

S&P BMI North American Natural Resources Indices Consultation on Constituent Weighting and Rebalancing Results

NEW YORK, APRIL 8, 2020: S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with market participants on potential changes to the S&P BMI North American Natural Resources Index and its related sub-indices.¹

In order to enhance the diversification of the index, S&P DJI will modify the constituent weighting scheme of the S&P BMI North American Natural Resources Index. In addition, S&P DJI will amend the rebalancing schedule of all the S&P BMI North American Natural Resources Indices. The tables below summarize the changes.

| Constituent Weighting – S&P BMI North American Natural Resources Index Only | |
|--|---|
| Previous | At each rebalancing, the weight for each index constituent is set in the following manner: <ol style="list-style-type: none"> 1. With data reflected on the rebalancing reference date, each company is weighted by float-adjusted market capitalization. 2. The weights of all stocks within each cluster are capped at 45% for Energy, 35% for Metals & Mining, and 20% for Agriculture. 3. Any company with a weight greater than 10% is capped at 10%. 4. All excess weight is proportionally redistributed to all uncapped stocks within the respective index cluster. |
| Updated | At each rebalancing, constituents are weighted by float-adjusted market capitalization, subject to company constraints. This is done by using an optimization procedure that chooses final weights in such a way to minimize the sum of the squared difference of capped weight and uncapped weight, subject to the following constraints: <ol style="list-style-type: none"> 1. Any company with a weight greater than 10% is capped at 10%. 2. The cumulative weights of each cluster are capped at 45% for Energy, 35% for Metals & Mining, and 20% for Agriculture. 3. The cumulative weight of all stocks within the index which have a weight greater than 4.5% cannot exceed 45%. |

| Rebalancing Schedule – All S&P BMI North American Natural Resources Indices | |
|--|---|
| Previous | The indices rebalance quarterly after the close of the last business day of February, May, August, and November. The reference date is after the close of the last business day of January, April, July, and October. |
| Updated | The indices rebalance quarterly after the close of the last business day of March, June, September, and December. The reference date is after the close of the last business day of February, May, August, and November. Since index shares are assigned based on prices seven business days prior to the rebalancing, the actual weight of each stock at the rebalancing differs from the target weights due to market movements. |

These changes will be implemented in conjunction with a one-time capping based on the modified weighting rules, which will take effect prior to the market open on Monday, April 20, 2020.

¹ The related sub-indices consist of the S&P BMI North American Natural Resources Agriculture Index, S&P BMI North American Natural Resources Energy Index, and S&P BMI North American Natural Resources Metals and Mining Index.

Please note that the S&P Thematic 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.

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:

S&P Dow Jones Indices
index_services@spglobal.com