

S&P/BMV Dividend Index Consultation on Dividend Payments & Quarterly Dividend Review - Results

MEXICO CITY, MARCH 09, 2021: S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with market participants on potential changes to the S&P/BMV Dividend Index.

Due to the increased number of dividend payment cancellations over the course of last year S&P DJI is modifying the dividend payment criteria and the quarterly dividend review in order to comply with the index’s target constituent count of 20 stocks and minimize index turnover.

The tables below summarize the changes.

Dividend Payments	
Current	For a given stock, dividends must have been paid for at least four years in the prior five-year period. Companies are excluded if they eliminate their latest scheduled dividend payment or cancel their subsequent scheduled dividend.
Updated	For a given stock, dividends must have been paid for at least four years in the prior five-calendar year period. If less than 20 stocks are eligible as of the reference date, the rule will be relaxed so that dividends must have been paid for at least three years in the prior five-calendar year period.

Quarterly Dividend Review	
Current	In addition to the annual rebalancing, constituent stocks are reviewed on a quarterly basis. At the discretion of S&P Dow Jones Indices, if a constituent stock publicly announces a suspension to or cancellation of its dividend program, the stock may be removed effective prior to the open of the first business day of the following month and not replaced until the following reconstitution. Any changes are announced five business days prior to month-end. The decision to remove an index constituent is based on information publicly announced by the company as of seven business days prior to month -end.
Updated	In addition to the annual rebalancing, constituent stocks are reviewed on a quarterly basis. At the discretion of S&P Dow Jones Indices, if a constituent stock publicly announces the elimination of its latest scheduled dividend payment or cancels their subsequent scheduled dividend, the stock may be removed effective after the close of the third Friday of March, June, September and December. Any changes are announced after the close of the second Friday of the rebalancing month. The decision to remove an index constituent is based on information publicly announced by the company as of the Wednesday prior to the second Friday of the rebalancing month.

Constituent Replacement	
Current	---
Updated	As part of on-going index maintenance, companies that are removed from the index as a consequence of the quarterly dividend review or a corporate event, such as a delisting, bankruptcy, merger or takeover are replaced during the quarterly rebalancings of June, September and December. In the case that the index has less than 20 stocks during these quarterly reviews, the highest ranked non-constituent stock as of the reference date is selected. The reference date for the Turnover, Marketability and Dividend Yield Factors is the last business day of the month prior to the rebalancing month.

These changes will be implemented prior to the market open on **Monday, March 22, 2021**, in conjunction with the upcoming March 2021 reconstitution. The changes will first be visible to clients in proforma files starting on Friday, March 12, 2021.

Please note that the S&P/BMV Indices Methodology on S&P DJI's website is being updated to reflect the change.

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

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