

S&P Dow Jones Indices' Updates to the S&P U.S. Indices Methodology

NEW YORK, December 7, 2020: S&P Dow Jones Indices ("S&P DJI") announces updates to the S&P U.S. Indices Methodology. Effective Tuesday, December 8, 2020, S&P DJI will implement the following methodology changes and clarifications:

Methodology Changes

S&P DJI is modifying the eligibility measurement date, market capitalization ranges, and constituent migrations policy of the S&P Composite 1500. In addition, S&P DJI is modifying the liquidity measure of the S&P Total Market Index. The table below summarizes the changes.

Policy	Current	Updated
Eligibility Criteria Measurement Date: S&P Composite 1500	The measurement date for determining whether all eligibility criteria are met is the open of trading on the announcement date.	The measurement date for determining whether all eligibility criteria are met is the day prior to the announcement date.
Market Capitalization Range: S&P Composite 1500	S&P Composite 1500. Unadjusted company market capitalizations of US\$ 8.2 billion or more for the S&P 500, US\$ 2.4 billion to US\$ 8.2 billion for the S&P MidCap 400, and US\$ 600 million to US\$ 2.4 billion for the S&P SmallCap 600 are required. These ranges are reviewed from time to time to assure consistency with market conditions. A company meeting the unadjusted company market capitalization criteria is also required to have a security level float-adjusted market capitalization that is at least 50% of the respective index's unadjusted company level minimum market capitalization threshold.	S&P Composite 1500. Unadjusted company market capitalizations of US\$ 9.8 billion or more for the S&P 500, US\$ 3.2 billion to US\$ 9.8 billion for the S&P MidCap 400, and US\$ 700 million to US\$ 3.2 billion for the S&P SmallCap 600 are required. These ranges are reviewed quarterly and updated as needed to ensure they reflect current market conditions. A company meeting the unadjusted company market capitalization criteria is also required to have a security level float-adjusted market capitalization that is at least 50% of the respective index's unadjusted company level minimum market capitalization threshold.
Constituent Migrations: S&P Composite 1500	Current S&P Composite 1500 constituents can be migrated from one S&P Composite 1500 component index (i.e. S&P 500, S&P MidCap 400, or S&P SmallCap 600) to another without meeting the financial viability or liquidity eligibility criteria if the Index Committee decides that such a move will enhance the representativeness of the index as a market benchmark.	Current S&P Composite 1500 constituents can be migrated from one S&P Composite 1500 component index (i.e. S&P 500, S&P MidCap 400, or S&P SmallCap 600) to another as long as they meet the unadjusted company level market capitalization eligibility criteria for the new index. Migrations from one S&P Composite 1500 index to another do not need to meet the financial viability, liquidity or 50% of the respective index's unadjusted company level minimum market capitalization threshold criteria.
Liquidity Measurement: S&P Total Market Index	S&P Total Market Index. Using composite pricing and volume, the ratio of annual dollar value traded (defined as average closing price over the period multiplied by historical volume) to float-adjusted market capitalization should be at least 0.10.	S&P Total Market Index. Using composite pricing and volume, the ratio of annual dollar value traded (defined as average closing price multiplied by historical volume over the last 365 calendar days) to float-adjusted market capitalization should be at least 0.10.

Additional Clarifications

S&P DJI is clarifying the language defining the liquidity measurement for the S&P Composite 1500. Finally, S&P DJI is clarifying the eligibility of certain securities that have undergone a change over the past quarter. The table below summarizes the clarifications.

Policy	Current	Updated
Liquidity Measurement Clarification: S&P Composite 1500	S&P Composite 1500. Using composite pricing and volume, the ratio of annual dollar value traded (defined as average closing price over the period multiplied by historical volume) to float-adjusted market capitalization should be at least 1.00, and the stock should trade a minimum of 250,000 shares in each of the six months leading up to the evaluation date.	S&P Composite 1500. Using composite pricing and volume, the ratio of annual dollar value traded (defined as average closing price multiplied by historical volume over the last 365 calendar days) to float-adjusted market capitalization should be at least 1.00, and the stock should trade a minimum of 250,000 shares in each of the six months leading up to the evaluation date.
Eligible Securities: S&P Total Market Index	At each quarterly rebalancing, certain securities that have undergone a change in the past quarter are eligible to be added to the index. These securities include: <ul style="list-style-type: none"> • Initial Public Offerings (IPOs) • New listings on eligible exchanges • Issues that moved from Pink Sheets or Bulletin Board • Issues that emerged from Bankruptcy Status • Companies whose domicile has changed to the U.S. 	At each quarterly rebalancing, securities that have undergone a change in the past quarter are eligible to be added to the index. These securities include: <ul style="list-style-type: none"> • Initial Public Offerings (IPOs) (including direct offerings) • New listings on eligible exchanges • Issues that moved from Pink Sheets or Bulletin Board • Issues that emerged from Bankruptcy Status • Companies whose domicile has changed to the U.S. as determined by S&P DJI • Companies converting from an ineligible organization type to an eligible organization type • Securities converting from an ineligible share type to an eligible share type

These changes and clarifications will become effective tomorrow, Tuesday, December 8, 2020.

Please note that the S&P Dow Jones Indices' S&P U.S. Indices Methodology on S&P DJI's website is being updated to reflect these changes.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.spdji.com.

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