

S&P Select Frontier Index Consultation Results

NEW YORK, OCTOBER 10, 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 Select Frontier Index.

In December 2018, S&P DJI announced the reclassification of Kuwait from frontier to emerging market status effective prior to the market open on September 23, 2019.¹ In order to allow for an expanded universe of potential candidates for index addition due to this reclassification, S&P DJI will relax the liquidity thresholds and country constituent count limit used in constructing the index. The table below summarizes the changes.

Changes	Methodology	
	Current	Updated
Liquidity	All index constituents must have a minimum median daily value traded of at least US\$ 1 million for the preceding three months, as of the rebalancing reference date. Current constituents with a three-month median daily value traded of at least US\$ 750,000 remain eligible for index inclusion.	All index constituents must have a minimum median daily value traded of at least US\$ 750,000 for the preceding three months, as of the rebalancing reference date. Current constituents with a three-month median daily value traded of at least US\$ 500,000 remain eligible for index inclusion.
Constituent Weightings	At each rebalancing, modifications are made to float-adjusted market capitalization weights to meet the following criteria: <ul style="list-style-type: none"> No stock can have a weight of more than 8% in the index. No country can have more than eight constituents or a weight of more than 30% in the index. The minimum initial portfolio size that can be turned over in a single day (based on recent trading volumes) cannot be lower than US\$ 100 million. 	At each rebalancing, modifications are made to float-adjusted market capitalization weights to meet the following criteria: <ul style="list-style-type: none"> No stock can have a weight of more than 8% in the index. No country can have more than 12 constituents or a weight of more than 30% in the index. The minimum initial portfolio size that can be turned over in a single day (based on recent trading volumes) cannot be lower than US\$ 100 million.

These changes will become effective prior to the market open on **Friday, November 1, 2019**, in conjunction with the semi-annual reconstitution of the index. Please note that due to the excess turnover resulting from these changes, S&P DJI will expand the pro-forma period for the upcoming reconstitution with files delivered starting after the close on October 17, 2019.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

¹ For further details, please refer to S&P DJI's 2018 Country Classification Consultation Results available [here](#).

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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