

S&P IPSA Consultation on Selection Universe

MEXICO CITY, JANUARY 17, 2022: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on potential changes to the S&P IPSA Index.

In order to align the index methodology with current market conditions, S&P DJI is considering modifying the current bursatility and float-adjusted market capitalization (“FMC”) rules. The table below summarizes the proposed changes.

Proposed Changes	Methodology	
	Current	Proposed
Bursatility Presence	Bursatility presence greater than or equal to 90% (85% for current constituents). For stocks with less than six months of trading history, bursatility presence is adjusted for the available trading history.	Bursatility presence greater than or equal to 85% (80% for current constituents). For stocks with less than six months of trading history, bursatility presence is adjusted for the available trading history.
Float-Adjusted Market Capitalization	Stocks must have an FMC greater than or equal to CLP 200 billion (CLP 160 billion for current constituents).	The stocks in the index universe are ranked based on the FMC. Current constituents must be within the top 97%, and non-constituents must be within the top 95%, of the cumulative FMC of the index universe.

For more information on the S&P IPSA Index, please refer to the [S&P/CLX Indices Methodology](#).

IMPACT ANALYSIS

Using reference date data from the last five semi-annual rebalancings, the table below shows the number of stocks in the index universe complying with the current selection universe bursatility presence and FMC rules as well as the results that would have occurred had the proposed changes been in effect.

Date	Stocks Complying with Bursatility Presence Rule		Stocks Complying with FMC Rule	
	Current Methodology	Proposed Methodology	Current Methodology	Proposed Methodology
Sep-21	31	36	37	40
Mar-21	31	31	40	41
Sep-20	30	33	39	43
Mar-20	31	35	40	41
Sep-19	30	35	42	42

Using reference date data from the last five semi-annual rebalancings, the table below shows the inner limits for constituents and non-constituents that would have occurred had the proposed selection universe FMC rule change been in effect.

Date	Inner Limit – Minimum FMC Required	
	Top 95%	Top 97%
Sep-21	193,700,334,558.90	121,507,012,575.00
Mar-21	180,522,776,250.00	151,342,713,200.00
Sep-20	154,590,827,820.00	117,783,312,000.00
Mar-20	167,315,802,000.00	140,473,835,490.80
Sep-19	207,380,066,346.00	150,752,308,000.00

Using reference date data from the last five semi-annual rebalancings, the table below shows the number of stocks in the index universe complying with all selection universe rules as well as the results that would have occurred had the proposed changes been in effect.

Date	Stocks Complying with All Selection Universe Rules	
	Current Methodology	Proposed Methodology
Sep-21	29	32
Mar-21	30	31
Sep-20	30	31
Mar-20	30	33
Sep-19	31	32

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology changes, if adopted, in conjunction with the semi-annual rebalancing, which take effect prior to the market open on Monday, March 21, 2022. If adopted, the changes would first be visible to clients in pro-forma files beginning on Friday, March 11, 2022.

QUESTIONS

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

1. **Which do you prefer regarding the bursatility presence rule for selection universe purposes?**
 - Change to the proposed thresholds
 - Change to different thresholds (please specify in Question 4 below)
 - Keep the current thresholds
2. **Which do you prefer regarding the float-adjusted market capitalization rule for selection universe purposes?**
 - Change to the proposed rule
 - Change to a different rule (please specify in Question 4 below)
 - Keep the current rule
3. **Should the proposed methodology changes be adopted, do you agree with the proposed implementation date?**
4. **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 **February 11, 2022**. 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](#).

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

CONSULTATION

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.spglobal.com/spdji.

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.spglobal.com/spdji.

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