

S&P/JPX Dividend Aristocrats Index Consultation on Constituent Selection Results

TOKYO, JUNE 21, 2019: S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with members of the investment community on a potential change to the constituent selection process of the S&P/JPX Dividend Aristocrats Index.

In order to reduce index turnover while maintaining a high index dividend yield, S&P DJI will introduce a 20-stock buffer to the constituent selection process. The table below summarizes the change.

Methodology		
Change	Previous	Updated
Constituent Selection Process	Stocks in the Selection Universe are ranked based on their 12-month trailing dividend yields as of the rebalancing reference date and the 50 stocks with the highest 12-month trailing dividend yields are selected for index inclusion.	<p>Stocks in the Selection Universe are ranked based on their 12-month trailing dividend yields as of the rebalancing reference date. The 50 stocks with the highest 12-month trailing dividend yields are selected for index inclusion, subject to a 20-stock buffer as follows:</p> <ol style="list-style-type: none"> 1. Stocks in the Selection Universe are ranked in descending order by trailing dividend yield. All stocks ranked among the top 30 are added to the index automatically. 2. All current constituents that are among the top 70 stocks are included in rank order until the target stock count has been reached. 3. If, following Step 2, the target stock count has not been reached; non-constituent stocks not already selected are added to the index in rank order until the target stock count has been reached.

This change will become effective prior to the market open on **Thursday, August 1, 2019**, in conjunction with the next annual reconstitution.

Please note the index methodology on S&P DJI’s website is being updated to reflect this change.

For more information about S&P DJI, please visit www.spdji.com.

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