimum size requirement applies to companies in all markets and is derived as follows:

First, the companies in the developed market equity universe are sorted in descending order of full market capitalization and the cumulative coverage of the free float-adjusted market capitalization of the developed market equity universe is calculated for each company. Each company's free float-adjusted market capitalization is represented by the aggregation of the free float-adjusted market capitalization of the securities of that company in the equity universe.

Second, when the cumulative free float-adjusted market capitalization coverage of 99% of the sorted equity universe is achieved, by adding each company's free float-adjusted market capitalization in descending order, the full market capitalization of the company that reaches the 99% threshold defines the equity universe minimum size requirement.

The rank of this company by descending order of full market capitalization within the developed market equity universe is noted, and will be used in determining the equity universe minimum size requirement at the next rebalance.

As of May 2017, the equity universe minimum size requirement was set at U.S. \$236 million. Companies with a full market capitalization below this level are not included in any market investable equity universe. The equity universe minimum size requirement is reviewed and, if necessary, revised at each semi-annual index review, as described below.

**Equity Universe Minimum Free Float-Adjusted Market Capitalization Requirement:** This investability screen is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalization equal to or higher than 50% of the equity universe minimum size requirement.

**Minimum Liquidity Requirement:** This investability screen is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have at least one eligible listing that has adequate liquidity as measured by its 12-month and 3-month annualized traded value ratio ("ATVR") and 3-month frequency of trading. The ATVR attempts to mitigate the impact of extreme daily trading volumes and takes into account the free float-adjusted market capitalization of securities. A minimum liquidity level of 20% of the 3-month ATVR and 90% of 3-month frequency of trading over the last 4 consecutive quarters, as well as 20% of the 12-month ATVR, are required for inclusion of a security in a market investable equity universe of a developed market. A minimum liquidity level of 15% of the 3-month ATVR and 80% of 3-month frequency of trading over the last 4 consecutive quarters, as well as 15% of the 12-month ATVR, are required for inclusion of a security in a market investable equity universe of an emerging market.

Only one listing per security may be included in the market investable equity universe. In instances where a security has two or more eligible listings that meet the above liquidity requirements, then the following priority rules are used to determine which listing will be used for potential inclusion of the security in the market investable equity universe:

(1) Local listing (if the security has two or more local listings, then the listing with the highest 3-month ATVR will be used).

(2) Foreign listing in the same geographical region (MSCI classifies markets into three main geographical regions: EMEA, Asia Pacific and Americas. If the security has two or more foreign listings in the same geographical region, then the listing with the highest 3-month ATVR will be used).

(3) Foreign listing in a different geographical region (if the security has two or more foreign listings in a different geographical region, then the listing with the highest 3-month ATVR will be used).

Due to liquidity concerns relating to securities trading at very high stock prices, a security that is currently not a constituent of a MSCI Global Investable Markets Index that is trading at a stock price above U.S. \$10,000 will fail the liquidity screening and will not be included in any market investable equity universe.

Global Minimum Foreign Inclusion Factor Requirement: This investability screen is applied at the individual security level. To determine the free float of a security, MSCI considers the proportion of shares of such security available for purchase in the public equity markets by international investors. In practice, limitations on the investment opportunities for international investors include: strategic stakes in a company held by private or public shareholders whose investment objective indicates that the shares held are not likely to be available in the market; limits on the proportion of a security's

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share capital authorized for purchase by non-domestic investors; or other foreign investment restrictions which materially limit the ability of foreign investors to freely invest in a particular equity market, sector or security.

MSCI will then derive a “foreign inclusion factor” for the company that reflects the proportion of shares outstanding that is available for purchase in the public equity markets by international investors. MSCI will then “float-adjust” the weight of each constituent company in an index by the company’s foreign inclusion factor.

Once the free float factor has been determined for a security, the security’s total market capitalization is then adjusted by such free float factor, resulting in the free float-adjusted market capitalization figure for the security.

**Minimum Length of Trading Requirement:** This investability screen is applied at the individual security level. For an initial public offering to be eligible for inclusion in a market investable equity universe, the new issue must have started trading at least three months before the implementation of a semi-annual index review. This requirement is applicable to small new issues in all markets. Large initial public offerings are not subject to the minimum length of trading requirement and may be included in a market investable equity universe and a standard index, such as the MSCI Indices, outside of a quarterly or semi-annual index review.

