

S&P Preferred Stock Indices Consultation Results on Constituent Weighting

NEW YORK, SEPTEMBER 21, 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 Preferred Stock Indices.

In order to establish a buffer for adherence to the U.S. Securities and Exchange Commission (“SEC”) continuous listing standards, S&P DJI will modify the indices’ constituent weighting scheme by applying an additional weight limit for preferred stocks with low liquidity. The table below summarizes the changes.

Index	Change	Methodology	
		Previous	Updated
S&P U.S. Preferred Stock Index	Constituent Weighting	Capped market capitalization weighted with a 10% issuer cap. No weight limit for preferred stocks with low liquidity.	Capped market capitalization weighted with a 10% issuer cap. In addition, the weight of preferred stocks with trading volumes of less than 250,000 shares per month on average over the previous six months must not exceed 25% of the index.
S&P International Preferred Stock Index	Constituent Weighting	Capped market capitalization weighted with a 10% issuer and 4% issue caps. No weight limit for preferred stocks with low liquidity.	Capped market capitalization weighted with 10% issuer and 4% issue caps. In addition, the weight of preferred stocks with trading volumes of less than 250,000 shares per month on average over the previous six months must not exceed 25% of the index.

These changes will become effective prior to the market open on Monday, October 22, 2018, in conjunction with the quarterly rebalancing.

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

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