

## S&P Global Dividend Aristocrats Index Consultation on Constituent Weighting

**NEW YORK, FEBRUARY 11, 2019:** 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 Global Dividend Aristocrats Index.

In order to better align the index’s regional weights with the starting universe, S&P DJI is considering adding a regional weight cap to the index’s constituent weighting scheme as detailed in the table below.

Change	Methodology	
	Current	Proposed
Constituent Weighting	In order to achieve a relatively high dividend yield, index constituents are weighted by indicated annual dividend yield. At each rebalancing, the weight for each index constituent is capped at 3%, and the weight of each country and Global Industry Classification Standard (GICS®) Sector is capped at 25%, respectively.	In order to achieve a relatively high dividend yield, index constituents are weighted by indicated annual dividend yield. At each rebalancing, the weight for each index constituent is capped at 3%, and the weight of each country and Global Industry Classification Standard (GICS®) Sector is capped at 25%, respectively. Additionally, the weight of each region <sup>1</sup> is capped at 5% above its regional weight within the S&P Global BMI.

For more information on the S&P Global Dividend Aristocrats Index, please refer to the S&P Global Dividend Aristocrats Index Methodology available [here](#).

### IMPACT ANALYSIS

The table below show the actual one-way turnover and index yield of the S&P Global Dividend Aristocrats Index, as well as the hypothetical index attributes that would have resulted had the proposed regional weight cap been applied at the most recent index rebalancing, effective prior to the market open on February 1, 2019.

Scenario	One-Way Turnover and Index Yield	
	One-Way Turnover	Post-Rebalancing Yield
Actual	42.30%	5.34%
Hypothetical	47.35%	5.33%

### IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology change, if adopted, prior to the market open on Thursday, August 1, 2019, in conjunction with the index’s next rebalancing.

<sup>1</sup> The six S&P Global BMI regions that would be used for weight capping purposes under this proposal are Asia-Pacific Developed, Asia-Pacific Emerging, EMEA Developed, EMEA Emerging, Latin America, and North America.

## 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 implement a regional capping requirement whereby the weight for each region is capped at 5% above its regional weight within the S&P Global BMI?**
2. **If you disagree with the proposal, do you support adjusting the proposed regional capping requirement to a threshold other than 5% above its regional weight in S&P Global BMI?**
3. **Should the proposed change be adopted, do you agree with the proposed implementation date?**
4. **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>2</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 **March 12, 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 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).

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<sup>2</sup> Individual and company names as well as contact details will be redacted.

## 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.

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

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