**Minimum Foreign Room Requirement:** This investability screen is applied at the individual security level. For a security that is subject to a foreign ownership limit to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as “foreign room”) must be at least 15%.

#### Defining Market Capitalization Size Segments for Each Market

Once a market investable equity universe is defined, it is segmented into the following size-based indices:

- Investable Market Index (Large Cap + Mid Cap + Small Cap)
- Standard Index (Large Cap + Mid Cap)
- Large Cap Index
- Mid Cap Index
- Small Cap Index

Creating the size segment indices in each market involves the following steps: (i) defining the market coverage target range for each size segment; (ii) determining the global minimum size range for each size segment; (iii) determining the market size–segment cutoffs and associated segment number of companies; (iv) assigning companies to the size segments; and (v) applying final size-segment investability requirements. For developed market indices and emerging market indices, the market coverage for a standard index is 85% and 42.5% respectively. As of April 2017, the global minimum size range for a developed market standard index is a full market capitalization of USD 2.75 billion to USD 6.32 billion, and the global minimum size range for an emerging market standard index is a full market capitalization of USD 1.37 billion to USD 3.16 billion.

#### Index Continuity Rules for Standard Indices

In order to achieve index continuity, as well as provide some basic level of diversification within a market index, notwithstanding the effect of other index construction rules, a minimum number of five constituents will be



maintained for a developed market standard index and a minimum number of three constituents will be maintained for an emerging market standard index, and involves the following steps:

- If after the application of the index construction methodology, a developed market standard index contains fewer than five securities or an emerging market standard index contains fewer than three securities, then the largest securities by free float-adjusted market capitalization are added to the index in order to reach the minimum number of required constituents.
- At subsequent index reviews, if the minimum number of securities described above is not met, then after the market investable equity universe is identified, the securities are ranked by free float-adjusted market capitalization, however, in order to increase stability the free float-adjusted market capitalization of the existing index constituents (prior to review) is multiplied by 1.50, and securities are added until the desired minimum number of securities is reached.

#### Creating Style Indices within Each Size Segment

All securities in the investable equity universe are classified into value or growth segments. The classification of a security into the value or growth segment is used by MSCI to construct additional indices.

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## Classifying Securities under the Global Industry Classification Standard

All securities in the global investable equity universe are assigned to the industry that best describes their business activities. The GICS® classification of each security is used by MSCI to construct additional indices.

## Calculation Methodology for the MSCI Indices

The performance of each of the MSCI Indices is a free float weighted average of the U.S. dollar values of its component securities.

Prices used to calculate the component securities are the official exchange closing prices or prices accepted as such in the relevant market. In the case of a market closure, or if a security does not trade on a specific day or during a specific period, MSCI carries forward the previous day's price (or latest available closing price). In the event of a market outage resulting in any component security price to be unavailable, MSCI will generally use the last reported price for such component security for the purpose of performance calculation unless MSCI determines that another price is more appropriate based on the circumstances. Closing prices are converted into U.S. dollars, as applicable, using the closing spot exchange rates calculated by WM/Reuters at 4:00 P.M. London Time.

Companies may be listed simultaneously on more than one stock exchange in Japan. A company may apply for delisting from one stock exchange while remaining listed on other stock exchanges. For such delisting, Japanese stock exchanges generally give notice one month prior to the expected last trading date of the security to be delisted. Should such delisting involve a change in the primary exchange and/or trigger a change in the price source, MSCI will obtain the price of the security from the new primary exchange two weeks after an announcement of delisting from the stock exchange.

