

S&P Asia 50 Consultation

BEIJING, AUGUST 4, 2020: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on potential changes to the S&P Asia 50.

In order to ensure the index captures the largest and most liquid stocks of companies domiciled in China, Hong Kong, Korea, Singapore, and Taiwan that trade in Hong Kong, Korea, Singapore, or Taiwan effectively and comprehensively, S&P DJI is considering modifying the index universe, introducing a trading history requirement for new listings, and establishing a market capitalization threshold for individual share class lines. The table below summarizes the proposed changes.

Proposed Changes	Methodology	
	Current	Proposed
Index Universe	The index constituents are drawn from the S&P Global BMI country indices of Hong Kong, China, Korea, Singapore, and Taiwan and must be trading on the stock exchanges of Hong Kong, Korea, Singapore, or Taiwan.	The index universe consists of those companies in the S&P Global BMI country indices of Hong Kong, China, Korea, Singapore and Taiwan. Only listings that trade on the stock exchanges of Hong Kong, Korea, Singapore, or Taiwan are eligible for index inclusion.
Trading History for New Listings	--	A new listing from an eligible exchange is added to the index only when an appropriate vacancy occurs and is subject to proven liquidity for at least six months. An exception may be made for extraordinary large listings where expected trading volume justifies inclusion.
Market Capitalization for Individual Share Class Lines	--	Share lines are ranked in the universe based on the company’s combined float-adjusted market capitalization (“FMC”). An individual share line must have an FMC of at least US\$ 2 billion to be included in the index.

For more information about the index, please refer to the S&P Asia 50 Methodology available [here](#).

IMPACT ANALYSIS

Using data from the June 2020 quarterly rebalancing, the table on the following page shows the actual one-way turnover, GICS® sector weights, and country of domicile weights, as well as the hypothetical results that would have occurred had the proposed changes been in effect at that time.

S&P Asia 50	Actual	Hypothetical
One-Way Turnover	1.74%	15.04%
GICS Sector Weight		
Communication Services	21.87%	18.80%
Consumer Discretionary	5.89%	20.56%
Consumer Staples	0.68%	0.59%
Energy	1.64%	1.41%
Financials	27.85%	23.94%
Health Care	1.03%	0.88%
Industrials	1.73%	0.78%
Information Technology	30.99%	25.89%
Materials	3.25%	2.79%
Real Estate	3.17%	2.73%
Utilities	1.90%	1.63%
Country of Domicile Weight		
China	39.22%	48.74%
Hong Kong	15.44%	13.02%
Singapore	4.52%	3.89%
Korea	22.30%	18.42%
Taiwan	18.52%	15.93%

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the proposed methodology changes, if adopted, in conjunction with the subsequent rebalancing, which takes effect prior to the market open on Monday, September 21, 2020.

QUESTIONS

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

1. Do you agree with the proposal to modify the index universe so that only those listings of companies in the S&P Global BMI country indices of Hong Kong, China, Korea, Singapore and Taiwan that trade on the stock exchanges of Hong Kong, Korea, Singapore, or Taiwan are eligible for index inclusion?
2. Do you agree with the proposal to introduce a trading history requirement for new listings?
3. Do you agree with the proposal to establish a market capitalization threshold for individual share class lines?
4. If the proposed changes are adopted, do you agree with the proposed implementation date?
5. Do you have any other comments or feedback 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. Please respond to this survey by **August 21, 2020**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available [here](#).

CONSULTATION

For further information about this consultation, please contact S&P Dow Jones Indices at SPDJI_Index_Governance@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.

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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