

Consultation for Dow Jones U.S. Select Sector Specialty Indices

NEW YORK, JANUARY 8, 2018: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with members of the investment community on potential changes to the Dow Jones U.S. Select Sector Specialty Indices. In order to ensure stock diversification within the index, the following proposals are under consideration:

Proposal	Description
Minimum Component Count for all Dow Jones U.S. Select Sector Specialty Indices	<p>S&P DJI is proposing to initiate a minimum component count of 22 for each index at each quarterly rebalancing. Under this proposal, if the component count of an index is less than 22 after applying the rules set forth in the eligibility criteria of the methodology, the market capitalization requirement would be relaxed so that the next largest non-component in the eligible universe would be added until the component count reaches 22.</p> <p>Currently, there is no minimum component count.</p>
Expanding the Eligible Universe of Securities for the Dow Jones U.S. Select Telecommunications Index	<p>S&P DJI is proposing to expand the eligible universe of securities for the Dow Jones U.S. Select Telecommunications Index. Under this proposal, companies in the Dow Jones U.S. Broad Stock Market Index categorized into the Telecommunications Equipment (9578) sub-sector of the Dow Jones Industry Classification Benchmark (DJICB) would be eligible for index inclusion in addition to those in the Fixed Line Telecommunications (6535) and Mobile Telecommunications (6575) sub-sectors of the DJICB.</p> <p>Currently, only companies in the Dow Jones U.S. Broad Stock Market Index categorized into the Fixed Line Telecommunications (6535) and Mobile Telecommunications (6575) sub-sectors of the DJICB are eligible for index inclusion.</p>

The table below shows the component counts within each specified sub-sector of the index universe (i.e. the Dow Jones U.S. Broad Stock Market Index) as of the close on January 5, 2018.

Sub-Sector (Code)	Count in Universe	Count Above US\$ 500 Million
Fixed Line Telecommunications (6535)	10	8
Mobile Telecommunications (6575)	10	9
Telecommunications Equipment (9578)	36	30

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

- Do you agree with the proposal to establish a minimum component count for each of the Dow Jones U.S. Select Sector Specialty Indices? Is a minimum component count of 22 appropriate? If not, what do you feel is an appropriate minimum component count?**

2. Do you agree with the proposal to make companies categorized into the Telecommunications Equipment (9578) sub-sector eligible for inclusion in the Dow Jones U.S. Select Telecommunications Index? If yes:
- a) Should the supplemental Telecommunications Equipment (9578) sub-sector components weight be, in aggregate, capped at 35% of the index in the same manner caps are applied to the Dow Jones U.S. Home Construction Index?
 - b) Should the supplemental Telecommunications Equipment (9578) sub-sector components be limited by applying a revenue screen in a similar manner as the revenue screen is applied to the supplemental sectors eligible for the Dow Jones U.S. Select Home Construction Index?

The current Dow Jones U.S. Select Sector Specialty Indices Methodology can be found [here](#).

Your participation in this consultation is important as we gather information from various market participants in order to properly evaluate your views and preferences. S&P DJI will make responses to consultations freely available upon request.¹ If you do not want your response to be made available, you must clearly state that in your response. Please respond to this survey by **February 9, 2018**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI will consider the issues and may request clarifications from respondents as part of that review. Alternative options to the proposed questions after the deadline require that the consultation be re-opened to the public.

To participate in this consultation, please respond to S&P DJI at index_services@spglobal.com.

Please be advised that all comments from this consultation will be reviewed and considered before a final decision is made; however, S&P DJI makes no guarantees or is under any obligation to comply with any of the responses. The survey may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, an announcement will be posted on our website.

Thank you for taking the time to complete this survey.

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

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¹ Individual and company names as well as contact details will be redacted.