## Net Daily Total Return Methodology

The MSCI Indices are net daily total return indices. A daily total return index measures the market performance, including price performance and income from regular cash distributions, while a net daily total return index measures the price performance and income from dividends, net of certain withholding taxes. MSCI calculates withholding taxes using the highest applicable withholding tax rate applicable to institutional investors. The current withholding tax rate used by MSCI to calculate the MSCI Japan Index is 15.315%. This net income is reinvested in the index and thus makes up part of the total index performance. MSCI's net daily total return methodology reinvests net cash dividends in indices the day the security is quoted ex-dividend, or on the ex-date (converted to U.S. dollars, as applicable). In the case of the MSCI Japan Index, since many Japanese companies declare their dividends after the ex-date but make estimated dividends broadly available before the ex-date, an estimation of the dividend, or else the previous year dividend if no estimation is available, is reinvested on the ex-date. Certain dividends, including special/extraordinary dividends and commemorative dividends, are reinvested in the indices if, a day prior to the ex-date, the dividend impact on price is less than 5%. If the impact is 5% or more, the dividend will be reflected in the indices through a price adjustment. A specific price adjustment is always applied for stock dividends that are issued at no cost to the shareholders, an extraordinary capital repayment or a dividend paid in the shares of another company. Cash payments related to corporate events, such as mergers and acquisitions, are considered on a case-by-case basis.

## Maintenance of the MSCI Indices

In order to maintain the representativeness of the MSCI Indices, structural changes may be made by adding or deleting component securities. Currently, such changes in the MSCI Indices may generally only be made on four dates throughout the year: after the close of the last business day of each February, May, August and November.

Each country index is maintained with the objective of reflecting, on a timely basis, the evolution of the underlying equity markets. In maintaining each component country index, emphasis is also placed on its continuity, continuous investability of constituent and replicability of the index and on index stability and minimizing turnover.

MSCI classifies index maintenance in three broad categories. The first consists of ongoing event related changes, such as mergers and acquisitions, which are generally implemented in the country indices in which they occur. The second category consists of quarterly index reviews, aimed at promptly reflecting other significant market events. The third category consists of semi-annual index reviews that systematically re-assess the various dimensions of the equity universe.

Ongoing event-related changes to the MSCI Indices are the result of mergers, acquisitions, spin-offs, bankruptcies, reorganizations and other similar corporate events. They can also result from capital reorganizations in the form of rights issues, stock bonus issues, public placements and other similar corporate actions that take place on a continuing basis. MSCI will remove from the indices as soon as practicable securities of companies that file for bankruptcy or other protection from their creditors, that are suspended and for which a return to normal business activity and trading is unlikely

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in the near future; or that fail stock exchange listing requirements with a delisting announcement. Securities may also be considered for early deletion in other significant cases, such as decreases in free float and foreign ownership limits, or when a constituent company acquires or merges with a non-constituent company or spins-off another company. In practice, when a constituent company is involved in a corporate event which results in a significant decrease in the company's free float adjusted market capitalization or the company decreases its foreign inclusion factor to below 0.15, the securities of that constituent company are considered for early deletion from the indices simultaneously with the event unless, in either case, it is a standard index constituent with a minimum free float-adjusted market capitalization is not at least two-thirds of one-half of the standard index interim size segment cut-off. Share conversions may also give rise to an early deletion. All changes resulting from corporate events are announced prior to their implementation, provided all necessary information on the event is available.

MSCI's quarterly index review process is designed to ensure that the country indices continue to be an accurate reflection of evolving equity markets. This goal is achieved by timely reflecting significant market driven changes that were not captured in each index at the time of their actual occurrence and that should not wait until the semi-annual index review due to their importance. These quarterly index reviews may result in additions and deletions of component securities from a country index (or a security being removed from one country listing and represented by a different country listing) and changes in "foreign inclusion factors" and in number of shares. Additions and deletions to component securities may result from: the addition of large companies that did not meet the minimum size criterion for inclusion at the time of their initial public offering or secondary offering; the replacement of companies which are no longer suitable industry representatives; the deletion of securities whose overall free float has fallen to less than 15% and that do not meet specified criteria; the deletion of securities that have become very small or illiquid; and the addition or deletion of securities as a result of other market events. Significant changes in free float estimates and corresponding changes in the foreign inclusion factor for component securities may result from: block sales, block buys, secondary offerings and transactions made by way of immediate book-building that did not meet the requirements for implementation at the time of such event; corporate events that should have been implemented at the time of such event but could not be reflected immediately due to lack of publicly available details at the time of the event; exercise of IPO over-allotment options which result in an increase in free float; increases in foreign ownership limits; decreases in foreign ownership limits which did not require foreign investors to immediately sell shares in the market; re-estimates of free float figures resulting from the reclassification of shareholders from strategic to non-strategic, and vice versa; the end of lock-up periods or expiration of loyalty incentives for non-strategic shareholders; conversion of a non-index constituent share class or an unlisted line of shares which has an impact on index constituents; and acquisition by shares of non-listed companies or assets. However, no changes in foreign inclusion factors are implemented for any of the above events if the change in free float estimate is less than 1%, except in cases of correction. Small changes in the number of shares resulting from, for example, exercise of options or warrants, conversion of convertible bonds or other instruments, conversion of a non-index constituent share class or an unlisted line of shares which has an impact on index constituents, periodic conversion of a share class into another share class, exercise of over-allotment options, exercise of share buybacks, or the cancellation of shares, are generally updated at the quarterly index review rather than at the time of the event. The results of the quarterly index reviews are announced at least two weeks in advance of their effective implementation dates as of the close of the last business day of February and August. MSCI has noted that consistency is a factor in maintaining each component country index.

