

## Dow Jones Sukuk Investment Grade Select 10% Capped Index Total Return Consultation

**NEW YORK, APRIL 9, 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 Sukuk Investment Grade Select 10% Capped Index Total Return.

In order to better reflect market practice, S&P DJI is considering changing the index’s credit rating eligibility rule as follows:

Proposed Change	Description
Credit Rating	<p>S&amp;P DJI is proposing to change the rating used for index eligibility for credit quality. Under this proposal:</p> <ol style="list-style-type: none"> <li>1. If a security is rated by more than two rating agencies, the middle rating, which can be no lower than BBB/Baa2, would be used to determine index eligibility.</li> <li>2. If a security is rated by two rating agencies, the lowest rating must be BBB/Baa2.</li> <li>3. If a security is rated by one agency, the lowest rating must BBB/Baa2.</li> </ol> <p>Currently, if a security is rated by more than one rating agency, the lowest rating, which must be BBB-/Baa3, is used to determine index eligibility for credit quality-based sub-indices.</p>

For information on the Dow Jones Sukuk Indices, please refer to the Dow Jones Sukuk Total Return (ex-Reinvestment) Methodology available [here](#).

### IMPACT ANALYSIS

Using data from the most recent index rebalancing, effective prior to the market open on March 1, 2019, the following table shows the actual index attributes of the Dow Jones Sukuk Investment Grade Select 10% Capped Index Total Return as well as the hypothetical index attributes that would have resulted had the proposed credit rating criteria been in effect.

Dow Jones Sukuk Investment Grade Select 10% Capped Index Total Return				
Attribute	Current Methodology (Actual)	Proposed Methodology (Hypothetical)	Difference	% Change
Constituent Count	71	67	4	-5.63%
Market Value	75,330,444,874	72,170,696,799	(3,159,748,075)	-4.19%
Par Amount	74,787,471,737	71,660,757,000	(3,126,714,737)	-4.18%
Yield-to-Maturity	3.8380	3.8059	(0.0320)	-0.83%
Yield-to-Worst	3.8388	3.8068	(0.0320)	-0.83%
Modified Duration	4.7319	4.6881	(0.0439)	-0.93%
Years-to-Maturity	5.814	5.767	(0.0465)	-0.80%

## QUESTIONS

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

1. **Do you agree with the proposed credit rating change so that the middle rating is used to determine index eligibility when a security is rated by more than two rating agencies?**
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.<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 **May 10, 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).

## 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:

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