

S&P 500/MarketAxess Investment Grade Corporate Bond Index Consultation

NEW YORK, AUGUST 27, 2018: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with members of the investment community on potential changes to the S&P 500/MarketAxess Investment Grade Corporate Bond Index. The proposed change is intended to reduce monthly turnover by allowing bonds to remain in the index by adding an additional element to the current eligibility buffer rule.

Change	Current Buffer Rule	Proposed Buffer Rule
Eligibility Buffer Rule	Bonds which are selected for addition to the index will remain in the index for a minimum of three months. Bonds which are dropped from the index are locked out from re-inclusion for a period of three months.	Bonds which are selected for addition to the index will remain in the index for a minimum of three months. Bonds selected for the index remain in the index provided their liquidity ranking in the eligible universe is less than or equal to 1200. Bonds which are dropped from the index are locked out from re-inclusion for a period of three months.

IMPACT ANALYSIS

The table below shows the turnover that would have resulted if the proposed change had been applied at the most recent index rebalancing.

Eligibility Buffer Rule	Turnover
Current	79
Proposed	48

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 modify the S&P 500/MarketAxess Investment Grade Corporate Bond Index eligibility buffer rule to reduce monthly turnover?**
- 2. Do you have any other comments or feedback regarding the proposed change 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. 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 **September 27, 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

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

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 visit the online survey available [here](#).

For further information about this consultation, please contact S&P Dow Jones Indices 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.

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 become home to over 1,000,000 indices across the spectrum of asset classes that have helped define the way investors measure and trade the markets.

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