

S&P Dow Jones Indices Consultation on Fast Track Entry of IPOs in Certain Headline Index Families

NEW YORK, MARCH 11, 2019: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with members of the investment community on potential changes to certain headline index families.

S&P DJI is considering adding large initial public offerings (“IPOs”) to the S&P Global Broad Market Index (“SPBMI”), S&P Total Market Index (“SPTMI”), and Dow Jones U.S. Total Stock Market Index (“DJTSM”), and their related sub-indices, on a “fast track” basis in order to take advantage of heightened liquidity opportunities generally afforded by IPOs.

Under this proposal, only newly public IPOs and direct placement listings would be considered eligible for fast track entry. Formerly bankrupt companies that switch from Over-the-Counter Exchange (“OTC”) or a non-covered exchange to a S&P DJI covered exchange would be ineligible. Fast track IPO additions would be required to meet a minimum float-adjusted market capitalization (“FMC”) threshold calculated using the closing price on the first day of trading on an eligible exchange. The IPO would need to meet all other index eligibility rules except for the liquidity requirement, and would be added only following an announcement by S&P DJI confirming that the IPO is eligible for fast track entry. Please refer to Appendix I for 2018 IPO statistics. For clarity, the table below summarizes the proposed changes.

Fast Track IPO Additions		
Index Families	Methodology	
	Current	Proposed
SPBMI	To allow for the immediate inclusion or “fast track” of significantly sized IPOs, the IPO must be among the top five companies within its country based on its estimated FMC.	To allow for the immediate inclusion or “fast-track” of significantly sized IPOs, the IPO must meet a minimum FMC threshold (e.g. <i>US\$ 2 billion or US\$ 1 billion</i>) as measured using the closing price on the first day of trading.
SPTMI and DJTSM	--	To allow for the immediate inclusion or “fast-track” of significantly sized IPOs, the IPO must meet a minimum FMC threshold (e.g. <i>US\$ 2 billion or US\$1 billion</i>) as measured using the closing price on the first day of trading.

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

- Do you agree with the proposed change to the criteria for fast track IPO additions in the SPBMI?**
 - Yes
 - No

- 2. If the proposed criteria for fast track IPO additions is adopted for the SPBMI, where should the minimum FMC threshold be set for fast track additions?**
 - US\$ 2 billion FMC as measured using the closing price on the first day of trading
 - US\$ 1 billion FMC as measured using the closing price on the first day of trading
 - Other (please specify)
- 3. Do you agree with the proposed establishment of criteria for fast track IPO additions in the SPTMI?**
 - Yes
 - No
- 4. Do you agree with the proposed establishment of criteria for fast track IPO additions in the DJTSM?**
 - Yes
 - No
- 5. If the proposed criteria for fast track IPO additions is adopted for the SPTMI and DJTSM, where should the minimum FMC threshold be set for fast track IPO additions?**
 - US\$ 2 billion FMC as measured using the closing price on the first day of trading
 - US\$ 1 billion FMC as measured using the closing price on the first day of trading
 - Other (please specify)
- 6. If the proposed criteria for fast track IPO additions is adopted, S&P DJI will verify that the fast track conditions have been met after the close on the first day of trading. How much lead time should be provided to clients after S&P DJI announces that the IPO is eligible for fast track addition?**
 - Five business days lead time
 - 10 business days lead time
 - Other (please specify)
- 7. 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 **April 9, 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.

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

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.

APPENDIX I

The table below shows the total number of IPOs (“#”) as well as the total U.S. dollar amount issued in FMC (“Issued”).

2018 IPOs										
	Global		U.S.		Developed (ex U.S.)		Emerging		Frontier	
	#	Issued	#	Issued	#	Issued	#	Issued	#	Issued
Total IPOs	1187	\$219,478,821,516	194	\$44,338,240,331	685	\$96,186,675,524	297	\$75,327,961,731	11	\$3,395,402,009
IPOs with stock level FMC >=\$2 billion	13	\$69,616,930,885	2	\$5,056,065,000	5	\$39,356,157,299	6	\$25,204,708,586	0	\$ 0
IPOs with stock level FMC >=\$1 billion	37	\$97,495,653,325	5	\$8,683,650,000	16	\$54,297,878,494	14	\$32,347,441,910	2	\$2,166,682,921

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 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.

FOR MORE INFORMATION:

S&P Dow Jones Indices
index_services@spglobal.com