

S&P Dividend Opportunities Indices Consultation on Eligibility Criteria

BEIJING, JUNE 14, 2019: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with members of the investment community on potential changes to certain S&P Dividend Opportunities Indices.

S&P DJI is considering modifying the index universe and value traded criteria of the S&P China A-Share Dividend Opportunities Index in order to align it with other S&P DJI China factor and strategy indices. In addition, S&P DJI is considering implementing a dividend coverage ratio requirement in the S&P Asia/Pacific Dividend Opportunities Indices to ensure the exclusion of companies with unsustainable dividend yields. The table below summarizes the proposed changes.

Index	Proposed Change	Methodology	
		Current	Proposed
S&P China A-Share Dividend Opportunities Index	Index Universe	The starting universe is the S&P China A Composite Index. ¹	The starting universe is the combined composition of the S&P China A BMI Domestic and S&P China A Venture Enterprises Index. ²
S&P China A-Share Dividend Opportunities Index	Value Traded	As of the rebalancing reference date, eligible stocks must have a six-month average daily value traded of RMB 20 million (RMB 18 million for current index constituents).	As of the rebalancing reference date, eligible stocks must have a three-month average daily value traded of RMB 20 million (RMB 18 million for current index constituents).
S&P China A-Share Dividend Opportunities Index S&P Ethical Pan Asia Select Dividend Opportunities Index S&P Korea Dividend Opportunities Index S&P/ASX Dividend Opportunities Index	Dividend Coverage Ratio	--	The ratio of a stock’s Funds From Operations Per Share (“FFO”) to its Dividend-Per-Share (“DPS”) must be greater than 100%.

For more information on the S&P Dividend Opportunities Indices, please refer to the S&P Dividend Opportunities Index Methodology available [here](#).

¹ For information on the S&P China A Composite Index, please refer to the S&P China A-Share Indices Methodology available [here](#).

² For information on the S&P China A BMI Domestic and S&P China A Venture Enterprises Index, please refer to the S&P China Indices Methodology available [here](#).

IMPACT ANALYSIS

The table below shows the actual one-way turnover and index dividend yield for the most recent index rebalancing, as well as the hypothetical one-way turnover and index dividend yield that would have resulted had all the proposed changes been applied.

Index	Actual		Hypothetical	
	One-Way Turnover	Post-Rebalancing Yield	One-Way Turnover	Post-Rebalancing Yield
S&P China A-Share Dividend Opportunities Index	32.23%	7.70%	38.03%	6.62%
S&P Ethical Pan Asia Select Dividend Opportunities Index	31.30%	5.83%	36.05%	5.81%
S&P Korea Dividend Opportunities Index	27.32%	4.42%	34.88%	3.96%
S&P/ASX Dividend Opportunities Index	29.93%	7.56%	29.06%	7.56%

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the proposed changes, if adopted, prior to the market open on Thursday, August 1, 2019, in conjunction with the July rebalancing.

QUESTIONS

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

- 1. Do you agree with the proposed change to the index universe of the S&P China A-Share Dividend Opportunities Index?**
- 2. Do you agree with the proposed change to the value traded rule in the S&P China A-Share Dividend Opportunities Index?**
- 3. Do you agree with implementing a dividend coverage ratio screen in the S&P China A-Share Dividend Opportunities, S&P Ethical Pan Asia Select Dividend Opportunities, S&P Korea Dividend Opportunities, and S&P/ASX Dividend Opportunities Indices?**
- 4. 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. S&P DJI will make responses to consultations freely available upon request.³ 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 **July 15, 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.

³ Individual and company names as well as contact details will be redacted.

CONSULTATION

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 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.

FOR MORE INFORMATION:

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