

S&P California and New York AMT-Free Municipal Bond Indices Consultation

NEW YORK, OCTOBER 24, 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 California AMT-Free Municipal Bond Index and S&P New York AMT-Free Municipal Bond Index.

In order to enlarge the universe of eligible securities to enhance diversification within the index, S&P DJI is proposing to reduce the minimum par amount required for index eligibility for each index. In addition, S&P DJI is proposing to reduce the deal size required for index eligibility for the S&P New York AMT-Free Municipal Bond Index. The table below summarizes the proposed changes.

Index	Proposed Change	Methodology	
		Current	Proposed
S&P California AMT-Free Municipal Bond Index	Minimum Par Amount	A bond must have a par amount of at least US\$ 25 million in order to be eligible for index inclusion.	A bond must have a par amount of at least US\$ 15 million in order to be eligible for index inclusion.
S&P New York AMT-Free Municipal Bond Index	Minimum Par Amount	A bond must have a par amount of at least US\$ 25 million in order to be eligible for index inclusion.	A bond must have a par amount of at least US\$ 5 million in order to be eligible for index inclusion.
	Deal Size	A bond must be a constituent of a deal where the deal’s original offering amount was at least US\$ 100 million.	A bond must be a constituent of a deal where the deal’s original offering amount was at least US\$ 20 million.

IMPACT ANALYSIS

The following tables show the hypothetical index attributes that would have resulted had the proposed changes been applied to the most recent index rebalancing, effective prior to the market open on October 1, 2018.

S&P California AMT-Free Municipal Bond Index				
Attribute	Current Methodology (Actual)	Proposed Methodology (Hypothetical)	Difference	% Change
Constituent Count	2,138	3,248	1,110	51.92%
Market Value	149,009,402,851.46	173,479,028,205.96	24,469,625,355	16.42%
Par Amount	143,548,805,200.44	165,745,278,954.15	22,196,473,754	15.46%
Yield-to-Maturity	3.3859	3.3418	-0.0441	
Yield-to-Worst	2.5548	2.5307	-0.0241	
Modified Duration	4.9975	4.9768	-0.0207	
Years-to-Maturity	13.8316	13.3400	-0.4916	

S&P New York AMT-Free Municipal Bond Index				
Attribute	Current Methodology (Actual)	Proposed Methodology (Hypothetical)	Difference	% Change
Constituent Count	2,468	6,486	4,018	162.80%
Market Value	158,573,570,588.71	212,682,763,746.25	54,109,193,158	34.12%
Par Amount	145,223,572,204.23	194,980,314,529.30	49,756,742,325	34.26%
Yield-to-Maturity	3.4621	3.3637	-0.0984	
Yield-to-Worst	2.7135	2.6850	-0.0285	
Modified Duration	4.7190	4.7209	0.0019	
Years-to-Maturity	13.6684	12.6619	-1.0065	

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 reduce the minimum par amount required for index eligibility for the S&P California AMT-Free Municipal Bond Index?
2. Do you agree with the proposal to reduce the minimum par amount required for index eligibility for the S&P New York AMT-Free Municipal Bond Index?
3. Do you agree with the proposal to reduce the deal size required for index eligibility for the S&P New York AMT-Free Municipal Bond Index?
4. 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 **November 22, 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.

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

CONSULTATION

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:

S&P Dow Jones Indices
index_services@spglobal.com