

S&P North American Sector Indices Consultation Results

NEW YORK, MARCH 1, 2019: S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with members of the investment community on potential changes to the S&P North American Sector Indices.

In order to enhance index diversification and streamline the treatment of secondary shares, S&P DJI will make the changes outlined in the table below.

Impacted Indices	Changes	Methodology	
		Previous	Updated
All S&P North American Sector Indices	Minimum Constituent Count	--	At each quarterly rebalancing, if the constituent count is less than 22 after applying the rules set forth in the eligibility criteria, the market capitalization requirement is relaxed so that the next largest non-constituent in the eligible universe is added until the constituent count reaches 22.
All S&P North American Sector Indices	5% Rule	<p>Index constituent share changes resulting from public offerings (also known as follow-on offerings or secondary offerings) that equal 5% or more of the total shares outstanding are eligible for next day implementation. Block trades and spot secondaries must meet the above criteria in order to be eligible for next day implementation.</p> <p>Next day implementation includes a review of the company’s IWF using the latest publicly available ownership data. Any change in the IWF of at least five (5) percentage points resulting from the review is implemented with the share update.</p>	<p>Confirmed share changes that are at least 5% of the total shares outstanding are implemented weekly. Total shares outstanding (not float-adjusted shares) are used to determine whether the share change meets this 5% threshold. Share changes of 5% or greater resulting from aggregated smaller share change events are implemented when S&P DJI is able to validate the cumulative change.</p> <p>Share changes are applied weekly and are announced after the market close on Fridays for implementation after the close of trading the following Friday (i.e. one week later). If a change in total shares outstanding of at least 5% causes a company’s IWF to change by at least five (5) percentage points, the IWF is updated at the same time as the share change. IWF changes resulting from partial tender offers are considered on a case-by- case basis. Changes to share counts that total less than 5% of total shares are accumulated and made quarterly on the third Friday of March, June, September and December.</p>

Impacted Indices	Changes	Methodology	
		Previous	Updated
S&P North American Natural Resources Sector Index	Capping Thresholds	<p>The index is weighted by float-adjusted market capitalization, subject to the following:</p> <ul style="list-style-type: none"> The weight of any individual company is capped at 7.5%. If any company's weight exceeds 7.5%, that company's weight is capped at 7.5% and all excess weight is proportionally redistributed to all uncapped companies within the index. If after this redistribution, any company breaches the 7.5% weight cap, the process is repeated iteratively until no company breaches the 7.5% weight cap. Then, the aggregate weight of companies in the index with a weight greater than 4.5% is capped at 45%. 	<p>The index is weighted by float-adjusted market capitalization, subject to the following:</p> <ul style="list-style-type: none"> The weight of any individual company is capped at 10%. If any company's weight exceeds 10%, that company's weight is capped at 10% and all excess weight is proportionally redistributed to all uncapped companies within the index. If after this redistribution, any company breaches the 10% weight cap, the process is repeated iteratively until no company breaches the 10% weight cap. Then, the aggregate weight of companies in the index with a weight greater than 4.5% is capped at 22.5%.
S&P North American Natural Resources Sector Index	Daily Dynamic Capping	--	The index is also reviewed daily based on each company's capped market capitalization weight. Daily capping is performed when the aggregate weight of companies in the index with a weight greater than 4.8% exceeds 24%.

These changes will become effective prior to the market open on Monday, March 18, 2019, in conjunction with the quarterly re-capping.

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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