

S&P Dow Jones Indices Announces Update to S&P Composite 1500 Market Cap Guidelines and Results of S&P Composite 1500 Index Consultation on Market Capitalization and Liquidity Eligibility Criteria

NEW YORK, JANUARY 4, 2023: S&P Dow Jones Indices (“S&P DJI”) is updating the market capitalization eligibility criteria for additions to the S&P Composite 1500 Indices. Effective **January 4, 2023**, the size ranges will be updated as follows:

Previous Market Capitalization Eligibility Criteria	Updated Market Capitalization Eligibility Criteria
Unadjusted company market capitalization of: <ul style="list-style-type: none">• US\$ 14.6 billion or more for the S&P 500• US\$ 3.7 billion to US\$ 14.6 billion for the S&P MidCap 400• US\$ 850 million to US\$ 3.7 billion for the S&P SmallCap 600	Unadjusted company market capitalization of: <ul style="list-style-type: none">• US\$ 12.7 billion or more for the S&P 500• US\$ 4.6 billion to US\$ 12.7 billion for the S&P MidCap 400• US\$ 750 million to US\$ 4.6 billion for the S&P SmallCap 600

Based on favorable feedback received from the S&P Composite 1500 Index [Consultation](#) on Market Capitalization and Liquidity Eligibility Criteria, the Index Committee is adopting the proposals on Market Capitalization Guidelines and Float Adjusted Liquidity (“FALR”). These ranges will be reviewed at the beginning of every calendar quarter, updated as needed to ensure they reflect current market conditions and expressed in dollar ranges. These minimum market capitalization guidelines are designed to capture the three-month average cumulative total company level market capitalization of the S&P Total Market Index (“TMI”) universe at approximately the following cumulative percentiles:

- S&P 500 – 85th percentile
- S&P MidCap 400 index – 85th-93rd percentile
- S&P SmallCap 600 index – 93rd-99th percentile

At the quarterly review, if the new market capitalization ranges for any of the Composite 1500 indices deviate by 10% or more from the current range, the index committee will consider a market capitalization range update for all underlying indices. Updates, if needed, are officially announced with immediate effect.

Companies passing the total company-level market capitalization criteria must also have a security level float-adjusted market capitalization (FMC) that is at least 50% of the respective index’s total company-level minimum market capitalization threshold.

These adjustments to the market capitalization guidelines may result in added turnover in the S&P Composite 1500 indices as the indices gradually reflect shifts in the market capitalization guidelines ranges for the underlying indices over time.

The FALR ratio eligibility requirement will be lowered from 1.00 to 0.75, reflecting the increased liquidity in the market for announced Composite 1500 additions.

To increase clarity, the Liquidity eligibility criteria in the U.S. Indices methodology is being updated to show that only U.S. consolidated volume is included in the FALR calculation, and that public companies considered to be U.S. domiciled for index purposes will have their U.S. volume annualized as of the evaluation date if they do not have 365 calendar days of trading history on a U.S. exchange. The phrase “across all venues (including historical values)” is being removed.

Previous FALR Eligibility Criteria	Updated FALR Eligibility Criteria
Float adjusted liquidity ratio (“FALR”) must be greater than or equal to 1.0 at the time of addition to the S&P Composite 1500.	Float adjusted liquidity ratio (“FALR”) must be greater than or equal to 0.75 at the time of addition to the S&P Composite 1500.

As a reminder, the market capitalization eligibility criteria are for additions to an index, not for continued membership. As a result, an index constituent that appears to violate criteria for addition to that index is not removed unless ongoing conditions warrant an index change.

A history of market cap ranges dating back to 2007 can be found in Appendix A of the U.S. Indices methodology. The U.S. Indices methodology document will be updated soon to reflect the changes. Please visit our website www.spglobal.com/spdji for further details.

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

Media Inquiries
spdji.comms@spglobal.com