

S&P Municipal Yield Index Consultation

NEW YORK, APRIL 12, 2018: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with members of the investment community on potential changes to the S&P Municipal Yield Index.

In order to enhance index tradability while reducing turnover, S&P DJI is considering modifying the following index criteria:

- Dated Date for New Additions
- Minimum Par Amount Outstanding
- Minimum Term

The table below presents a comparison of the current and proposed methodologies.

Proposed Change	Current	Methodology Proposed
Dated Date for New Additions	After December 31, 2010.	Greater than five years prior to the rebalancing date.
Minimum Par Amount Outstanding	At least US\$ 2,000,000.	At least US\$ 5,000,000.
Minimum Term	Greater than one calendar month from the rebalancing date.	Greater than three years from the rebalancing date.

IMPACT ANALYSIS

The hypothetical April 2018 index attributes that would have resulted if the proposed methodology changes had been applied to that month’s rebalancing are detailed below.

Details	Current Methodology	Proposed Methodology	Change	Percentage Change
Constituent Count	51,057	23,750	(27,307)	-53.48%
Market Value ¹	736,971.54	591,451.01	(145,520.53)	-19.75%
Modified Duration	6.5813	7.0179	0.4367	6.63%
Par Amount Outstanding ¹	1,032,935.01	867,258.44	(165,676.57)	-16.04%
Tax Equivalent Yield	6.6054	6.7361	0.1308	
Years to Maturity	18.4150	20.0531	1.6381	8.90%
Yield to Maturity	5.1092	5.1052	(0.0039)	
Yield to Worst	4.2935	4.3785	0.0850	

¹ In millions of U.S. dollars.

IMPLEMENTATION TIMING

Once closed, S&P DJI will review the results of the consultation and determine which changes, if any, will be adopted. At that time, S&P DJI will provide the details of the changes and provide sufficient lead time prior to implementation.

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

1. **Do you agree with the proposed change to the dated date requirement for new additions?**
2. **Do you agree with the proposed change to the minimum par amount outstanding requirement?**
3. **Do you agree with the proposed change to the minimum term requirement?**
4. **Do you have a preference as to when the proposed methodology changes, if adopted, should be implemented (if so, please specify)?**
5. **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.² 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 18, 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.

² Individual and company names as well as contact details will be redacted.

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.

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FOR MORE INFORMATION:

S&P Dow Jones Indices
index_services@spglobal.com