

S&P Access Hong Kong Low Volatility High Dividend Index Consultation

BEIJING, MARCH 2, 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 Access Hong Kong Low Volatility High Dividend Index.

In order to enhance index tradability while reducing turnover, S&P DJI is proposing to increase the index’s liquidity requirement while establishing a buffer for current constituents. Under this proposal, S&P DJI would increase the minimum three-month average daily value traded required for index eligibility from HKD 10 million to HKD 25 million. In conjunction with this change, S&P DJI would also establish a buffer so that current index constituents with a three-month average daily value traded of at least HKD 20 million would continue to satisfy the liquidity criterion.

IMPACT ANALYSIS

The estimated one-way turnover and index yield that would have resulted if the proposed methodology changes had been applied at the January 2018 rebalancing are detailed below.

Methodology	Liquidity Threshold	Buffer	Turnover	Index Yield
Current	HKD 10 million	--	24.02%	4.93%
Proposed	HKD 25 million	HKD 20 million	29.09%	4.84%

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 increase the liquidity requirement and add a buffer for current constituents?**
- 2. If you agreed with the proposal in question 1 above, which option do you prefer?**
 - **The proposed liquidity threshold of HKD 25 million and buffer of HKD 20 million**
 - **A different liquidity threshold and buffer (please specify)**
- 3. 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 provide responses to consultations on our website after the consultation results have been announced.¹ If you do not want your response to be published, you must clearly state that in your response. Please respond to this survey by **April 2, 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

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

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 and is under no 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.

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.

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