

## Dow Jones Global Indices Consultation on Liquidity Criteria Results

**NEW YORK, JUNE 12, 2018:** S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with members of the investment community on potential changes to the Dow Jones Global Indices.

S&P DJI will change the liquidity requirement to a more robust measure than what is currently in place in order to focus on median liquidity values rather than days traded. This change replaces the current liquidity rule, and applies to all stocks at the annual reconstitution in September, as well as to initial public offerings (IPOs) that may potentially be added at each quarterly rebalancing. All other eligibility requirements remain the same. The table below summarizes the change.

		Methodology	
Change	Previous	Updated	
Liquidity Requirement	<p>Stocks must have fewer than 10 non-trading days over the previous quarter in order to be eligible for inclusion at the annual reconstitution.</p> <p>IPOs must have fewer than 10 non-trading days since the initial listing date in order to be eligible for inclusion at each quarterly rebalancing.</p>	<p>Each stock must meet two separate liquidity criteria to be considered eligible for inclusion:</p> <ul style="list-style-type: none"> <li> <b>12-Month Median Value Traded Ratio (MVTR).</b> Stocks must have a MVTR of at least 10% for Emerging Markets or 20% for Developed Markets.<sup>1</sup> <p>Current constituents remain eligible if they have a MVTR of at least 7% for Emerging Markets or 14% for Developed Markets.</p> </li> <li> <b>6-Month Median Daily Value Traded (MDVT).</b> Stocks must have a MDVT over the six months prior to the rebalancing reference date of at least US\$ 100,000 for Emerging Markets or US\$ 250,000 for Developed Markets.<sup>2</sup> <p>Current constituents remain eligible if they have a MDVT of at least US\$ 70,000 for Emerging Markets or US\$ 175,000 for Developed Markets.</p> </li> </ul>	

This change will become effective prior to the market open on Monday, August 1, 2018, in conjunction with the September 2018 annual index reconstitution.

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<sup>1</sup> This ratio is calculated by taking the median daily value traded amount for each of the 12 months preceding the rebalancing reference date, multiplying the amount by the number of days that the stock traded during that month, and then dividing by its end-of-month float-adjusted market capitalization. The sum of the 12 monthly values is the MVTR for that stock. If a stock has traded for less than 12 months, the average of the available monthly values is taken and multiplied by 12.

<sup>2</sup> If a stock has traded for less than six months, the median daily value traded amount is used for as long as the stock has been trading.

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