S&P Dow Jones Indices

S&P Global

S&P Dividend Opportunities Indices Methodology Changes

New York, NY, November 7, 2016: 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 Dividend Opportunities Indices:

As a result, the following changes will be made to the methodology:

1. Beginning in July 2017, the indices will be rebalanced annually after the close of trading on the last business day of July, with a secondary review in January. The reference date for the annual rebalance is the last business day of June. The secondary review in January will be used to remove any constituents that have eliminated their dividend and to perform a full reweighting of the constituents. The secondary review will be effective after the close of trading on the last business day of January. The reference date for dividend yields for the secondary review is the last business day of December.

   Additionally, as a result of the postponement of the July 2016 rebalance, there will be a one-time rebalance using the new rules outlined in this announcement which will be implemented after the close of trading on **Tuesday, January 31, 2017** using a reference date as of the last business day of December.

   The rebalance schedule changes and one-time rebalance in January 2017 will affect all of the S&P Dividend Opportunities indices:

   - S&P Access China A Dividend Opportunities Index
   - S&P China A Share Dividend Opportunities Index
   - S&P Ethical Pan Asia Select Dividend Opportunities Index
   - S&P Emerging Markets Dividend Opportunities Index
   - S&P Europe Dividend Opportunities Index
   - S&P Global Dividend Opportunities Index
   - S&P International Dividend Opportunities Index
   - S&P Korea Dividend Opportunities Index
   - S&P Pan Asia Select Dividend Opportunities Index
   - S&P/ASX Dividend Opportunities Index

2. Effective immediately, S&P DJI has announced changes to index eligibility and selection:

Market Capitalization (impacts the Europe, Global, and International Indices):

	New	Current
Minimum Market Capitalization	Float-Adjusted Market Cap: $500 million	Total Market Cap: $1 billion Float-Adjusted Market Cap: $600 million (Developed), $300 million (Emerging)

Liquidity (impacts the Emerging, Europe, Global, and International Indices):

	New	Current
Minimum Value Traded	3-month Median Daily Value Traded: $5 million ($1 million for the Emerging Index)	3-month Average Daily Value Traded: $5 million ($1 million for the Emerging Index)

Stability Criteria (impacts the Emerging, Europe, Global, and International Indices):

	New	Current
Earnings Growth	N/A	Stocks must have a positive, 3-year earnings growth.
Dividend Growth	Stocks must have stable or increasing 3-year dividend growth	N/A
Dividend Coverage Ratio	The ratio of a stock's Funds From Operations (FFO) Per Share to its Dividend-Per-Share (DPS) must be greater than 100%.	N/A
Dividend Yield	Dividend Yield must be greater than the median yield in the eligible universe consisting of stocks that passed all other Investability and Stability Criteria.	N/A

Constituent Selection (impacts the Emerging, Europe, Global, and International Indices):

The new selection process for index constituents is as follows:

1. All stocks in the selection universe are sorted by annual risk-adjusted yield (RAY). This is calculated as dividend yield divided by the volatility of the previous monthly dividend yields over the prior 36-month period as of the rebalancing reference date (previously, ranking was based on 12-month trailing dividend yield).

2. The top 80 stocks ranked by RAY are automatically selected for inclusion.

3. All stocks that are current constituents that fall within the top 120 stocks are chosen by order of rank. The selection allows for a 20% buffer based on count in order to retain current constituents that continue to be highly ranked. These indices have 100 stocks at rebalancing and as a result use a buffer of 120 stocks.

4. If at this point the target stock count has not been met, then the remaining stocks are selected based on their overall selection rank until 100 stocks are selected.

Constituent Capping (impacts the Emerging, Europe, Global, and International Indices):

Index	Stock Weight	GICS Sector Weight	Country Weight	Emerging Market Weight	Other Criteria
S&P Global Dividend Opportunities Index	3%	Minimum of 25% or 2x the Sector Weight in S&P Global BMI (previously capped at 25% only)	Maximum of 25% or Country Weight in S&P Global BMI (previously capped at 25% only)	N/A (previously capped at 15%)	The minimum initial portfolio size that can be turned over in a single day (based on its three month median daily value traded) cannot be lower than US$ 375 million (previously used average daily value traded) The combined weight of all trusts, including real estate income trusts, is less than 10%
S&P Emerging Markets Dividend Opportunities Index	3%	25%	25%		The minimum initial portfolio size that can be turned over in a single day (based on its three month median daily value traded) cannot be lower than US$ 750 million (previously used average daily value traded) The combined weight of all trusts, including real estate income trusts, is less than 10% (previously did not have a cap on trusts)
S&P International Dividend Opportunities Index	3%	25%	25%	15%	The minimum initial portfolio size that can be turned over in a single day (based on its three month median daily value traded) cannot be lower than US$ 1 billion (previously used average daily value traded) The combined weight of all trusts, including real estate income trusts, is less than 10%
S&P Europe Dividend Opportunities Index	3%	25%	25%		The combined weight of all trusts, including real estate income trusts, is less than 10% (previously did not have a cap on trusts)

Please note that as a result of this consultation, there will be no rule changes to the following indices (with the exception of the rebalancing schedule change):

- S&P Access China A Dividend Opportunities Index
- S&P China A Share Dividend Opportunities Index
- S&P Ethical Pan Asia Select Dividend Opportunities Index
- S&P Korea Dividend Opportunities Index
- S&P Pan Asia Select Dividend Opportunities Index
- S&P/ASX Dividend Opportunities Index

Please note S&P Dow Jones Indices has made applicable changes to the S&P Dividend Opportunities Indices methodology. For more information, please visit **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® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than based on any other provider in the world. With over 1,000,000 indices and more than 120 years of experience constructing innovative and transparent solutions, S&P Dow Jones Indices defines 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.

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