MSCI's semi-annual index review is designed to systematically reassess the component securities of the index. During each semi-annual index review, the universe of component securities is updated and the global minimum size range for the index is recalculated, which is based on the full market capitalization and the cumulative free float-adjusted market capitalization coverage of each security that is eligible to be included in the index. The following index maintenance activities, among others, are undertaken during each semi-annual index review: the list of countries in which securities may be represented by foreign listings is reviewed; the component securities are updated by identifying new equity securities that were not part of the index at the time of the previous quarterly index review; the

minimum size requirement for the index is updated and new companies are evaluated relative to the new minimum size requirement; existing component securities that do not meet the minimum liquidity requirements of the index may be removed (or, with respect to any such security that has other listings, a determination is made as to whether any such listing can be used to represent the security in the market investable universe); and changes in “foreign inclusion factors” are implemented (provided the change in free float is greater than 1%, except in cases of correction). During a semi-annual index review, component securities may be added or deleted from a country index for a range of reasons, including the reasons discussed with respect to component securities changes during quarterly index reviews as discussed above. Foreign listings may become eligible to represent securities only from the countries that met the foreign listing materiality requirement during the previous semi-annual index review (this requirement is applied only to countries that do not yet include foreign listed securities). Once a country meets the foreign listing materiality requirement at a given semi-annual

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index review, foreign listings will remain eligible for such country even if the foreign listing materiality requirements are not met in the future.

The results of the semi-annual index reviews are announced at least two weeks in advance of their effective implementation date as of the close of the last business day of May and November.

Index maintenance also includes monitoring and completing adjustments for share changes, stock splits, stock dividends, and stock price adjustments due to company restructurings or spin-offs.

These guidelines and the policies implementing the guidelines are the responsibility of, and, ultimately, subject to adjustment by, MSCI.

#### Historical Closing Prices of the ETF's Shares

The closing price of shares of the ETF has fluctuated in the past and may, in the future, experience significant fluctuations. Any historical upward or downward trend in the closing price of the shares during the period shown below is not an indication that the shares are more or less likely to increase or decrease at any time during the life of your notes. The period shown below will be approximately ten years, but may be shorter if Bloomberg Financial Services does not provide historical closing prices for the entirety of such period (whether due to the applicable inception date occurring less than ten years from the date hereof or otherwise).

You should not take the historical closing prices of the shares as an indication of the future performance of the shares. We cannot give you any assurance that the future performance of the shares will result in your receiving an amount greater than the outstanding face amount of your notes on the stated maturity date. Neither we nor any of our affiliates make any representation to you as to the performance of the shares. Before investing in the offered notes, you should consult publicly available information to determine the relevant ETF closing prices between the date of this prospectus supplement and the date of your purchase of the offered notes. The actual performance of the ETF over the life of the offered notes, as well as the cash settlement amount at maturity may bear little relation to the historical prices shown below.

The graph below shows the daily historical prices of the shares of the ETF from March 13, 2009 through March 13, 2019. We obtained the closing prices shown in the graph below from Bloomberg Financial Services without independent verification.

#### Historical Performance of iShares<sup>®</sup> MSCI EAFE ETF

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“iShare®” is a registered trademark of BlackRock Institutional Trust Company, N.A. (“BITC”). The index is not sponsored, endorsed, sold, or promoted by BITC. BITC makes no representations or warranties to the owners of the index or any member of the public regarding the advisability of investing in the index. BITC has no obligation or liability in connection with the operation, marketing, trading or sale of the index.

