

S&P Dividend Opportunities Indices Consultation

NEW YORK, APRIL 11, 2018: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with members of the investment community on a potential change to the following S&P Dividend Opportunities Indices:

- S&P Emerging Markets Dividend Opportunities Index
- S&P Europe Dividend Opportunities Index
- S&P Global Dividend Opportunities Index
- S&P International Dividend Opportunities Index

In order to reduce overall turnover and retain stocks with relatively high yields within the Selection Universe, S&P DJI is considering expanding the selection buffer for current index constituents. Under this proposal, the selection buffer would expand from current constituents ranked within the top 120 to those within the top 150. The table below presents a comparison of the current and proposed methodologies.

Proposed Change	Methodology	
	Current	Proposed
Constituent Selection	<p>The selection of index constituents is done as follows:</p> <ol style="list-style-type: none"> 1. All stocks in the Selection Universe are sorted by annual Risk-Adjusted Yield (RAY). 2. The top 80 stocks ranked by RAY, are automatically selected for inclusion. 3. Then, all stocks that are current constituents that fall within the top 120 ranking are chosen by order of rank. 4. If at this point the target stock count has not been met, then the remaining stocks are selected based on their overall selection rank until 100 stocks are selected. 	<p>The selection of index constituents is done as follows:</p> <ol style="list-style-type: none"> 1. All stocks in the Selection Universe are sorted by annual Risk-Adjusted Yield (RAY). 2. The top 80 stocks ranked by RAY, are automatically selected for inclusion. 3. Then, all stocks that are current constituents that fall within the top 150 ranking are chosen by order of rank. 4. If at this point the target stock count has not been met, then the remaining stocks are selected based on their overall selection rank until 100 stocks are selected.

IMPACT ANALYSIS

The hypothetical turnover and index yield that would have resulted if the proposed methodology change had been applied at the July 2017 annual reconstitution are detailed below.

Index	Current Methodology		Proposed Methodology	
	Turnover	Index Yield	Turnover	Index Yield
S&P Emerging Market Dividend Opportunities Index	42.59%	4.36%	36.51%	4.44%
S&P Europe Dividend Opportunities Index	37.77%	4.68%	34.77%	4.38%
S&P Global Dividend Opportunities Index	47.05%	3.68%	46.47%	3.99%
S&P International Dividend Opportunities Index	34.09%	4.21%	27.59%	4.32%

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 expand the selection buffer for current index constituents?**
2. **If you agreed with the proposal in question 1 above, which option do you prefer?**
 - **The proposed selection buffer of current constituents ranked within the top 150**
 - **A different current constituent selection buffer (please specify)**
3. **Do you have any other comments or feedback regarding the proposed changes 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. S&P DJI will make responses to consultations freely available upon request.¹ If you do not want your response to be made available, you must clearly state that in your response. Please respond to this survey by **May 10, 2018**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI will consider the issues and may request clarifications from respondents as part of that review. Alternative options to the proposed questions after the deadline require that the consultation be re-opened to the public.

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 index_services@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.

Thank you for taking the time to complete this survey.

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

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 become home to over 1,000,000 indices across the spectrum of asset classes that have helped 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.spdji.com.

FOR MORE INFORMATION:

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¹ Individual and company names as well as contact details will be redacted.

CONSULTATION