

Dow Jones EPAC Select Dividend Index Consultation on Constituent Weighting Results

AMSTERDAM, JANUARY 23, 2019: S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with members of the investment community on potential changes to the Dow Jones EPAC Select Dividend Index.

In an effort to reduce constituent concentration, ease liquidity limitations, and ensure future diversification, S&P DJI will modify the index’s constituent weighting scheme by introducing additional capping constraints. The table below summarizes the changes.

Changes	Methodology	
	Previous	Updated
Constituent Weighting	<p>The constituent weights for the index are determined annually using the following steps:</p> <ul style="list-style-type: none"> • Calculate the Indicated Annual Dividend (“IAD”) weight of each constituent within its respective country by dividing each company’s IAD by the sum of all the IADs within that country. • Calculate the Indicated Annual Dividend Yield weight of each country within the index by dividing the sum of all the yields within each country by the sum of all the yields in the index. • Calculate the final constituent weight by multiplying the IAD weight of each constituent by its respective Yield country weight. • The dividend yield values used to calculate constituent weights are capped at 20%. • The weights of individual securities are capped at 10%. 	<p>The constituent weights for the index are determined annually using the following steps:</p> <ul style="list-style-type: none"> • Calculate the Indicated Annual Dividend (“IAD”) weight of each constituent within its respective country by dividing each company’s IAD by the sum of all the IADs within that country. • Calculate the Indicated Annual Dividend Yield weight of each country within the index by dividing the sum of all the yields within each country by the sum of all the yields in the Index. • Calculate the final constituent weight by multiplying the IAD weight of each constituent by its respective Yield country weight. • The dividend yield values used to calculate constituent weights are capped at 20%. • The weights of individual securities are capped at the lower of 10% or five times the constituent’s float-adjusted market capitalization weight. • The aggregate weight of constituents within each Global Industry Classification Standard (“GICS”) sector and each country of domicile is capped at 30%.

These changes will be implemented in conjunction with the March rebalancing, which takes effect prior to the market open on Monday, March 23, 2020.

Please note that the Dow Jones Dividend Indices Methodology on S&P DJI’s website is being updated to reflect these changes.

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

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S&P Dow Jones Indices
index_services@spglobal.com