

## S&P 500 Minimum Volatility Index Consultation on Risk Parameters, Constraint Breaches, and Rebalance Frequency – Results

NEW YORK, JULY 30, 2025: S&P Dow Jones Indices (“S&P DJI”) conducted a [consultation](#) with market participants on potential changes to the S&P 500 Minimum Volatility Index.

To enhance index diversification and reduce turnover, S&P DJI is updating the risk parameters, constraint breaches, and rebalancing frequency. The changes are detailed below:

Changes	Methodology	
	Previous	Updated
<b>Risk Parameter</b>	<b>Optimization Parameters</b> <ul style="list-style-type: none"> <li>Systematic RAP = 100</li> <li>Unsystematic RAP = 100</li> </ul>	<b>Optimization Parameters</b> <ul style="list-style-type: none"> <li>Systematic RAP = 100</li> <li>Unsystematic RAP = <b>10</b></li> </ul>
<b>Constraint Breaches</b>	<b>Infeasible Optimizations</b> In the event that the optimization fails to reach an optimal solution, the constraints listed above are relaxed. First, the two-way turnover constraint is relaxed by increments of 10% from 20% up to the maximum of 60%. Then, the maximum weight of the stock is relaxed by increments of .05% from 2% to a maximum of 3%, followed by the minimum weight of a security lowered to 0.01%. Finally, the sector weight is relaxed to within 7.5% of the underlying index.	<b>Constraint Relaxation</b> If one or more constraints breach the respective thresholds, relax the two-way turnover constraint in increments of <b>5%</b> , starting from <b>10%</b> and increasing to a maximum of <b>30%</b> , with the process intended to improve the breach(es) by at least 10 basis points. If the turnover relaxation does not result in such improvement, the prior optimization solution is used, provided that each company satisfies the following condition:  $W_o \leq \max(W_b, \min(5\%, W_b + 2\%))$ where: $W_b$ = constituent weights in the underlying index $W_o$ = the optimized weight  If, after relaxation the condition is still not met, the sector and/or factor constraints may be relaxed at the Index Committee’s discretion.
<b>Rebalancing Frequency</b>	The index is rebalanced semi-annually after the close on the third Friday of March and September. The rebalancing reference date is after the close of the last business day of the respective February and August.	The index rebalances <b>quarterly</b> , effective after the close on the third Friday of March, <b>June</b> , September and <b>December</b> . The rebalancing reference date is after the close of the last business days of February, <b>May</b> , August, and <b>November</b> .

For more information on the methodology, please refer to the methodology document [here](#).

The adjustments will involve a full model reset, meaning the constituent basket will be determined based on cash with no turnover constraint, which may result in a one-time increase in turnover.

## IMPACTED INDEX

Index Name	Index Code
S&P 500 Minimum Volatility Index	SP5MV

## IMPLEMENTATION TIMING

S&P DJI is implementing the previously described methodology changes in conjunction with the September 2025 rebalancing, which is effective after the close on **Friday, September 19, 2025**. The change will first be visible to clients in pro-forma files beginning on **Friday, September 12, 2025**.

For more information about S&P Dow Jones Indices, please visit [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

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