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## iShares® MSCI Japan ETF

The shares of the iShares® MSCI Japan ETF (the “ETF”) are issued by iShares, Inc. (the “company”). The company was organized as a Maryland corporation on September 1, 1994 and is authorized to have multiple series or portfolios, of which the ETF is one.

- The ETF is a tracking ETF that seeks investment results which correspond generally to the price and yield performance, before fees and expenses, of the index.
- The index it tracks is the MSCI Japan Index (the “index”).
- Investment Advisor: BlackRock Fund Advisors (“BFA”).
- The ETF’s shares trade on the NYSE Arca under the ticker symbol “EWJ”.
- The company’s SEC CIK Number is 0000930667.
- The ETF’s inception date was March 12, 1996.
- The ETF’s shares are issued or redeemed only in creation units of 150,000 shares or multiples thereof.

We obtained the following fee information from the iShares® website without independent verification. The investment advisor is entitled to receive a management fee from the fund corresponding to the ETF’s allocable portion of an aggregate management fee based on the aggregate average daily net assets of the ETF and a set of other specified iShares® funds (the “funds”) as follows: 0.59% per annum of the aggregate net assets of the funds less than or equal to \$7.0 billion, plus 0.54% per annum of the aggregate net assets of the funds on amounts in excess of \$7.0 billion, up to and including \$11.0 billion, plus 0.49% per annum of the aggregate net assets of the funds on amounts in excess of \$11.0 billion, up to and including \$24.0 billion, plus 0.44% per annum of the aggregate net assets of the funds on amounts in excess of \$24.0 billion, up to and including \$48.0 billion, plus 0.40% per annum of the aggregate net assets over \$48.0 billion, up to and including \$72.0 billion, plus 0.36% per annum of the aggregate net assets over \$72.0 billion, up to and including \$96.0 billion, plus 0.32% per annum of the aggregate net assets in excess of \$96.0 billion. As of December 31, 2018, the aggregate expense ratio of the ETF was 0.47% per annum.

For additional information regarding the company or BFA, please consult the reports (including the Annual Report to Shareholders on Form N-CSR for the fiscal year ended August 31, 2018) and other information the company files with the SEC. In addition, information regarding the ETF, including its top portfolio holdings, may be obtained from other sources including, but not limited to, press releases, newspaper articles, other publicly available documents and the iShares® website at [us.ishares.com/product\\_info/fund/overview/EWJ.htm](http://us.ishares.com/product_info/fund/overview/EWJ.htm). We are not incorporating by reference the website, the sources listed above or any material they include in this prospectus supplement.

### Investment Objective

The ETF seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the index. The ETF’s investment objective and the index may be changed without the approval of BFA’s shareholders.

The following table displays the top holdings and weightings by industry sector of the ETF. (Sector designations are determined by the ETF sponsor using criteria it has selected or developed. Index and ETF sponsors may use very different standards for determining sector designations. In addition, many companies operate in a number of sectors, but are listed in only one sector and the basis on which that sector is selected may also differ. As a result, sector



comparisons between indices or ETFs with different sponsors may reflect differences in methodology as well as actual differences in the sector composition of the indices or ETFs.) We obtained the information in the tables below from the ETF website without independent verification.

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iShares® MSCI Japan ETF Top Ten Holdings as of February 12, 2019

ETF Stock Issuer	Percentage (%)
TOYOTA MOTOR CORP	4.19%
SOFTBANK GROUP CORP	2.38%
MITSUBISHI UFJ FINANCIAL GROUP INC	1.90%
TAKEDA PHARMACEUTICAL LTD	1.81%
SONY CORP	1.74%
KEYENCE CORP	1.70%
SUMITOMO MITSUI FINANCIAL GROUP IN	1.47%
HONDA MOTOR LTD	1.33%
KDDI CORP	1.30%
MITSUBISHI CORP	1.16%
Total	18.98%

iShares® MSCI Japan ETF Weighting by Sector as of February 12, 2019\*

Sector	Percentage (%)
Consumer Discretionary	18.18%
Financials	11.38%
Industrials	