

## S&P/BMV Indices Consultation on Trading History Requirement

**MEXICO CITY, JULY 8, 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/BMV equity indices.

S&P DJI is considering relaxing the trading history requirement in order to increase the pool of securities eligible for index inclusion while maintaining a reasonable liquidity threshold.

Indices	Change	Methodology	
		Current	Proposed
S&P/BMV Housing Index	Trading History	Stocks must not have 10 or more non-trading days over the prior three-month period as of the rebalancing reference date.	Stocks must have a trading history of at least three months. In addition, stocks must have traded on at least 80% of the available trading days over the prior 12-month period as of the rebalancing reference date. For stocks with less than 12 months of trading history (e.g. initial public offerings), the threshold is applied to the available trading history.
S&P/BMV FIBRAS Index S&P/BMV IPC Sustainable S&P/BMV MidCap Select 30 S&P/BMV Economic Activity Indices S&P/BMV Investable Select Sector Indices	Trading History	Stocks must not have five or more non-trading days over the prior three-month period as of the rebalancing reference date.	

### IMPACT ANALYSIS

Using data as of April 30, 2019, the table below shows the actual constituent count and one-way turnover using the current methodology, as well as the hypothetical constituent count and one-way turnover that would have resulted had the proposed methodology been in effect at that time.

Index	Constituent Count		One-Way Turnover	
	Current Methodology	Proposed Methodology	Current Methodology	Proposed Methodology
S&P/BMV Housing Index	6	5	22.27920%	31.21886%
S&P/BMV FIBRAS Index	10	10	8.36502%	8.36502%
S&P/BMV IPC Sustainable Index	30	30	0.49605%	0.49605%
S&P/BMV MidCap Select 30 Index	25	26	4.35457%	3.33389%
S&P/BMV Economic Activity Indices:				
S&P/BMV Commercial Services Index	17	17	2.09573%	2.09573%
S&P/BMV Construction Index	16	16	2.37128%	2.37128%
S&P/BMV Financial Services Index	10	10	2.42340%	2.42340%
S&P/BMV Infrastructure & Transportation Index	12	12	1.56104%	1.56104%
S&P/BMV Manufacturing, Electricity, & Water Index	24	26	3.05316%	2.24216%
S&P/BMV Mining & Agriculture Index	7	7	0%	0%
S&P/BMV Retail & Distributors Index	15	15	4.38472%	4.38472%
S&P/BMV Investable Select Sector Indices:				
S&P/BMV Consumer Staples Select Sector Index	14	14	1.70505%	1.70505%
S&P/BMV Financials Select Sector Index	10	10	2.42340%	2.42340%
S&P/BMV Industrials Select Sector Index	17	17	1.80027%	1.80027%
S&P/BMV Materials Select Sector Index	12	13	3.86973%	8.42662%

## IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology changes, if adopted, prior to the market open on Monday, September 23, 2019.

## QUESTIONS

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

1. **Do you agree with the proposed changes to the trading history requirement for the S&P/BMV Indices?**
2. **If you answered Yes in Question 1, which indices should the proposed trading history requirement be applied to (select all that apply)?**
  - **S&P/BMV Housing Index**
  - **S&P/BMV FIBRAS Index**
  - **S&P/BMV IPC Sustainable Index**
  - **S&P/BMV MidCap Select 30**
  - **S&P/BMV Economic Activity Indices**
  - **S&P/BMV Investable Select Sector Indices**
3. **Should the proposed methodology changes be adopted, do you agree with the proposed implementation date?**
4. **Do you have any other comments 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.<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 **August 6, 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.

## 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).

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