

S&P U.S. Preferred Stock Index Family Consultation on the Potential Exclusion of Publicly Traded Partnerships, Limited Partnerships, and Master Limited Partnerships — Updated

NEW YORK, NOVEMBER 8, 2022: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on a potential change to the S&P U.S. Preferred Stock Index Family.

In order to better align with the IRS regulation on withholding tax on foreign partners’ share of effectively connected income,¹ S&P DJI is considering excluding Publicly Traded Partnerships (“PTPs”), Limited Partnerships (“LPs”), and Master Limited Partnerships (“MLPs”) from the S&P U.S. Preferred Stock Index Family.

This proposal potentially impacts the following indices.² If adopted, any PTPs, LPs, and MLPs in the indices will be removed upon implementation.

- S&P U.S. Preferred Stock Index
- S&P U.S. Fixed Rate Preferred Stock Index
- S&P U.S. Variable Rate Preferred Stock Index
- S&P U.S. High Yield Preferred Stock Index
- S&P U.S. Not Rated Preferred Stock Index
- S&P U.S. Preferred Infrastructure Index
- S&P U.S. Preferred Stock QDI Index (USD)
- S&P Enhanced Yield North American Preferred Stock Index
- S&P/TSX North American Preferred Stock Index*

* Only US Limited Partnerships within the S&P/TSX North American Preferred Stock Index would be impacted by this change. Canadian LPs would not be impacted.

IMPACT ANALYSIS

Using data as of the close of October 21, 2022, the table below shows each index’s actual number of constituents using the current methodology, as well as the hypothetical number and aggregate weight of constituents that would be dropped if the proposed change is adopted.

Index Name	Actual Number Of Constituents	Hypothetical Drops	
		Number	Aggregate Weight
S&P U.S. Preferred Stock Index	267	13	3.52%
S&P U.S. Fixed Rate Preferred Stock Index	182	4	1.46%
S&P U.S. Variable Rate Preferred Stock Index	74	9	8.72%
S&P U.S. High Yield Preferred Stock Index	112	12	8.17%
S&P U.S. Not Rated Preferred Stock Index	69	1	0.76%
S&P U.S. Preferred Infrastructure Stock Index	22	9	48.79%
S&P U.S. Preferred Stock QDI Index (USD)	106	1	0.26%
S&P Enhanced Yield North American Preferred Stock Index	50	4	7.55%

¹ For more information on Partnership Withholding, please see www.irs.gov/individuals/international-taxpayers/partnership-withholding. For the specific IRC code, please see [IRC Section 1446](#).

² Based on data as of the close of October 21, 2022.

Index Name	Actual Number Of Constituents	Hypothetical Drops Number	Hypothetical Drops Aggregate Weight
S&P/TSX North American Preferred Stock Index (Price Return) (USD)	465	13	1.72%

The table below details the 13 hypothetical drops from the S&P U.S. Preferred Stock Index noted above. The S&P U.S. Preferred Stock Index represents the parent universe for the other indices in the table above.

Hypothetical Drops – S&P U.S. Preferred Stock Index	Stock Key
Brookfield Property Partners LP 6.5% Cum Red Perp Pfd Partnership Units A Series 1	8029412
Brookfield Property Partners LP 5.75 % Cum Red Perp Pref Units Series 3	8106208
Crestwood Equity Partners LP 9.25 % Preferred Partnership Units 144A	8103965
DCP Midstream LP Conv Red Perp Cum Pfd Units Series B	818146
Energy Transfer LP 7.600% Series E Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Unit	8030950
Energy Transfer LP - Cum Red Perp Pfd Units Series D	822969
Energy Transfer LP Cum Red Perp Pfd Registered Units Series C	818166
Hoegh LNG Partners LP 8.75 % Cum Perp Red Pfd Registered Shs Series A	793838
NuStar Energy LP Cum Conv Perp Red Pfd Registered Shs Series C	793857
NuStar Energy LP Cum Red Perp Pfd Units Series B	757161
NuStar Energy LP Cum Red Perp Pfd Units Series A	739752
Nustar Logistics LP 7.625% 15-JAN-2043	322156
Fortress Transportation and Infrastructure Investors LLC Cum Red Perp Pfd Registered Shs Series B	8103616

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described changes, if adopted, prior to the market open on **Monday, December 19, 2022**. If adopted, these changes will first be visible to clients in the end-of-day corporate action files (*.SDE) beginning on **Friday, December 2, 2022**.

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 remove Publicly Traded Partnerships (“PTPs”), Limited Partnerships (“LPs”) and Master Limited Partnerships (“MLPs”) from the S&P U.S. Preferred Stock Index Family?**
- 2. If the proposed methodology change is adopted, do you agree with the proposed implementation timing?**
- 3. Do you have any other comments or feedback regarding the proposed change 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 **November 18, 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 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.

CONSULTATION

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.

FOR MORE INFORMATION:

S&P Dow Jones Indices
index_services@spglobal.com