

S&P Dow Jones Indices Announces Changes to the S&P U.S. Indices and S&P DJI's Equity Indices Policies & Practices Methodologies

NEW YORK, Jan. 18, 2018 /PRNewswire/ -- S&P Dow Jones Indices ("S&P DJI") announces updates to the S&P U.S. Indices and S&P DJI's Equity Indices Policies & Practices Methodologies. Effective Monday, January 22, S&P DJI will implement the following methodology changes and clarifications:

1. **Merger Related Investable Weight Factor (IWF) Change.** A merger related IWF change that results in an IWF of 0.96 or greater will be rounded up to 1.00 at the next annual IWF review. Previously, any merger related IWF change resulting in an IWF of 0.96 or greater was rounded to 1.00 on the merger effective date. This change helps minimize turnover in indices.

For U.S. indices, merger related IWF changes will no longer need a minimum threshold for implementation. Previously, any merger related IWF change needed to meet a minimum 5% threshold in order to be implemented.
2. **Tendered Share Lines.** In certain markets, tendered shares may be replaced with a tradable tendered share class on the same stock exchange. S&P DJI will consider replacing the common share line with the tendered share class in indices once a minimum acceptance ratio of 75% has been reached and subject to the announcement of a further acceptance period.
3. **Designated Listing.** For companies with multiple share classes of common stock, S&P DJI will determine the share class having both the highest one-year trading liquidity (as defined by Median Daily Value Traded) and largest float-adjusted market capitalization as the Designated Listing. All other share classes will be referred to as Secondary Listings for index purposes.
4. **Clarification on Multiple Share Class Structures.** Companies are considered to have multiple share class structures (and are therefore ineligible for the S&P Composite 1500) if they have more than one class of common stock on their balance sheet. This includes companies with listed and unlisted share class lines, so called "Up-C" organizational structured companies, so called "UP-REIT" organizational structured companies and companies where all multiple share classes have equal voting rights. Only common shares are considered when determining whether a company has a multiple share class structure. Preferred shares are not considered in the multiple share class structure determination.

Please refer to the S&P U.S. Indices and S&P DJI's Equity Indices Policies and Practices Methodologies for further details.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

ABOUT S&P DOW JONES INDICES

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