S&P Dow Jones Indices Consultation on Treatment of MegaCap Companies - Results

NEW YORK, June 4, 2026 /PRNewswire/ -- S&P Dow Jones Indices ("S&P DJI") conducted aconsultation with market participants on potential changes to the S&P U.S. Indices Methodology and Dow Jones U.S. Total Stock Market Indices Methodology (collectively, the "Relevant Index Families") related to MegaCap companies.

The Index Committee appreciates the market engagement received in connection with this consultation and thanks all respondents for their feedback.

S&P DJI's Index Committee continually monitors market developments to ensure indices meet their stated objectives and considers methodology changes as needed to help ensure its indices continue to do so.

Market consultations are the primary mechanism through which the Index Committee engages with market participants and other stakeholders to seek feedback on whether methodology changes are necessary or appropriate, and to assess potential methodology developments. Consultations also provide an opportunity for any member of the public to submit input. This process is designed to preserve the independence of the Index Committee, effectively mitigate potential conflicts of interest, and help ensure transparency and fairness.

The Index Committee carefully reviews all consultation responses received. However, while all responses are reviewed and considered, the Index Committee is not bound by any comments or information submitted as part of the consultation.

S&P 500, S&P MidCap 400, and S&P SmallCap 600 Results:

Based on S&P DJI's Index Committee review of the markets and after consideration of responses received from a wide range of market participants, **no changes will be made to the eligibility criteria including financial viability screens, seasoning period, or minimum IWF, for the S&P 500, S&P MidCap 400, or S&P SmallCap 600** as a result of the S&P Dow Jones Indices consultation on the treatment of MegaCap companies. Accordingly, there will be no changes to existing methodology for this index family.

S&P DJI determined that exceptions to the financial viability, seasoning, and IWF requirements should not be granted solely based on market capitalization. The decision not to adopt the proposed exceptions preserves core index principles by maintaining consistent application of these key requirements. Although there may be trade-offs between strict adherence to these eligibility requirements and broad representativeness, the current methodology provides substantial market coverage and sector balance. As a result, the indices can continue to meet their stated objectives while preserving their role as representative and investable benchmarks for the U.S. equity market.

The table below summarizes the consultation results.

Proposed	Methodology	
Changes	Current	Result

IPO Seasoning Period to be reduced to six months from 12 months	Initial public offerings should be traded on an eligible exchange for at least 12 months before being considered for addition to an index. Spin-offs or in-specie distributions from existing constituents are not required to have 12 months of trading prior to their inclusion in the S&P Composite 1500. Companies that migrate from an ineligible exchange, emerge from bankruptcy, are newly designated to be domiciled in the U.S. for index purposes by S&P Dow Jones Indices, or convert from an ineligible share or organizational type to an eligible type do not need to trade on an eligible U.S. exchange for 12 months before being considered for addition.	No Change
Investable Weight Factor (IWF) minimum is waived for MegaCap companies	To be eligible for addition, a stock must have an IWF of at least 0.10. Companies passing the total company level market capitalization criteria are also required to 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.	No Change
Financial Viability exception for MegaCap companies	S&P Composite 1500. Generally Accepted Accounting Principles (GAAP) net income from continuing operations must be positive for: o the most recent quarter, and o the sum of the most recent four consecutive quarters Rule Exceptions. Exceptions to the above criteria include: • Migrations from one S&P Composite 1500 index to another do not need to meet the financial viability, liquidity, or 50% of the respective index's total company level minimum market capitalization threshold criteria. • Companies that are spun-off from current S&P Composite 1500 constituents do not need to meet the outside addition criteria • Non-S&P Composite 1500 companies that acquire S&P Composite 1500 index constituents, but do not fully meet all of the eligibility criteria, may still be added to an S&P Composite 1500 index at the discretion of the Index Committee if the merger consideration includes the acquiring company issuing stock to target company shareholders, and the Committee determines that the addition could mitigate turnover and enhance the representativeness of the index as a market benchmark.	No Change

S&P Total Market Index (TMI), S&P Completion Index (CI), and Dow Jones U.S. Total Stock Market Index (TSM)

The S&P Total Market Index (TMI), S&P Completion Index (CI), and Dow Jones U.S. Total Stock Market Index (TSM) are broad market indices intended to represent the investment universe. The following changes will be applied.

Proposed	Methodology

Changes	Current	Result
MegaCap Classification	--	--
Investable Weight Factor (IWF) – S&P Total Market Index	To be eligible for addition, a stock must have an IWF of at least 0.10. Current constituents have no minimum requirement.	To be eligible for addition, a stock must have either: • IWF of at least 0.10, **or** • **Float-adjusted market capitalization greater than or equal to 10% of the total company level market capitalization of the 100th largest company in the S&P Total Market Index, ranked by total market capitalization as of the reference date.** Current constituents have no minimum requirement.
Investable Weight Factor (IWF) – Dow Jones U.S. Total Stock Market Index	To be eligible for addition, a stock must have an IWF of at least 0.10. Current constituents have no minimum requirement.	To be eligible for addition, a stock must have either: • IWF of at least 0.10, **or** • **Float-adjusted market capitalization greater than or equal to 10% of the total company level market capitalization of the 100th largest company in the Dow Jones U.S. Total Stock Market Index, ranked by total market capitalization as of the reference date.** Current constituents have no minimum requirement.

An IPO that meets the requirements of the updated Investable Weight Factor (IWF) eligibility rule is eligible for fast-track entry, provided the company meets all other applicable fast-track criteria as well. Fast-track assessment is made using the closing price on the first day of trading on an eligible exchange. Once S&P Dow Jones Indices announces that an IPO is eligible for fast-track addition, it is added to the index with five business days' lead time. For more information on IPO fast track entry, see the relevant index methodology.

Float Release after the end of IPO Lock-Up Period

Consultation respondents generally supported implementing float increases following the release of lock-up shares gradually, or in tranches where appropriate, depending on company-specific circumstances.

S&P DJI applies the published methodology as the default approach. In accordance with the Index Committee's governance framework, the Index Committee may, in certain circumstances, exercise discretion in the implementation of float increases after the end of the IPO lock-up period to reduce market impact, support replicability, and promote orderly implementation, taking into account company-specific facts, such as size of the index event and timelines.

Any such decision will be communicated in advance where possible.

IMPACTED INDICES

Index Name	Index Code
S&P Total Market Index (TMI)	SPTMI
S&P Completion Index (CI)	SPCMI
Dow Jones U.S. Total Stock Market Index	DWCF

Please note that if a company is included within the above indices, such company may become eligible for derived indices that use the above index as a starting universe. For example, the derived indices include, but are not limited to, size, sector, style, factor, and sustainability indices derived from the impacted indices. Please refer to the individual index methodologies for more information on eligibility and timing.

IMPLEMENTATION TIMING

S&P DJI is implementing the above described methodology changes to the S&P Total Market Index (TMI), S&P Completion Index (CI), and Dow Jones U.S. Total Stock Market Index (TSM) effective prior to the market open on **Monday, June 8, 2026**.

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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