

S&P Euro and UK High Yield Dividend Aristocrats Index Consultation on Dividend Cuts Results

LONDON, JULY 20, 2018: S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with members of the investment community on potential changes to the S&P Euro and UK High Yield Dividend Aristocrats Indices.

S&P DJI will review constituent stocks on a monthly basis for dividend cuts. Constituent stocks may, at the discretion of the Index Committee, be removed effective prior to the open of the first business day of the following month if the constituent company lowers but does not eliminate its dividend, and its new yield is significantly lower than the lowest yielding constituent. The table below summarizes the changes.

		Methodology	
Change	Previous	Updated	
Monthly Dividend Review	<p>S&P DJI reviews index constituents for dividend omissions on a monthly basis. If a constituent stock publicly announces a suspension or cancellation of its dividend program, it is removed from the index effective prior to the open of the first business day of the following month.</p> <p>Replacement stocks are added to the index at the same time, effective prior to the open of the first business day of the following month and will enter the index at the same weight as the dropped stock. The replacement stock is the highest ranked eligible non-constituent using data as of the reference date of the latest annual reconstitution.</p>	<p>S&P DJI reviews index constituents for dividend omissions on a monthly basis. If a constituent stock publicly announces a suspension or cancellation of its dividend program, it is removed from the index effective prior to the open of the first business day of the following month.</p> <p>In addition, constituent stocks are reviewed on a monthly basis for dividend cuts. Constituent stocks may, at the discretion of the Index Committee, be removed effective prior to the open of the first business day of the following month if the constituent company lowers but does not eliminate its dividend, its new yield is significantly lower than the lowest yielding constituent, and the Index Committee determines based on current information that the company will not qualify for inclusion at the next rebalancing.</p> <p>Replacement stocks are added to the index at the same time, effective prior to the open of the first business day of the following month and will enter the index at the same weight as the dropped stock. The replacement stock is the highest ranked eligible non-constituent using data as of the last business day of the previous month.</p>	

These changes will become effective prior to the market open on Wednesday, August 1, 2018.

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

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