

Jefferies Microcap IndexSM

Summary Methodology

Eligibility Criteria

(all criteria must be satisfied as of the Reconstitution Reference Date in order to be included in the index)

- Eligible Companies and Securities: Listed equity securities of US-incorporated companies listed on the NYSE, AMEX, and NASDAQ, except
 - o Excluded Companies/Entities: Real estate investment trusts, close-ended funds, unit investment trusts and limited partnerships
 - o Excluded Securities: Preferred and convertible preferred stock, ADRs, redeemable shares, participating preferred stock, warrants and rights, trust receipts
- Market Cap Rule: Full market capitalization must fall between USD\$50m and \$300m
- Liquidity Rule: Must have:
 - o 12-month value traded: > USD\$50m; and
 - o Shares traded over the past 12 months divided by free float shares outstanding: >.3

Index Construction

- Weightings: Weighted by free-float-adjusted market capitalization, as calculated according to S&P's standard methodology.¹
- Calculation: Calculated according to S&P's standard methodology for U.S. indices²

Index Maintenance

- Reconstitution: Semiannually on the third Friday of the last month of each six month period, using data as of a Reference Date that is the last day of the

¹ www.sandp.com/indices, section "Index Methodology," documents "Free Float Methodology" and "Index Mathematics"

² www.sandp.com/indices, section "Index Methodology," documents "S&P U.S. Indices Methodology" and "Index Mathematics"

month prior to Reconstitution

- Rebalancing: Quarterly, on the third Friday of the last month of each calendar quarter, using the most recent data available
- Share Updates: Changes in a company's shares outstanding are made according to S&P's standard methodology for U.S. indices.³
- Adjustment for Corporate Actions: Corporate actions are applied to index membership according to S&P's standard methodology for U.S. indices⁴
- Base Date / Value: The base date is 12/31/2002, with a base value of 100.
- Calculation Frequency: Index values are calculated daily.
- Publication: Index values are published on Jefferies' website (www.jefferies.com) and on Bloomberg under the identifiers JEFIMICP (index price) and JEFIMICT (total return).
- Series Provided: Price Return and Total Return index series are provided, and are calculated according to S&P's standard methodology for U.S. indices.⁵ Total Return values include ordinary and special dividends.

Index Data

³ Ibid.

⁴ Ibid.

⁵ Ibid.