

HSBC Pan Arab MultiFactor Index Series Consultation on Index Business Days

AMSTERDAM, DECEMBER 10, 2021: S&P DJI Netherlands B.V., a wholly owned subsidiary of S&P Dow Jones Indices LLC., (“S&P Dow Jones Indices” or “S&P DJI”) is the benchmark administrator for the HSBC Pan Arab MultiFactor Index Series. The HSBC Pan Arab MultiFactor Index Series is owned by HSBC. S&P DJI is conducting a consultation with market participants on potential changes to the HSBC Pan Arab MultiFactor Index Series.

Per the current methodology, “**Index Business Day**” means each day following the launch of an Index on which the relevant exchange is scheduled to open for trading for its regular trading session as shown in Table2 of the methodology (and shown below). If the Index Calendar refers to more than one Exchange, a day will be considered an Index Business Day only when all such Exchanges are scheduled to open for trading for their regular trading sessions.

Index	Ticker	Reference Benchmark Index	Region	Currency	Index Calendar
HSBC Pan Arab MultiFactor Price Return Index (USD)	HSIEPAMP	S&P Pan Arab Investable Index	Pan Arab	USD	Dubai Financial Market + Saudi Stock Exchange
HSBC Pan Arab MultiFactor Net Total Return Index (USD)	HSIEPAMT	S&P Pan Arab Investable Index	Pan Arab	USD	Dubai Financial Market + Saudi Stock Exchange

CHANGES TO DUBAI FINANCIAL MARKET (“DFM”) EXCHANGE TRADING CALENDAR

The government of the United Arab Emirates (“UAE”) is shifting the national weekend to Saturday and Sunday to synchronize with global markets, instituting a four-and-a-half day working week beginning on January 1, 2022. With this shift, the workweek will be Monday–Thursday plus half a day on Friday instead of Sunday–Thursday.

S&P DJI is considering three options with regard to the definition of Index Business Day as a result of the UAE’s workweek change.

Option 1. Leave the definition of Index Business Day unchanged.

- The result would be that Sundays would be considered an index holiday.
- Assuming no exchange holidays, the index would calculate on a Monday–Thursday schedule.
- During the construction of sub-index rebalancing baskets, the selection metrics for stocks in the underlying universe would be calculated using the new index holiday schedule.

Option 2. Change the definition of Index Business Day so that “**Index Business Day**” means each day following the launch of an Index on which the relevant exchange is scheduled to open for trading for its regular trading session as shown in Table2 of the methodology. If the Index Calendar refers to more than one Exchange, a day will be considered an Index Business Day only when **at least one Exchange is scheduled to open for trading for their regular trading sessions**.

- This change would result in both Friday and Sunday being considered as index business days.
- Assuming no exchange holidays, the index would calculate on a Sunday–Friday schedule.

- During the construction of sub-index rebalancing baskets, the selection metrics for stocks in the underlying universe would be calculated using the new index holiday schedule.

Option 3. Remove the DMF exchange from the index calendar shown in Table2 of the methodology.

- This change would result in the index business day schedule remaining Sunday–Thursday, with the main difference being that DFM exchange holidays would not trigger an index holiday.
- During the construction of sub-index rebalancing baskets, the selection metrics for stocks in the underlying universe would be calculated using the new index holiday schedule.

IMPLEMENTATION TIMING

S&P DJI is proposing to implement any changes, if adopted, effective on **Thursday, December 30, 2021**. A list of potentially impacted indices is provided in the table below.

Impacted Indices
HSBC Pan Arab MultiFactor Gross Net Total Return Index (USD)
HSBC Pan Arab MultiFactor Gross Net Total Return Index (USD) - Sub Index 1
HSBC Pan Arab MultiFactor Gross Net Total Return Index (USD) - Sub Index 2
HSBC Pan Arab MultiFactor Gross Net Total Return Index (USD) - Sub Index 3
HSBC Pan Arab MultiFactor Gross Price Return Index (USD)
HSBC Pan Arab MultiFactor Gross Price Return Index (USD) - Sub Index 1
HSBC Pan Arab MultiFactor Gross Price Return Index (USD) - Sub Index 2
HSBC Pan Arab MultiFactor Gross Price Return Index (USD) - Sub Index 3
HSBC Pan Arab MultiFactor Net Total Return Index (USD)
HSBC Pan Arab MultiFactor Net Total Return Index (USD) - Sub Index 1
HSBC Pan Arab MultiFactor Net Total Return Index (USD) - Sub Index 2
HSBC Pan Arab MultiFactor Net Total Return Index (USD) - Sub Index 3
HSBC Pan Arab MultiFactor Price Return Index (USD)
HSBC Pan Arab MultiFactor Price Return Index (USD) - Sub Index 1
HSBC Pan Arab MultiFactor Price Return Index (USD) - Sub Index 2
HSBC Pan Arab MultiFactor Price Return Index (USD) - Sub Index 3

QUESTIONS

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

1. Regarding the definition of Index Business Day, which option do you prefer?

- **Option 1: Leave the definition unchanged**
- **Option 2: Change the definition so that at least one exchange is required to be open for trading instead of requiring all exchanges to be open for trading**
- **Option 3: Remove Dubai Financial Market from the index calendar shown in Table2 of the methodology**

2. 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 **December 20, 2021**. 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.

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