

## Ossiam Emerging Markets Minimum Variance Index Series Consultation on India Country Weight Caps

**AMSTERDAM, DECEMBER 14, 2020:** S&P DJI Netherlands B.V., a wholly owned subsidiary of S&P Dow Jones Indices LLC., (“S&P Dow Jones Indices” or “S&P DJI”) is the benchmark administrator for the Ossiam Emerging Markets Minimum Variance Index Series. The Ossiam Emerging Markets Minimum Variance Index Series are owned by Ossiam. S&P DJI is conducting a consultation with market participants on potential changes to the Ossiam Emerging Markets Minimum Variance Index.

Following a request by the index owner in relation to the end of certain transitions by December 31, 2020 of the SEBI guidelines<sup>1</sup> for foreign portfolio investors, designated depository participants and eligible foreign investors which potentially impacts the ability of market participants to replicate the index using swaps if the India country weight exceeds 20% on any given day. S&P DJI is considering a change to reduce the India country weight cap from 20% to 15% at each rebalancing and introduce a monthly reweighting for the index whenever India’s weight is above 18% on the relevant Reweighting Observation Date by bringing it back to 15%. S&P DJI is also considering the implementation of an ad-hoc reweighting as of the close of December 30, 2020 to cap the weight of India at 15%. The table below summarizes the proposed changes:

Proposed Change	Methodology	
	Current	Proposed
Cmax (Upper Bound for Country Exposure)	20%	15% for India 20% for each other country
Monthly Reweighting	--	<p>Outside of rebalancing months, the index is reweighted monthly if India’s country weight is above 18%. This is observed as of the Reweighting Observation Date (the 2<sup>nd</sup> Friday of each month, or next index business day if the 2<sup>nd</sup> Friday is not a business day) and effective as of the close of the 3<sup>rd</sup> Friday of the month, or the next business day if the 3<sup>rd</sup> Friday is not a business day (Reweighting Date).</p> <p>If a reweighting occurs, India’s index weight is reset to 15% and the excess weight is redistributed pro-rata across the rest of the index.</p> <p>Stocks are assigned index shares and new weights using the closing prices as of the Reweighting Reference Date (i.e.: as of the close of the Monday before the 3<sup>rd</sup> Friday of the reweighting month, or the next business day if the 3<sup>rd</sup> Friday is not a business day).</p> <p>If a reweighting takes place in a month, Pro-forma files will start from the Reweighting Reference Date of such month.</p>

<sup>1</sup> Please refer to the SEBI guidelines [here](#) for more information.

## IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology changes, if adopted, on Wednesday, December 23, 2020. If the proposed changes are implemented, an ad-hoc reweighting will occur as of the close of December 30, 2020 to cap the weight of India at 15%, using a Reweighting Observation Date of December 23, 2020. Pro forma files would be available at the close of December 28, 2020.

## QUESTIONS

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

1. **Do you agree with the proposal to change the Cmax level for India?**
2. **Do you agree with the proposal to introduce a monthly reweighting for India?**
3. **Do you agree with the proposal to do an ad-hoc reweighting?**
4. **If any of the proposed changes are adopted, do you agree with the proposed implementation date?**
5. **Do you have any other comments or feedback regarding the proposed changes outlined above?**

Your participation in this consultation is important as we gather information from various market participants in order to properly evaluate your views and preferences. Please respond to this survey by **December 21, 2020**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available [here](#).

For further information about this consultation, please contact S&P Dow Jones Indices at [SPDJI\\_Index\\_Governance@spglobal.com](mailto:SPDJI_Index_Governance@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](http://www.spdji.com).

## CONSULTATION

## 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](http://www.spdji.com).

### **FOR MORE INFORMATION:**

**S&P Dow Jones Indices**  
[index\\_services@spglobal.com](mailto:index_services@spglobal.com)