

S&P/BNY Mellon New Frontier Index Consultation Results

NEW YORK, MARCH 30, 2020: S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with market participants on potential changes to the S&P/BNY Mellon New Frontier Index.

In order enhance index liquidity and concentration, S&P DJI will modify the index’s liquidity screen and constituent weighting scheme. The table below summarizes the changes.

| Changes | Methodology | |
|-----------------------|--|--|
| | Previous | Updated |
| Liquidity | As of each rebalancing reference date, companies must have a three-month average daily value traded (ADVT) of at least US\$ 500,000. | As of each rebalancing reference date, companies must have a three-month median daily value traded (MDVT) of at least US\$ 300,000 (US\$ 250,000 for current index constituents). |
| Constituent Weighting | <p>For a given rebalancing date, all the securities eligible for inclusion are weighted by their float-adjusted market capitalization subject to security and country constraints. This is done using an optimization procedure that chooses final weights in such a way as to minimize the sum of the squared differences of capped weight and uncapped weight, divided by uncapped weight for each stock, subject to the following constraints:</p> <ul style="list-style-type: none"> • The maximum weight of each country is 10% (15% for Argentina and Nigeria). • The maximum weight of each security is 10%. • The aggregate weight of companies in the index with a weight greater than 4.5% cannot exceed 45%. | <p>For a given rebalancing date, all the securities eligible for inclusion are weighted by their float-adjusted market capitalization subject to security and country constraints. This is done using an optimization procedure that chooses final weights in such a way as to minimize the sum of the squared differences of capped weight and uncapped weight, divided by uncapped weight for each stock, subject to the following constraints:</p> <ul style="list-style-type: none"> • The maximum weight of each country is 10% (15% for Argentina, Nigeria, and Vietnam). • The maximum weight of each security is 10%. • The aggregate weight of companies in the index with a weight greater than 4.5% cannot exceed 45%. |

These changes will be implemented in conjunction with the subsequent quarterly rebalancing, which will take effect prior to the market open on Monday, April 20, 2020.

Please note that the S&P/BNY Mellon New Frontier Index 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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