

## S&P Select Frontier Index Consultation

**NEW YORK, DECEMBER 6, 2018:** S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with members of the investment community on a potential change to the S&P Select Frontier Index.

In order to enhance index liquidity, S&P DJI is proposing to modify the liquidity screen to utilize three-month median daily value traded (“3M MDVT”) instead of three-month average daily value traded (“3M ADVT”). The table below summarizes the proposed change.

Change	Methodology	
	Current	Proposed
Liquidity Screen	All stocks with a 3M ADVT of less than US\$ 1 million, as of the reference date, are removed (US\$ 750,000 for current constituents).	All stocks with a 3M MDVT of less than US\$ 1 million, as of the reference date, are removed (US\$ 750,000 for current constituents).

### IMPACT ANALYSIS

The table below shows the actual index turnover as well as the hypothetical turnover had the proposed methodology change been applied to the two most recent index rebalancings.

Rebalancing	Turnover	
	Actual (3M ADVT)	Hypothetical (3M MDVT)
October 2018	6.15%	8.59%
April 2018	8.75%	5.77%

### 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 modify the liquidity screen to utilize 3M MDVT instead of 3M ADVT?**
- 2. If you do not agree with the proposal in question 1 above, what is your rationale?**
- 3. Do you have any other comments or feedback regarding the proposed change 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.<sup>1</sup> 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 **January 4, 2019**. 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

<sup>1</sup> Individual and company names as well as contact details will be redacted.

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](mailto: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](http://www.spdji.com).

## 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<sup>®</sup> and the Dow Jones Industrial Average<sup>®</sup>. 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 been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

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