

## Dow Jones U.S. Select Sector Specialty Indices Consultation on Industry Classification – Extended

**NEW YORK, JANUARY 4, 2019:** S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with members of the investment community on a potential change to the Dow Jones U.S. Select Sector Specialty Indices.

S&P DJI is seeking market feedback on the following proposed change:

Proposed Change	Description
Sector Classification System	In an effort to standardize the industry classification system utilized by S&P Dow Jones Indices, S&P DJI is proposing to switch the industry classification system used by the Dow Jones U.S. Select Sector Specialty Indices from the proprietary Dow Jones Classification System (“DJICS”) to the Global Industry Classification Standard (“GICS®”). Under this proposal, each index would consist of stocks classified in the GICS sub-industries as detailed in <i>Appendix I</i> .

For information on GICS, please refer to the GICS Methodology available [here](#).

For information on the Dow Jones U.S. Select Sector Specialty Indices, please refer to the Dow Jones U.S. Select Sector Specialty Indices methodology available [here](#).

### IMPACT ANALYSIS

Based on index composition as of September 28, 2018, the table below shows the hypothetical turnover of the proposed switch to GICS on the Dow Jones U.S. Select Sector Specialty Indices.

Index	Hypothetical Turnover		
	Add	Drop	Total
Dow Jones U.S. Select Aerospace & Defense Index	0.00%	3.13%	3.92%
Dow Jones U.S. Select Health Care Providers Index	2.29%	5.25%	7.22%
Dow Jones U.S. Select Home Construction Index	4.43%	5.86%	6.32%
Dow Jones U.S. Select Insurance Index	2.96%	6.76%	7.22%
Dow Jones U.S. Select Investment Services Index	20.94%	1.06%	20.94%
Dow Jones U.S. Select Medical Equipment Index	0.00%	11.93%	13.28%
Dow Jones U.S. Select Oil Exploration & Production Index	0.29%	3.99%	4.23%
Dow Jones U.S. Select Oil Equipment & Service Index	0.83%	0.00%	1.30%
Dow Jones U.S. Select Pharmaceuticals Index	6.37%	9.37%	10.12%
Dow Jones U.S. Select Regional Banks Index	0.43%	1.63%	1.63%
Dow Jones U.S. Select Telecommunications Index	3.91%	2.48%	4.36%

### IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology change, if adopted, prior to the market open on Monday, June 24, 2019, in conjunction with the quarterly rebalancing.

## 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 switch the industry classification system utilized by the indices to GICS?**
2. **Should the proposal be adopted, do you agree with the proposed implementation date?**
3. **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.<sup>1</sup> 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 25, 2019**. 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 visit the online survey available [here](#).

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

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<sup>1</sup> Individual and company names as well as contact details will be redacted.

## APPENDIX I

Each Dow Jones U.S. Select Sector Specialty Index would consist of stocks classified in the following GICS Sub-industries:

<b>Index</b>	<b>GICS Sub-industry (Codes)</b>
Dow Jones U.S. Select Aerospace & Defense Index	Aerospace & Defense (20101010)
Dow Jones U.S. Select Health Care Providers Index	Health Care Services (35102015) Health Care Facilities (35102020) Managed Health Care (35102030)
Dow Jones U.S. Select Home Construction Index	Construction Materials (15102010) Building Products (20102010) Home Furnishings (25201020) Homebuilding (25201030) Home Improvement Retail (25504030) Home furnishing Retail (25504060)
Dow Jones U.S. Select Insurance Index	Property & Casualty Insurance (40301040) Life & Health Insurance (40301020) Multi-line Insurance (40301030)
Dow Jones U.S. Select Investment Services Index	Investment Banking & Brokerage (40203020) Financial Exchanges & Data (40203040)
Dow Jones U.S. Select Medical Equipment Index	Health Care Equipment (35101010)
Dow Jones U.S. Select Oil Exploration & Production Index	Oil & Gas Exploration & Production (10102020) Oil & Gas Refining & Marketing (10102030)
Dow Jones U.S. Select Oil Equipment & Service Index	Oil & Gas Drilling (10101010) Oil & Gas Equipment & Services (10101020)
Dow Jones U.S. Select Pharmaceuticals Index	Pharmaceuticals (35202010)
Dow Jones U.S. Select Regional Banks Index	Diversified Banks (40101010) Regional Banks (40101015) Diversified Capital Markets (40203030)
Dow Jones U.S. Select Telecommunications Index	Communications Equipment (45201020) Alternative Carriers (50101010) Integrated Telecommunication Services (50101020) Wireless Telecommunication Services (50102010)

## 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<sup>®</sup> and the Dow Jones Industrial Average<sup>®</sup>. 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:

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